State Medicaid Advisory Committee (SMAC)

Wednesday, October 7, 2015
AHCCCS
Gold Room - 3rd Floor
701 E. Jefferson Street
1 p.m. – 3 p.m.

Agenda	
I. Welcome	Director Tom Betlach
II. Introductions of Members	ALL
III. Approval of August 19, 2015 meeting summary	ALL
Agency Updates	
IV. Membership • New Members • Terms	ALL
V. Initiatives Update • Emergency Department Behavioral Health • Medication Management • ASD Advisory Committee • SB1375 Report	Dr. Sara Salek Chief Medical Officer
VI. Community Paramedicine & SIM Updates	Beth Kohler Deputy Director
VII. Public Comment Summary • Waiver and HCBS	Monica Coury Assistant Director
VIII. CMS Update	Theresa Gonzales Office of Intergovernmental Relations
IX. AHCCCS Update	Director Tom Betlach
Discussion	
X. Call to the Public	Director Thomas Betlach
XI. Adjourn at 3:00 p.m.	ALL

***2016 SMAC Meetings**

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

January 13, 2016
April 13, 2016
July 13, 2016
October 12, 2016

For more information or assistance, please contact Theresa Gonzales at (602) 417-4732 or theresa.gonzales@azahcccs.gov

August 2015 Meeting Summary

State Medicaid Advisory Committee (SMAC) Meeting Summary
Wednesday, August 19, 2015, AHCCCS, 701 E. Jefferson, Gold Room
1:00 p.m. – 3:00 p.m.

Members in attendance:	
Tom Betlach Cara Christ Tara McCollum Plese Peggy Stemmler Kevin Earle	Leonard Kirschner Phil Pangrazio Steve Jennings Vernice Sampson Kim VanPelt Amanda Aguirre by phone
Members Absent: Kathleen Collins Pagels, Kathy Waite	
Staff and public in attendance:	
Theresa Gonzales, Exe Const. III, AHCCCS Monica Coury, Assistant Director, AHCCCS Matt Devlin, Assistant Director, AHCCCS Deb Gullett, Executive Director, AzAHP Kelly Brauns, DM, Otsuka Krystal Joy, AE, Otsuka Kelli Strother, Acct. Executive, Otsuka Brian Hummell, Director of Relations, ACS CAN Pete Wertheim, Executive Director, AOMA Patrick Moty, Director, Supernus Eddie Sissons, Executive Consultant, MHAAZ Kurt Barry, RD, Otsuka Barb Fanning, Director Gov't. Affairs, AzHHA Matt Jewett, Grants Director, Mountain Park	Shannon Groppenbacher, Director Health Policy, JNJ Melissa Higgins, Staff Attorney, Community Legal Scvs. Becky Gonzales, Acct. Executive, ViiV Healthcare David Large, Director Gov't. Accts., Supernus Camille Kerr, National Acct. Manager, Omeros Susan Lawrence, Acct. Manager, Amgen Brian Brown, Sr. Acct. Director, Amgen Alan Bailey, Acct. Director, Pfizer Jon Bloomfield, RAM, JAZZ Deron Grothe, NAM, Teva Pierre T., NAM, Hospice Julie Trueblood, Acct. Executive, BMS Torrey Powers, Regional Gov't. Manager, ADT Health

AGENDA

I. Welcome & Introductions — **Tom Betlach**

II. Introductions of Members — **All**

III. Approval of April 8, 2015 Meeting Summary/Minutes — **Unanimous**

AGENCY UPDATES

IV. AHCCCS Updates — **Tom Betlach**

- Medicaid 50th Anniversary
- Medicaid Population and Spending
- Federalism
- Proposed Managed Care Regs
- AHCCCS Population as of July 1, 1985 – 2015
- Restoration and Expansion
- Population Changes
- Prop 204 and Expansion Ages (CY14)
- Percent of Auto-Renewals
- AHCCCS/DES Call Volume

AHCCCS Updates (continued)

- Average Speed of Answer (min)
- Average Annual Capitation Growth
- AHCCCS Contract Timeline
- GAO – Conditions of Members (%)
- Economic Impact of Integration (Milliman)
- Continuum of Integration
- Milbank Integration Paper
- Social Determinants – Opportunities
- Administrative Simplification
- DBHS/AHCCCS Merger Update
- MMIC First Year Results
- Employee Survey
- AHCCCS Staffing Levels

AHCCCS Update Q&A's

Q: Any movement regarding CHIP?
A: The Legislature would need to make policy decision.
Q: Has the State looked at the issue of members who go to emergency pediatric care and need inpatient behavioral health stays but sit in the emergency department?
A: Dr. Salek is working on the issue to better manage and will present at the next SMAC meeting.

V. Integration Update **Tom Betlach**

VI. CMS Update **Theresa Gonzales**

- **AZ Medicaid State Plan Amendments**
- **Waiver Activity**

VII. & VIII. PCH SNCP & Waiver **Monica Coury**

- **Section 1115 Defined**
- **Current Waiver Structure**
- **Arizona's 1115 Waiver**
- **Federal Process**
- **Arizona's Application**
- **Public Comment Process**
- **AHCCCS Initiatives**
- **Modernizing Arizona Medicaid**
- **The AHCCCS CARE Program: Requiring Member Contributions**
- **Strategic Copays**
- **AHCCCS CARE Premiums**
- **The AHCCCS CARE Account: Giving People Tools to Manage Their Health**
- **Healthy Arizona: Promoting Healthy Behaviors**
- **AHCCCS Works: Viewing AHCCCS as a Pit Stop**
- **A Modern Approach**
- **The Requirements: SB 1092**
- **SB 1092 Work Requirement – Exemptions**
- **SB 1475 100 – 133% FPL**
- **Delivery System Reform Incentive Payment (DSRIP)**
- **Home and Community Based Services File Rule (HCBS)**
- **American Indian Medical Home**
- **Building Upon Past Successes**
- **Safety Net Care Pool (SNCP) Phase Down**

IX. Voluntary Resolution Agreement (VRA) **Matt Devlin**

- VRA Handout

X. Membership **All**

- SMAC Committee Members Handout
- Provider and Public Members Handout
- SMAC Nominees

  Comments:
  - Dr. Stemmler supports term limits.
  - Kim VanPelt supports term limits.
  - Dr. Kirschner would like to continue to serve.
  - Request to update the member roster for Steve Jennings title.

