



**Arizona's Section 1115 Waiver Demonstration
Quarterly Report
January 1, 2024 - March 31, 2024**

May 2024



Arizona's Section 1115 Waiver Demonstration Quarterly Report

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Arizona's Section 1115 Waiver Demonstration Quarterly Report

I. Introduction

Title

Arizona Health Care Cost Containment System - AHCCCS
A Statewide Approach to Cost Effective Health Care Financing
Section 1115 Quarterly Report
Demonstration Year: 41
Federal Fiscal Quarter: 2nd (January 1, 2024 - March 31, 2024)

State Contacts

Kyle Sawyer

Assistant Director of Public Policy and Strategic Planning,
AHCCCS Office of the Director,
801 E. Jefferson St., MD- 4200
Phoenix, AZ 85034
Kyle.Sawyer@azahcccs.gov

Shreya Arakere

Federal Waiver and Evaluation Administrator,
AHCCCS Office of the Director,
801 E. Jefferson St., MD- 4200
Phoenix, AZ 85034
Shreya.Arakere@azahcccs.gov

Date Submitted to CMS

May 30, 2024

Purpose

As written in Special Terms and Conditions (STCs), paragraph 85, the Arizona Health Care Cost Containment System (AHCCCS) submits quarterly progress reports to the Centers for Medicare and Medicaid Services (CMS). Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the demonstration.

II. Waiver Update

Waiver Renewal

On October 14, 2022, AHCCCS received approval for its five-year renewal of Arizona's demonstration project under Section 1115 of the Social Security Act. This renewal is effective through September 30, 2027. The current demonstration exempts Arizona from particular provisions of the Social Security Act and also includes expenditure authority permitting federal financial participation (FFP) for State

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expenditures that would not otherwise qualify for federal participation. Moreover, demonstration projects, including Arizona's, must establish budget neutrality where Medicaid costs to the federal government are not expected to exceed in the absence of the demonstration.

The current 1115 Waiver approval continues the long-standing authorities and programs that have made Arizona's Medicaid program innovative, effective, and efficient, including integrated managed care for AHCCCS populations through AHCCCS Complete Care (ACC); the Arizona Long Term Care System (ALTCSS); the Department of Child Safety Comprehensive Health Plan (DCS CHP) for children in foster care; and AHCCCS Complete Care, Regional Behavioral Health Agreements (ACC-RBHAs) which provide integrated care for individuals living with a Serious Mental Illness (SMI) designation; payments to providers participating in the Targeted Investments (TI) Program, and Waiver of Prior Quarter Coverage for specific populations.

In addition to renewing these historic programs, this 1115 Waiver includes approval for transformative projects intended to advance member health outcomes including:

- Authority to enhance and expand housing services and interventions for AHCCCS members who are experiencing homelessness or at risk of becoming homeless through the Housing and Health Opportunities (H2O) program with a target implementation date of October 1, 2024,
- Authority to direct managed care organizations to make specific incentive payments to providers that meet the criteria for receiving these payments with the goal of improving health equity for target populations by addressing health-related social needs (HRSN) through the TI 2.0 Program, and
- Authority to reimburse Indian Health Services (IHS) and Tribal 638 facilities to cover the cost of adult dental services for American Indian/Alaskan Native (AI/AN) beneficiaries that are eligible for 100 percent FFP, that are in excess of the \$1,000 emergency dental limit for adult members in Arizona's State Plan, and that are in excess of the \$1,000 dental limit for individuals aged 21 or older enrolled in AHCCCS.

In its approval notice, CMS recognized the State's interest in reimbursing for traditional healing services offered by tribal nations and will continue to work with Arizona on this request. Additionally, CMS noted its willingness to further explore reimbursement for pre-release services for individuals in federal, state, local, and tribal correctional facilities.

More details on Arizona's section 1115 Waiver renewal approval (2022-2027), along with the proposal, approval letter, Special Terms and Conditions, and supplemental documentation can be found on the [AHCCCS Section 1115 Demonstration Waiver \(2022-2027\) web page](#).

On June 6, 2023, CMS approved Arizona's application request for continuous coverage for individuals determined ineligible for the Children's Health Insurance Program (CHIP) due to change of circumstances. This amendment will allow Arizona to align their policies for young adults in Medicaid and CHIP; thereby, prevent gaps in coverage during the COVID-19 Public Health Emergency (PHE) unwinding and redetermination period. Arizona is working with their independent evaluator, HSAG, to put together a final evaluation report of this flexibility, due March, 2025.

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New Waiver Program Implementation Updates

Housing and Health Opportunities (H2O)

In accordance with STCs, AHCCCS submitted the following H2O related deliverables to CMS in the second 2024 federal fiscal quarter:

- Submitted the New Initiatives Implementation Plan to CMS on October 26, 2023,
- Received CMS approval of the Designated State Health Programs (DSHP) list on October 11, 2023,
- Received CMS approval of the attestation table and information regarding provider rates and required rate increases under STC 60 through 72,
- Replied to CMS questions regarding the New Initiatives Implementation Plan and Protocol for Assessment of Beneficiary Eligibility and Needs, Infrastructure Planning, and Provider Qualifications for H2O services,
- Held workgroup meetings with internal AHCCCS subject matter experts to continue to develop items related to the 1115 waiver and support the implementation of the H2O Program such as eligible chronic conditions,
- Applied and was accepted into the Housing Accelerator program, continued participation in regular TA sessions with other states with HRSN waivers and receive TA from SMEs,
- Collaborated internally to develop a Request for Proposal (RFP) for the third party administrator, now known as the H2O Program Administrator (H2O-PA), posted the solicitation with responses due May 1, 2024, and
- Submitted the 1115 State Annual Report to CMS on December 21, 2023.

Due to the unprecedented nature of the Housing and Health Opportunities (H2O) Program, CMS and AHCCCS have agreed to postpone the planned start date of the program to October 1, 2024, which will allow CMS adequate review time for previous and future deliverables along with an extended implementation period to ensure the success of the program.

Target Investments (TI) 2.0

A summary of the implementation activities AHCCCS conducted for the renewal program (TI 2.0) in Quarter 2 include:

- Hosted kickoff event with 350 representatives from participating organizations, health plans, Account Care Organizations (ACOs) and Clinically Integrated Networks (CINs),
- Published milestones reflecting targets and deliverables for the next two years of the program,
- Hosted more than 20 webinars related to the milestones, NCQA Health Equity Accreditation, and general "office hours,"
- Pilot CRM system and continued development of core features,
- Finalized justice participation to identify and award more than 50 clinics statewide,
- Drafted content for computer based training modules and design of project deliverables,
- Pilot HIE report to identify race and ethnicity of AHCCCS members based on EMR,
- Submitted TI 2.0 Waiver Evaluation Design to CMS,

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- Confirmed Y6 aggregate funding as a result of failing an STC measure and drafted payments and incorporated into payment calculations,
- Continued validating TI 2.0 application data with address, licensing, and other statuses maintained by CMS (NPPES), AHCCCS (provider enrollment), and Arizona Department of Health Services (ADHS-licensure),
- Began drafting document validation criteria that will be used to identify minimum elements Y2-Y3 processes must include,
- Explored interest in the NCQA Health Equity Accreditation program to confirm more than 30 organizations will seek the seal, and
- Explored data sharing opportunities with other state agencies (e.g., ADHS, ASU) and ACOs/ CINs.

Indian Health Service (IHS)/638 Tribal Dental Services

Effective October 14, 2022, the \$1,000 emergency dental services limit for American Indian or Alaska Native (AI/AN) members over 21 years of age, and the \$1,000 limit for AI/AN ALTCS members receiving services for medically necessary diagnostic, therapeutic, and preventative dental services at IHS/638 facilities are eliminated. This flexibility applies to medically necessary diagnostic, therapeutic, and preventative dental services for beneficiaries who are AI/AN as long as the services are received at participating IHS facilities and/or Tribal 638 facilities.

The \$1,000 limit on emergency services and the \$1,000 dental limit for ALTCS beneficiaries age 21 or older still applies when performed outside of the IHS/638 Tribal facilities.

Parents as Paid Caregivers (PPCG)

The COVID-19 PHE necessitated new innovations and service delivery models to ensure members continued to receive services if a family decided not to allow Direct Care Workers (DCWs) into their homes or if DCWs decided not to continue working in the home setting to mitigate the risk of exposure. As a result, AHCCCS submitted and received approval for a temporary COVID-19 Appendix K PHE flexibility to allow parents to be reimbursed for the provision of the “extraordinary care” that was required of them throughout the course of the pandemic. The agency received an extension of this flexibility for six months after the end of the PHE on March 22, 2023, extending the program until November 11, 2023, under the same Appendix K authority.

