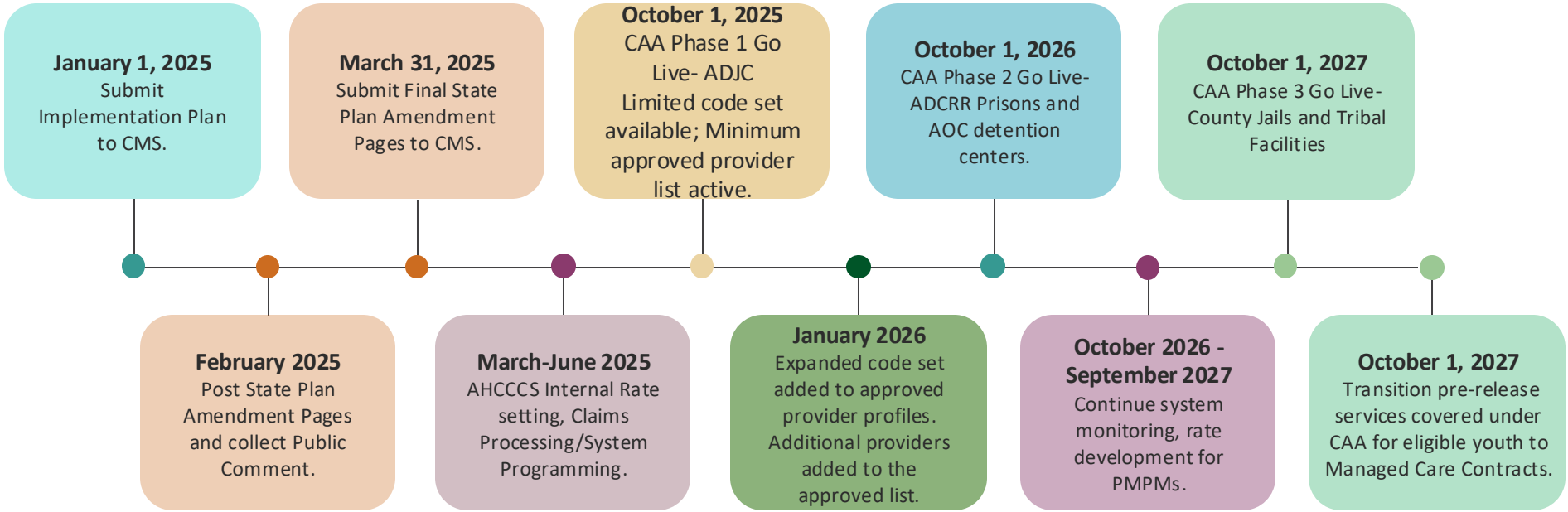
ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

Consolidated Appropriations Act (CAA) Provider Training
October 30, 2025

AHCCCS CAA Implementation Plan Timeline



Purpose of a Phased implementation

- This phased-in approach will allow both AHCCCS and carceral settings to implement initial policy and procedure, evaluate the effectiveness of the policy and procedure, and then update accordingly to inform future phases of implementation
- Each phase provides an opportunity to assess operational challenges, gather feedback from stakeholders, and make data-informed adjustments to improve policy and/or procedural effectiveness before scaling to the next phase and broader populations

Purpose of Fee for Service (FFS) claims processing during the 2-year phase implementation

- Starting with a FFS reimbursement methodology will allow AHCCCS to develop the infrastructure needed to eventually switch to a Managed Care model utilizing capitation payments.
- AHCCCS anticipates capitation through MCOs will begin October 1, 2027, once at least two years of data is available in order for actuaries to analyze and set rates.
    - AHCCCS will create additional contractual requirements for AHCCCS contracted health plans to ensure an adequate network of pre-release service providers who will be responsible for targeted case management and transition planning for incarcerated members. These requirements cannot be added to the contract until capitation rates are adjusted to include this coverage.

Identifying Eligible Youth – Carceral Facility

- Eligible Youth is defined by CMS as:
  - Under 21 years of age and eligible for any Medicaid eligibility group OR mandatory eligibility as Former Foster Care Youth age 18 up to age 26
  - Immediately before becoming an inmate of a public institution or while an inmate of a public institution
  - If youth are not enrolled in AHCCCS at time of incarceration and eligible for CAA, the carceral settings have personnel that can assist with completing an application for AHCCCS.
    - Leveraging the existing Community Assistor program.

Suspended Eligibility Status

- Upon incarceration a member's eligibility is "suspended" into a no pay status (CTYPYI) throughout their incarceration
- Up to 30 days prior to release, approved service codes will be initiated and covered. This will allow the approved community providers to bill for services rendered.
- CMS recognizes the unpredictable nature of juveniles release timelines and allows flexibility in this 30 days prior to release to accommodate these variations.

AHCCCS CAA Phase 1 Pre-release Reimbursement Codes for 10/1/25 through 12/31/25

- T1017 – Targeted Case Management
- H0001 – Alcohol and/or Drug Assessment
- H0031 – Mental Health Assessment by non- physician
- 90791 – Psychiatric Diagnostic Evaluation
- 90792 – Psychiatric Diagnostic Evaluation w/ medical services

AHCCCS CAA Phase 1 Pre-release Reimbursement Codes beginning early 2026 (date TBD)

Beginning in early 2026, additional codes to support expanded pre-release services under the CAA initiative.

- Focus on medical evaluation, re-evaluation, and examination.
- Designed to meet Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requirements.
- Codes: 98000-98015, 99202-99205, 99211-99215, 99242-99245, 99381-99395

Future Use: These codes will be used more frequently in later phases of CAA implementation as services expand to additional carceral settings.