DISCUSSION

XI. Call to the Public **Tom Betlach**

XII. Adjourn at 3:00 p.m. **All**

Membership

Initiatives Update

Medical Director Update

Topics

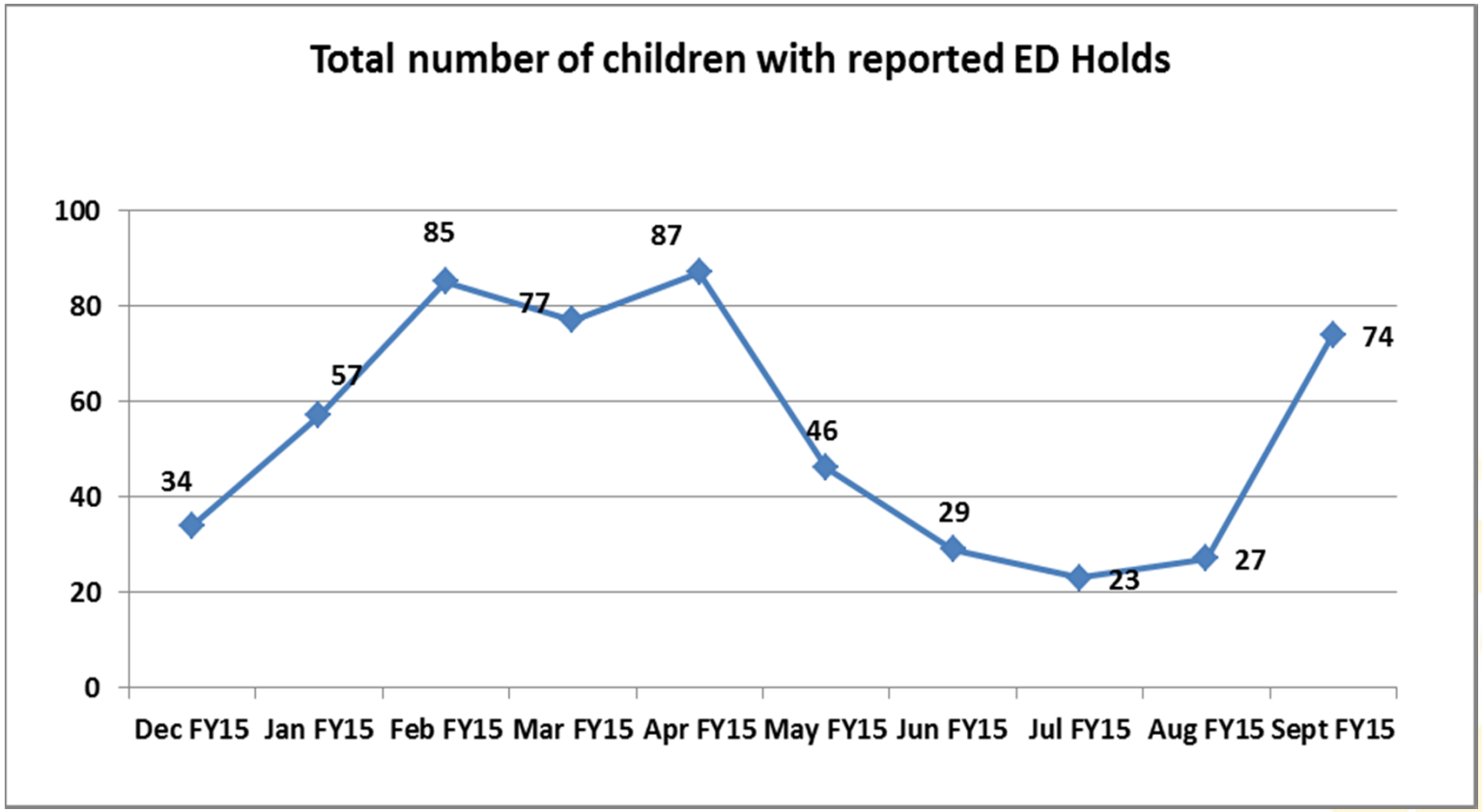
- ED wait times for children with BH needs
- AHCCCS prescription misuse strategies
- ASD Committee update
- SB1375 Recommendations

ED Wait Times: Pediatrics

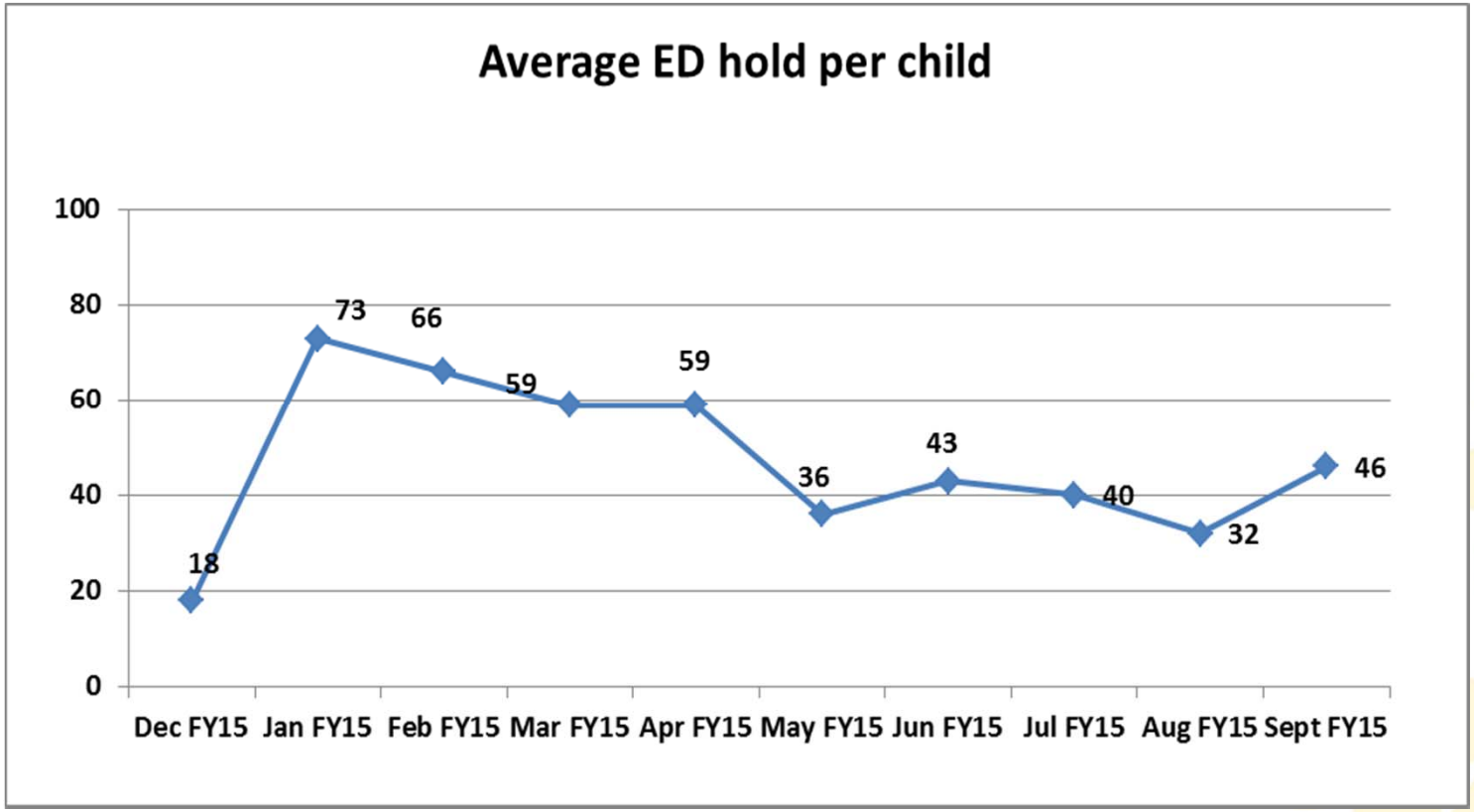
Data Collection To Date

- DBHS started uniformly collecting Maricopa specific wait times for pediatric members presenting with primary BH issues in ED beginning December 2014