On September 27, 2023, AHCCCS submitted the PPCG proposal seeking to ensure the continuation of allowing for parents to be reimbursed for the provision of this “extraordinary” attendant care including habilitation services to their minor children past the current expiration date of November 11, 2023, through a section 1115 demonstration amendment. This proposal was informed by a robust public input process that engaged 1,765 stakeholders, generated 849 pieces of written and verbal input during the forums and other community events, and obtained 739 pieces of written input through the Waiver public input email.

AHCCCS received approval from CMS on the PPCG demonstration on February 16, 2024. Approval of the PPCG program will allow AHCCCS to continue to reimburse legally responsible parents of minor children for providing direct care to their minor children, helping to mitigate the direct care worker shortage and

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improve access to timely, effective care in the home and community. The amendment also establishes a Family Support service as part of the Home and Community Based Services (HCBS) benefit package. The Family Support service aims to support primary caregivers, including parents, and improve access to timely, effective care in the home and community.

During the reporting period, AHCCCS began preliminary planning including the development of a draft project plan and a workgroup to support implementation and operationalization of the Waiver requirements.

KidsCare Expansion

On February 16, 2024, AHCCCS received approval from CMS on the KidsCare Expansion Section 1115 demonstration Amendment Proposal to raise the CHIP, KidsCare in Arizona, eligibility thresholds from 200% of the FPL to 225% FPL with the flexibility for KidsCare coverage to go up to and include 300 percent of the FPL, subject to approval by the state legislature. The KidsCare Expansion demonstration is in alignment with Arizona Senate Bill (SB) 1726. The expanded income limit was implemented effective 3/1/2024. Since KidsCare eligibility is prospective, the earliest effective date of eligibility for the expansion was 4/1/2024. The number of kids eligible under the expanded income limit is reported monthly in the AHCCCS Population Highlights report found on the [population reports page](#).

New Demonstration Waiver Amendment Proposals

Former Foster Youth Annual Automatic Renewal

On March 28, 2023, AHCCCS submitted the Former Foster Youth Annual Automatic Renewal demonstration Waiver proposal in alignment with House Bill 2622 passed by Arizona's 55th Legislature. This proposal seeks authority to waive the condition of eligibility in 42 CFR 435.608 requiring Medicaid beneficiaries to apply for other cash benefits for the Former Foster Youth population. AHCCCS currently offers transitional medical care for children leaving foster care that are between the ages 18 to 26. AHCCCS refers to this group as the Young Adult Transitional Insurance (YATI) population. This proposal promotes continuity of care, administrative simplification, and reduces unnecessary eligibility churn. Negotiations on the approval of this proposal are underway between AHCCCS and CMS.

In addition, AHCCCS is working on an amendment to this existing waiver application where we intend to extend eligibility for full Medicaid state plan benefits to FFY who are under age 26, who turned 18 on or before December 31, 2022, who were in foster care under the responsibility of another state or tribe on the date of attaining 18 years of age, were enrolled in Medicaid on the date of aging out of foster care, and are now applying for Medicaid in Arizona. If approved, the amendment will run concurrently with AHCCCS' requested renewal period through September 30, 2027.

III. Operational and Policy Updates

Legislative Update

The 56th Arizona Legislature, Second Regular Session, began on January 8, 2024, and is ongoing at this time.

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State Plan Update

During the reporting period, the following SPAs were filed and/or approved:

Table 1

SPA #	Description	Filed	Approved	Eff. Date
21-0011 Disproportionate Share Hospital (DSH) Pool 5	This SPA updates the State Plan to reflect DSH funding for FFY 2022	9/27/21	1/25/24	10/1/21
23-0019 Inpatient Differential Adjusted Payment (DAP)	Establishes an Inpatient Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	1/25/24	10/1/23
23-0020 Nursing Facility Differential Adjusted Payment (DAP)	Establishes a Nursing Facility Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	1/25/24	10/1/23
23-0021 Outpatient Differential Adjusted Payment (DAP)	Establishes an Outpatient Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	1/25/24	10/1/23
23-0022 EMT Rates	Updates the state plan Emergency Medical Transportation Rates for FFY 2024.	12/19/23	1/24/24	10/1/23
23-0023 LTC/Rehab Rates	Updates the state plan Long Term Care and Rehab Rates for FFY 2024.	12/19/23	2/5/24	10/1/23
23-0024 Outpatient Hospital Rates	Updates the state plan Outpatient Hospital Rates for FFY 2024.	12/19/23	1/24/24	10/1/23
23-0025 Other Provider Rates	Updates the state plan Other Provider Rates for FFY 2024.	12/19/23	1/24/24	10/1/23
23-0026 APR-DRG Rates	Updates the state plan APR-DRG Rates for FFY 2024.	12/19/23	2/5/24	10/1/23
24-0001 January Nursing Facility Rates	Updates the state plan January Nursing Facility Rates.	3/22/24	4/2/24	1/1/24
24-0002 Physician Administered Drugs	Updates the state plan Physician Administered Drug (PAD) Rates.	3/21/24	N/A	1/1/24
24-0003 CHIP Vaccine Coverage	Attests to the State's coverage of age-appropriate vaccines and their administration without cost sharing.	3/25/24	N/A	1/1/24
24-0004 Medicaid Children's Continuous Eligibility	Attests to the State's compliance with federal requirements to provide 12 months of continuous eligibility for children in Medicaid and CHIP.	3/27/24	N/A	1/1/24

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IV. Evaluation Activities

Waiver Evaluation Update

CMS has approved the Evaluation Design for the legacy Section 1115 Waiver Demonstration Projects. AHCCCS is in the process of seeking approval for the H2O Evaluation Design which contains evaluation components specific to the new H2O Program. A separate 1115 Waiver Evaluation Design was also created for the TI Program 2.0 and was submitted to CMS in February 2024 and is currently under CMS review. Additionally, AHCCCS is in the process of procuring an independent evaluator for developing Evaluation Design plans for the two newly approved Waiver initiatives (i.e., Parents as Paid Caregivers Program and the expansion of KidsCare eligibility).

V. Consumer Issues

Table 2 summarizes advocacy issues received by the Office of Client Advocacy (OCA) for the quarter January 1, 2024 – March 31, 2024. The originators of the issues are identified in Table 3.

Table 2

Advocacy Issues ¹	January	February	March	Total
Billing Issues	4	1	0	5
<ul style="list-style-type: none"> ● Member Reimbursements ● Unpaid bills 				
Cost Sharing	0	0	1	1
<ul style="list-style-type: none"> ● Co-pays ● Share of cost (ALTCS) ● Premiums (KidsCare, Medicare) 				
Covered Services	0	0	0	0
ALTCS	0	3	0	3
<ul style="list-style-type: none"> ● Resources ● Income ● Medical 				
Department of Economic Security (DES)	10	28	38	76
<ul style="list-style-type: none"> ● Income ● Incorrect determination ● Improper referrals 				
KidsCare	0	0	0	0

¹ Categories of good customer service, bad customer service, documentation, policy, and process are captured under the category it may relate to.

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Advocacy Issues ¹	January	February	March	Total
<ul style="list-style-type: none"> ● Income ● Incorrect determination 				
SSI/Medical Assistance Only <ul style="list-style-type: none"> ● Income ● Not categorically linked 	1	4	1	6
Information <ul style="list-style-type: none"> ● Status of application ● Eligibility criteria ● Community resources ● Notification (did not receive or didn't understand) 	36	27	41	104
Medicare <ul style="list-style-type: none"> ● Medicare coverage ● Medicare Savings Program ● Medicare Part D 	2	7	1	10
Prescriptions <ul style="list-style-type: none"> ● Prescription coverage ● Prescription denial 	0	1	0	1
Fraud-Referred to Office of Inspector General (OIG)	0	0	0	0
Quality of Care-Referred to Division of Health Care Management (DHCM) <ul style="list-style-type: none"> ● Health Plans/Providers (Caregiver issues, Lack of providers) ● Services (Equipment, Nursing Homes, Optical and Surgical) 	0	0	0	0
Total	53	71	82	206

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Table 3

Issue Originator ²	January	February	March	Total
Applicant, Member, or Representative	5	13	19	37
CMS	2	2	2	6
Governor's Office	4	10	11	25
Ombudsmen/Advocates/Other Agencies	39	41	50	130
Senate & House	3	5	0	8
Total	53	71	82	206

VI. Performance Metrics

Enrollment Information

Table 4 contains a summary of the number of unduplicated enrollees for January 1, 2024, through March 31, 2024, by population categories. The table also includes the number of voluntarily and involuntarily disenrolled members during this period.

