



**Annual HCBS Report**  
**Contract Year Ending 2023**  
**(October 1, 2022 – September 30, 2023)**

**March 2024**



**Annual HCBS Report – CYE 2023**  
**(October 1, 2022 – September 30, 2023)**

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# Annual HCBS Report – CYE 2023 (October 1, 2022 – September 30, 2023)

## Executive Summary

### Background

The Arizona Health Care Cost Containment System (AHCCCS) has implemented a long-term care program that serves both individuals who are elderly and/or have physical disabilities (EPD) and individuals who have intellectual and developmental disabilities (I/DD) through Managed Care Organizations (MCOs/Contractors), including the Department of Economic Security/Division of Developmental Disabilities (DES/DDD). AHCCCS and the Contractors strongly support opportunities for individuals enrolled in the Arizona Long Term Care System (ALTCS) program to live in Home and Community Based Services (HCBS) settings. To that end, AHCCCS has maintained a consistent trend of HCBS member placements (considering increases in population) either plateauing or increasing as evidenced by a 3% decrease in institutional placements in CYE 20 and maintaining a low percentage (9%) for institutional placements in the past four reporting periods.

### Values

AHCCCS has accomplished these milestones through its ALTCS program that promotes and adheres to the values of:

- Choice
- Independence
- Self-determination
- Dignity
- Individuality

### Guiding Principles

Guiding principles were established under the belief that every effort should be made to support the ability of individuals to reside in HCBS settings. These guiding principles are as follows:

- *Member-Centered Case Management*  
The member is the primary focus of the ALTCS Program. The member/Health Care Decision Maker and Designated Representative, as appropriate, are active participants in the planning for and the evaluation of the provision of long-term services and supports. Services are mutually selected through Person-Centered Planning to assist the member in attaining their individually identified goals. Education and up-to-date information about the ALTCS program, choices of options, and mix of services shall be readily available to members.
- *Member-Directed Options*  
To the maximum extent possible, members are to be afforded the opportunity to exercise responsibilities in managing their personal health and development by making informed decisions about how best to have needs met, including who will provide the service and when and how the services will be provided.
- *Person-Centered Planning*  
The Person-Centered Planning process maximizes member-direction and supports the member to make informed decisions, so that they can lead/participate in the Person-Centered Planning process to the fullest extent possible. The AHCCCS Person-Centered Service Plan (PCSP) safeguards against unjustified restrictions of member rights and ensures that members are

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provided with necessary information and supports in order to gain full access to the benefits of community living to the greatest extent possible. The PCSP ensures responsiveness to the member's unique needs and choices regarding service delivery as well as individual goals and preferences. The member/Health Care Decision Maker shall have immediate access to the member's PCSP.

- *Consistency of Services*  
Development of network accessibility and availability serves to ensure delivery, quality, and continuity of services in accordance with the PCSP as agreed to by the member/Health Care Decision Maker and the Contractor.
- *Accessibility of Network*  
Network sufficiency supports choice in individualized member care and availability of services. Provider networks are developed to meet the unique needs of members with a focus on accessibility of services for aging members and members with disabilities, cultural preferences, and individual health care needs. Services are available to the same degree as services for individuals not eligible for AHCCCS.
- *Most Integrated Setting*  
Members are to live in the most integrated and least restrictive setting and have full access to the benefits of community living. To that end, members are afforded the choice of living in their own home or choosing an Alternative Home and Community Based Services (HCBS) Setting rather than residing in an institution.
- *Collaboration With Stakeholders*  
Ongoing collaboration with members/Health Care Decision Makers, Designated Representatives, family members, service providers, community advocates, and AHCCCS Contractors plays an important role for the continuous improvement of the ALTCS Program.

### **Acting on Arizona's Values and Guiding Principles**

Members and families are afforded the opportunity to actively participate in the selection of services that will best meet their needs. HCBS-applicable settings are available to an individual as long as the cost of HCBS does not exceed the net cost of institutionalization for that member.

This report details efforts and initiatives aimed at improving quality and promoting the expansion of HCBS. During the reporting period, priority was placed on implementing the American Rescue Plan Act (ARP) funded projects supporting sustainable HCBS growth and innovations and developing a new Olmstead Plan that highlights interventions to maximize a member's integration experience across the HCBS service continuum.

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## **Member Initiative: Flexible Service Model Options to Support Member Choice**

### **Spouse as Paid Caregiver**

Spouse as Paid Caregiver is a service model option that allows a spouse who meets basic qualifications to provide, and be compensated for providing, direct care services for their spouse. Per the Arizona Section 1115 Demonstration Waiver, ALTCS members selecting this option are limited to 40 hours per week of attendant care or like services (homemaker and personal care). Allowing married members this service option has assisted in reducing the challenges of ensuring an adequate caregiver workforce.

More information on the Spouse as Paid Caregiver waiver can be found on the [AHCCCS website](#).

In Contract Year Ending (CYE) 2023, 1,270 members received paid services from their spouse, a 7% decrease from the previous year.

### **Self-Directed Attendant Care**

Self-Directed Attendant Care (SDAC) offers ALTCS members or their legal guardians the choice of directly hiring and supervising their own Direct Care Workers (DCWs) without the use of an agency. It empowers members to have more control over their lives, leading to increased satisfaction, and improved quality of life. Under SDAC, individuals have the right and the ability to make decisions about how best to have their needs met, including determining who will provide the services they need and when the services will be provided. Participating members are supported by the services of a qualified fiscal agent who performs all employer payroll functions and case managers who provide general assistance. Case managers may utilize the SDAC member manual to support members serving in the capacity of the employer of their DCW. Additionally, case managers may authorize the member training service to have an AHCCCS registered provider offer training to the member on how to exercise their employer authority.