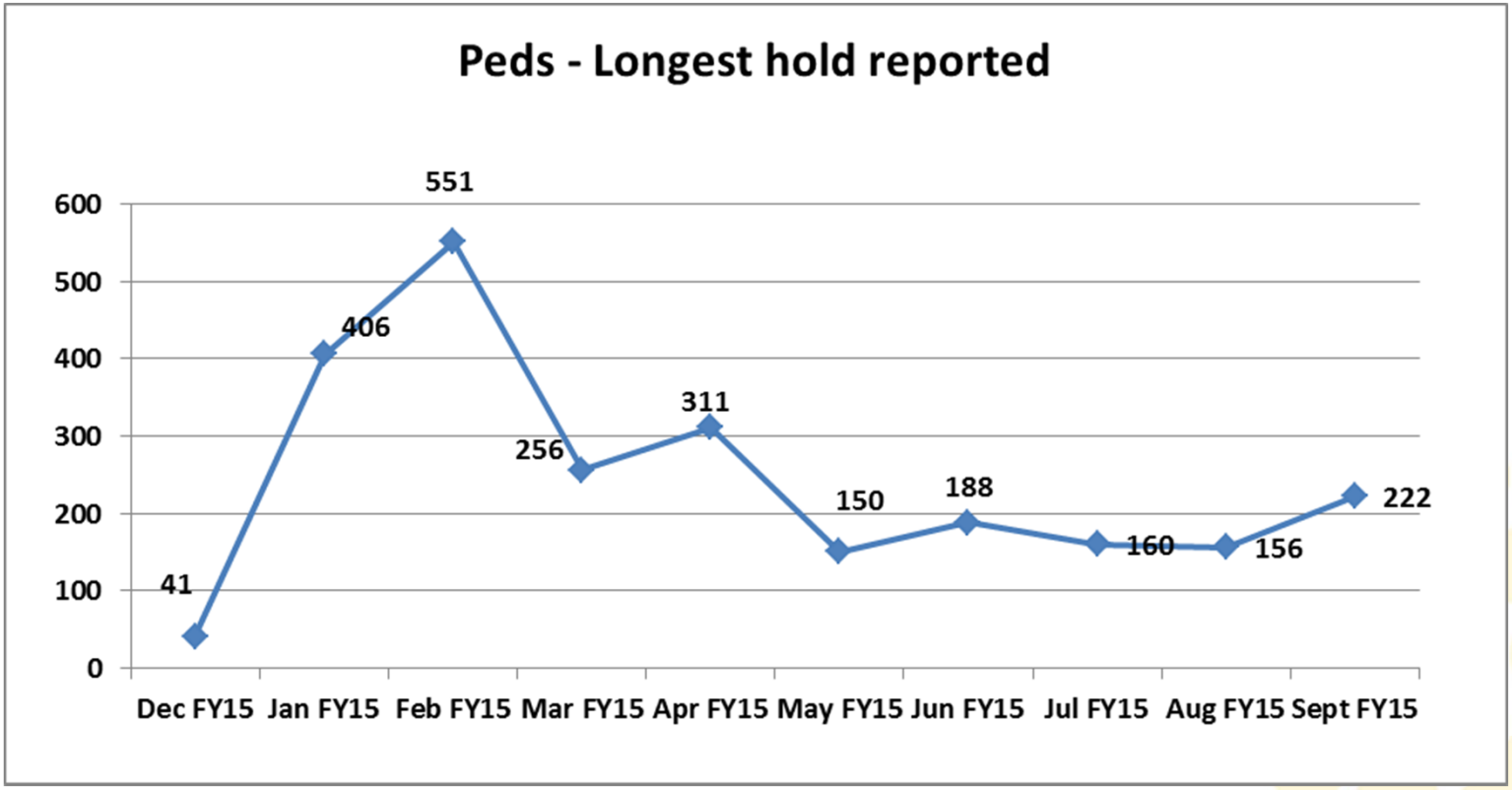
Maricopa County ED Data: Pediatrics



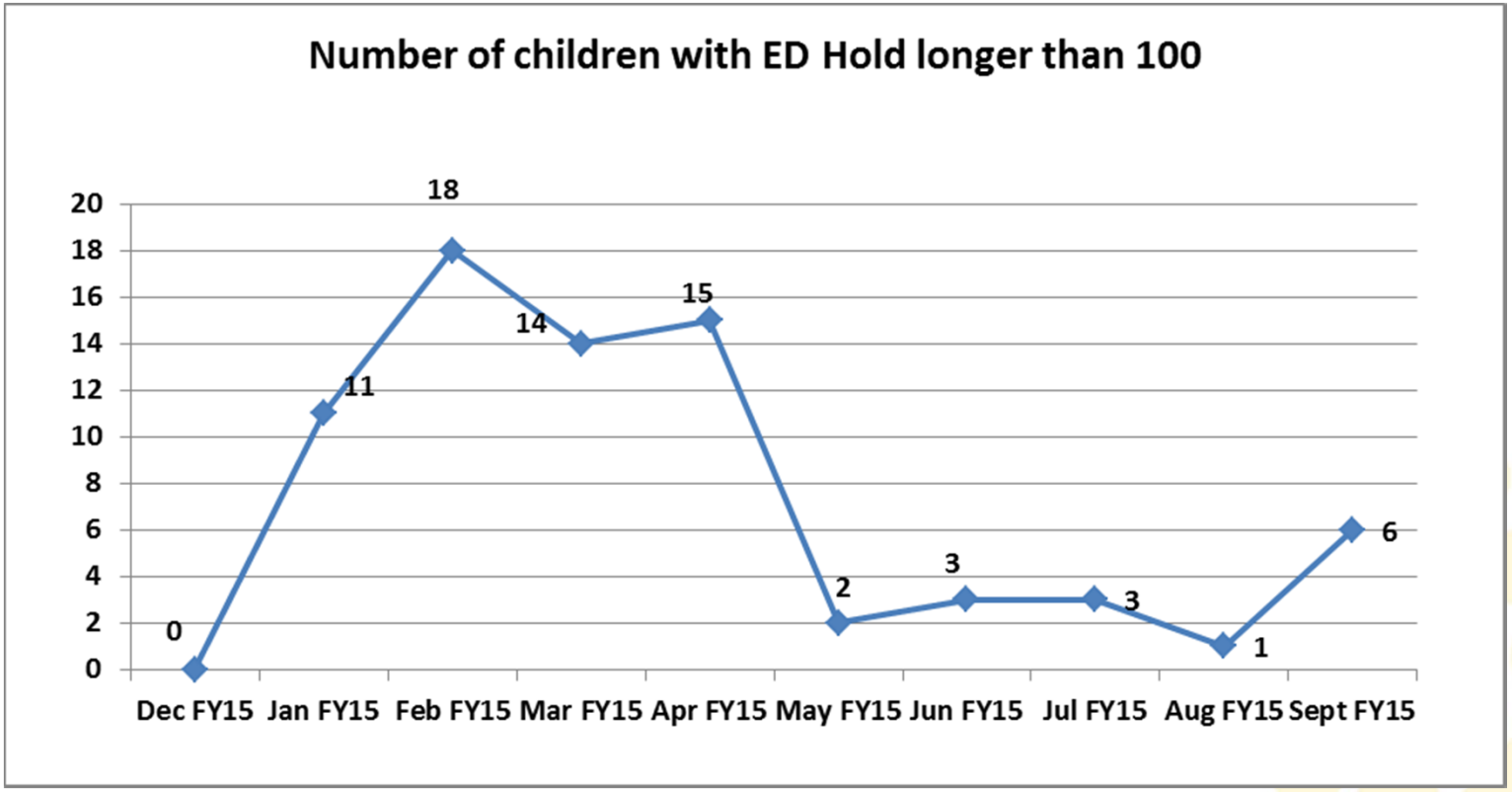
Maricopa County ED Data: Pediatrics



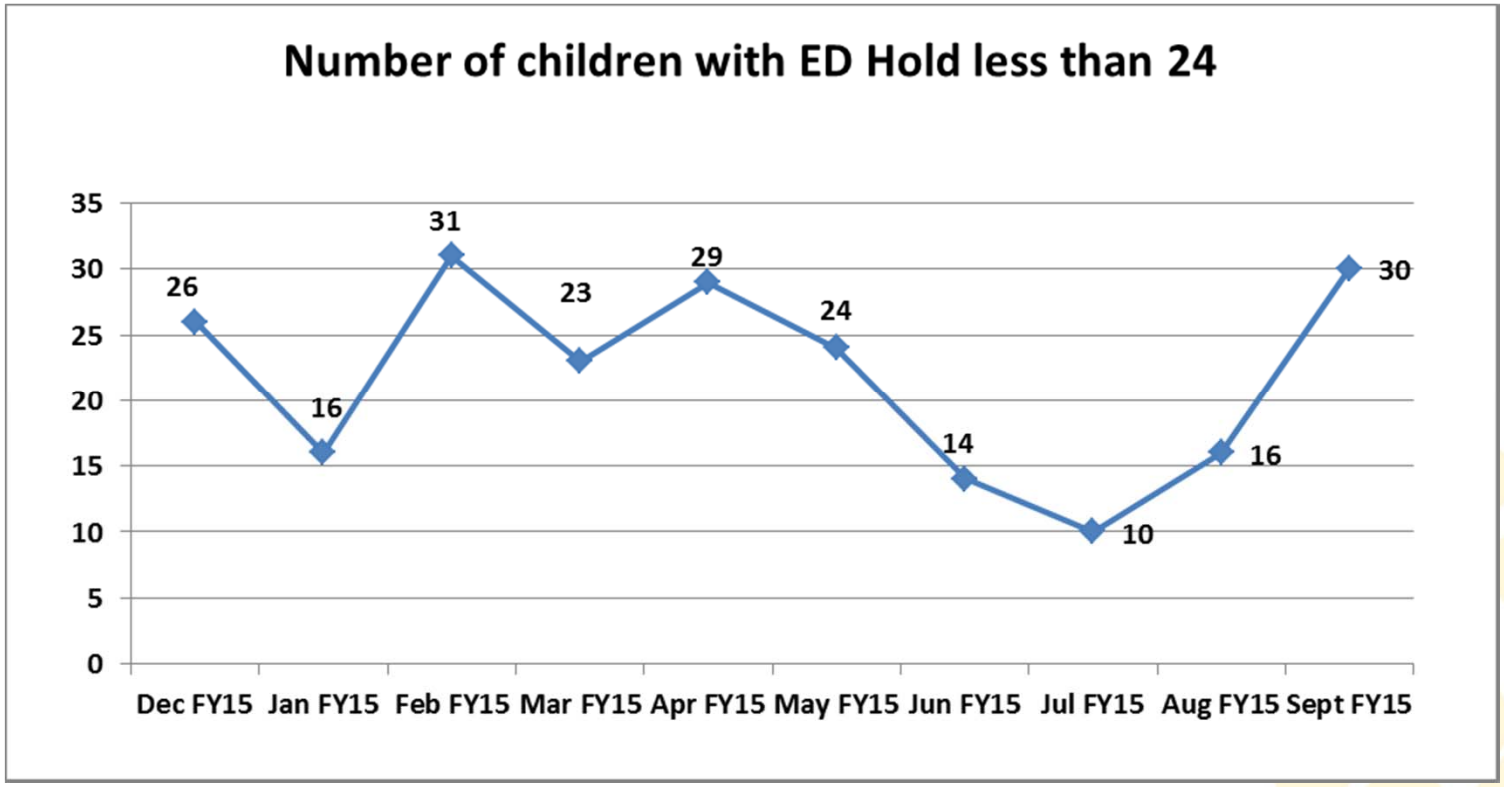
Maricopa County ED Data: Pediatrics



Maricopa County ED Data: Pediatrics



Maricopa County ED Data: Pediatrics



Factors Contributing to ED Holds

Demand

- Improved understanding that mental health is a covered condition that benefits from treatment
- Multi-factorial societal stressors
- Family choice
- System partner needs (child welfare, etc.)
- Children with significant needs
  - Aggressive behaviors
  - Sexually acting out
  - Cognitive impairment
  - Eating disorders
  - Co-occurring medical illness

Supply

- Inpatient capacity
- Outpatient capacity
- Provider quality
- Providers with experience, training and programming to manage specialty populations

System Strategies to Address Needs

- Innovative alternatives to increase community based treatment (CHB example)
- Building network capacity to treat specialty populations in-state
- Payment modernization strategies to incentivize

Pilot Study: Children's Hospital Boston

- ED CHB: significant increase in members in recent years
  - Stay in ED or on a medical floor while waiting for transfer
- Pilot Study: family-based crisis intervention adolescents and their families
  - 36% of adolescents were hospitalized in pilot
  - 55% of adolescents were hospitalized in control group
- Adolescents and families in pilot received regular follow-up telephone calls for six months
  - Most families needed no help from the clinician calling them for follow-up

Prescription Drug Misuse/Abuse

AHCCCS Role Critical in Addressing Prescription Drug Misuse/Abuse

- Risk factors for prescription drug misuse and overdose are disproportionately represented within Medicaid population