Table 4

Population Groups	Number of Enrollees	Number Voluntarily Disenrolled	Number Involuntarily Disenrolled
Acute AFDC/SOBRA	1,202,849	4,067	39,127
Acute SSI	214,586	257	5,981
Prop 204 Restoration	550,963	2,256	29,271
Adult Expansion	135,252	438	10,111
LTC DD	40,954	70	201
LTC EPD	29,265	39	1,713
Non-Waiver	147,531	310	6,981
Total	2,321,400	7,437	93,385

² This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.

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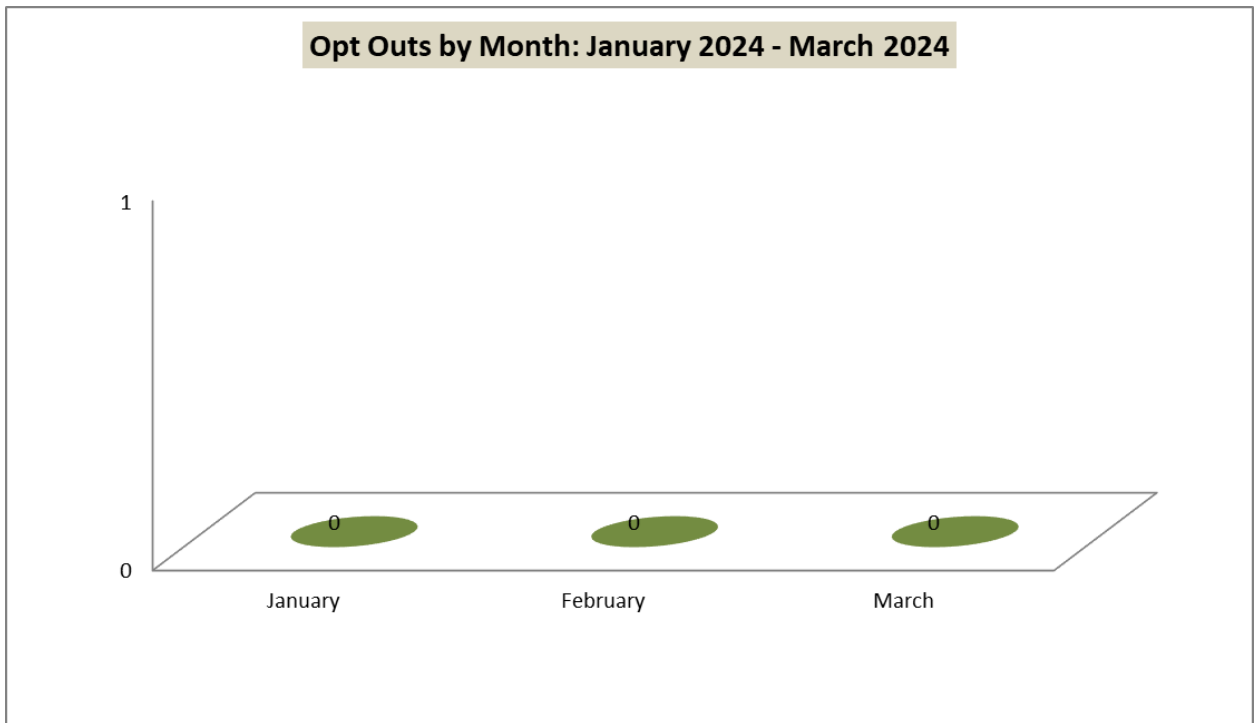
Table 5 is a snapshot of the number of current enrollees (as of April 1, 2024) by funding categories, as requested by CMS.

Table 5

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees as of 4/1/24
Title XIX funded State Plan	1,413,781
Title XXI funded State Plan	62,714
Title XIX funded Expansion	598,757
<ul style="list-style-type: none"> ● Prop 204 Restoration (0-100% FPL) 	520,434
<ul style="list-style-type: none"> ● Adult Expansion (100% - 133% FPL) 	78,323

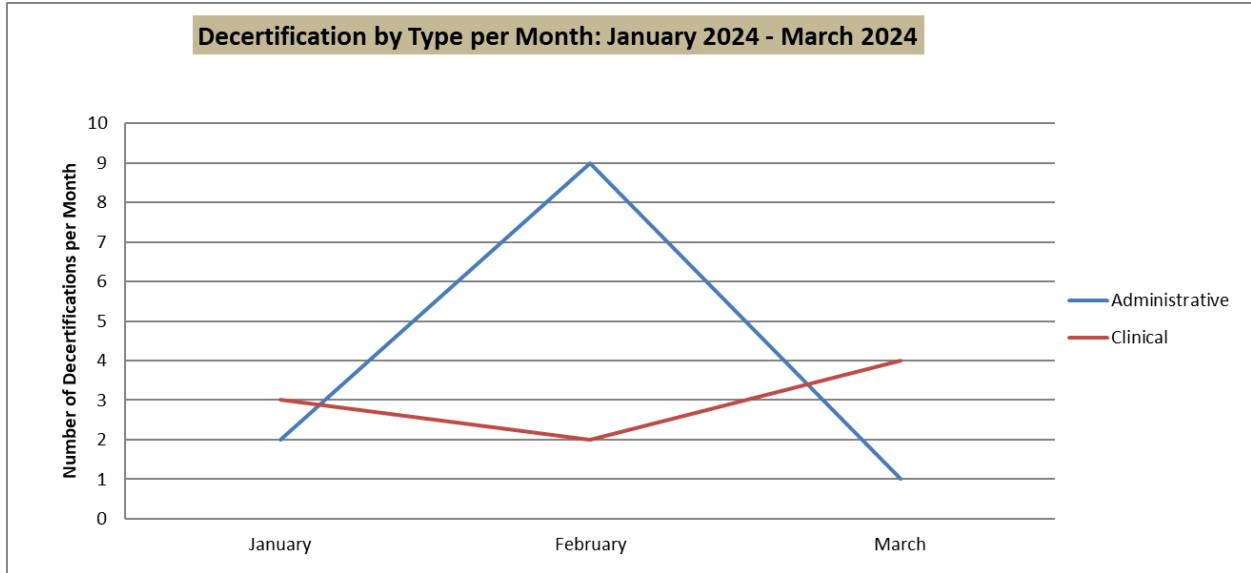
Individuals with SMI Opt-Out for Cause Report

Fig. 1: Opt Outs by Month: January 2024 - March 2024-Fig 1 is the number of requests made by a member with an SMI designation to Opt Out of the integrated RBHA for the delivery of physical health care services and receive these services from an ACC plan.



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Fig. 2: Decertification by Type per Month: Opt Outs by Month: January 2024 - March 2024 - The decertifications pertain to a determination that an SMI member no longer meets the clinical criteria for eligibility as a person with SMI, or they have requested a review under the administrative process based upon no longer receiving behavioral health services for a period of 6 or more months, and the individual is seeking to have the SMI behavioral health category changed to reflect general mental health.



VII. Quality Assurance and Monitoring Activities

Introduction

This report describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in Special Terms and Conditions of the Arizona Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements as well as Managed Care Organization (MCO) monitoring and compliance. The main report headers are indicated in blue with related sub-headers in maroon. The sections under the maroon sub-headers contain quarterly-specific updates. AHCCCS' Division of Health Care Services (DHCS) [formerly Division of Health Care Management] and Division of Grants and Innovation (DGI) [formerly Division of Grants Administration] including Operations, Compliance, Quality Management (QM), Quality Improvement (QI), Medical Management (MM), Maternal, Child Health/Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT), and Integrated System of Care (ISOC) oversee the reported activities.

Managed Care Programs

AHCCCS maintains overall objectives for its Managed Care Demonstration programs, AHCCCS Complete Care (ACC), ACC plans with Regional Behavioral Health Agreements (ACC-RBHAs), Arizona Long Term Care System (ALTCS) for the Elderly and/or Physically Disabled (EPD) and Developmentally Disabled (DD), and the Comprehensive Health Plan for children in the foster care system (CHP). These objectives include maintaining and improving care coordination among primary care and behavioral health providers;

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maintaining and enhancing access to care and quality of care; improving health outcomes and member satisfaction as well as quality of life for members; and continuing to operate as a cost-effective managed care delivery model. AHCCCS has engaged in a multi-year effort to reduce delivery system fragmentation at all levels through the transformational initiative of integrating physical and behavioral health services under the same MCO to enhance care management and quality of care across the entire continuum of care. AHCCCS' objectives are further supported by evidence of integration's benefits (including whole-person care, increased care coordination, simplifying a complex health care system for members and providers, and resulting in improved health outcomes). AHCCCS is continually reviewing opportunities to improve the effectiveness and efficiency of Arizona's health care delivery system, as well as the methods utilized to promote optimal health for members.

