



# State Medicaid Advisory Committee (SMAC)

Wednesday, February 7, 2018

AHCCCS

Gold Room - 3rd Floor

701 E. Jefferson Street

1 p.m. – 3 p.m.

## Agenda

|   |                         |
|---|-------------------------|
| I. Welcome  | Director Thomas Betlach |
| II. Introductions of Members                      | ALL                     |
| III. Approval of October 11, 2017 meeting summary | ALL                     |

## Agency Updates

|  |                      |
|--|----------------------|
| IV. Arizona's 1115 waiver amendment request<br>Legislative Updates | Liz Lorenz           |
| V. AHCCCS Complete Care  | Director Tom Betlach |
| VI. AHCCCS Update-<br>Budget<br>Kids Care Federal Level            | Director Tom Betlach |
| VII. Call to the Public  | Director Tom Betlach |
| VIII. Adjourn at 3:00 p.m.   | ALL                  |

## \*2018 SMAC Meetings

Per SMAC Bylaws, meetings are to be held the 2nd Wednesday of January, April, July and October.

**\*\*Unfortunately due to scheduling conflicts the meeting dates have changed\*\***

All meetings will be held from 1 p.m.- 3 p.m. unless otherwise announced at the AHCCCS Administration  
701 E. Jefferson, Phoenix, AZ 85034, 3rd Floor in the Gold Room:

**February 7, 2018**

**May 9, 2018**

**August 8, 2018**

**October 17, 2018**

For more information or assistance, please contact Yisel Sanchez at (602) 364-4577 or [yisel.sanchez@azahcccs.gov](mailto:yisel.sanchez@azahcccs.gov)

# **October 2017 Meeting Summary**

**State Medicaid Advisory Committee (SMAC) Meeting Summary**  
**Wednesday, October 11, 2017, AHCCCS, 701 E. Jefferson, Gold Room**  
**1:00 p.m. – 3:00 p.m.**

|  |   |
|--|---|
| <b>Members in attendance:</b><br>Tom Betlach<br>Sheila Sjolander for Cara Christ<br>Tara McCollum Plese<br>Kevin Earle<br>Kathleen Collins Pagels<br>Amanda Aguirre<br>Kim VanPelt   | Marcus Johnson<br>Leonard Kirschner<br>Steve Jennings<br>Joyce Millard Hoie (phone)<br>Vernice Sampson<br>Gina Judy<br>Phil Pangrazio   |
| <b>Members Absent:</b> Kathy Waite, Peggy Stemmler, Nic Danger, Daniel Haley, Greg Ensell, Frank Scarpati,   |   |
| <b>Staff and public in attendance:</b><br>Yisel Sanchez, HRC Coordinator, AHCCCS<br>Dana Hearn, Assistant Director, AHCCCS<br>Christine Farley, Progenity<br>James Kotusky, Gilead<br>Kim Sammon, Progenity<br>Ryan Ouimette, AZAHP<br>Joe Fu, FTF<br>Elena Rodriguez, RCFBH | Coleen Fong, Gilead<br>Pele Fisher, ARMA<br>Jakenna Lebsock, AHCCCS<br>Lindsey Irelan, AHCCCS<br>Camille Kerr, Amgen<br>Jane Stephen, Allergan<br>Shirley Gunther, Dignity Health<br>Jennifer Carusetta, HSAA<br>Bonnie Talakte, AHCCCS |

**AGENDA**

- |             |  |                    |
|-------------|--|--------------------|
| <b>I.</b>   | <b>Welcome &amp; Introductions</b>                       | <b>Tom Betlach</b> |
| <b>II.</b>  | <b>Introductions of Members</b>                          | <b>All</b>         |
| <b>III.</b> | <b>Approval of July 12, 2017 Meeting Summary/Minutes</b> | <b>Unanimous</b>   |

**AGENCY UPDATES**

- |            |  |                   |
|------------|--|-------------------|
| <b>IV.</b> | <b>RFP for AHCCCS Complete Care Update and SMI Determination</b> | <b>Dana Hearn</b> |
|------------|--|-------------------|
- Request for proposal to serve as statewide contractor to conduct eligibility determinations for those determined to have a SMI
    - Persons 18 or older who request or consent determination
    - For persons 17 and 6 months who are currently receiving BHS in preparation for BHS as an adult
    - Persons determined to undergo determination by a Superior Court in AZ
  - Requirement overview
  - Current contract ends 12-31-2018
  - Recent changes that impact current contractor
    - Administrative simplification

- Service expansion
- AHCCCS complete care RFP
- Anticipated procurement timeline
- RFP bidders' library
- Stakeholder feedback
- Public comment
  
- AHCCCS complete care update
- Stakeholder engagement for RFP
- Major decisions
- AHCCCS complete care
- Affiliated organizations
- Expansion of non-affiliated RBHA services
- Member assignment and choice of RBHA
- Medicare advantage D-SNP plan requirements
- Delegated agreements
- Future integration efforts for foster children enrolled with CMDP
- ACC contractor provider transition req. for CRS and BH services
- CRS

**V. Easter Seals**

**Gina Judy**

- Leadership
- History
- Current behavioral health evidence-based models in 10 counties
- Stepping up to the value based purchasing challenge
- Ensuring sustainability of behavioral health throughout Southern Arizona
- Residential and rehabilitative services
- Community inclusion
- Job training and support for teens and adults with intellectual or physical disabilities in Pima Graham, and Greenlee counties
- Funding partners
- Arizona tax credit
- Estate planning
- In-kind donations
- Payroll and company matching donations
- Signature events
- Volunteering opportunities