  - From 2004 to 2007, CDC found that 45.4 percent of fatal overdoses caused by prescription opioids in Washington state were Medicaid members

HHS DC Meeting Sept 2015

3 Major Strategies:

- Improve Opioid Prescribing Practices
  - "Universal Precautions"
- Increase Access to MAT
- Increase Access to Naloxone to prevent overdose

Arizona Strategies

1. Reduce Illicit Acquisition and Diversion of Rx Drugs
2. Promote Responsible Prescribing and Dispensing Policies and Practices
3. Enhance Rx Drug Practice and Policies in Law Enforcement
4. Increase Public Awareness and Patient Education about Rx Drug Misuse
5. Enhance Assessment and Referral to Treatment

AHCCCS
Arizona Health Care Cost Containment System

Leverage Arizona Strategies within Medicaid System

1. Reduce Illicit Acquisition and Diversion of Rx Drugs

- Preferred Drug List with PA requirements and quantity limits
- Promote e-prescribing of CII-CV
- Provider education on drop boxes/take back events/safe disposal
  - Sept 26 GO Arizona Take Back Event – 10,601 pounds of prescription drugs collected
    - Over past 5 years – 90,400 pounds collected

Leverage Arizona Strategies within Medicaid System

2. Promote Responsible Prescribing and Dispensing Policies and Practices

- Distribute best practice guidelines to providers
- Standardize patient review and restriction program (PRR) criteria
- Increase use of CSPMP
- High Need/High Cost Initiative

ASD Advisory Committee Update

ASD Advisory Committee

- Committee Members
  - Parents
  - DBPs/other providers
  - Other state agencies
  - Health plans and RBHAs
- Committee Charter
  - Articulate a series of recommendations to the State for strengthening the health care system's ability to respond to the needs of AHCCCS members with or at risk for ASD, including those with comorbid diagnoses.