AHCCCS currently holds contracts with MCOs as outlined in the table below.

Table 6

Managed Care Organization (MCO)	Geographical Service Area (GSA)			
	Line of Business	Central ¹	North ²	South ³
Arizona Complete Health-Complete Care Plan	ACC & ACC-RBHA	X*		X PIMA COUNTY ONLY
Care1st Health Plan	ACC & ACC-RBHA		X	
Mercy Care	ACC & ACC-RBHA	X		
Banner University Family Care	ACC	X		X
Health Choice Arizona	ACC	X	X	
Molina Healthcare	ACC	X		
UnitedHealthcare Community Plan	ACC	X		
Banner University Family Care	ALTCS-EPD	X		X
Mercy Care	ALTCS-EPD	X		
UnitedHealthcare Community Plan	ALTCS-EPD	X	X	
Department of Economic Security/Division of Developmental Disabilities	ALTCS/DDD	X	X	X
Department of Child Safety, Comprehensive Health Plan	DCS/CHP	X	X	X

1 Maricopa, Gila, Pinal excluding ZIP codes 85542, 85192, and 85550

2 Mohave, Coconino, Apache, Navajo, Yavapai

3 Cochise, Graham, Greenlee, La Paz, Santa Cruz, Yuma Including zip codes 85542, 85192, and 85550

**Arizona Complete Health-Complete Care Plan is only responsible for ACC contract requirements in this GSA.*

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Delivery System Initiatives, Innovations, and Improvements

AHCCCS is committed to the development of a thoughtful, data-informed delivery system that incorporates CMS priorities and AHCCCS' business needs and promotes optimal health outcomes for all members. Throughout AHCCCS, various teams undertake extensive efforts to promote delivery system innovation and improvement for internal and external processes.

Initiatives

Abuse and Neglect Prevention Task Force

AHCCCS continues involvement in Abuse and Neglect Prevention activities. As of January 1, 2024, two workgroups continue to address abuse and neglect prevention. The Training and Prevention workgroup continues to evaluate prevention-oriented training materials for family members and caregivers, advocates, members with intellectual and/or developmental disabilities (I/DD), and stakeholder agencies and advocacy groups. This workgroup has already identified numerous materials, but present activities are focused on ensuring information is still current and available via printed training materials, books, or web-based applications. Additionally, the Trauma Informed Approach Collaborative Council (TIACC) continues to focus on ensuring development of trauma informed models for members with I/DD. As of the meeting scheduled for this quarter, a survey has been drafted to share with various provider and state agencies, community members, family members and others, to gather information on knowledge and/or use of trauma informed models.

American Rescue Plan (ARP) Act

In January 2022, CMS granted approval of Arizona's ARP Act of 2021 (Pub. L. 117-2) HCBS Spending Plan. This allowed the Agency to begin implementing activities outlined in the Spending Plan and to qualify for a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain HCBS Medicaid expenditures, provided such funds are expended during the approved timeframe. While CMS has approved an expenditure authority through March 2025 (SMD #22-002), AHCCCS currently plans to adhere to a shorter extension through September 30, 2024, or until funds are expended, whichever comes first.

Arizona has identified two critical priorities in its Spending Plan: (1) Strengthening and Enhancing Arizona's HCBS System of Care; and (2) Advancing Technology to Support Greater Independence and Community Connection). Each activity identified in the State's Spending Plan supports these priorities, resulting in member-centric strategies that will serve as a roadmap for the State's use of these dollars. Further, the State's Spending Plan activities are designed to support transformational change of the delivery system, leading to enhancements in care delivery to individuals who are accessing General Mental Health (GMH) and Substance Use Disorder (SUD) services. Arizona has identified four key populations at the center of the efforts outlined in this spending plan, specifically seniors, individuals living with disabilities, individuals living with an SMI designation, and children with behavioral health needs.

AHCCCS has worked to implement and operationalize activities since the approval of the ARP HCBS Spending Plan.

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The following highlight major activities that AHCCCS has implemented as of March 30, 2024:

1. Release of One-Time Payments to Support the HCBS Workforce

AHCCCS obtained expenditure authority from the Arizona Legislature; upon approval, the Agency immediately released one-time directed payments to providers for the purposes of strengthening their workforce and enhancing HCBS. Based on stakeholder feedback, these funds provided immediate support for HCBS Direct Care Workers (DCWs) to ensure effective and efficient service delivery. AHCCCS dispersed directed payments for 2022 and 2023. Eligible providers receiving directed payments in 2023 had until the end of February 2024 to expend funds. AHCCCS is currently finalizing the CY2024 directed payment, with the anticipation that funds will be released to providers in quarter two of 2024. AHCCCS is also working to finalize processes that will support the conduct of audits of providers in receipt of directed payments.

2. Implementation of Activities to Strengthen and Enhance the Workforce

AHCCCS is partnering with Arizona's community colleges on two initiatives that are intended to improve the capability and commitment of the HCBS health care workforce. The first partnership; the Career, Education and Training (CET) initiative offers scholarships and tuition assistance for students in over 40 eligible healthcare degree and certificate programs throughout Arizona as well as an in-service training curriculum development component for the LTSS and Behavioral Health workforces. To coordinate the activities of all of the participating community college districts, AHCCCS has contracted with Maricopa County Community College District (MCCCD), who has partnered with five other community college districts in the state, to assist with disbursement of scholarship and tuition assistance funds as well as to lend their curriculum development and instructional design expertise to the development of the previously mentioned in-service training programs. The second partnership, referred to as the Behavioral Health Program Expansion initiative, is the result of legislation (HB2691) that required AHCCCS to partner with MCCCD and Northern Pioneer Community College in Navajo County (NPC) to bolster participation in behavioral health academic education and training programs.

The Community colleges began distributing funds starting September 2023 for students enrolled in eligible programs. The CET scholarship program will terminate with the end of AHCCCS' ARP spending authority on September 30, 2024. If the legislature chooses, the HB2691 Behavioral Health Program Expansion Initiative can be extended until December 31, 2025. There are work requirements for students participating in the CET and the HB 2691 scholarship and tuition assistance programs. The CET scholarship and tuition assistance program requires students to attest that they intend to serve as HCBS providers upon completing their education. HB2691 requires students participating in the Behavioral Health Expansion Project to commit to working for a minimum of two years or the length of their financially supported AHCCCS Scholarship, whichever is longer.

As of March 2024, AHCCCS via MCCCD awarded over four million dollars of scholarship and tuition assistance across 1,475 recipients for the CET program and approximately \$1.4 million dollars across 489 recipients for the HB 2691 program.

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AHCCCS has formally partnered with Pipeline AZ to develop a Caregiver Career Development Pathway (Pathway) program. Pathway is designed to encourage individuals to begin a career as a DCW and guide them down their ideal career path through site tours, training, financial resources, etc. AHCCCS is continuing to work with Pipeline AZ to ensure that the Pathway program becomes a pivotal resource in expanding the HCBS workforce. AHCCCS has also set aside funds to provide incentives to providers to participate in Pipeline AZ.

AHCCCS is working on several initiatives related to workforce development. This includes implementation of a Differential Adjustment Payment (DAP) to providers for the development of a workforce plan. In addition, AHCCCS has been working with a third-party contractor to assess potential data sources for the development of a workforce database. AHCCCS has conducted a preliminary review of the available data and will be working on developing a Power BI dashboard of key workforce metrics.

AHCCCS has partnered or is in the process of partnering with several contractors to provide training and curriculum development support. These partners include Arizona State University (ASU), the University of New Hampshire's National Center of START Services, and the Association for Talent Development (ATD). AHCCCS anticipates these activities to be completed by September 2024, and will continue to provide oversight support to these partners.

3. Support of Partnerships with Sister Agencies

AHCCCS has partnered with the Arizona Department of Economic Security (DES) for several ARP HCBS Spending Plan initiatives. These activities include enhancements to the Disability Benefits website, creation of a central employment repository, and support for the abuse and neglect awareness campaign. AHCCCS will continue to work with DES to ensure that activities are implemented in line with the goals and objectives of the ARP Spending Plan.

AHCCCS has partnered with the Department of Economic Security, Division of Developmental Disabilities (DES/DDD) for several key initiatives outlined in the Spending Plan. This includes development of training modules, such as positive behavior support and dual diagnosis support for DES/DDD providers. AHCCCS will continue to provide oversight support to DES/DDD as they work to implement these initiatives.