**VI. AHCCCS Quality Strategy**

**Jakenna Lebsock**

- Purpose and overview
- Purpose of quality strategy
- Quality strategy regulations
- Federal regulation requirements
- Stakeholder engagement requirements
- Major quality strategy highlights
- Agency introduction
- Agency initiatives
- Agency efforts

- Major areas of focus
- Quality metrics
- Performance improvement projects
- External quality review process
- QS review and implementation process
- Stake holder engagement
- Stake holder review process

**VII. First Things First**

**Joe Fu**

- Agency goals
- Oral health
- Care coordination
- Developmental, sensory screening
- Home visitation
- First things first strategic plan
- Outcomes
- Screening
- Statewide strategic plan 2018-2022
- Overview fact sheet

**VII. AHCCCS Update**

**Tom Betlach**

- AHCCCS population 7/1/2000-2017
- AHCCCS cap rate history
- FY 2019 Budget request
- Repeal and replace
- Graham Cassidy proposal
- Graham Cassidy 2020-20206 Impact in billions
- CHIP/KidsCare funding
- AHCCCS leadership academy
- Waiver update
- HB 2442
- Analysis for CMDP integration
- Hospital assessment
- Publish parity analysis
- SECC giving
- Staffing transitions

**IX. Call to the Public**

**Tom Betlach**

**X. Adjourn at 3:00 p.m.**

**All**

**Arizona's 1115 Waiver  
Legislative Updates**



# AHCCCS Waiver & Legislative Update

February 7, 2018



# IMD Waiver Request: Focus on Substance Use Disorders

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- On April 12, AHCCCS submitted a waiver requesting that Arizona be exempt from the 15 day limit on federal funding for IMD stays, both for managed care and FFS populations
- CMS has indicated a path forward to exempt stays in IMDs that are related to the treatment of a *substance use disorder* from the 15 day limit
- We are in the midst of negotiations with CMS and expect to receive approval in the near future

# AHCCCS Works Waiver

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- On December 19, 2017, AHCCCS submitted a request to CMS to implement AHCCCS Works
- To qualify for AHCCCS coverage, certain able-bodied adults 19-55 who do not qualify for an exemption must, for a total of at least 20 hours per week:
  - Be employed or actively seek employment;
  - Attend school; or
  - Participate in the Employment Support and Development Program.

# AHCCCS Works Exemptions, part 1

- Individuals determined to be medically frail
- American Indians
- Pregnant and post-partum women (through the month in which 90<sup>th</sup> day post partum occurs)
- Individuals receiving temporary or permanent long-term disability benefits (private or government)
- Individuals determined to have a Serious Mental Illness
- Parents, caretakers relatives, and foster parents
- Caregivers of a family member who is enrolled in ALTCS

# AHCCCS Works Exemptions, part 2

- Individuals who are homeless
- Individuals who have recently been directly impacted by a catastrophic event (natural disaster or death of a family member living in same household)
- Full time high school, college or graduate students
- Victims of domestic violence
- Former Arizona foster youths up to 26

# AHCCCS Works Details

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- AHCCCS will work with DES to leverage its existing workforce development programs
- Employment Support & Development programs to include: disease management education; health insurance competency courses; healthy living classes; parenting classes; ESL courses
- Community service counts for those transitioning from justice system, living in an area of high unemployment, or facing a significant barrier to employment

# AHCCCS Works Compliance

- Members subject to requirement who do not qualify for an exemption and fail to meet the requirements will receive a 6-month grace period
- Failure to comply after the grace period will result in a termination of AHCCCS enrollment
- Members may re-enroll once they can demonstrate compliance for at least the past 30 days

# AHCCCS Works Population

- AHCCCS has 1.9 million members
- Approximately 400,000 are in the eligibility group that waiver pertains to.
  - 43,719 are American Indians
  - 12,912 are determined to have SMI
  - 81,124 are age 55 and over
- Fewer than 269,507 individuals remaining who could be subject to requirements (prior to applying other exemptions)

# 5 Year Lifetime Limit

- SB 1092: AHCCCS must request approval for a five-year lifetime limit on AHCCCS coverage
- Lifetime limit would apply to able-bodied adult members with same exemptions as for AHCCCS Works
- If approved, it would become effective on waiver approval date
- The following time would not count toward the lifetime limit:
  - Time during which a person received Medicaid benefits prior to waiver approval
  - Time during which an individual is enrolled in AHCCCS and
    - an AHCCCS Works exemption applies; or
    - the individual is complying with the AHCCCS Works requirements

# Current Landscape

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- CMS recently issued guidance to states on work requirement waivers
- CMS approved Kentucky's work requirement waiver proposal; litigation pending in US District Court
- CMS also approved Indiana's proposal
- Approx. 9 other states have similar waivers in the queue
- Beginning discussions with CMS on AHCCCS Works
- Evaluating necessary AHCCCS operational changes

# Prior Quarter Coverage Proposal

- Currently, Arizona covers enrollees three months prior to the month of application if the enrollee would have been eligible at any point during those months
- AHCCCS proposes limiting retroactive coverage to the month of application, consistent with AHCCCS policy prior to the Affordable Care Act
- All comments must be received by **February 25, 2018.**

# Prior Quarter Coverage Proposal Objectives

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- Would promote objectives of the Medicaid program by:
  - Aligning Medicaid policies with pre-ACA policy and commercial health insurance coverage;
  - Encouraging members to obtain and maintain health coverage, even when healthy;
  - Encouraging members to apply for Medicaid expeditiously when they believe they meet the criteria for eligibility; and
  - Creating efficiencies that ensure Medicaid's sustainability for members over the long term.