ASD Advisory Committee: Workgroups

- Early Identification & Referrals
- Reducing System Complexity
- Evidence-Based Treatment
- Building Network Capacity
- Adults with ASD

2014 AHCCCS ASD Prevalence

- Age 0-20 ~1.3%
  - ASD Aged 0-20 Distinct Member Count: 10,097
  - 2014 AHCCCS Member Enrollment 0-20 Years Old on 12/1/2014: 762,110

Distinct Member Counts for Members Who Received Developmental Screening by Quarter

Age	CAL2013-Q4	CAL2014-Q1	CAL2014-Q2*	CAL2014-Q3	CAL2014-Q4
<1	1,414	1,486	1,716	2,234	2,278
1	1,280	1,454	1,784	2,165	2,187
2	727	794	1,084	1,650	1,756
Total	3,421	3,734	4,485	6,049	6,221
% Change		+9.1%	+22.8%	+32.0%	+2.8%

Developmental Screening

- Percentage of members who received Developmental Screening compared to the total EPSDT Visits performed for ages 0-2 years old from 10/1/2013 – 9/30/2014
  - Members aged <1: 6,850/36,486 = 18.8%
  - Members aged 1-2: 10,938/71,362 = 15.3%

ASD: AHCCCS Update

- AHCCCS PIP to increase use of developmental screening
- Registering Board Certified Behavior Analysts as new provider type

Meeting Materials

Committee and workgroup materials available at:

http://www.azahcccs.gov/shared/ASD.aspx

SB1375

SB1375

- Determine the most efficient and effective way to provide comprehensive medical, dental and behavioral health services for children in foster care including the consideration of an administratively integrated system;
- Determine the number of disruptions of placements in foster care by age of child due to behavioral health management issues and the extent each child is receiving behavioral health services;
- Determine the number of adopted children who have entered foster care due to the adoptive parents' inability to receive behavioral health services to adequately meet the needs of the child and parents; and
- Submit a report of its recommendations to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Secretary of State on or before October 1, 2015.

Chart 1: Arizona healthcare expenditures and penetration rate for Medicaid Enrolled Children vs. Medicaid Enrolled Children in Foster Care (FFY2014)

Medicaid Enrolled Children

~1 in 15
Receive behavioral health services

$6,011 Mean expense for behavioral health services

$7,383
Combined physical and behavioral health expense

Medicaid Enrolled Children in Foster Care

2 in 3
Receive behavioral health services

$13,935 Mean expense for behavioral health services

$15,577
Combined physical and behavioral health expense

SB1375 Recommendations

1. Institute continued improvement efforts through existing system structure until September 30, 2019
   - Change Arizona Policy to extend Medicaid coverage from 60 days to 6 months for children exiting foster care
2. Develop system infrastructure to transition to the Integrated CMDP Contracted Network Model beginning on October 1, 2019
3. Addressing the needs of the family involved with DCS
4. Leveraging other state resources

SB1375

Final report available:

http://www.azahcccs.gov/shared/news.aspx#SB1375

Community Paramedicine & SIM Updates

SIM Update

SMAC
October 7, 2015

Re-cap: Model Design

- $2.5 million to develop plans for delivery system reform, including value-based purchasing and service delivery
- Leveraging opportunities as potential foundation for a Delivery System Reform Incentive Payment [DSRIP] Plan
- Focus on:
  - Coordination and integration between PH and BH providers
  - Justice system transitions
  - Regional care coordination models for AIHP/Reduce fragmentation

Partnerships

- **AzHeC:** HIT Plan
- **Mercer:** Project Consultant
- **ADHS:** Leveraging State Health Assessment
- **External Stakeholders:** Planning wide range of meetings

Stakeholder Summary

Integration	
RBHA CEOs	8/17
BH Providers/RBHAs/Select Acute	11/19
BH Providers/Hospitals	Dec.

Justice Transitions	
Counties- DOC- RBHAs	9/4
Counties-DOC-AzHeC	10/14
RBHAs-AzHeC	10/16

AIHP Care Coordination	
Regional CC Workshops	TBD
NAH CC	9/28

HIT	
RBHAs	Began 9/16

Public Comment Summary

Arizona's Draft Application for a New Waiver
Public Comments: Common Themes and State Responses

Arizona received 138 written public comments to its application for a new Waiver. The State also received numerous comments through community forums held in Phoenix, Tucson, Flagstaff, Yuma, as well as through public meetings including the State Medicaid Advisory Committee. All written public comments are posted to the AHCCCS website. Summaries of comments provided at the community forums are also posted to the AHCCCS website. These comments form part of the State's application for a new Waiver.

This document highlights many of the common themes found throughout the public comments and offers the State's responses, clarification and how the comments may have shaped the State's proposal.

1. Which population will participate in the AHCCCS CARE program?

The State is proposing that the New Adult Group be required to participate in the AHCCCS CARE program. This group is comprised of the State's Prop. 204 eligible childless adults from 0-100% of the federal poverty level (FPL), as well as the expansion adults from 100-133% FPL. Only the expansion adults are subject to disenrollment for failure to make timely cost sharing and premium payments. The State has proposed making participation optional for the American Indian/Alaska Native population, persons with serious mental illness and TANF parents. All other eligibility categories, such as SSI-MAO, pregnant women, ALTCS and children are not part of the AHCCCS CARE program. The State has amended its proposal to include this further clarification.

2. Copayments may deter people from accessing care.

The AHCCCS CARE copayments are testing a new way of using copayments to direct care. The AHCCCS CARE copayments are not assessed at the point of service. Rather, members are billed retrospectively for services they already received for which a copayment applies. This way, members do not have to make the copayment before accessing care. In addition, because the AHCCCS CARE program is applying a new strategy, copayments are targeted to: deter opioid abuse; promote use of generic drugs; better manage missed appointments; curb non-emergency use of the emergency room; and support the medical home model by requiring a referral from your primary care physician (PCP) to seek specialty care.

There is no copayment: to see your PCP, OB-GYN, behavioral health provider, or any other specialist (with PCP referral); or to obtain prescription drugs (except opioids and

brand name drugs when generic is available)[1]. The State has made further clarification to its proposal per the comments received. Accordingly, the AHCCCS CARE copayments will not deter people from accessing care, since, in most instances, a copayment will not apply.

3. Many people may not be able to afford the premiums, especially if they are caring for other family members with special needs.

The Arizona State Legislature already passed a measure requiring imposition of premiums for individuals enrolled in the New Adult Group.[2] The legislatively directed premium requirement is set at 2% of annual household income. The AHCCCS CARE program builds upon the legislative directive by allowing members to withdraw the premium dollars they have paid into their AHCCCS CARE Account and use those monies for non-covered services.

In response to concerns about affordability, the State has amended its premium requirement to allow for a ceiling of $25. Accordingly, the State has clarified in its proposal that the annual premium will not exceed 2% of annual household income or $25 per month, whichever is lesser.

In response to concerns about members who are also caregivers for individuals living with them who may be elderly or disabled, the State has amended its proposal to allow their participation in AHCCCS CARE to be optional.

4. Do Health Savings Accounts work in Medicaid? Are the premium amounts going to be enough to fund this Health Savings Account?

The AHCCCS CARE Account is not a health savings account. A true health savings account acts as the source of funds or insurance coverage for all of the individual's health care needs. Also, true health savings accounts follow numerous federal requirements. The AHCCCS CARE Account functions more like a flexible spending program that acts as a compliment to the member's existing full coverage. A member's AHCCCS covered services are not funded through the AHCCCS CARE Account. Adults that participate in the AHCCCS CARE program still receive all of their regular benefits through their AHCCCS health plan. There is no change to their benefits. Monies in the AHCCCS CARE Account are for the member's use for services that are not covered by Medicaid.