4. Modification and Review of Systems

AHCCCS partnered with NTT to do a review of the State's Client Assessment and Tracking System and Quality Improvement System. NTT conducted a review and has offered recommendations for next steps. AHCCCS has begun to consider integration of their recommendations in their system. As a result, at this time, work on these initiatives is complete.

AHCCCS is beginning the development of a standalone portal for the preadmission screening and resident review (PASRR) program. AHCCCS has partnered with a vendor to develop and integrate the portal into existing AHCCCS systems. AHCCCS will continue to monitor progress as all activities are expected to be complete by September 30, 2024.

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5. *Implementation of ARP HCBS Initiatives Includes in the Spending Plan*

AHCCCS partnered with ADvancing States to assist with timely implementation of Spending Plan initiatives. ADvancing States provided technical assistance and subject matter expertise to support diligent and thoughtful implementation of AHCCCS' Spending Plan in a manner that aligns with existing program goals and that supports long-term innovative growth for the State's HCBS populations. AHCCCS received final recommendations from ADvancing States in June 2023.

AHCCCS has completed provider rate surveys for the HCBS, behavioral health, and developmentally disabled providers.

AHCCCS has partnered with Public Consulting Group (PCG) to administer their ARP Program Awards. These awards allow providers to make key program and infrastructure investments. AHCCCS granted 61 awards totaling approximately \$17 million in August 2023. AHCCCS released applications for interested providers for a second round of providers in December 2023 to be closed in January 2024. AHCCCS is currently reviewing applications and plans on awarding a second round by quarter three of 2024.

AHCCCS has partnered with several vendors to support initiatives included in the Spending Plan. These activities include development of HCBS Settings Rules trainings, development of Case Manager trainings, implementation of an environmental scan to assess existing behavioral health services, continued research on remote technology options for the State's consideration, and review of a member's experience receiving HCBS services across various agencies in the State. These activities are ongoing and will continue until September 30, 2024.

Behavioral Health Clinical Chart Audits

The Behavioral Health Clinical Chart Audit (BHCCA) process requires submission of an annual MCO deliverable that was due by January 15, 2024. All MCOs submitted data analysis via preset reporting logic made available through the newly developed BHCCA Portal. All MCOs submitted data reports using logic specifically created for analysis and trending of chart member data gathered during the BHCCA process. The BHCCA Portal provides options for MCOs to pull results by health plan, line of business, children, adults, region, general mental health, serious mental illness designation, and gender identity. AHCCCS staff have reviewed the reports received and notified MCOs of these results prior to the end of March. This notification included details outlining the reported deficiencies. The MCOs will need to respond to and correct these deficiencies to meet contract and policy requirements for this deliverable. AHCCCS will utilize the results and noted deficiencies to implement continuous quality improvement regarding the Chart Audit process. Further, AHCCCS will consider changes to policy and contract that can promote improved outcomes in member care, based on audit scores that did not meet the threshold of 85%.

Behavioral Health Residential (BHRF) Settings

AHCCCS continues to evaluate opportunities for enhanced services within BHRF settings. Examples include ongoing collaboration with community partners, legislators, and MCOs to ensure sufficient BHRF network capacity for all members. More specifically, over time, focus has shifted somewhat to

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development of BHRF settings that offer higher levels of security and protection. To that end, there has been recent legislation resulting in Senate Bill 1678 (as of February 2024), that defines additional legal criteria for placement within a secured BHRF. Legislative efforts such as this, have been ongoing since 2022 when legislation was initially enacted to enable funding that promoted development of, and access to secured behavioral health residential facilities. However, those efforts were set aside during the COVID-19 pandemic due to escalating property costs and challenges to staffing requirements.

As of the second quarter, AHCCCS completed significant revisions to the existing BHRF policy, including but not limited to: (1) updates to add clarifying language designed to ensure admission and medication coordination for members utilizing Medications for Opioid Use Disorder (MOUD), (2) maintenance of a daily census, (3) service provision and documentation standards, (4) use of allowable specialized treatment outside of the BHRF facility, and clinical oversight requirements.

Other specifics were added that outline minimum standards for discharge planning (i.e., outpatient care coordination, medication management, support services, housing, transportation, and safety planning). Training requirements were added to cover naloxone administration, recognition of signs and symptoms of opioid overdose, and the need to ensure medical and physical examination requirements are met. Language was enhanced to identify the importance of engagement with family, community and natural supports. This policy is currently under review with AHCCCS leadership and with an anticipated effective date of October 1, 2024.

Based on the existing policy, AHCCCS has continued to work collaboratively with MCOs regarding oversight of their contracted BHRF settings for both quality of care and network sufficiency. As necessary, AHCCCS has engaged with MCOs and members to address and resolve concerns that arise regarding service delivery, or network accessibility that does not meet standards of existing BHRF policy, or Contract requirements, and licensure standards under Arizona Administrative Code (A.A.C.), R9-10-7 for Behavioral Health Residential Facilities.

Child Adolescent Level of Care Service Intensity Utilization System (CALOCUS) and Early Childhood Service Intensity Instrument (ECSII) Tools

The CALOCUS is a standardized assessment tool that provides determination of the appropriate intensity of services needed by a child or adolescent and their family, and guides provision of ongoing service planning and treatment outcome monitoring in all clinical and community-based settings. During the second quarter, AHCCCS continued its numerous enhancement efforts regarding use of CALOCUS. First, AHCCCS continued to track the completion of CALOCUS training. Training reports are shared with AHCCCS Workforce Development, who then shares the reports with health plan Workforce Development staff monthly. Secondly, AHCCCS has collaborated with the MCOs to ensure that all providers responsible for completing CALOCUS have staff who are trained on CALOCUS and that they have access to complete CALOCUS in either the Deerfield portal or within the member's electronic health record. Based on results of an ad hoc deliverable request conducted within the first quarter, AHCCCS identified that the MCOs and providers needed clarification regarding appropriate entry of the CALOCUS into the Deerfield portal versus the member's electronic health record. Relevant technical assistance was provided to the MCOs,

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and they were directed to share that same technical assistance with those providers that were not compliant with the CALOCUS Deerfield portal requirements. Due to this technical assistance, provider compliance with appropriate use of the Deerfield portal increased from 49 to 98 providers.

During the second quarter, CALOCUS FAQs were revised further to identify new requirements related to implementation of a fidelity test that will be given upon completion of CALOCUS training. This fidelity test was the result of coordination with Deerfield during the previous quarter and was designed to measure understanding and fidelity to use of the CALOCUS tool. AHCCCS has continued to build the necessary components of the ECSII fidelity model. The ECSII is a standardized, biopsychosocial assessment tool to help anyone who provides services to infants, toddlers, and children from ages zero to five.

For ECSII implementation, AHCCCS continued to address use of the training program provided through American Academy of Child and Adolescent Psychiatry (AACAP). Monthly training reports were monitored and use of AACAP's training program has continued to increase. For September 2023 through March 2024, the number of individual behavioral health provider staff who completed ECSII training increased from 252 to 404. AHCCCS also continues its efforts with AACAP to develop processes and guidance documents to promote and measure fidelity to the use of the ECSII tool. Meetings took place twice monthly up until the contract end date of March 14, 2024. The draft fidelity materials include:

1. Requirements for expertise of the provider staff that monitor fidelity to ECSII Service Intensity scoring.
2. Criteria and processes for monitoring by MCO staff of provider fidelity monitoring activities.
3. Guidance documents that provide mechanisms to ensure fidelity between the ECSII Service Intensity score and care plan development for the children and their families or caregivers. The guidance documents provide detailed instructions to those staff that utilize the ECSII so adherence to ECSII fidelity can be monitored according to AACAP criteria. The documents also facilitate identification of needed clinical support when fidelity to the ECSII Service Intensity scoring processes is not being met.

Upon AHCCCS' completion of these documents, they will be reviewed by AACAP for approval and used for ensuring that provider staff originally trained on the ECSII screening, are able to maintain fidelity to use of the tool.