# Other Waiver Flexibilities

- NEMT limits in urban areas for able-bodied adults over 100% of federal poverty level who are not medically frail
- Modernize and stabilize FQHC payments (potentially including a SPA as well for VBP APM)
- More leverage on prescription drugs:
  - Exclude drugs until market prices are reasonable and cost effectiveness data exists
  - Establish formulary with at least 2 drugs per class/category (with exceptions)

# Rough Timeline

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- Prior Quarter Coverage Waiver
  - Gathering public comment through February 25
  - Submit in March
- NEMT and FQHC Waivers
  - Public comment process in April/May
  - Submit in June
- Prescription Drugs Waiver: TBD



# Legislative Update



# Arizona's Legislative Session Timeline

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- 1/8/18 – First Day of Session
- 1/29/18 – Senate Bill Introduction Deadline
- 2/5/18 – House Bill Introduction Deadline
- 2/16/18 – Final day for bills in originating chamber
- 2/19/18 – 2/23/18 – Crossover week
- 3/23/18 – Final Day for Committee Hearings
- 4/17/18 – 100<sup>th</sup> Day of Session

# Fifty-third Legislature, First Special Session

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Governor Ducey called the special session with the following intent:

“To attack the opioid issue from all angles, while protecting individuals who suffer from chronic pain, and maintaining compassion for those struggling with addiction.”

# Arizona Opioid Epidemic Act

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- Legislature unanimously passed the Arizona Opioid Epidemic Act
- Governor Ducey signed into law on January 26, 2018
- Generally effective 90 days post sine die, which is April 26, 2018.

# Arizona Opioid Epidemic Act

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- 5-day limit on first fill of most opioid prescriptions
- 90 Morphine Milligram Equivalent limit for most new opioid prescriptions
- Good Samaritan law to encourage 911 calls in overdose situations
- Expands Arizona Angel Initiative, requiring counties to designate one location where citizens can seek treatment without fear of arrest/prosecution
- Increases DHS oversight and licensing requirements for pain management clinics

# Arizona Opioid Epidemic Act

- 3 hours of education on risks associated with opioids for all professions that prescribe them
- Requires e-prescribing for opioids (delayed effective date of 1/1/19 for urban providers and 7/1/19 for rural)
- Red prescription container cap to alert health consumers that opioids have risks
- Directs counties and cities to require structured sober living homes to allow individuals to continue receiving medication-assisted treatment while living in the home

# Substance Use Disorder Services Fund

- \$10 million to provide access to SUD treatment for uninsured or underinsured Arizonans (non-Title XIX)
- Medicaid-covered, direct services (e.g., treatment, outreach, identification, navigation)
- Fund administered by AHCCCS
- Plans will pay providers based on contracts, or in the absence of a contract, at the capped fee schedule
- Currently, \$2M of the \$10M has been allocated to RBHAs
- AHCCCS will conduct a gap analysis and community forums to inform the dissemination of the remaining \$8M

# Fifty-third Legislature, Second Regular Session – Bill Tracking

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- HB 2135 & SB 1086: adds chiropractic services to the list of covered services
- SB 1445: adds dental services up to \$1000 per person annually for individuals who are at least 21 years of age and in any stage of pregnancy
- HB 2127: eliminates “trigger” that AHCCCS automatically stop processing new KidsCare applications if FMAP goes below 100%

# Questions and Comments?

# Thank you



# **AHCCCS Complete Care**



# Post-Award Timeline for ACC Contractors



# ACC Timeline

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- On or before March 8<sup>th</sup> - Award
- March - Initial Kick-Off Readiness/Transition Meeting
- April – Provider Utilization file (network)
- April – Initial Readiness Assessment Tool (RAT) submission due
  - 6 total submissions

# Readiness (cont.)

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- Monthly Update Meetings with Exec and DHCM Management
  - Present on a set agenda – network – staffing – complex members – risk issues
- June – ACC Contractor Websites in place

# Member Transition

- April – Calls begin with all plans to discuss Data Elements File (DEF), and what supplemental files may be needed
  - Ongoing until final formats agreed upon
- June – Initial member assignment
- June – Member letters with choice options
- July – 30-day member choice period
  - Member choice portal

\*Dates subject to change

# Member Transition (cont.)

- August – Final member assignment
- August – Begin transmitting DEF and Supplemental files (test files in July)
  - Calls between transmission dates to discuss any issues
  - 5 total files
- October 1, 2018 Go Live – 236 Days

# Questions?



# **AHCCCS Update**



# AHCCCS Update



# Enrollment Data

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- 2014-2016 – increased 32 of 36 months
- Overall increase of 618,000 members
- Non-KidsCare Enrollment in 2017 down (33,000)
- KidsCare growth of 11,000
- Growth decreased 4 of past 5 months