As pointed out previously, the Arizona Legislature has passed the premium requirement. The AHCCCS CARE Account offers members the opportunity to get their premium dollars back and reinvest those monies in their own health for services that

[1] **There is no copay for opioids in cases if terminal illness or cancer. There is no copay for brand name drugs where a physician has determined that the generic is ineffective.**
[2] **See SB 1475 http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf./**

Medicaid does not cover, like vision and dental. A member that has paid their monthly premium – e.g., $25 per month – can then use the money they have saved for a dental cleaning or glasses.

In addition, contributions from employers and charitable organizations will serve to either reduce member contribution amounts or augment savings already accrued in their AHCCCS CARE Account. Some commenters suggested that third party participation is unlikely. The State disagrees and will aggressively pursue partnerships with employers and charitable organizations that share Arizona's goal of promoting better health outcomes. Any organization can participate and reinvest their funds to support the health of AHCCCS members as they choose. These goals could include supporting tobacco cessation efforts or investing in the AHCCCS CARE Accounts for members with bleeding disorders, substance use disorders or diabetes. Some commenters stated that employer contributions could be a burden, particularly to small businesses. There is no requirement that employers make contributions. To the extent employers wish to make contributions, the State is pursuing a strategy to allow those contributions to be tax deductible.

Accordingly, the State believes the AHCCCS CARE Account presents new and unique opportunities to invest in the health of Arizonans and add value to the AHCCCS membership. The AHCCCS CARE Account takes a fresh approach to the traditional view of premium payments by allowing those dollars to stay with the member. The goal is adding a tool to help members manage their overall health as an added benefit, not to replace their current benefits.

5. The cost sharing imposed is not going to reduce total expenditures.

The AHCCCS CARE program is not designed as a cost saving measure. The goal is to take the directives as set forward by the Arizona Legislature and build upon them to more strategically direct care to the right settings and offer tools to support AHCCCS members' ability to manage their own health. The State is not counting any savings related to copayments and is allowing premium payments to stay with the member.

6. What are the administrative costs associated with this proposal?

The AHCCCS program already administers copayments and premiums and has done so for many years. Thus, these are not new components to the program. The only new components will be around education to members about (1) setting health goals and ways to achieve their goals and (2) connecting members to employment opportunities. These are positive investments in the AHCCCS membership. Costs for these investments in our members will be covered through copayments collected. The State has issued a Request for Information to seek additional information on third parties that currently administer similar type programs.

7. People who are sick or care for others who are elderly or disabled may not be able to keep up with premium or copayment requirements.

The State agrees with this comment. The State is already proposing to exempt persons with a serious mental illness, allowing their participation in AHCCCS CARE to be voluntary. As a result of public comment, the State is also seeking to exempt from AHCCCS CARE participation those who care for someone in their home who is elderly or disabled. Finally, the State will work with its federal partners at the Centers for Medicare and Medicaid Services (CMS) to build in exemptions for certain medically frail populations. The goal of AHCCCS CARE is to provide positive tools to better manage AHCCCS members' health, not to penalize members when they become ill.

8. There is no precedent for a work requirement or lifetime limit in Medicaid.

These comments reference Arizona Senate Bill 1092, which conditions Medicaid eligibility upon meeting specified work requirements and imposes a 5-year lifetime enrollment limit in Medicaid.[3] This legislation was discussed as part of the regular public process during the 2015 legislative session and included opportunities for public comment and testimony. Very little public feedback was offered to the Legislature. The requirements are now part of state statute. Hence, the AHCCCS Administration is required by state law to seek these waiver authorities. While it is recognized that similar type proposals have not yet been approved in Medicaid, Arizona policymakers' goal is to advance the national dialogue around these issues.

9. Is the AHCCCS Works program also a condition of eligibility?

No, the AHCCCS Works program is not connected to an individual's eligibility. Participation in AHCCCS Works is a requirement in order to withdraw funds from the AHCCCS CARE Account. The AHCCCS Works program is a work incentive, rather than a work requirement, as detailed in SB 1092.

Employment is an important part of one's overall health and wellness. Accordingly, the State has several initiatives around supported employment for persons with disabilities or serious mental illness. Despite the fact that adults make up nearly half of the AHCCCS enrollment, there has been no concerted effort to engage this adult membership around work opportunities. The AHCCCS Works program is an effort to connect people to the resources they need to find employment. The Department of Economic Security, for instance, has a robust program to provide aid to job seekers.

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[3] **For additional information and specific language around the requirements and exceptions, see the Arizona State Legislature's website at: http://www.azleg.gov/DocumentsForBill.asp?Bill_Number=1092&Session_Id=114. SB 1092 can be found here: http://www.azleg.gov/legtext/52leg/1r/laws/0007.pdf.**

All that is required is that members take the step of getting connected to employment assistance opportunities. Most importantly, a member's AHCCCS eligibility is not connected to their participation in AHCCCS Works.

Some commenters suggested that there may be AHCCCS members that cannot achieve work or cannot take the step to participate in AHCCCS Works. The State fully recognizes that different individuals may have different health needs or challenges. Accordingly, the State will work to accommodate individuals who are medically frail and unable to meet the AHCCCS Works component. The State disagrees, however, with some commenters that suggested the mere fact of being enrolled in Medicaid creates an inability to participate in a work incentive program. Rather, the State believes in investing in every adult member to support their ability to achieve independence to that individual's greatest extent. Employment is a key to maximizing independence and achieving better overall health and quality of life.

10. Setting healthy targets is a positive step.

AHCCCS appreciates the positive support for the Healthy Arizona program. Some commenters suggested the program may be difficult for members to achieve. Setting targets that no one can achieve is not the State's goal. Rather, the Healthy Arizona targets start small. Meeting this objective can be as simple as getting a flu shot. Members only need to accomplish one of the health goals in order to meet this requirement. The purpose here is to build health literacy around basic health and wellness measures and public health concerns.

11. Non-emergency medical transportation is a critical part of ensuring health and wellness.

The Arizona Legislature passed Senate Bill 1475,[4] which includes a requirement that the AHCCCS Administration seek a waiver allowing the State an exemption from providing non-emergency medical transportation to the expansion adult population – i.e. adults in the 100-133% FPL group. The State acknowledges and appreciates the concerns raised around ensuring that members have access to needed care and will explore opportunities to exempt certain medically frail populations from this directive.

12. There is broad support for proposals aimed at addressing health care disparities in the American Indian/Alaska Native population.

The State appreciates the broad support for the American Indian Medical Home, continuation of the uncompensated care payments for Indian Health Services and tribally owned or operated 638 facilities, and the opportunity to reimburse for traditional

[4] See http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf.

healing practices. AHCCCS will further engage with tribes around the opportunities in a series of workgroups.

13. There are other initiatives, such as community paramedicine, that should be added to this application.

The State agrees that there are numerous initiatives taking shape throughout the State. AHCCCS is already working on several of these efforts, including opportunities to reimburse for certain types of services provided in community paramedicine programs. Similarly, many of the types of initiatives or system reforms identified in public comments are already being supported in the AHCCCS system.[5] More importantly, there are many opportunities to include future reforms as part of the State's Waiver document. Reform initiatives require extensive research, stakeholder engagement and operational changes. Some of these dialogues are already occurring or will take place through current efforts or new ones, like the State Innovations Model (SIM) grant.[6]

14. While there is support for the Delivery System Reform Incentive Payment (DSRIP) program proposal, additional detail is needed.

