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## **Optional Services for Adults in Medicaid October 2010**

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Federal law requires that certain mandatory services be provided to all Medicaid members in order for states to participate in the Medicaid program. There is some flexibility for states to cover additional optional services beyond the federal requirements. This memo identifies the optional services AHCCCS covers for adults (persons age 21 and older), including members enrolled in the Arizona Long Term Care System, effective October 1, 2010. It is critical to note, under federal law, all children under the age of 21 years must receive all Medicaid services described in 42 USC 1396d(a) “when necessary to correct or ameliorate defects and physical and mental illnesses and conditions” whether or not the services are covered by the AHCCCS Program and irrespective of whether or not the services are otherwise considered mandatory or optional.

Any changes to services are subject to CMS review and approval. Changes to these services require careful consideration, including further federal refinement of mandatory services, impact to member care, offset of costs, and the ability to operationalize the change. Below is a list of optional services currently reimbursed by AHCCCS.

- Care by the following licensed practitioners<sup>1</sup>:
  - Respiratory Therapists
  - Certified Nurse Practitioners<sup>2</sup>
  - Certified Registered Nurse Anesthetists
  - Non-physician First Surgical Assistants and Physician Assistants
  - Licensed midwives<sup>3</sup>
  - Licensed affiliated practice dental hygienists
  - Nonphysician behavioral health professionals
- Private duty nursing services
- Outpatient Therapies
  - Physical Therapy: AHCCCS limit is 15 outpatient visits
  - Speech Therapy: covered for ALTCS only
  - Occupational Therapy: covered for ALTCS only
- Prosthetic and Orthotic devices- limited to certain prosthetics and no orthotics
- Other Diagnostic, Screening, Preventive<sup>4</sup> and Rehabilitative Services<sup>5</sup>
- Prescribed drugs
- Services in an Institution for Mental Disease for those persons age 65 and older<sup>6</sup>
- ICFMR services<sup>7</sup>
- Case management including Targeted Case management
- Respiratory care for ventilator-dependent individuals

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<sup>1</sup> Elimination of these provider types may lead to delivery of similar services by more costly providers

<sup>2</sup> Does not include nurse practitioner services by a professional nurse which are mandatory services

<sup>3</sup> Does not include nurse-midwife services which are mandatory services

<sup>4</sup> Well exams were eliminated 10/1/10

<sup>5</sup> Includes most behavioral health services

<sup>6</sup> If eliminated, the State would pay for all services received by persons age 65 and older in the Arizona State Hospital

<sup>7</sup> If eliminated, the State would be required to pay for all services provided at the state-owned Coolidge facility

- Home and Community Based Services<sup>8</sup>
- Transplants<sup>9</sup> covered include:
  - Heart; but not for non-ischemic cardiomyopathy
  - Liver; but not for members with a diagnosis of Hepatitis C
  - Kidney (cadaveric and liver donor)
  - Simultaneous Pancreas/Kidney
  - Hematopoietic Stem Cell Transplant (HSCT) when Allogeneic related, Autologous and Tandem HSCT; but not if Allogeneic unrelated HSCT)
  - Cornea
  - Bone

Although this document identifies optional Medicaid services currently reimbursed by the AHCCCS Program, it is important to recognize the significant challenges inherent in calculating costs and/or savings associated with the elimination or reduction of these services. Projecting the financial impacts of benefit changes is a very complex undertaking where careful and deliberate consideration must be given to both the anticipated as well as the unintended consequences of any modification to covered benefits. Elimination of optional services, using drugs as an example, may result in increased programmatic costs if it leads to greater utilization of mandatory services and/or demand for more expensive, covered services. These implications are difficult to predict. Thus, any modification to the reimbursement of optional services which are presently covered by AHCCCS must be approached with caution.

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<sup>8</sup> If eliminated, would result in increased costs of providing care in higher cost mandatory settings

<sup>9</sup> Some transplants were eliminated 10/1/10