# Budget Update

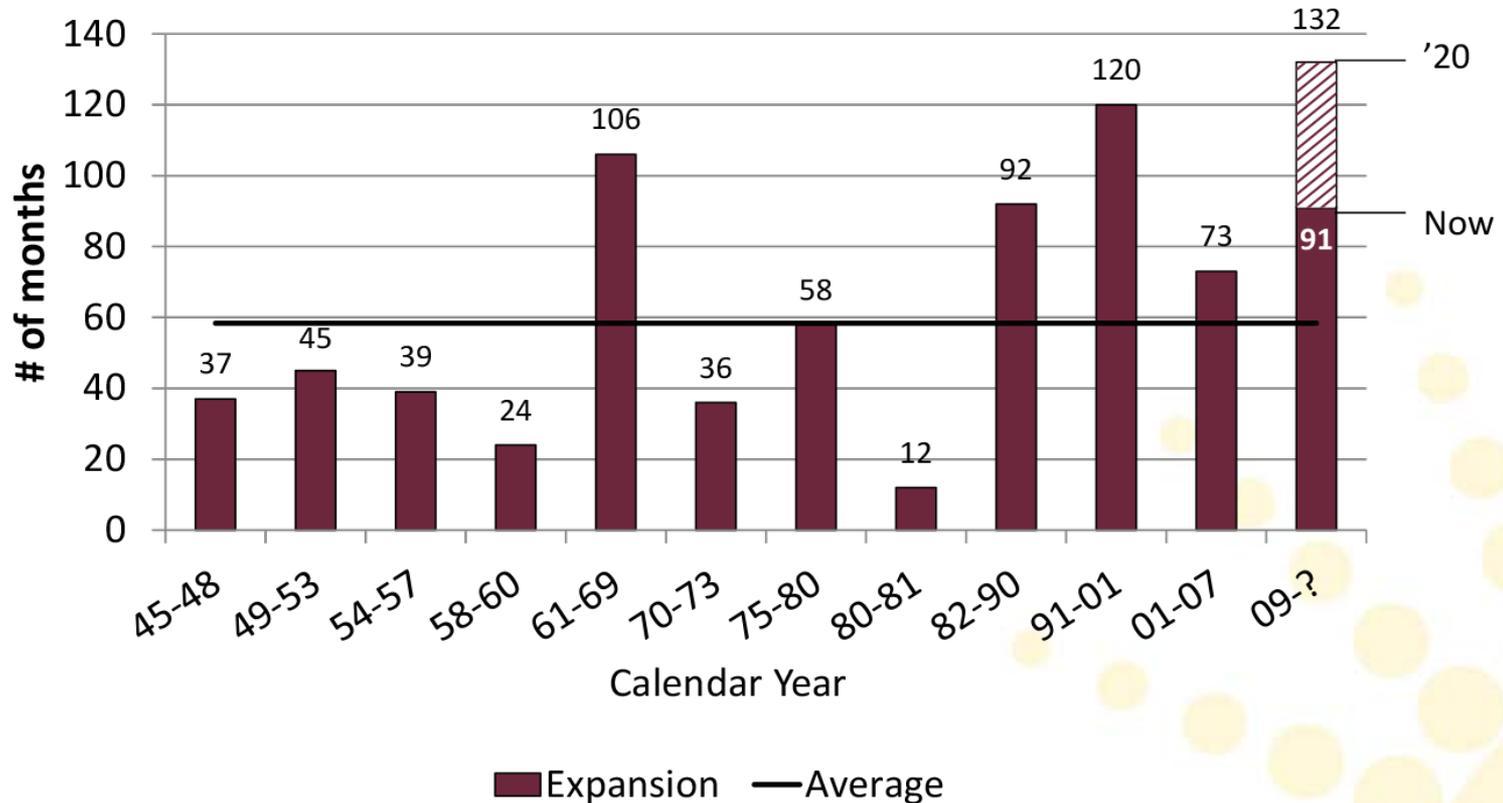
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## FY 2019 Budget

- Exec - \$35 m higher hospital assessment
- Exec includes savings for prior quarter and non-contracted IP psych rates
- Modest differences on cap rate assumptions
- More savings from Health Ins. Fee

CHIP/KidsCare will be a 2019 Legislative Issue

# Length of US Economic Expansions



Expansion: time period without 2 consecutive quarters of GDP decline

# Opioid Epidemic Special Session

- Working with RBHAs on allocation of \$10m
- \$10 m targeted for Non TXIX population – TXIX services
- Two Phases
- First Phase looking to get dollars out quickly
- Second phase will include stakeholder input

# Targeted Investments

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## Year 1 payments

- Thanks for quick turnaround on Payments
- BH – 210 sites - \$9.9 m
- PH – 270 sites - \$5.4 m
- Hospitals – 27 sites - \$1.0 m
- Justice – 9 co-located integrated clinics - \$2.7 m

# ACC Actuarial Timeline

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**June** – Member letters go out late in month with assignments - Actuarial team notified late in month of passive assignments - Actuarial team preliminary rates ready