The Arizona Administrative Code (rule) allows SDAC participating members to direct certain skilled nursing services to their DCW. As a result, members can direct their DCW to perform the following skilled services:

- Bowel care, including suppositories, enemas, manual evacuation, and digital stimulation,
- Bladder catheterizations (non-indwelling) that do not require a sterile procedure,
- Wound care (non-sterile),
- Glucose monitoring,
- Glucagon as directed by the health care provider,
- Insulin, subcutaneous injection only if the member is not able to self-inject,
- Permanent gastrostomy tube feeding, and
- Additional services with the approval of the AHCCCS Director and the Arizona State Board of Nursing.

The SDAC policy (Chapter 1300, Policy 1320-A) in the AHCCCS Medical Policy Manual can be found on the [AHCCCS website](#).

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In CYE 2023, 232 members utilized this member-directed option, a 32% decrease from the previous year.

### Agency with Choice

The Agency with Choice member-directed option is available to ALTCS members who reside in their own home. A member or the member’s Individual Representative (IR) may choose to utilize Agency with Choice for the provision of his/her care. Under this option, the provider agency and the member/IR enter into a formal partnership agreement. The provider agency serves as the legal employer of the Direct Care Worker and the member/IR serves as the day-to-day managing employer. Agency with Choice presents an opportunity for members interested in directing their own care but would otherwise like the support offered by a provider agency. For provider agencies, the option affords them an opportunity to support members in directing their own care.

The Agency with Choice policy (Chapter 1300, Policy 1310-A) in the AHCCCS Medical Policy Manual can be found on the [AHCCCS website](#).

In CYE 2023, 897 members utilized this member-directed option, a 28% decrease from the previous year. It is important to note, a total of 91 members (10% of Agency with Choice participants) utilize the combination of the Agency with Choice and Spouse as Paid Caregiver service model options.

The Service Model Options – Annual Percentage Change table presents a five-year summary of the annual percentage change of the membership’s utilization of the Spouse as Paid Caregiver service model option, the Self-Directed Attendant Care, and Agency with Choice member-directed options.

Service Model Options – Annual Percent Change					
Annual % Change in Utilization	CYE 2019	CYE 2020	CYE 2021	CYE 2022	CYE 2023
Spouse as Paid Caregiver	-2%	8%	-5%	-7%	-7%
Self-Directed Attendant Care	-6%	8%	-35%	17%	-32%
Agency with Choice	-14%	-16%	-17%	27%	-28%

### Parents as Paid Caregiver

In February 2024, AHCCCS received approval for an amendment to the State’s 1115 Demonstration waiver to allow for the permanent extension of payments to parents who serve as paid caregivers for minor children, previously allowed through a temporary COVID-19 1115 Waiver Appendix K flexibility. As part of the 1115 Demonstration Wavier amendment, the Agency also proposed to establish a home care training family support (family support) service as part of the HCBS benefit package.

The Waiver proposal submitted to the Centers for Medicare and Medicaid Services (CMS) and subsequent approval letter can be found on the [AHCCCS website](#).

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### Member Initiative: Community Integration

#### Community Intervener Service

AHCCCS is developing a new ALTCS service for members with dual sensory loss (both vision and hearing), with a planned effective date of October 1, 2025. Individuals with a combined vision and hearing loss may have their physical health, mental health, safety, and welfare impacted by their impairments. The Community Intervener Service will provide visual, auditory, and environmental information to members that they are unable to gather on their own, supporting them to lead self-directed lives. Community Interveners are paraprofessionals with specialized training aimed at supporting members to access and receive intervention and skill building support related to:

- Communication
- Information
- Environment
- Social/Emotional Support
- Activities

#### Olmstead Plan

Although the U.S. Supreme Court did not require States to develop a plan, Arizona officials elected to develop a plan as an opportunity for advocates, agencies, members, and community stakeholders to collaborate on a guide to further improve upon access to services for members with disabilities to ensure they live and receive services in the most appropriate integrated setting in the community. Arizona considers the Olmstead Plan as an opportunity for self-examination and an ongoing process to improve quality when establishing service delivery priorities in the context of other critical issues.

On October 13, 2023, AHCCCS finalized and posted the new Olmstead Plan reflective of the new service system delivery structure and responsive to opportunities to enhance services in today's environment. The finalization of the Olmstead Plan was informed by over 130 public comments received.

The intent of the design of the Olmstead Plan is for it to be both an actionable and “living” plan. The plan contains specific timelines for objectives that are directed at completing a specified process while also including, as applicable, performance targets to measure positive change resulting from the objectives. AHCCCS plans to post quarterly plan updates and available data (when available) on outcomes. To support ongoing stakeholder engagement, AHCCCS intends on providing quarterly updates during AHCCCS Community Forums on accomplishments made during the quarter and to gather input from the stakeholders in addition to presentations at various standing stakeholder meetings.

**Member Experience:** Jeremy is 43 year who lives with a spinal cord injury that left him diagnosed with Quadriplegia. He went through physical therapy and worked for years on being able to walk again. Jeremy is now able to walk with the assistance of a cane; he does have to favor his left leg as it is weaker. Currently, Jeremy is employed full-time for a major retailer, working from home for their Human Resources Department. He receives home-delivered meals to aid him with lunch while he is working. Enrolling in the Freedom to Work program, he **can** continue to receive the assistance that he needs while being able to lead a productive life and continue to work on his recovery while being able to financially support himself and his family.

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AHCCCS also plans on providing annual updates to various committees and councils in the state. Annually, AHCCCS will hold a public comment period and convene stakeholder forums to conduct a reassessment of needs by soliciting input and feedback on the progress of the current plan, while considering suggestions for new areas of focus. Furthermore, AHCCCS has required the Contractors to review the Olmstead Plan regularly, including any updates and progress made, with their respective Member Advocacy Councils and Governance Committees to seek feedback and recommendations. Lastly, AHCCCS encourages stakeholders to utilize the dedicated Olmstead email address to share input on Olmstead planning at any time.

The Olmstead Plan and more information on Olmstead planning may be found on the [AHCCCS website](#).

### Home and Community Based Setting (HCBS) Rules

On January 16, 2014, CMS released final Rules regarding requirements for HCBS operated under section 1915 of the Social Security Act. The Rules mandate certain requirements for residential and non-residential settings where Medicaid members receive long term care services and supports. Specifically, the Rules establish requirements for settings to ensure that individuals receiving services are integrated into their communities and have full access to the benefits of community living.