Child and Family Team Practice

AHCCCS has continued its efforts to improve Child and Family Team (CFT) practice in quarter two. Following statewide implementation of a two day in-person CFT facilitator training, AHCCCS' Workforce Development Alliance, and the AHCCCS ISOC team have partnered with community colleges and Career and Technical Education (CTE) programs to include the required training in degree and certification programs. The AHCCCS Workforce Development Alliance has surveyed providers and created a workgroup to improve CFT training materials based on lessons learned in the first year of conducting the statewide CFT facilitator training. AHCCCS continues to work with the National Wraparound Implementation Center (NWIC) to implement high fidelity wraparound for members that qualify for high

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needs case management and therefore more frequent CFT meetings. Wraparound is a nationally recognized evidence-based practice that AHCCCS plans to utilize to increase the quality of CFT practice for members with the greatest needs and at-risk of out of home placement. Additionally, AHCCCS is working to implement a preventative coordination of care model called FOCUS, which will provide additional support and intervention prior to children being at-risk for out of home placement. Adding these two additional care coordination models will create a tiered system that targets care coordination of CFT practice based on the needs of the child and family, while creating advancement opportunities for care coordination staff. AHCCCS is collaborating with its MCOs to determine how the CALOCUS will be used to assess and identify the appropriate level of care coordination for each member. Throughout quarter two, AHCCCS has worked with NWIC to evaluate current state policies, procedures, and providers' fidelity to the requirements. NWIC will provide a written report of this evaluation to AHCCCS including system recommendations used for implementation planning. Throughout quarter two, AHCCCS has provided documents and information to NWIC for NWIC evaluation and completion of readiness tools. AHCCCS and NWIC have also partnered in conducting fidelity audits of providers contracted to provide high needs case management to inform the implementation of wraparound. AHCCCS' work with NWIC also includes designing intentional care pathways that improve the experience of children and families entering behavioral health services and ensure equitable access to care. NWIC is providing information on how these models can be monitored for fidelity and how Arizona can achieve sustainability of these models following the conclusion of the contract.

Clinical and Operational Significant Policy Changes

In quarter two, AHCCCS completed the following significant policy changes:

1. **ACOM Policy 302, Cost Settlement for Coronavirus Disease of 2019 Vaccine** was revised due to the end of the COVID-19 PHE and to revise based on the Federal Government no longer covering the cost of the COVID-19 vaccine.
2. **ACOM Policy 306, Alternative Payment Model Initiative – Withhold and Quality Measure Performance Incentive** was revised to include Contract Year Ending (CYE) date 2025 updates including addition of the ACC-RBHA SMI population. The Policy was also revised to include definition of statistical significance for improvement and clarification of scenarios for earning points based on performance and improvement.
3. **ACOM Policy 307, Alternative Payment Model Initiative – Strategies and Performance-Based Payments Incentive** was revised for performance measure alignment with ACOM Policy 306, Alternative Payment Model Initiative-Withhold and Quality Measure Performance Incentive. The Policy was also revised to align with the current CMS Core Set of Child or Adult Health Care Quality Measures for Medicaid and the AHCCCS Targeted Investments (TI) program.
4. **AMPM Policy 610, AHCCCS Provider Qualifications** was revised to include reporting requirements for provider hours of operation that must be reported in AHCCCS Provider Enrollment Portal (APEP) at least five days prior to the effective date of the change. Additionally, in the event of an emergency that results in facility closure, the provider must provide written

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notice to AHCCCS within 24 hours of the emergency, providing the reason for closure and the notice of closure must be posted at the entrance of the facility. Policy clarification also includes that any change in the servicing address must be reported in APEP at least 30 days prior to the effective date of the change.

5. **AMPM Policy 820, Fee-For-Service Prior Authorization Requirements** was revised to align with provider termination letters; adding language to outline AHCCCS discretionary authority to terminate approved prior authorizations due to health and safety, and fraud, waste, and abuse concerns.
6. **AMPM Policy 830, Quality of Care and Fee-For-Service Provider Requirements** was revised to align with provider termination letters; adding language to outline AHCCCS discretionary authority to terminate approved prior authorizations due to health and safety, and fraud, waste, and abuse concerns.
7. **AMPM Policy 410, Maternity Care Services** was revised to expand postpartum coverage benefits to align with 2022 Arizona House Bill 2863 to expand focus on maternal mental health beyond postpartum depression and to include additional resources for providers and members.
8. **AMPM Policy 310-W, Certified Community Health Worker/Community Health Representative** is a new Policy addressing Medicaid coverage for services provided by Certified Community Health Workers/Community Health Representatives (CHWs/CHRs). The Policy establishes requirements for CHWs/CHRs to provide covered services eligible for reimbursement when performed under the direction of an eligible AHCCCS-registered provider. The Policy was developed in alignment with the AHCCCS State Plan and 2018 Arizona House Bill 2324 amending ARS § 36-6-7.1.
9. **AMPM Policy 570, Provider Case Management** was revised to clarify AHCCCS' compliance expectations of providers and MCOs.
10. **AMPM Policy 940, Medical Records and Communications of Clinical Information** was revised to address use of telemedicine and telemedicine requirements, to align with Confidentiality of Substance Use Disorder (SUD) Patient Records (42 CFR Part 2), and to include language in alignment with NCQA Accreditation Standards.

Collaboration with Arizona Department of Education (ADE) and Arizona Department of Health Services (ADHS) for Accessing Behavioral Health Services in Schools

During the second quarter, AHCCCS and ADE jointly attended the School Social Work Association of Arizona (SSWAAZ) Conference at the ASU West Campus. AHCCCS and ADE shared a table at the conference to provide community education on behavioral health services for Arizona Schools. AHCCCS and ADE educated community members and school professionals on the availability of funding sources through AHCCCS and options for connecting students to behavioral health services in Arizona.

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During the second quarter, AHCCCS and ADE developed an electronic consent form to expedite the student referral system utilizing the software platform BHWorks. This platform allows parents/guardians to receive, sign, and return electronic consent forms to Local Education Agencies (LEAs) in real-time. AHCCCS and ADE also worked collaboratively to review, make necessary updates, approve, and repost the School and Behavioral Health Partnerships: [Resource Guide on AHCCCS and ADE Behavioral Health in Schools](#). The document is currently live for public use. Since the release and use of the electronic consent form within the BHWorks platform and the Resource Guide, there has been an increase in the number of students referred for services from the school districts to the community providers within the school districts Project AWARE manages.

To further support efforts required by the Mitch Warnock Act, ARS § 15-120, which requires school staff to receive suicide prevention training at least once every three years, the ADE/ADHS/AHCCCS workgroup collaborated to complete an evaluation of MIND4HEALTH (a suicide prevention training for individuals working with indigenous nations). The workgroup agreed to create a culturally relevant supplemental list to the evidence-based criteria. The group also agreed to place MIND4HEALTH as the first curriculum in the culturally relevant supplement list.

During collaborative discussion in March 2024, the ADE/ADHS/AHCCCS workgroup agreed to changes needed for the suicide prevention webpage on the AHCCCS website to provide an accurate reflection of current evidenced-based curriculum available for school personnel. These changes followed the completed revision of the evidence-based criteria of the Mitch Warnock Act that will be utilized by all three state agencies. The team also continues to facilitate training of "Safe TALK", a suicide prevention training approved for use to comply with the Mitch Warnock Act.

Court Ordered Evaluation (COE) and Court Ordered Treatment (COT)

In the last quarter, AHCCCS has worked with MCOs to support effective reporting of members who were submitted for a pre-petition screening for COE and COT. AHCCCS continues to gather data from the three ACC-RHBAs in the Northern, Southern, and Central Geographic Service Area (GSAs) quarterly. AHCCCS is utilizing this data to evaluate trends and identify potential challenges or barriers members and/or the community is experiencing when accessing pre-petition screening and access to COE/COT. Throughout quarter two, AHCCCS has worked with Connections AZ, a provider in the Central GSA, and Mercy Care, the Central GSA ACC-RHBA to gather information regarding a pilot program allowing virtual COE/COT hearings with the Maricopa County Superior Court. AHCCCS has engaged in collaborative efforts with the Maricopa County Superior Court to determine what challenges/barriers it has identified to continuing virtual COE/COT hearings. Efforts are ongoing to collaborate with community partners to enhance accessibility to and availability of timely hearings and services, irrespective of whether they are virtual.

Targeted Investments Program(s)

In the past three months, AHCCCS finalized draft calculations of TI 1.0 Year six payments and collaborated with stakeholders to finalize the design and launch the TI 2.0 program. Full funding for the original Targeted Investments program is contingent upon meeting targets on performance measures as specified in the 2016 1115 Waiver Special Terms and Conditions. TI failed to meet one of the three

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measures. AHCCCS confirmed the aggregate funding available for the final year of the program and completed the initial draft of payment awards per provider. Funds will be distributed in quarter three.

AHCCCS finalized participation for the TI 2.0 program. More than 150 organizations were approved to participate, far exceeding the goal of 110 organizations. AHCCCS approved 57 justice clinics (clinics co-located with or closely partnering with adult probation, adult parole, and/ or many other criminal justice agencies) a four-fold increase from the original program. AHCCCS continues to validate address information for all participants with AHCCCS Provider Enrollment, CMS NPPES, and ADHS licenses.