**July** – 30 days member choice through end of month

**July** – Preliminary rates sent to MCOs based ONLY on passive assignment

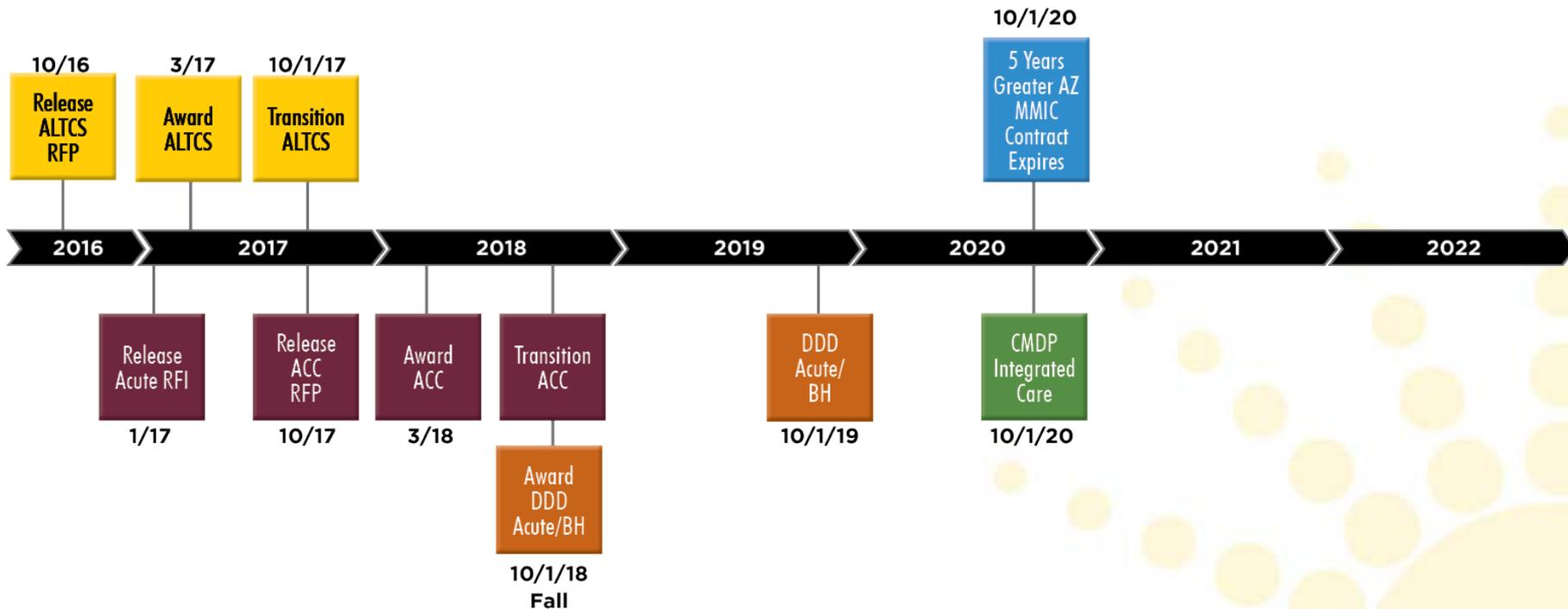
**August (early)** – Actuarial team notified of choice decisions and member movement; adjust MCO rates for revised placement including acuity adjustment

**September 1st-ish** – Final rates sent to MCOs based on passive assignment and choice decisions

# American Indian Enrollment for GMH/SA and Children Populations

| Current Health Plan Enrollment/Assignment | Enrollment on 10/1/2018 with Choice |
|---|-------------------------------------|
| CRS (acute and CRS services), TRBHA       | ACC Plan                            |
| AIHP, CRS (CRS services only) and TRBHA   | AIHP and TRBHA                      |
| AIHP, CRS and RBHA                        | AIHP                                |
| AIHP and TRBHA                            | AIHP and TRBHA – No Change          |
| AIHP and RBHA                             | AIHP                                |
| Acute MCO and TRBHA                       | ACC Plan                            |
| Acute MCO and RBHA                        | ACC Plan                            |
| CMDP and TRBHA                            | CMDP and TRBHA- No Change           |
| <u>DDD and TRBHA</u>                      | DDD and TRBHA-No Change             |

# AHCCCS Contract Timeline



# Other RFPs

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- Hemophilia – award any day
- TPL RFP – award 6-1-18
- FFS PBM – award 4-1-18
- Electronic Visit Verification – award 5-31-18
- SMI Eligibility Determination – award 7-2-18
- Provider Management System – award 5-30-18
- Asset Verification - ?

# Prop 206 Study Findings

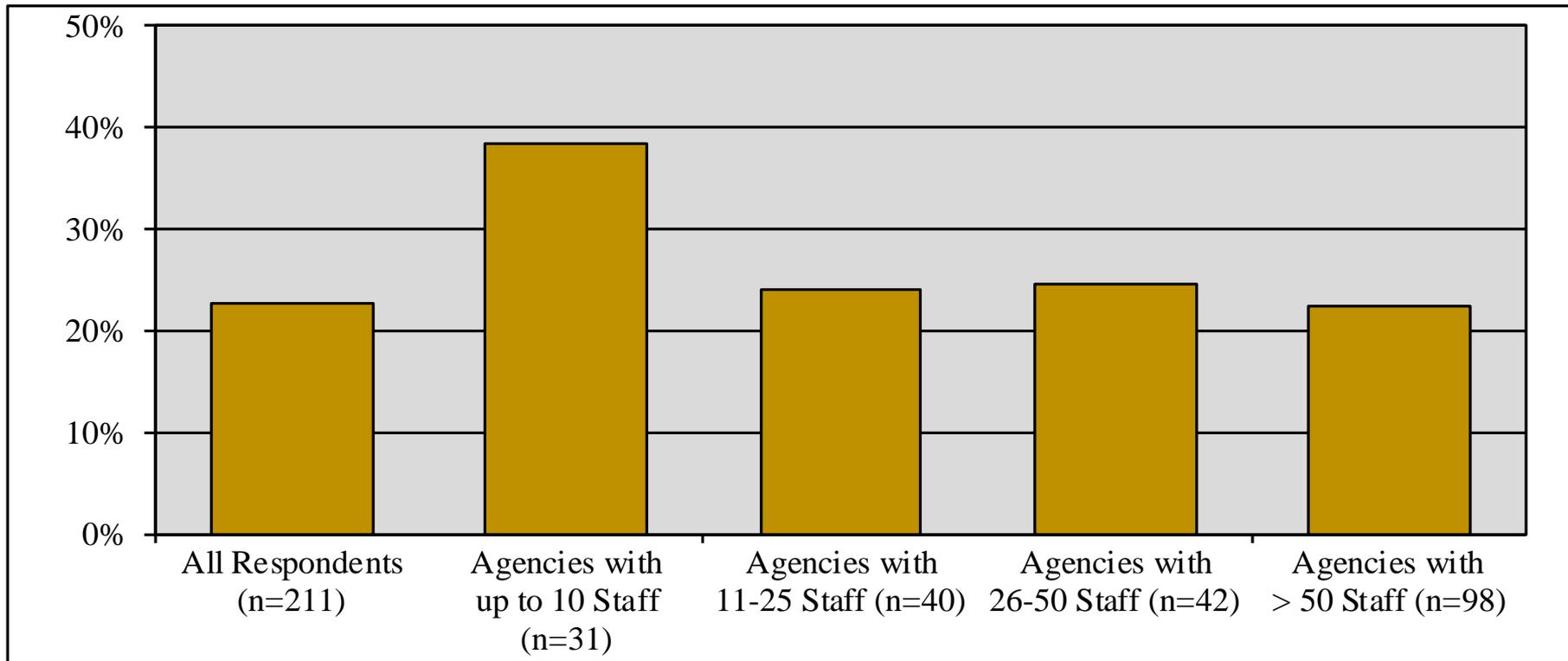
- There was already variation in network adequacy prior to Prop 206. Limited access was found for just a few services impacting less than 5% of ALTCS members.
  - Among services where provider owns the residence (NFs, assisted living, DDD group homes), only 9 of 48 geographic locations studied had no residential offering.
  - Among in-home or community-based services, when examining county/service combinations, 5 of 104 had “very limited” access; another 5 had “limited” access; 92 had “sufficient” access.