In Arizona, these requirements impact the ALTCS program members receiving services in the following residential and non-residential settings:

Residential	Non-Residential
Assisted living facilities	Adult day health programs
Group homes	Day treatment and training programs
Adult and child developmental homes	Center-based employment programs
	Group-supported employment program

In 2015, AHCCCS began working with a wide range of stakeholders representing the long-term care community to assess the State’s compliance with the HCBS Rules and identify further opportunities to enhance member integration experience and outcomes by building off Arizona’s long-standing history of the provision of HCBS. AHCCCS submitted Arizona’s Systemic Assessment and Transition Plan to CMS in October 2015. Subsequently, a number of iterations of the Transition Plan have been updated and informed by stakeholder input with AHCCCS receiving final approval of the Arizona Transition Plan on January 20, 2023. The Transition Plan outlines strategies the State will use to make sure all HCBS settings come into compliance by March 2023.<sup>1</sup>

CMS’ approval of the Transition Plan solely addressed the State’s compliance with applicable Medicaid authorities and the State’s process for assessing setting compliance, including settings that meet the criteria for Heightened Scrutiny. CMS’ review of settings submitted for Heightened Scrutiny and subsequent determinations are separate and distinct from final approval of the Transition Plan. If States want to preserve settings that are presumed institutional in nature and the State asserts the setting complies with the HCBS Rules, the States must submit evidence to CMS to make a final determination.

<sup>1</sup> CMS extended the deadline of compliance from March 2022 to March 2023 in response to the COVID-19 Public Health Emergency.

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CMS determines whether the evidence supports that the setting is or can become compliant with the HCBS Rules. When the March 17, 2023 deadline passed and CMS had not yet requested evidentiary documentation packages for a sampling of settings meeting Heightened Scrutiny, a Corrective Action Plan (CAP) was warranted to afford CMS more time to review the State’s assessment documentation and either affirm the State’s findings or require remediation for identified settings. The CAP allows for a 12-month remediation period should CMS have any findings when they complete their review.

Detailed information on AHCCCS’ activities to comply with the HCBS Rules can be found on the [AHCCCS website](#).

### Member Initiative: Housing Supports

#### Community Transition Service

The Community Transition Services option was first approved by CMS in 2010. On October 14, 2022, CMS approved Arizona’s request for a five-year extension of its 1115 Demonstration Waiver that included the use of the service for individuals who are transitioning from either an institutional or alternative home and community-based setting into their own home. This service allows for the provision of financial assistance to members to move from an ALTCS long term care institutional setting to their own home or apartment. The option offers up to \$2,000 to defray transition costs such as security and utility deposits for an apartment or home, essential furnishings, or other moving expenses. Contractors also provide assistance to members who may experience financial challenges that present barriers to making a transition into a home or apartment in the community. This is not an uncommon scenario because, during their tenure in the nursing facility, the discretionary income members receive is limited to the special needs allowance. It may take a few months for the share of cost to be reduced to zero after the member has transitioned out of the nursing facility.

In these circumstances, Contractors may assist the member with obtaining Section 8 housing or moving into homes that have month-to-month leasing opportunities versus a requirement upfront for first and last month’s rent. Members may also receive financial assistance from family members to make the transition.

In an effort to support a member’s affordable housing needs, AHCCCS requires all Contractors to have a designated housing expert that is responsible for identifying housing resources and building relationships with contracted housing providers and public housing authorities for the purposes of developing innovative practices to expand housing options and assist case managers in making appropriate referrals for members in need of housing. The housing expert is required to monitor and maintain a list of members with affordable housing needs to inform these efforts, including reporting outcomes of the housing referrals.

**Member Experience:** Brianna is 36 years old and transitioned from a skilled nursing facility to living in her own condominium. Brianna and her case manager explored available services and resources to help her reach her goal of returning to the community, including the benefits of the Community Transition Service, which could be used to help with those initial deposits and furnishing. The Contractor’s Housing Coordinator worked with Brianna to obtain a housing voucher and a list of Department of Housing and Urban Development houses for her to review. She spent her free time searching the listings and finally decided on the home she felt was best for her and collaborated closely with Peer Support, who also helped her identify the household items she would need in her home upon discharge from the facility. She maintains a cheerful outlook and enjoys her time in her home watching videos and movies and spending time with her family.

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## **Member Initiative: Social Connectedness**

### **Addressing Social Isolation**

The AHCCCS Whole Personal Care Initiative (WPCI) seeks to address the social risk factors that can have an impact on a person’s health and well-being, otherwise known as Health-Related Social Needs (HRSNs). These factors (i.e., socio-economic status, behaviors, and physical environment) have been found to contribute more to health outcomes than access to health care. One social risk factor that AHCCCS wants to specifically address for the ALTCS population is social isolation. There is strong evidence that social isolation is associated with poor health outcomes and higher rates of mortality. For example, according to the Journal of Aging Life Care, social isolation has been identified as having the same magnitude of impact on a person’s health as high blood pressure, smoking, or obesity. Additionally, as the American Psychological Association reported on their website, it has been noted to increase a person’s risk of dementia by 40%.

AHCCCS is in the process of creating a new habilitation service model that will support members in developing skills to build relationships and community connections within their community of choice and further their personal goal development. Members will have the option for this service to be provided by peers who are experiencing aging or living with a disability. The new policy guidance is planned to be effective January 1, 2025.

Additionally, during the reporting period, AHCCCS leveraged ARP funds to conduct targeted research on social isolation screening/assessment tools and how these tools are used to inform medical necessity decisions for services and supports aimed at mitigating negative health outcomes stemming from social isolation. AHCCCS plans to capitalize on findings from this research to explore and evaluate opportunities for the State to address the prevalence of social isolation within the member population.

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### Contractor Initiatives

The Contractors engage in several initiatives aimed at ensuring members are living in the most integrated setting as well as participating in community life. The following are examples of those initiatives that were implemented in 2023.