AHCCCS, consultants, participants, and other stakeholders collaborated to finalize the year two and year three process milestones. Participants will draft policies to meet the year two milestones by September 2024 and implement those policies in year three. AHCCCS aims to finalize the minimum elements each process must include by the end of April 2024. The TI team and ASU partners hosted more than 20 webinars this quarter to provide support and understand opportunities to optimize success of the program.

AHCCCS launched the TI 2.0 program with a live “Kickoff” event. More than 320 representatives from provider participants, MCOs, ACOs, CINs, CBOs, state agencies, and other stakeholders attended the full-day session to receive key updates, provide feedback in breakout sessions, and meet their peers.

AHCCCS collaborated with the National Committee of Quality Assurance (NCQA) to identify opportunities for participants to earn Health Equity Accreditation and collaborate with other sectors of healthcare (e.g., Health Plans, ACOs/CINs) that streamline related efforts. More than 30 participating organizations, 179 clinics, committed to seeking NCQA Health Equity Accreditation- and will also include the first non-FQHC providers in the country.

AHCCCS and ASU submitted the TI 2.0 Waiver Evaluation Design to CMS. Among the many innovative measures to assess health equity and impacts of health-related social needs on an individual’s quality of life and cost of care, the team proposed a first-of-its-kind mixed-methods survey approach to collect member experience of care for all AHCCCS members potentially impacted by the TI 2.0 program. This will promote sufficient denominators for stratified measures and health equity analyses for members that may (or may not) be attributed to participating providers based on their utilization behavior in the next five years. AHCCCS expects to receive and respond to CMS’ feedback in quarter three.

AHCCCS continues to explore opportunities to share data with State agencies and other data sources. AHCCCS has a pending data request with ADHS to identify race and ethnicity of AHCCCS members per birth certificates, death records, and hospital discharges. AHCCCS completed a pilot data-matching request with the Health Information Exchange to identify race and ethnicity of active members. Preliminary analysis indicates more than 70% of members currently reported as “unknown” ethnic origin have an electronic medical record with a standardized race value. AHCCCS seeks to implement the full process in quarter three. Finally, AHCCCS is establishing data-sharing pathways to receive community service referral data from ACOs and CINs that help provider participants facilitate the referrals. This will

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complement claims data, reflecting screening results and general referral status, and capture data not stored in the Community Cares CLRS.

AHCCCS began discussions on CMS' guidance of collecting Sexual Orientation and Gender Identity data on its application for benefits and OMB's guidance on updated Race and Ethnicity standards. Through AHCCCS' Health Equity Committee, the agency will reach out to salient stakeholders to garner their insights and develop a proposed methodology/metrics for consideration.

ASU drafted the Quality Improvement Collaborative (QIC) curriculum, including content for computer-based training modules, guidance for quarterly projects related to implementing quality improvement techniques, and QIC meeting content. These activities will be implemented in quarter three.

AHCCCS and ASU created and piloted a Customer Relationship Management (CRM) tool to effectively coordinate internal and external communication. The CRM will ensure team members from both agencies can access the same real-time data, ensure understanding of task responsibilities, and satisfy both agencies' document retention policies. AHCCCS is receiving feedback from pilot participants and continuing to develop core functionality in quarter three. The CRM will be implemented in late quarter three or quarter four.

Innovative Approaches and Continuous Quality Improvement

Data Dashboards

In alignment with strategic and health Information Technology (IT) planning goals for transparency into delivery system performance, AHCCCS continues its efforts with the state's Health Information Exchange (HIE), Contexture, to develop and publish public-facing delivery system utilization dashboards. To date, the partnership with Contexture resulted in a COVID-19 Immunizations dashboard being published to the AHCCCS website and quarter two efforts largely involved resolving newly identified data suppression (privacy) issues. Two additional dashboards: Emergency Department Utilization and Inpatient Admissions and updates to the COVID-19 Immunizations dashboard, will be published on the AHCCCS website in quarter three.

Electronic Visit Verification

AHCCCS implemented hard claims edits for EVV services on January 1, 2023. AHCCCS is leveraging the EVV mandate to develop a more streamlined reporting approach to ensure, track, and monitor timely service delivery and access to care for members. AHCCCS has finalized several reports that help monitor access to care by easily viewing missed visits and visit exceptions at an aggregate and drill down to a provider-specific level. AHCCCS continues to work with the state sponsored EVV system vendor to make system customizations and additional standard reports to assist providers, MCOs, and AHCCCS to streamline administrative processes and to mitigate access to care challenges. The reporting will support monitoring the actions the providers took in response to the member's contingency plan for late or missed visits.

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Whole Person Care

The AHCCCS Whole Person Care Initiative (WPCI) is AHCCCS' next step in integrated care and is focused on improving the HRSN of members. WPCI includes the following areas of focus: improving member connection to services for housing/homelessness, food insecurity, transportation, employment, utility assistance, social isolation/social support, interpersonal and physical safety, justice/legal involvement, access to safe outdoor spaces, and screening and referring members for HRSN utilizing CommunityCares, the statewide Closed-Loop Referral System. This quarter's updates for a few of these key areas are described below.

1. Whole Person Care - Employment

AHCCCS continues to provide a robust network of employment services available to members interested in gaining employment, including partnership with the Arizona Department of Economic Security (DES) and their Vocational Rehabilitation program through an Interagency Service Agreement (ISA) that provides specialty supports for members with SMI determinations. We are exploring ways for specific DES sites to be recipients of referrals for members with employment needs. AHCCCS is continuing to work with the DES to explore ways Arizona's county workforce may be able to use CommunityCares to connect members to HRSN. AHCCCS is also beginning discussions with DES to expand the collaboration to include other DES programs, such as Reentry Services, Apprenticeships, and Unemployment Insurance.

2. Whole Person Care - Food Insecurity

AHCCCS is working with the Arizona Department of Health Services (ADHS) and DES on a data sharing project that will allow AHCCCS to receive data on members enrolled in the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families Program (TANF), and/or the Women, Infants and Children (WIC) Programs who are also eligible for Housing and Health Opportunities (H2O) Waiver Program services. This data will be used to increase the number of H2O members enrolled in SNAP/TANF/WIC, if the member is eligible for these programs, to ensure they have access to nutrition services to improve their health outcomes.

3. Whole Person Care - Housing/Homelessness

An integral area of focus in whole person care is to improve member access and support for housing, especially for members living with an SMI designation who are experiencing homelessness. AHCCCS has been working to develop the new services for the H2O Waiver Program. This quarter, AHCCCS completed a Request for Proposal (RFP) to procure an H2O Program Administrator, the selected vendor will serve as a single point of contact for the state to administer the H2O benefits. Additionally, AHCCCS has begun the development of policies, procedures, and updating billing manuals in preparation for H2O services to begin on October 1, 2024. AHCCCS understands the importance of quality supportive services paired with rental subsidies when supporting members with chronic conditions and has expanded efforts to provide permanent supportive housing services throughout the state. AHCCCS awarded Mental Health Block Grant (MHBG) funds to two of the RBHAs to expand permanent supported housing in the North and South GSAs, the service providers will be responsible for adhering to the

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SAMHSA Evidence-Based Practices (EBP) for Permanent Supportive Housing (PSH), including low staff to member ratios. Over the last quarter AHCCCS has begun to receive monthly deliverables from the MCOs who were awarded MHBG funds, and the state continues to monitor to ensure the programs are being implemented to the fidelity of the SAMHSA EBP. Additionally, AHCCCS is working on a project to create a data warehouse for information from Arizona's three Homeless Management Information Systems (HMIS) and AHCCCS member data, with appropriate member consent. This project, known as the Data Warehouse for Enterprise Linkage (DWEL) is currently building infrastructure and processes for the exchange of data.

4. Whole Person Care – Justice Initiatives

As a key component of Whole Person Care and Health Equity initiatives, AHCCCS has developed collaborative partnerships with a growing number of Arizona's justice system stakeholders. Shared goals include diverting individuals from entering the justice system and providing efficient and cost-effective health care resources in support of men, women, and children transitioning out of the justice system. A disproportionate number of justice-involved individuals are in critical need of health care services and support. Many of these individuals are eligible for assistance through AHCCCS and available services may include help with physical health and behavioral health needs, substance use treatment, housing assistance, employment assistance, crisis services, peer support, and other supportive services to address HRSN.

AHCCCS contracted MCOs employ a dedicated Justice Liaison who performs pre-release care coordination called "reach-in." The AHCCCS Justice Administrator oversees these activities to ensure that adequate and comprehensive care coordination is occurring prior to, during and following release for members who meet reach-in criteria. An important part of reach-in coordination is ensuring that an initial appointment with an appropriate provider or providers (based upon a member's needs) occurs within seven business days of a member's release from a carceral setting.