# Findings (continued)

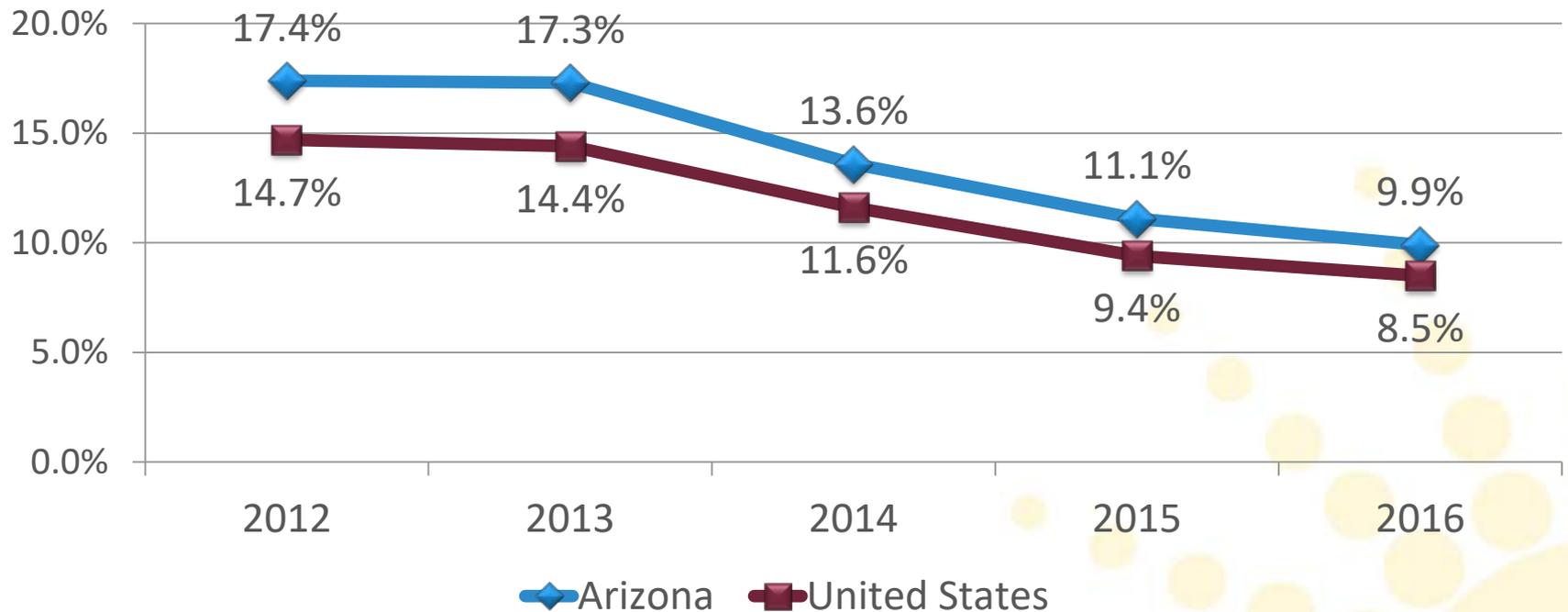
- Prop 206 and the Flagstaff Prop have added fiscal stress to providers.
  - Respondents from both the EPD and DDD surveys stated that they had to raise their starting salaries for paraprofessionals to meet the minimum wage floor on Jan 1, 2017.
    - HCBS providers for EPD services increased on average 9.4%
    - Assisted living providers increased on average 12.4%
    - Nursing facilities increased nurse aide wages 5.2%
    - Providers for I/DD services increased wages 6.1% to 8.6% depending upon the labor category
  - Respondents stated that they have leveraged all available options to cover the minimum wage increases.
    - Reduce other staff benefits (to minimum wage and non-minimum wage staff)
    - Reduce overall staffing