#### Multi-Disciplinary Coordination for Specialty Services

A Contractor implemented a best practice to assemble a multi-disciplinary Person-Centered Service Planning (PCSP) Team after the Case Manager meets with a newly enrolled member to develop their initial PCSP. This multi-disciplinary PCSP Team supports members in achieving their goals by leveraging ALTCS staff such as the medical director, RNs, Behavioral Health Professionals (BHP), primary care, and other providers, consistent with the member's needs, wishes, and consent. This process prioritizes members in Skilled Nursing Facilities and Assisted Living Facilities. It has resulted in enhanced collaboration between the Contractor's Medical Director and the member Primary Care Provider (PCP) to facilitate quicker community transitions, allowing members to return to home settings within their community and improve social engagement.

**Member Experience:** Flora is 68 years old and expressed that her goal was to improve her physical health through volunteering. Flora was medically cleared by her doctor and interviewed at La Frontera/Empect in Phoenix. She was thrilled when she was offered a job as a Case Manager Aide. Flora is now working full time and reported that she looks forward to going to work every day. Flora collaborates closely with members dealing with substance use addictions. She conducts groups, connects those in need with resources, and helps with their discharge process and planning activities. Flora stated, "For the first time in many years, I have regained happiness, independence, and look forward to seeing what life has to offer in the future."

One Contractor utilizes CareBridge as an interactive clinical support for members to communicate with a team of doctors, nurses, and specialists using a tablet, which has been effective in reducing unplanned urgent care or emergency room visits. This technology and care solution is an example of a best practice to help members address urgent care needs in real-time (e.g., medication refills, Durable Medical Equipment, monitoring vitals, address Health Related Social Needs), directing members to appropriate care settings. The CareBridge team can write medications or durable medical equipment prescriptions and coordinate delivery. Although they do not take the place of the member's Primary Care Provider, they will collaborate with the member's doctor's office as a bridge to help manage care at home.

Another Contractor is using a grant to bring health and wellness to residents at 13 properties (over 650 low-income seniors in AZ). Grant funding was provided to support a full-time Health Navigator and part-time Resident Services Coordinator. The Health Navigator helps to address barriers to care, works with community partners, and encourages healthier lifestyles. In addition, they work with aging residents to help them adopt healthier behaviors and better manage chronic disease including working with community partners to deliver heart health education, tobacco cessation support, and health screenings. The Health Navigator encourages healthier lifestyles through nutrition education, increased physical activity, and offers regular access to onsite pantries and community gardens to reduce food insecurity. The Resident Services Coordinator works individually with residents to provide nutrition education services, help with access to healthy food resources, and health care to manage chronic health needs and mental health.

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### Caregiver Support

One Contractor is using new services to help with caregiver burnout. Careforth (caregiver support services) and CareBridge (telemedicine support) help sustain and maintain community living for long term care membership. Through Careforth, caregivers interested in participating are provided a Caregiving Coach, including Pediatric Specialty Coaches, Behavioral Health Coaches, and experienced Coaches to offer support for those caring for people living with dementia. It is a source of support for the caregiver to have access to caregiving experts for questions and concerns and a Coach dedicated to the health and wellness of the caregiver.

Given the increased reliance on family caregivers, especially during the COVID-19 Public Health Emergency (PHE), one Contractor recognized the risk of isolation for family caregivers and the need to promote self-care to continue to support stability within the member's home environment. The Contractor supported a day-long conference for nearly 300 family caregivers that participated in various networking activities as a reminder that they are not alone and engaged in sessions that addressed various self-care strategies for caregivers.

### Community Engagement

Another Contractor created virtual volunteering activities coordinated for members residing within Assisted Living Facilities and Nursing Homes, linked together by video conference, and brought members together to participate in crafting cat toys for the Humane Society, Wags, and Purrs. Case Managers brought supplies into the facilities and virtually connected with representatives from the Humane Society, who offered a virtual tour of the premises, talked about volunteering opportunities on their grounds, and then demonstrated how to craft the toys needed for their sheltered cats.

**Member Experience:** Gary is 67 years old and lives in an Assisted Living Facility. He was previously employed as an electrical repair technician, and while he is not yet ready to return to the workforce since his stroke, finding new ways to stay busy while helping others is important to him. Together, Gary and his case manager brainstormed ideas for volunteering and Gary started to volunteer for Treasures for Teachers from his assisted living facility home. To help Gary work from home, his case manager delivered the supplies needed to create student journals that Treasures for Teachers could donate to local classrooms. Gary recently made a visit to present the 2,000 journals he created and was personally thanked by the Treasures for Teachers volunteer coordinator.

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### AHCCCS Administration and Oversight

The following is a summary of other activities that touch on broader long-term care issues, but also address HCBS as a component. Some of these activities involve collaborative efforts with other Arizona State agencies, while others are exclusive to AHCCCS and its Contractors.

#### **Pandemic-related activities and initiatives**

##### **COVID-19 Response**

AHCCCS has continued to implement a number of initiatives to combat and support mitigation of COVID-19 including the continuation of AHCCCS' approvals granted by CMS to waive certain Medicaid requirements to enable AHCCCS to combat the continued spread of COVID-19. One such request under the 1115 Appendix K authorities is to specifically address the unique needs of maintaining access to care for ALTCS members during the PPHE. The approved authorities, in part, permit flexibility to expand efforts to mitigating workforce shortages, maintaining network adequacy of HCBS providers, expanding the eligible population for home delivered meals, and permitting remote assessment planning and approvals.

AHCCCS has and continues to evaluate whether members could benefit from allowing these flexibilities on a permanent basis. In April 2022, AHCCCS resumed in-person assessment and service planning with the caveat that members could request those activities to occur remotely through the end of the COVID-19 PHE (May 11, 2023). While this allowance is no longer offered by AHCCCS, other flexibilities have been made permanent. On October 14, 2022, CMS approved Arizona's request for a five-year extension of its 1115 Demonstration Waiver that included the provision of home delivered meals to members receiving services from DES/DDD and allowing for personal care to be provided in acute care hospitals. Additionally, the aforementioned Parents as Paid Caregiver allowance is another example of a PHE era flexibility that AHCCCS has made permanent.