T1017 – Targeted Case Management (TCM)

Targeted Case Management is conducted by approved providers while the eligible youth remain incarcerated.

- Coordinate with family, legal guardian, caregivers.
- Conduct intake and comprehensive assessment.
- Develop of individual service plans.
- Refer and coordinate medically necessary services as determined by the comprehensive assessment.
- Collaborate with the carceral settings and health plans

Approved Provider List

- The 10/1/2025 approved provider list was kept intentionally small. This approach was necessary to:
  - Minimize provider burden/impact as potential claims processing and member access while in a carceral setting are identified and worked through.
  - Minimize number of providers submitting claims through the special handling process while a faster claims processing solution was developed
  - Minimize risk of intentional and unintentional provider misuse of CAA covered billing codes during a members suspension period.

- AHCCCS will add additional providers to the Approved list beginning in January of 2026.
  - Provider types will be limited to 77's, IC's, C2's, IHS/638 and
  - New providers will be added based on community/county level needs

MCO/AHCCCS DFSM Notification of Incarcerated Members

- Carceral settings that send an automated booking/release file to AHCCCS
    - AHCCCS conducts a systemic match to see if the member is known to the AHCCCS system.

- AHCCCS sends a disenrollment transaction to the health plan via the 834 file with the new health plan being identified as CTYPRI and identifies the carceral setting the member was booked into.
- For carceral settings that send an automated booking and release file to AHCCCS – once AHCCCS is notified that the member is released, they are re-enrolled into the MCO prior to incarceration. This triggers an 834 file to MCO informing them of the member's release.

Initiating the Process

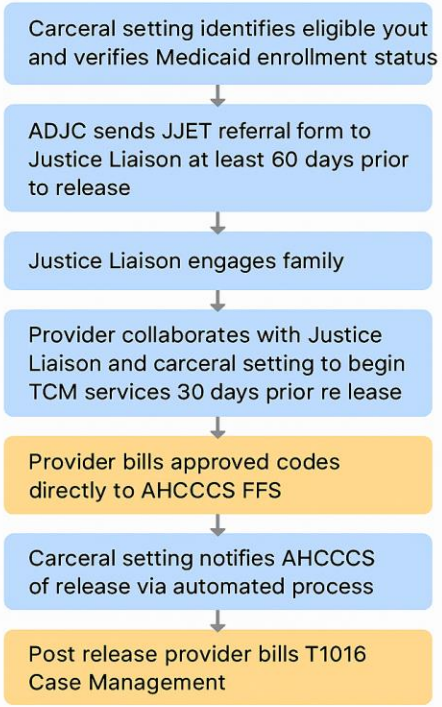
- During Phase One, ADJC will complete a Juvenile Justice Engagement Referral (JJET) form (JJET) at least 60 days in advance of the youth's anticipated release and submit to the Justice Liaison at the MCO or AHCCCS DFSM (for AIHP members) to initiate the coordination process
- Justice Liaisons will engage and coordinate with family to make a referral to a provider on the Approved Provider List.
- Once the providers receive the referral and the youth is within up to 30 days prior to release, they will collaborate with the health plan and the carceral setting to begin Targeted Case Management services.

MCO and AHCCS DFSM Coordination/Responsibilities

- Review and acknowledge receipt with sender; ask questions as necessary
- Engage and coordinate with family/caretaker/guardian (as appliable to each member) to which provider on the Approved Provider List that they prefer their referral be sent
- Coordinate CAA services with the approved provider to begin within 30 days pre-release
- Engage in coordination efforts between provider and carceral setting

Process Flow

Flow Chart



Questions Received:

Q: What happens if the eligible youth turns 18 while incarcerated?

A: According to CMS, an eligible youth is defined as someone who is *under 21 years of age and qualifies for any Medicaid eligibility group*, or as a *former foster care youth between the ages of 18 and 26*. Eligibility applies if the individual was either eligible immediately before entering a public institution or while currently incarcerated.

Q: What if the release date is extended past 30 days?

A: CMS understands that juvenile release dates can be unpredictable. To accommodate this, they allow flexibility in applying the 30-day pre-release window. If a youth's release is delayed, services provided during the original 30-day period will still be covered. Providers must ensure documentation reflects any changes in the release timeline.

Q: As it related to assessments and service plans, who is the guardian?

A: The Consolidated Appropriations Act (CAA) does not change the definition of a guardian. Existing definitions and procedures remain in place for identifying and working with a youth's legal guardian during assessments and service planning.

Q: Providers have to complete an assessment in their E.H.R. to develop the service plan, a scanned document from ADJC will be ok as a referral, but providers still need to obtain ROIs prior to services.

A: Yes, obtaining Release of Information (ROI) forms is a required part of Targeted Case Management. The reimbursement rate for billing code T1017 accounts for the time case managers spend obtaining these authorizations.

Contact information

- AHCCCS Justice General email: justice@azahcccs.gov
- Alissa Williams, AHCCCS Justice Initiatives Administrator: alissa.williams@azahcccs.gov
- Andrea Lustfield, AHCCCS Deputy Assistant Director of Behavioral Health: andrea.lustfield@azahcccs.gov
- AHCCCS Justice Financial/Suspension Support team: mcdujustice@azahcccs.gov
- AHCCCS Division of Fee for Service Management (DFSM) Justice Contacts: Cheryl Begay, Integrated Services Specialist: cheryl.begay@azahcccs.gov / Toni Tapia, Integrated Services Administrator: toni.tapia@azahcccs.gov / Leslie Short, Deputy Assistant Director of DFSM: leslie.short@azahcccs.gov

- For technical assistance regarding billing and claims submission, please submit a ticket through ServiceNow.

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THANK YOU!