# Prop 206 Impact Study

**Turnover Rate Among I/DD Agency Providers, First Half of CY 2017, Based on Agency Size**  
Turnover Rate = # Departures in First 6 Months of CY 2017 divided by Number of Staff on 7/1/17



# Uninsured Rate, 2012-2016

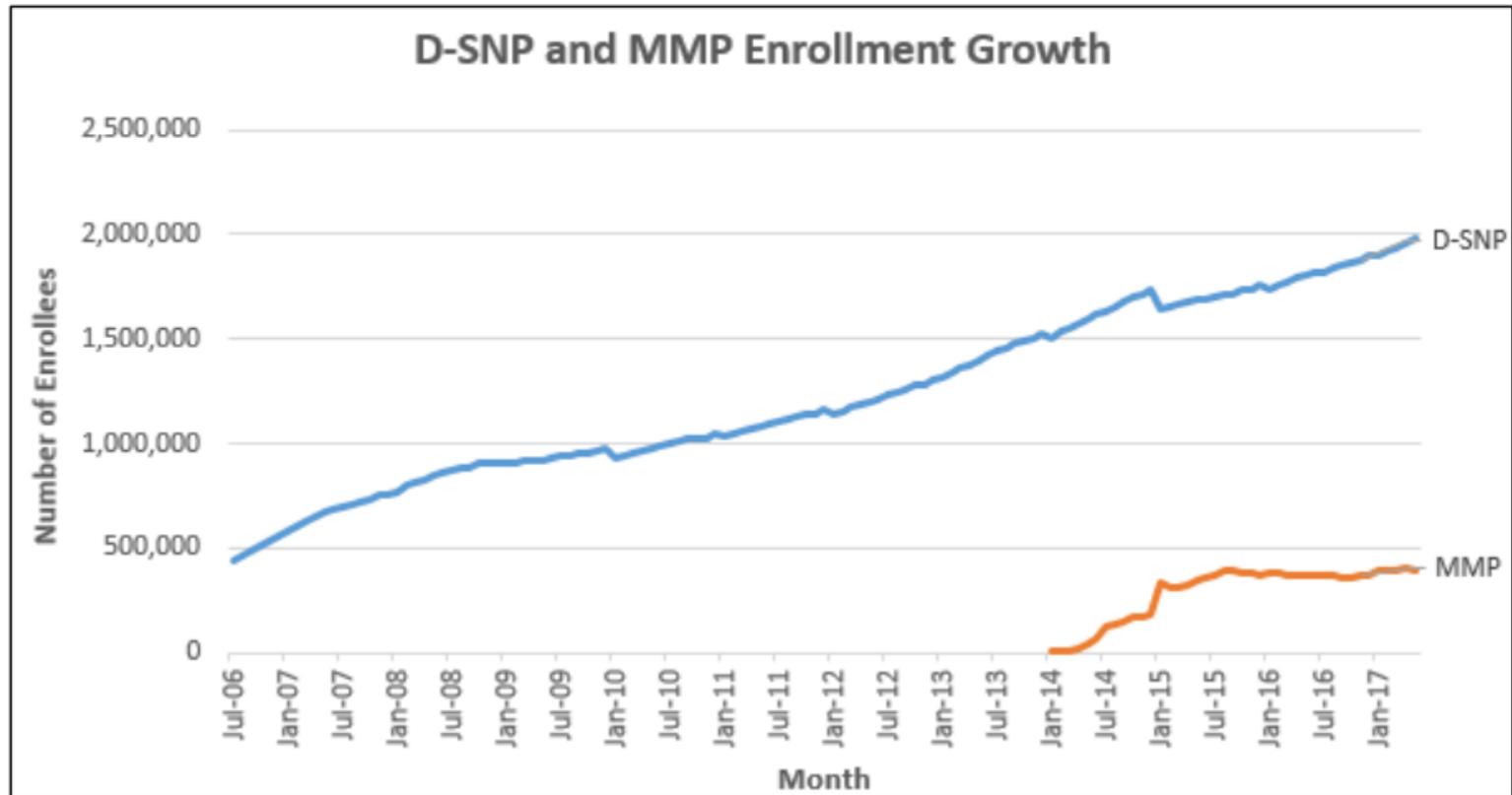


# Percent of Spend in Managed Care

| State        | FFY2016 Medicaid Spending | FFY2016 Capitated Spending | Percent of Medicaid Spending Paid by Capitation, FFY2016 | State Rank in Percentage of Medicaid Expenditures Paid via Capitation |
|--------------|---------------------------|----------------------------|--|---|
| Kansas       | \$3,252,725,194           | \$3,029,662,373            | 93.1%  | 1   |
| Hawaii       | \$2,156,012,061           | \$1,938,658,711            | 89.9%  | 2   |
| Arizona      | \$11,118,985,133          | \$9,683,119,933            | 87.1%  | 3   |
| Delaware     | \$1,883,220,982           | \$1,616,107,823            | 85.8%  | 4   |
| New Mexico   | \$5,339,766,195           | \$4,461,697,022            | 83.6%  | 5   |
| Florida      | \$21,689,957,388          | \$15,706,906,241           | 72.4%  | 6   |
| Kentucky     | \$9,609,364,927           | \$6,878,104,559            | 71.6%  | 7   |
| Michigan     | \$16,714,754,874          | \$10,963,275,584           | 65.6%  | 8   |
| Tennessee    | \$9,463,742,287           | \$6,119,439,351            | 64.7%  | 9   |
| Washington   | \$10,787,810,275          | \$6,516,952,134            | 60.4%  | 10  |
| Oregon       | \$8,316,707,109           | \$5,005,544,493            | 60.2%  | 11  |
| New Jersey   | \$14,319,021,372          | \$8,528,400,366            | 59.6%  | 12  |
| Pennsylvania | \$27,350,279,117          | \$16,108,824,996           | 58.9%  | 13  |
| Rhode Island | \$2,411,382,026           | \$1,385,986,104            | 57.5%  | 14  |
| Ohio         | \$21,571,025,591          | \$11,895,433,176           | 55.1%  | 15  |
| New York     | \$60,995,857,591          | \$32,171,587,918           | 52.7%  | 16  |
| Louisiana    | \$8,536,666,882           | \$4,450,521,745            | 52.1%  | 17  |

