



JUN 02 2016

Thomas J. Betlach, Director  
Arizona Health Care Cost Containment System  
801 E. Jefferson St., MD-4100  
Phoenix, AZ 85034

Navajo Area  
Indian Health Service  
P.O. Box 9020  
Window Rock, Arizona 86515-9020

Re: Arizona Health Care Cost Containment System's Proposed 1115 Waiver

Dear Mr. Betlach:

The Navajo Area Indian Health Service (NAIHS) is supportive of the Arizona Health Care Cost Containment System's (AHCCCS) Proposed AZ 1115 Waiver request that will be submitted to the Centers for Medicaid and Medicare Services (CMS).

The NAIHS provides delivery of critical health care services to the American Indian and Alaska Native (AI/AN) patients that reside in Arizona, Colorado, New Mexico and Utah. Currently, the NAIHS facilities located in Chinle and Kayenta, Arizona, provide delivery of health care services to approximately 30,000 Medicaid AI/AN patients that include adults and children.

AHCCCS requested for the Indian Health Service, Tribes and Urban (ITU) program to provide input development of the waiver package. The ITUs participated in the Uncompensated Care, American Indian Medical Home and Traditional Healing workgroups. NAIHS had the opportunity to provide technical assistance and attend Uncompensated Care work group activities. Uncompensated Care work group members were diligent in meeting the purpose of the tasks required which included (a) review the methodology and data used to create the existing Per Member Per Month (PMPM) payment, and (b) evaluate the requests to modify the methodology to reflect current costs, utilization and service delivery, while also providing written methodologies for the waiver. Under the proposed waiver, the group provided recommendations that will offer two methodologies to facilities for the structuring of payment. The first option would be to use a Per Encounter Based methodology and the second option would be based on a Historical Data methodology.

The two methodologies that will be offered to each ITU facility will ultimately give the option back to the facility to determine which approach is the best fit for their facility. Each program will have the opportunity to evaluate the approaches based on the data that has been provided in the proposed waiver. The NAIHS agrees with the written language as presented in the AHCCCS Proposed AZ 1115 Waiver package and commends AHCCCS for providing tribal consultation and affording the opportunity for workgroups to provide recommendations. Additionally, the NAIHS is pleased to see the inclusion of a proposal for reimbursement of Traditional Healing Services and continues to support the American Indian Medical Home proposal.

We look forward to working together on future projects. Please feel free to contact me if you have any questions at (928) 871-5811.

Sincerely,

Douglas G. Peter, M.D., Acting Director  
Navajo Area Indian Health Service

Cc: Ron Tso, CEO, Chinle Service Unit  
Frank Dayish, CEO, Kayenta Service Unit  
Fannessa Comer, CEO, Shiprock Service Unit  
Hon. Jonathan Hale, Chairman, NNC HEHS Committee  
K Dempsey, Third Party Coordinator, NAIHS  
Floyd G. Thompson, Executive Officer, NAIHS