More information on the Agency's COVID-19 response can be found on the [AHCCCS website](#).

##### **American Rescue Plan Act (ARP)**

On January 19, 2022, AHCCCS received approval from CMS for their Spending Plan outlining the State's goals for the implementation of the American Rescue Plan (ARP) Act of 2021, Section 9817. Thereafter, AHCCCS received spending authority by the Arizona State Legislature to implement the spending plan approved by CMS. 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 has opted to adhere to a shorter extension through September 30, 2024, or until funds are expended, whichever comes first.

Arizona is leveraging this unprecedented opportunity to implement initiatives that enhance and strengthen HCBS while simultaneously promoting ongoing access to care and paths to self-sufficiency. Arizona has identified two critical priorities for HCBS funding: To strengthen and enhance Arizona's Home and Community-Based System of Care, and to advance technology to support greater independence and community connection. Both of these critical priorities have a number of member-centric strategies that will serve as a roadmap for Arizona's use of this funding. These strategies are

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designed to support transformational change of Arizona’s care delivery system, leading to improvements for individuals who are accessing general mental health and substance use disorder (SUD) services. In addition, Arizona has identified four key populations at the center of its efforts to enhance and strengthen HCBS services: Seniors, individuals with disabilities, individuals living with Serious Mental Illness (SMI), and children with behavioral health needs. The key populations, strategies and priorities are detailed in the “HCBS Funding Priorities” table.

HCBS Funding Priorities for Arizona’s Seniors, Individuals with Disabilities, Individuals Living with Serious Mental Illness, and Children with Behavioral Health Needs	
Strengthening and Enhancing Arizona’s Home and Community Based System of Care	Advancing Technology to Support Greater Independence and Community Connection
(1) Empowering parents and families to provide care and meet the needs of their children.	(1) Utilizing new technology to promote care coordination and seamless communication.
(2) Funding local initiatives and community-specific programming to improve member health.	(2) Creating tools that strengthen quality monitoring and prevent abuse and neglect.
(3) Assessing member engagement and satisfaction to better understand needs, prevent abuse and neglect, and identify opportunities for improvement.	(3) Supporting individual self-sufficiency by connecting members to technological tools and resources that promote independence.
(4) Expanding access to care from a well-trained, highly skilled workforce.	
(5) Promoting stabilization, access to supportive services, and workforce retention/consistency to improve member outcomes.	

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

- Implementing a [Differential Adjusted Payment \(DAP\)](#) to select HCBS providers for the purchase and implementation of health information exchange (HIE) technology,
- Reviewing the State’s Client Assessment and Tracking System and Quality Improvement System through a partnership with NTT,
- Administering the ARP Program Awards, which allows providers to make key program and infrastructure investments. In 2023, AHCCCS distributed 61 [awards](#) totaling approximately \$17 million,

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- Upgrading the Health-e-Arizona Plus (HEAplus) system to support members' ability to upload documentation and access correspondence stored in the system, as well as translation of member screens to Spanish,
- Partnering with the Department of Economic Security (DES) to make enhancements to the Disability Benefits website, create a central employment repository, and support the abuse and neglect awareness campaigns,
- Partnering with DES/Division of Developmental Disabilities (DDD) to make investments into trainings for providers serving members with both behavioral health and developmental disabilities, and
- Preparing for the implementation of the State's first annual National Core Indicator for Aging and Disabilities (NCI-AD) survey.

More information on the Agency's ARPA spending plan, including quarterly progress reports and updates, can be found on the [AHCCCS website](#).

### Direct Care Workforce Development

The foundation for prioritization of workforce development initiatives began in March 2004 when former Governor Napolitano formed the Citizens' Workgroup on the Long Term Care Workforce. The purpose of the Workgroup was to study the issue of the direct care workforce and provide recommendations regarding potential strategies to improve the workforce.

As a result of the Workgroup, beginning October 1, 2012, AHCCCS formally incorporated the competency standards, training curriculum, and testing protocol into its service specifications for attendant care, personal care, and housekeeping. All Direct Care Workers (DCWs) are now required to pass standardized examinations based upon the competency standards established by the Workgroup in order to provide care to ALTCS members in their homes.

Significant ongoing and new activities continue regarding the growing challenges related to ensuring the establishment of an adequate direct care (caregiver) workforce. Examples of ongoing activities include, but are not limited to, the following:

- AHCCCS and the Contractors continue to conduct initial and annual audits of the Approved Direct Care Worker Training and Testing Programs to ensure the programs are in compliance with AHCCCS standards pertaining to the training and testing of DCWs.
- AHCCCS manages an online database that serves as a tool to support the portability or transferability of DCW testing records from one employer to another employer. The online database also serves a secondary purpose to assist in monitoring compliance with the AHCCCS DCW training and testing initiative.
- AHCCCS has developed a Workforce Development policy for all lines of business which stipulates Contractors are required to designate a Workforce Development Administrator. Further, Contractors are required to submit and monitor a Workforce Development Plan to ensure the sub-contracted workforce of paraprofessionals is adequately resourced, stable, and capable of providing quality care to members. The Workforce Development Plan must include measures to proactively identify potential challenges and threats to the viability of the workforce, as well as develop and implement interventions to prevent or mitigate access to care concerns for members.

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- AHCCCS coordinates with appropriate parties to facilitate training reciprocity between DCWs and caregivers working in assisted living facilities per A.R.S. 36-446.15 to streamline the transition of in-home DCWs to work as caregivers and vice versa.