Source: The Menges Group

# National Dual Alignment Efforts



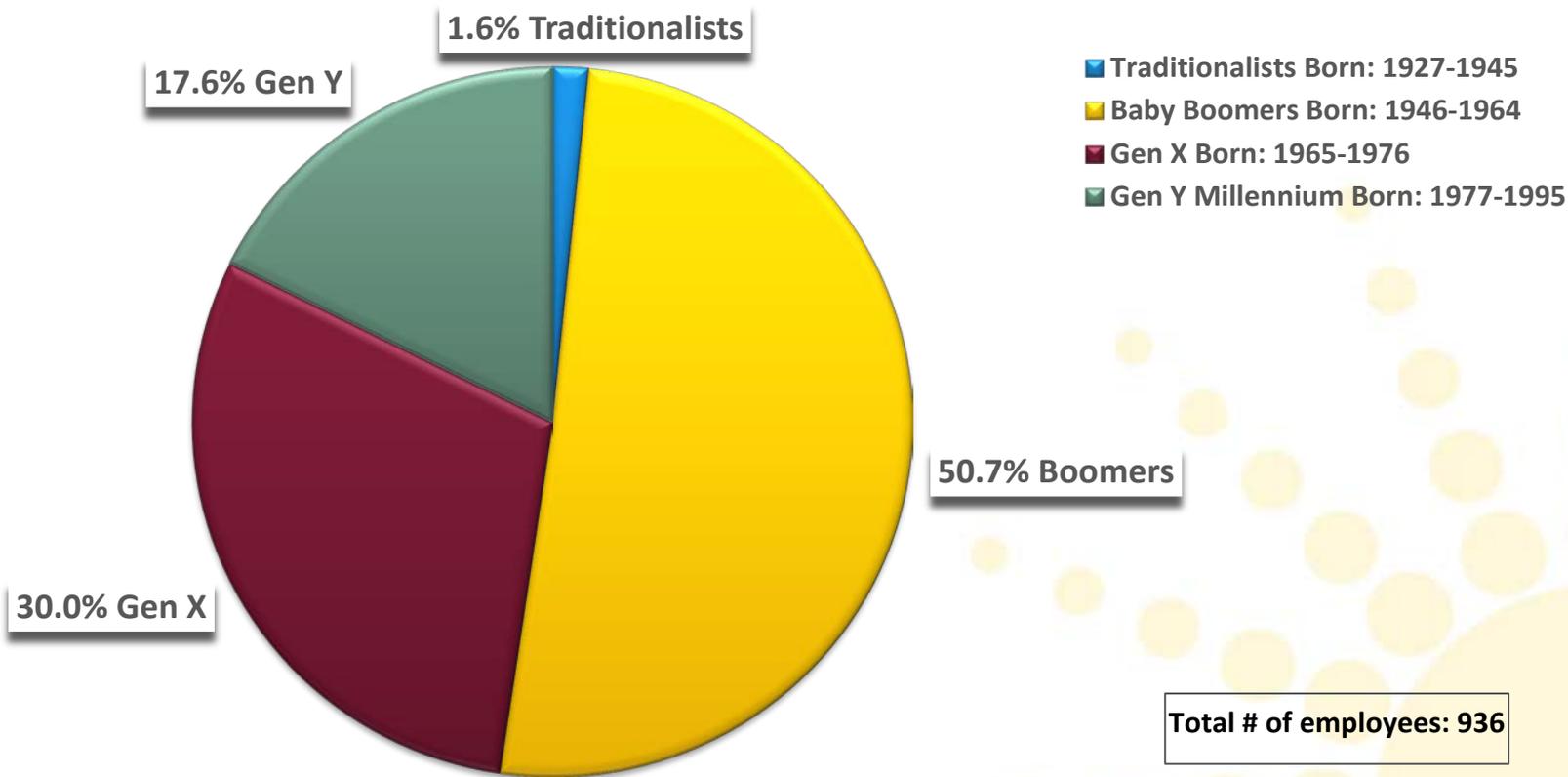
SOURCE: Centers for Medicare & Medicaid Services. "SNP Comprehensive Report." and "Monthly Enrollment Report by Contract." D-SNP enrollment unavailable in August 2006, October 2006 through Feb 2007, and April 2007.

# MACStats Data

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- Medicaid National per enrollee spend
  - \$7,248
- Arizona
  - \$5,867 – second lowest for expansion states
- National Generic Rate - 82.7%
- Arizona – 86.1% - second highest to RI
- Rebates – TN and MA spend about the same on drugs before rebates - \$100 m more in rebates

# AHCCCS Generations in workplace (2013)



# AHCCCS Generations in the Workplace 2017