The DSRIP section of the State's proposal is purposefully high level and outlines only the State's primary objectives. The details of what a DSRIP would entail for the State of Arizona requires an extensive level of stakeholder engagement, as such a proposal must be formed as part of a collaborative effort. In addition, the State is seeking opportunities to ensure long-term sustainability of any system reform efforts. Most of the issues highlighted in the DSRIP section are projects that are already underway in some form. The purpose of including the concept in the State's application is to ensure the development of language within the new Waiver that will further support these efforts.

15. There is support for the concepts of engaging adult members in healthy goals and allowing for innovative strategies that offer tools to help members direct their own care.

The State appreciates the support from commenters around the proposal's goals to empower adult members to manage their own health and have the flexibility pay for non-covered services. The State views this proposal as an exciting opportunity to build health literacy, connect people to work opportunities, and help prepare Arizonans for their transition from Medicaid to commercial coverage.

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[5] **See AHCCCS Initiatives page on the AHCCCS website at: http://azahcccs.gov/shared/initiatives.aspx.**
[6] **For more on the State's SIM grant, see: http://ahcccsnew/reporting/federal/SIMInitiative.aspx.**

News & Updates

QI-1 Program Update
Report for SB 1375
AHCCCS Payments, Financial and Utilization Data for Arizona Hospitals
AHCCCS CARE Program Announced
Arizona Comments to Medicaid Managed Care Proposed Rules
The Case for Inclusion – Arizona Ranked #1
Governor Ducey's Administrative Simplification
Viewpoints: Arizona leads the nation in providing care for those needing skilled health services
Results of AHCCCS Provider Rate Analysis
Director Betlach appointed to serve on CBO Panel of Health Advisors.
ASD Advisory Committee
CMS HCBS Rule
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Arizona's Section 1115 Waiver Process

Governor Ducey's Plan to Modernize Arizona's Medicaid Program

With over 1.6 million Arizonans enrolled in AHCCCS, Medicaid has a far greater responsibility for impacting population health. Despite past innovation, we have an opportunity and obligation to do more. The goals of Modernizing Arizona Medicaid are to: (1) Engage Arizonans to take charge of their health; (2) Make Medicaid a temporary option; and (3) Promote a quality product at the most affordable price.

AHCCCS will seek waiver authority to implement new programs and processes to carry this momentum forward to meet future challenges and respond to current economic realities through the AHCCCS CARE plan. More information about the AHCCCS CARE plan can be found below

Download the AHCCCS CARE Fact Sheet

Overview and Background of Arizona's 1115 Waiver

Arizona's current Section 1115 Waiver is scheduled to expire on September 30, 2016. The Waiver allows Arizona to run its unique and successful managed care model and exempts Arizona from certain provisions of the Social Security Act. It also includes expenditure authority for costs not otherwise matched by the federal government. Waiver programs are required to be budget neutral for the federal government – not cost more federal dollars than without a waiver. Specifically, the Waiver allows Arizona to:

- Mandate managed care;
- Provide Long Term Care Services in home and community-based settings rather than more costly institutions; and
- Implement administrative simplifications

AHCCCS will request CMS authority to continue current efficient and innovative programs, and will seek additional authority to implement new programs and processes such as the AHCCCS CARE program. AHCCCS will also include its Assessment and Transition Plan to comply with the CMS final rules regarding requirements for home and community based services. Additional information about the Plan and rule requirements can be found at this link: HCBS Page

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Final Proposal and Next Steps

AHCCCS received 138 written public comments and a number of comments at the Community Forums around the State during the public comment period. Arizona's final proposal includes all comments received as well as responses. Over the next year, AHCCCS will work with CMS to negotiate the terms of the next Waiver.

CMS Letter of Completeness 10/14/2015 [PDF]

Governor Ducey Letter to CMS 9/30/2015 [PDF]

AZ Updated Narrative 9/30/2015 [PDF]

AZ Proposal to CMS 9/30/2015 [PDF]

Process for Waiver Proposal Public Comment

The public will have the opportunity to review and comment on the proposal in person at public forums throughout the State and in writing via e-mail to publicinput@azahcccs.gov or mail to:

AHCCCS
c/o Office of Intergovernmental Relations
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

All comments received by **Friday, September 25, 2015**, will be reviewed, considered and included in the final proposal sent to CMS.

AHCCCS is accepting additional public comments on the DRAFT Budget Neutrality proposal to allow for a 30 day comment period through **Monday, October 12, 2015.**

Arizona's DRAFT Section 1115 Demonstration request with more detailed information on the proposal can be found on the link below:

AZ DRAFT Section 1115 Demonstration Program Template (8/17/2015) [PDF]

AZ DRAFT Section 1115 Demonstration Program Narrative (8/18/2015) [PDF]

AZ DRAFT Budget Neutrality 2016-2021 [PDF]

AHCCCS received a number of comments throughout the public comment period both in writing and at the Community Forums. All comments received are included as part of the State's application for a new Waiver. AHCCCS highlights many of the common themes found throughout the public comments and provides responses, clarification and how the comments may have shaped the State's proposal in the document below:

Public Comment Common Themes [PDF]

Community Forums

AHCCCS is hosting community meetings across the state to provide the public with information about the upcoming Waiver submittal. These sessions will also provide the opportunity for AHCCCS to hear from stakeholders, including members and their families, advocates and providers. Space is limited so RSVP is required. Information about these meetings can be found at the links below:

AHCCCS Community Forums Flyer [PDF]

Community Forum Presentation [PowerPoint]

Summary of Comments at Community Forum [PDF]

Adobe Acrobat Reader is required to view PDF files. This is a free program available from the **Adobe web site**. Follow the download directions on the Adobe web site to get your copy of Adobe Acrobat Reader.

News & Updates

QI-1 Program Update
Report for SB 1375
AHCCCS Payments, Financial and Utilization Data for Arizona Hospitals
AHCCCS CARE Program Announced
Arizona Comments to Medicaid Managed Care Proposed Rules
The Case for Inclusion – Arizona Ranked #1
Governor Ducey's Administrative Simplification
Viewpoints: Arizona leads the nation in providing care for those needing skilled health services
Results of AHCCCS Provider Rate Analysis
Director Betlach appointed to serve on CBO Panel of Health Advisors.
ASD Advisory Committee
CMS HCBS Rule

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New Physician Fee Schedule
Public Input for Rate Changes

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CMS HCBS Rule

Overview

On January 16, 2014, the Centers for Medicare and Medicaid Services (CMS) released final rule regarding requirements for home and community based services (HCBS) operated under section 1915 of the Social Security Act [PDF]. The rules establish requirements for both residential and non-residential settings. The purpose of the rule is to ensure that individuals receiving HCBS are integrated into their communities and have full access to the benefits of community living. The rule does not address services that are provided in a member's home such as attendant care, personal care, homemaker and habilitation services.

CMS is requiring compliance for all State Long Term Care home and community based settings including programs operated under section 1115 of the Act. Arizona operates its Medicaid program under an 1115 Waiver authority. To that end, AHCCCS has established a plan to comply with the rule on a timeline consistent with its 1115 Waiver renewal submission (effective October 2016).