AHCCCS has also worked to leverage ARP funds to prioritize workforce development through the provision of additional resources to help support recruitment and retention efforts of HCBS providers and allow for the building of infrastructure to support the workforce including:

- Release of one-time, directed payments in CYE 2023 to eligible providers for the purposes of strengthening their workforce and enhancing HCBS,
- Collaboration with community colleges to assist with the implementation of workforce development activities, including tuition assistance for students interested in serving as an HCBS provider and curriculum development for direct care workers (DCWs) and behavioral health technicians/behavioral health professionals (BHT/BHP) providers, and
- Development of a Caregiver Career Development Pathway (Pathway) program designed to encourage individuals to begin a career as a DCW and guide them through their ideal career path, in partnership with Pipeline AZ.

The Workforce Development policy in the AHCCCS Contractors Operations Manual can be found on the [AHCCCS website](#).

Information on the DCW training and testing program can also be found on the [AHCCCS website](#).

### Case Coordination and Management

#### **Arizona State Hospital (ASH) Coordination**

AHCCCS Contractors are responsible for oversight and monitoring of members who were conditionally released from the ASH. AHCCCS requires Contractors to develop and implement policies and procedures to provide high touch Contractor care management and other behavioral health and related services to each member on conditional release from ASH, consistent with the member's Court Ordered Conditional Release Plan. As stated in their contract, Contractors actively participate in the member's discharge plan prior to release. Contractors are not permitted to delegate the care management functions to a subcontracted provider and must submit a monthly comprehensive status report for each member on Conditional Release to the Psychiatric Security Review Board (PSRB), the member's attorney, and designated AHCCCS staff. The Psychiatric Security Review Board was dissolved on December 31, 2022, shifting jurisdiction of these members to the Superior Court. Contractors will continue to actively participate in discharge planning and monitoring of persons on conditional release including the review and submission of comprehensive monthly monitoring reports to AHCCCS. AHCCCS staff reviews monthly monitoring reports to ensure Contractor compliance.

#### **Prior Period Coverage for HCBS**

Contractors are allowed to cover HCBS services for "Prior Period Coverage" enrollment. This allows applicants to have HCBS services covered by the Contractor during the period between application and determination of eligibility. Such coverage allows greater flexibility in the choice of a service site. Persons awaiting discharge from hospitals can go directly back to their own home, with coverage of those services paid for once eligibility is determined and enrollment is complete.

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### **Long-Term Care Case Management**

Each ALTCS-enrolled member receives case management services provided by a qualified case manager. ALTCS case managers utilize a person-centered approach and maximize member/family self-determination while promoting the values of dignity, independence, individuality, privacy, and choice.

Case managers use person centered service planning to conduct regular home visits with HCBS members to maximize member-direction and self-determination. Specifically, the discussion and documentation focus on ensuring quality services are being provided without gaps; determining the services necessary to meet the member's needs, while in the most integrated setting; providing member specific education to the member and their family; assessing health and safety risks while safeguarding against unjustified restrictions of member rights and introducing alternative models of care delivery when appropriate.

The following are examples of how case managers execute their roles and responsibilities:

- **Member-Directed Options Information:** Case managers regularly inform members about member-directed options and assist members and their families to make informed decisions about the service delivery model of care.
- **End of Life Care:** Case managers educate members/families on End-of-Life Care, which encompasses all health care and support services provided at any age or stage of an illness.
- **Serious Mental Illness Determinations:** Case managers assess for the appropriateness of and submit referrals for members to receive a Serious Mental Illness (SMI) determination and, once affirmed, ensure members receive entitled services including grievance and appeals processes.
- **Cost Effectiveness Analysis:** Case managers assess the continued suitability, appropriateness, and cost effectiveness of the member's in-home services. HCBS placement is the goal for ALTCS members as long as cost effectiveness standards and the member's medical, functional, social, and behavioral health needs can be met in that setting. The case manager regularly assesses the cost of the HCBS services and compares them to the estimated cost of institutionalized care. Placement in an HCBS setting is considered cost effective if the cost of HCBS services for a specific member does not exceed 100% of the net cost of institutional care for that member.
- **Non-Medicaid Service Coordination:** Case managers identify and integrate non-ALTCS covered community resources/services as appropriate based on the member's needs, including community

**Member Experience:** Blake is 20 years old and started his adulthood graduating from Pima Community College's Aviation program and joining the National Guard when he suffered an accident in 2023 that left him paralyzed. Nevertheless, Blake chose to further his education and pursue a new career path with the support of Vocational Rehabilitation and enrolling in the University of Arizona. In May 2023, Blake graduated with a bachelor's degree in Material Science and Engineering and obtained employment with Raytheon. His employer has been supportive in making accommodations to support his success in the workplace. Blake is grateful to his employer and says "when you find a good company, a good boss, and a good team you don't give up." With the pursuit of a master's degree in mind, Blake has some advice for others, "Staying positive and attitude is (a) choice...It will make you or destroy you."

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resources/services that support members in achievement of personal or independent living goals.

- **Goal Development:** Case managers assist members to develop meaningful and measurable goals, including personal and independent living goals. Case managers also provide members with information about local resources to help them transition to greater self-sufficiency in the areas of housing, education, and employment, as well as identify goals and preferences around the areas of recreation, friendships, and family relationships.

Contractors are required to submit a Case Management Plan and Evaluation on an annual basis which addresses how the Contractor will implement and monitor case management and administrative standards outlined in AHCCCS policy including specialized caseloads. AHCCCS evaluated the plans that were submitted for CYE 2022 and approved each Contractor’s plan for the delivery of case management and the evaluation of the previous year’s activities and outcomes.

Due to the CMS approval of Arizona’s request for a five-year extension of its 1115 Demonstration Waiver on October 14, 2022, AHCCCS has incorporated performance measurements and targets pertaining to Person Centered Service Plans (PCSP). The following performance metric compliance reporting has been incorporated into the MCO contracts and results will be incorporated in this report beginning the next reporting period. MCOs are required to maintain 86% compliance in ensuring the PCSP process and documentation, including:

- Member choice of services and providers,
- Member needs and progress towards personal goals and desired outcomes,
- Verification that PCSPs were reviewed with members/guardians and revised at least annually, and
- Services, including the type, scope, amount, duration, and frequency specified in the PCSPs, as well as verification of service delivery.