AHCCCS is continuing its efforts this quarter in directing a project that is underway to more effectively capture quarterly reach-in activities completed by the MCOs by validating whether reach-in resulted in a timely appointment, validating provider visits, and identifying areas for improvement surrounding engagement with justice partners. These enhancements will allow AHCCCS to measure the effectiveness of reach-in and proactively address any barriers in the care coordination of justice-involved AHCCCS members.

5. Whole Person Care - Safe Outdoor Spaces

AHCCCS is working with the Arizona State Parks and Trails Department to offer the free Parks Rx Program, which provides tools for providers to encourage members to utilize the outdoors to improve their physical and mental health. This project is currently in development internally between the two state departments. It is important to note that ParksRx is a modality offered in addition to, not in place of, traditional care modalities.

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6. Whole Person Care - Social Isolation/Social Support

AHCCCS is establishing a new policy and services to reduce social isolation among members in long term care. The new services will be provided under the AHCCCS existing Habilitation services and will include the option for members to receive services provided by an individual with similar lived disability or aging related experience. AHCCCS has held stakeholder feedback sessions to ensure the policy and services are appropriate for our member population. The creation of the new policy and services has also led to other positive improvements that are being made to our Habilitation Policy and Person-Centered Service Plan. AHCCCS is hoping to publish the policy and begin offering service in late 2024.

7. Whole Person Care - Statewide Closed-Loop Referral System

Arizona's Statewide Closed-Loop Referral System, known as CommunityCares, is an electronic tool that allows health care providers to screen and refer individuals for HRSN. To date, the system has been used to provide 10,989 referrals to HRSN services. The top five referral categories were for food assistance, housing/shelter, utility assistance, clothing/diapers/infant supplies/household goods, and transportation, all of which have tremendous impact on member physical and mental health. In quarter two, CommunityCares continued to see increased enrollment and utilization. Financial incentives for community-based organizations (CBOs) were reconfigured this quarter to increase CBO utilization of the system. To date, there are 426 organizations using CommunityCares to improve HRSN outcomes for AHCCCS members.

Managed Care Organization Monitoring and Compliance

AHCCCS monitors and evaluates availability of services and access to care, organizational structure and operations, clinical and non-clinical quality measurement, and performance improvement outcomes through several methods including:

1. Operational Reviews
2. Review and Analysis of Periodic Monitoring Reports
3. Performance Measures
4. Performance Improvement Projects
5. Data Analysis
6. Provider Network Time and Distance Standards Monitoring
7. Appointment Availability, Monitoring, and Reporting
8. Case Management Ratios
9. Assessment of Fidelity to Service Delivery for Individuals with a Serious Mental Illness Designation
10. Surveys

A number of Contract deliverables are used to monitor and evaluate MCO compliance and performance. AHCCCS reviews, provides feedback, and approves these reports as appropriate.

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Monitoring and Compliance

RFP-External Quality Review Organization

On February 7, 2024, AHCCCS issued an RFP to solicit for EQRO vendors to perform EQR-related activities including those specified in 42 CFR 438.358(b) and 42 CFR 438.358(c), produce EQR Annual Technical Report(s) as specified in 42 CFR 438.364(a), and to further ensure compliance by the State with CMS requirements including those set forth in 42 CFR 438.66. Proposals are due April 11, 2024, and the new Contract is anticipated to begin August 1, 2024. The current contract is held by the vendor, Health Services Advisory Group (HSAG). AHCCCS has posted information on its website under [AHCCCS Open Solicitations](#) regarding this RFP.

Fidelity to SMI Targeted Services

In accordance with exit stipulations of class action suit *Arnold v. Sarn*, AHCCCS continues to support the implementation of four Evidence-Based Practices (EBPs) within Maricopa County for individuals living with a Serious Mental Illness (SMI). In quarter two, AHCCCS began formal mentoring and support of the remaining Arizona counties to engage in stand-up and maintenance of existing EBPs for the Balance of State. The four EBPs are monitored for fidelity to the SAMHSA ACT Model through reviews conducted by the Western Interstate Commission for Higher Education (WICHE). WICHE is currently engaged in fidelity reviews in the Northern and Southern GSAs and AHCCCS is in discussions to further expand fidelity reviews in this area in 2024-2025. The annual fidelity report synthesizing information compiled from data collected among all the fidelity reviews from the year is made publicly available during quarter four of the year following the reviews. AHCCCS receives a copy of the individual fidelity reviews when they are completed, throughout the year. This allows AHCCCS to engage in timely monitoring of the EBP and to provide support to the MCOs and providers after a fidelity review. The recommendations from the individual and annual reports will be utilized to improve services so they more closely align with fidelity protocols.

MCO Operational Reviews

AHCCCS conducts compliance reviews (i.e., Operational Reviews [ORs]) to evaluate MCO compliance related to availability and quality of services, including implementation of policies, procedures, and progress toward plans of correction to improve quality of care and service for members. AHCCCS conducts a complete OR every three years via a desk review and virtual meetings with the MCOs. During quarter two, in February of 2024, AHCCCS conducted an OR for Mercy Care, ACC-RBHA.

Quality Improvement

AHCCCS implements interventions to monitor, evaluate, and report on performance through several activities which include, but are not limited to, the following:

1. *Performance Improvement Projects*

AHCCCS considers a PIP as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years.

Arizona's Section 1115 Waiver Demonstration Quarterly Report

While MCOs are required to select and implement internal PIPs to address self-identified opportunities, AHCCCS mandates other program-wide PIPs in which MCOs must participate and monitor performance until each MCO meets requirements for demonstrable and sustained improvement. During the quarter, AHCCCS continued to work with its External Quality Review Organization (EQRO) to close out its PIP validation activities for AHCCCS-Mandated PIPs underway during the previous 12 months. AHCCCS' EQRO initiated efforts to produce PIP Snapshot reports that provide a summary of the activities conducted and overall performance to date for each PIP. These efforts remain ongoing; however, it is anticipated they will conclude by June 2024.

2. Performance Measure Reporting

During the quarter, AHCCCS continued to work with its EQRO to finalize and close out its Calendar Year (CY) 2022 Performance Measure Validation activities. Information pertaining to MCO performance for CY 2022 performance measures will be included within the upcoming External Quality Review (EQR) Annual Technical Report. The report is anticipated to be posted on the AHCCCS website in April 2024.

VIII. Random Moment Time Study

**Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
January – March 2024**

The January - March 2024 (JM24) quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative service, direct service, and personal care time study cost pools.

Active Participants

The “Medicaid Administrative Claiming Program Guide” mandates that all school district employees identified by the district’s RMTS coordinator as being qualified to provide direct services or administrative activities participate in a RMTS. Staff rosters are updated by RMTS coordinators on a quarterly basis to ensure accuracy of participants in the time study. The table below shows the number of participants in the administrative service, direct service, and personal care time study staff pools at the beginning of the quarter.

Table 7

Staff Pool	January 2024 – March 2024
Administrative	2,725
Direct Service	3,729
Personal Care	6,444

Sampling Requirements

To achieve statistical validity, maintain program efficiencies, and reduce unnecessary district administrative burden, AHCCCS implements a consistent sampling methodology for all activity codes and groups to be used. AHCCCS has constructed the RMTS sampling methodology to achieve a level of precision of +/- 2% with a 95% confidence level for activities.

Statistical calculations show that a minimum sample of 2,401 completed moments each quarter, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 3,839,197. Additional moments are selected each quarter to account for invalid moments.

Moment Response

For each of the three cost pools, more moments are generated than are needed for statistical validity, as allowed by the Time Study Implementation Guide approved by the Centers for Medicare and Medicaid Services (CMS). This oversample allows for the occurrence of invalid moments, which are observations that cannot be used for analysis (i.e., moments selected for staff no longer at the school district, who changed jobs and are no longer in an allowable position and their old position has not been filled or were not working and were unpaid).

Arizona's Section 1115 Waiver Demonstration Quarterly Report

Tables 8, 9, and 10 demonstrate that the administrative service, direct service, and personal care time study achieved statistical validity in the January -March 2024 quarter. The response rate reflects the number of valid responses received divided by the total number of valid moments generated per cost pool per quarter.

Administrative Service

Table 8

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2024 – March 2024 Total Moments	3,000	2,667	2,608	97.79%

Direct Service

Table 9

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2024 – March 2024 Total Moments	3,300	2,726	2,682	98.39%

Personal Care

Table 10

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2024 – March 2024 Total Moments	3,500	2,758	2,601	94.31%

As these results illustrate, the administrative service, direct service, and personal care time study reached statistical validity for the quarter with more than 2,401 valid responses received.