In Arizona, these requirements impact Arizona Long Term Care Services (ALTCS) program members receiving services in the following settings:

- Residential
  - Assisted Living Facilities
  - Group Homes
  - Adult and Child Development Homes
  - Behavioral Health Residential Facilities
- Non-Residential
  - Adult Day Health Programs
  - Day Treatment and Training Programs
  - Center-Based Employment Programs
  - Group-Supported Employment Program

For more information on the Home and Community-Based Setting Rules and the requirements for State Medicaid Programs, please visit Home and Community Based Services

Arizona's Systemic Assessment and Transition Plan

After consideration of public comment, AHCCCS submitted its final Systemic Assessment and Transition Plan (linked below) to CMS for approval on September 30, 2015. AHCCCS will have 5 years to come into compliance with the rules under the Transition Plan. During the 5-year transition period, AHCCCS will work with a variety of stakeholders to implement the plan. Additionally, AHCCCS will work collaboratively with the contracted health plans to ensure providers are adequately oriented and trained on their respective roles and responsibilities in ensuring members have full access to the benefits of community living.

Arizona's Systemic Assessment and Transition Plan - FINAL [PDF]

APPENDIX

A. CMS NOTICE LETTER

B. COMMUNITY STAKEHOLDER MEETING NOTES

C. COOLIDGE CAMPUS LETTER

D. MEMBER AND PROVIDER SURVEYS

E. HCBS RULES OVERVIEW

F. PUBLIC COMMENT MATRIX

G. FORUM COMMENT FORMS

H. EMAIL COMMENTS (1-100)

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I. LETTER COMMENTS

J. ACRONYMS AND DEFINITIONS

AHCCCS conducted a preliminary assessment of Arizona's HCBS settings to determine its level of compliance, provide recommendations for identified variances, and outline a process for continuous monitoring. The assessment process included a review of statutes, rules, policies and contract language. AHCCCS has published its draft assessment of Arizona's HCBS settings and the draft transition plan to seek public comment. The draft of Arizona's Systemic Assessment and Transition Plan is linked below.

Arizona's Systemic Assessment and Transition Plan - DRAFT [PDF]

Public Comment Period on Arizona's Systemic Assessment and Transition Plan (August 1 – 31, 2015)

Community Forums

During the public comment period, AHCCCS will host a round of statewide community forums to walk through the draft assessment findings and draft transition plan and take public comment. Stakeholders may also submit comments directly to AHCCCS during this period. AHCCCS will review and consider all public comment received.

Community Forum Schedule [PDF]

Community Forum Schedule– Employment Services – August 28, 2015 [PDF]

Community Forum Presentation [PowerPoint]

Community Forum Presentation – Employment Services [PowerPoint]

Community Forum Presentation – Spanish Version [PowerPoint]

Home and Community Based Settings (HCBS) Rules Webinar

Written and Email Comment Submissions

Stakeholders may also submit comments on Arizona's Systemic Assessment and Transition Plan directly to AHCCCS during this period. AHCCCS will review and consider all public comment received.

The following questions are some items to consider when reviewing the assessments:

- Is the systemic assessment accurate?
- Does it contain the appropriate references to Arizona Revised Statutes, Arizona Administrative Code and AHCCCS and Managed Care Organization policies and contracts?
- Is the assessed compliance level finding reflective of the evidence provided?

The following questions are some items to consider when reviewing the transition plans:

- Does the remediation strategy directly address the compliance issue?
- Is the timeline for the remediation strategy appropriate and realistic?
- Is the proposed monitoring method the most effective way to ensure ongoing compliance?

To submit comments to AHCCCS or request a written copy of Arizona's Systemic Assessment and Transition Plan:

- Email: HCBS@azahcccs.gov
- Mail: AHCCCS
  c/o Office of Intergovernmental Relations
  801 E. Jefferson Street, Mail Drop 4200
  Phoenix, Arizona 85034

Member and Provider Surveys

Additionally during the public comment period, AHCCCS will disseminate anonymous surveys to randomly selected members and providers to obtain a baseline of the state's assessment and how the rules might currently be employed in practice in the residential and non-residential settings.

CMS Update

CMS Update

State Plan Activity

The State Plan is a comprehensive written contract between AHCCCS and the Centers for Medicare and Medicaid Services (CMS) that describes the nature and scope of Arizona's Medicaid program and assures that Arizona will administer its programs according to federal requirements under the provisions of the Social Security Act (SSA). The State Plan also provides a basis for Federal Financial Participation (FFP).

AHCCCS submits State Plan Amendments (SPAs) for CMS approval to reflect changes in federal and state laws, regulations, policy, or court decisions. The following is a summary of Arizona's SPA activity over the past few years:

2015: 9 SPAs submitted; 3 approved; 6 pending
2014: 17 SPAs submitted; 14 approved; 3 pending
2013: 19 SPAs submitted; 19 approved; 0 pending;
2012: 15 SPAs submitted; 12 approved; 1 pending; 2 withdrawn
2011: 25 SPAs submitted; 24 approved; 0 pending; 1 withdrawn
2010: 17 SPAs submitted; 16 approved; 1 withdrawn
2009: 6 SPAs submitted; 5 approved; 1 denied

More information can be found at:
http://www.azahcccs.gov/reporting/PoliciesPlans/StatePlanAmendments.aspx

Waiver Activity

Arizona's current Section 1115 Waiver is scheduled to expire on September 30, 2016. The Waiver allows Arizona to run its unique and successful managed care model and exempts Arizona from certain provisions of the Social Security Act. It also includes expenditure authority for costs not otherwise matched by the federal government. Waiver programs are required to be budget neutral for the federal government − not cost more federal dollars than without a waiver. Specifically, the Waiver allows Arizona to:

- Mandate managed care;
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- Implement administrative simplifications

AHCCCS submitted its request for CMS authority to continue current efficient and innovative programs, and will seek additional authority to implement new programs and processes such as the AHCCCS CARE program. More information can be found at:
http://www.azahcccs.gov/shared/FiveYear.aspx

Information about waivers can be found at:
http://www.azahcccs.gov/reporting/federal/waiver.aspx

2015 Amendments

SPA 15-006 – Graduate Medical Education
Updates GME funding for the service period July 1, 2015 through June 30, 2016 for programs with submitted IGAs.

Submitted 9/30/15

SPA 15-005-D – Nursing Facility Rates
Updates reimbursement rates for Nursing Facilities the period October 1, 2015 to September 30, 2016 and permanently removes the automatic inflation factor beginning October 1, 2015.

Submitted 8/27/15 [PDF]

SPA 15-005-C – Other Provider Rates
Updates rates for other provider services as of October 1, 2015.

Submitted 8/26/15 [PDF]

SPA 15-005-B – Outpatient Rates
Updates rates for outpatient services as of October 1, 2015.

Submitted 8/26/15 [PDF]

SPA 15-005-A – Freestanding Psychiatric Hospital Rates
Updates the rates for freestanding psychiatric hospitals as of October 1, 2015.

Submitted 8/26/15 [PDF]

SPA 15-004 - Ambulance Rates
Updates Ambulance Rates in the State Plan.

Submitted 6/1/15 [PDF]

SPA 15-003 - Orthotics
Updates the State Plan to reflect updates to the orthotic benefit.

Approved 5/28/15 [PDF]

Submitted 4/28/15 [PDF]

SPA 15-002 – Nursing Facility Assessment
Updates the Nursing Facility assessment dollar amounts in State Plan

Approved 4/21/15 [PDF]

Submitted 3/19/15 [PDF]

SPA 15-001 – Supplemental Drug Rebates
Updates the State Plan to include supplemental drug rebates effective January 1, 2015.

Submitted 2/5/15 [PDF]

AHCCCS Update