### Stakeholder Engagement

#### ***Abuse and Neglect Prevention Task Force***

The Abuse & Neglect Prevention Task Force convened in response to Executive Order 2019-03 to ensure the health and safety of Arizona’s most vulnerable citizens. The Task Force examined a broad range of concerns and opportunities aimed at enhancing the prevention of abuse and neglect. The Task Force developed 30 recommendations that fall under the following themes:

- Statewide public awareness campaign to encourage a statewide culture of abuse, neglect, and exploitation prevention educating the broader public of that commitment,
- Prevention and accountability of all State agencies, in collaboration with private vendors and stakeholders, to develop, disclose, implement, and monitor policies and practices aimed at preventing abuse, neglect, and exploitation, reporting incidents, conducting investigations, and ensuring incident stabilization and recovery,
- Multi-agency coordination where AHCCCS, DES, Arizona Department of Health Services (ADHS), and other critical system partners work to employ a coordinated, multidisciplinary team approach in preventing and addressing incidents of abuse and neglect,

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- Signage implementation on how to report abuse, neglect, and exploitation to be prominently posted in all settings in which vulnerable individuals reside and/or receive services,
- State agencies, in partnership with community-based organizations, to offer evidence-based training on abuse, neglect, and exploitation prevention, reporting, and recovery to vulnerable individuals and their families,
- Improvements in identification, tracking, and analysis of incidents of alleged abuse and neglect, including mechanisms for making data readily available to the public,
- Workforce development strategies which foster workplaces that uphold the ideals of respect, attentiveness, and active support for all individuals receiving services and providing services within the State Medicaid program,
- Adult Protective Services registry checks and training for investigators,
- Supportive resources to help manage caregiver stress,
- Public access to Setting Monitoring Reports that include monitoring reports for group homes and adult developmental homes to the extent allowed by statute and privacy restrictions, and
- Review of confidentiality requirements to identify potential revisions to statute and agency policies to allow information sharing between parties while maintaining required privacy and confidentiality protections.

Significant work has been accomplished and the majority of the recommendations have been completed.

AHCCCS continues to work with the Sonoran University Center for Excellence in Developmental Disabilities (UCEDD) to evaluate the impact of the implemented recommendations from the Abuse and Neglect Prevention Task Force. During the year, AHCCCS reviewed the results of a member and family member survey that was designed and distributed by AHCCCS and the Contractors. AHCCCS continues to utilize the results of the member and family member survey in 2022 (while simultaneously planning another round of surveys in 2023) to plan for future activities and areas of focus to educate members and their families regarding the prevention of abuse, neglect, and exploitation.

Similar to the approach with the surveys, the UCEDD finalized an independent evaluation report in May 2022 (and an update is planned for 2024) to comprehensively evaluate the implementation of the recommendations from the Abuse and Neglect Prevention Task Force. The report provides findings and recommendations for AHCCCS and sister State agencies to consider as the State continues to prioritize the prevention of abuse, neglect, and exploitation.

Additionally, through the ARP HCBS Spending Plan, AHCCCS has invested in a multi-media public awareness campaign aimed at informing the public of signs of abuse, neglect, and exploitation. In partnership with DES, Division of Aging and Adult Services – Adult Protective Services (DES-APS), AHCCCS has engaged in a statewide advertising as well as a pre-and post-public survey soliciting information about the effectiveness of the public awareness campaign.

More information can be found on the [AHCCCS website](#).

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### ***Autism Spectrum Disorder Advisory Committee***

In 2015, the Governor’s Office established a statewide Autism Spectrum Disorder (ASD) Advisory Committee representing a broad range of stakeholders that included providers, Contractors, advocacy groups, and families to address and provide recommendations to strengthen services for the treatment of ASD. The Committee created recommendations from five workgroups: Early Identification and Diagnosis, Evidence-Based Treatment, Reducing System Complexity, Increasing Network Capacity, and Adults with ASD. In February 2016, the ASD Advisory Committee finalized and published recommendations.

The ASD Advisory Committee was sunset in 2021, in response to accomplishing many of the major goals of the Committee. Ongoing efforts to improve access to care are being carried forward sharing information and resources related to evaluation and diagnosis and access to treating providers, including ARP-funded initiatives intended to increase the training and capacity of existing Medicaid service providers to provide care and treatment to individuals with ASD. One of these activities includes a partnership with Arizona State University’s College of Health Solutions and the College Research and Evaluation Services Team. AHCCCS partnered with ASU to create and implement an evaluation of the process, outcomes, and impact of digital locker technology and supportive housing on individuals with a diagnosis of autism and/or intellectual or developmental disabilities (I/DD). AHCCCS hopes that these activities will provide invaluable support in identifying best practices with members diagnosed with autism.

More information can be found on the [AHCCCS website](#).

### ***ALTCS Advisory Council***

After AHCCCS used a council to help create and implement Agency with Choice, a member-directed option, the contributions of the council members were noted as invaluable to the program development and implementation process. With the continued development of new and innovative practices to serve ALTCS members, AHCCCS prioritized the maintenance of the advisory group to identify opportunities for system improvements, assist in the development of the initiatives, and support program monitoring and oversight activities. The ALTCS Advisory Council meets on a quarterly basis and is comprised of ALTCS members and their family members/representatives. Additionally, representatives from ALTCS Contractors, providers, State agencies, and advocacy agencies serve on the Council.

Council Members advise AHCCCS on activities aimed at making system improvements. Individual Council members are asked to provide input and feedback on ALTCS program activities from their own personal or professional experience, expertise, or perspective. ALTCS Advisory Council members are encouraged to identify topics for discussion as well as provide input on topics that AHCCCS brings forward to solicit stakeholder input from members.

The ALTCS Advisory Council has advised on the State’s compliance with federal initiatives, AHCCCS policy changes, service delivery system innovations and other notable topics of interest requested by the council members. For example, the Council serves as the official advisory body for the State’s compliance with the Home and Community Based Settings Rules.

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### Contractor Compliance

#### **Electronic Visit Verification (EVV)**

Pursuant to Section 1903 of the Social Security Act (42 U.S.C. 1396b), AHCCCS is mandated to implement EVV for non-skilled in-home services (attendant care, personal care, homemaker, habilitation, and respite) by January 1, 2021<sup>2</sup> and for in-home skilled nursing services (home health) by January 1, 2023.

The goals of instituting EVV in the AHCCCS program include:

- Ensuring, tracking, and monitoring timely service delivery and access to care for members,
- Reducing provider administrative burden associated with scheduling and hard copy timesheet processing,
- Accommodating the lifestyles of members and their families and the way in which they manage care,
- Accommodating service provider business decisions and preserving existing investment in systems, and
- Prevention, detection, recovery of improper payments due to fraud, waste, and abuse.

During the reporting period, AHCCCS engaged in the following major milestones to prepare for the claims compliance phase of the implementation of EVV planned for January 1, 2023:

- Worked diligently with the State-sponsored and alternate EVV vendors to resolve several unexpected technical issues that impeded provider adoption of EVV,
- Assisted providers with EVV implementation and problem-solving including meeting with members and families to explore ways to streamline EVV for their unique service delivery scenario, and
- Added and updated member and provider resources to the AHCCCS EVV web page, including regularly updated FAQs.

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 is currently working with the State-sponsored EVV system vendor to make system customizations and standard reports to assist providers, Contractors, and AHCCCS to streamline administrative processes and to mitigate access to care challenges. The reporting will support monitoring scheduled service visits against occurrences of late or missed visits and the actions the providers took in response to the member's contingency plan for such occurrences.

More information on EVV can be found on the [AHCCCS website](#).

#### **Monitoring and Oversight**

AHCCCS regularly reviews Contractor operations to ensure compliance with federal and state law, rules and regulations, the AHCCCS contract, and AHCCCS policies. Monitoring activities include review and approval of contract deliverables, regular coordination meetings with Contractors, provision of technical assistance, and both Focused and Operational Reviews. Focused Reviews are conducted based on

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<sup>2</sup> On December 5, 2019, AHCCCS received approval from CMS to extend the timeline for compliance through 01/01/21.

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trending information specific to one Contractor or across Contractors to assess compliance in a specific area of focus and provide targeted technical assistance. Operational Reviews are conducted in order to:

- Determine if the Contractor satisfactorily meets AHCCCS' requirements as specified in the contract, AHCCCS policies, Arizona Revised Statute, Arizona Administrative Code, and 42 CFR Part 438, Managed Care,
- Provide technical assistance and identify areas where improvements can be made as well as identifying areas of noteworthy performance and accomplishments,
- Review progress in implementing recommendations made during prior reviews,
- Determine if the Contractor is in compliance with its own policies and to evaluate the effectiveness of those policies and procedures,
- Perform Contractor oversight as required by CMS in accordance with AHCCCS' 1115 Demonstration Waiver, and
- Provide information to an External Quality Review Organization (EQRO) for its use as described in 42 CFR 438.364.

The reviewers utilize established standards based upon statutes, contract terms, and policy requirements. Review of case management standards evaluate compliance with case management staff orientation and training, service reviews which includes member placement, HCBS living arrangements, initial contact and HCBS service initiation, needs assessment and care planning, timeliness of service visits, and completion of the cost effectiveness study.

The Operational Reviews are conducted on a three-year cycle evaluating each AHCCCS Contractor, including the three ALTCS-EPD Contractors and one DES/DDD ALTCS Contractor, once during the cycle. When a Contractor is found to be out of compliance with AHCCCS standards, the Contractor must submit and obtain approval of a Corrective Action Plan (CAP) to address the deficiencies. The process includes a follow-up on the status of each CAP six months after the CAP is accepted. AHCCCS' reviews of the ALTCS-EPD MCOs were completed during February 2023 – May 2023. Corrective Action Plans will be monitored until actions are sufficiently completed and the CAPs are closed.

AHCCCS' review of the DES/DDD Contractor is planned for 2024.

The results of Operational Reviews are published on the [AHCCCS website](#).

### **Contractor Administrative Actions**

AHCCCS utilizes a variety of Administrative Actions to address ongoing or serious Contractor noncompliance, including mandatory Corrective Action Plans, Notices to Cure, and Sanctions.

In recent years, AHCCCS has imposed Administrative Actions on several activities performed by the DES/DDD Contractor including activities related to quality management and HIPAA compliant transactions. While significant concerns were initially identified, DES/DDD moved towards compliance through technical assistance and intensive corrective action and previous Administrative Actions were closed out during CYE 2023.

AHCCCS posts any Administrative Actions imposed on a Contractor on the [AHCCCS Website](#).

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### **Network Development Plans**

Each year, AHCCCS requires that ALTCS Contractors develop and submit a Network Development and Management Plan (Plan) to demonstrate their networks meet the needs of the members they serve. In the Plan, the Contractors identify the current status of the network at all levels (institutional, HCBS, acute, alternative residential, etc.) and project future needs based upon membership growth and changes in member profiles/service needs.

AHCCCS requires the Contractor to provide information on many issues relating to network sufficiency in the Plan, including but not limited to the following:

- Evaluation of the prior year’s Plan,
- Current status of network by service type,
- How members access the system,
- Relationship between the various levels of the networks,
- Current network gaps,
- Immediate short-term interventions when a network gap occurs,
- Interventions to fill network gaps, and barriers to those interventions,
- Evaluation of the interventions,
- Strategies utilized to increase the percentage of members living in their own home,
- Any network issues identified during member and provider council meetings, and
- How the network is designed for populations with special health care needs.

AHCCCS requires its ALTCS Contractors to develop and demonstrate the implementation of proactive strategies in the Plan to reduce the percentage of members in Alternative Residential Settings once it is determined that 20% or more of a Contractor’s HCBS membership resides in such settings.

AHCCCS evaluated the Plans that were submitted for CYE 2023 and approved each Contractor’s Plan, including the methods for analyzing the network and identifying and addressing network gaps. AHCCCS is in the process of reviewing the plans for CYE 2024.

### **Contractor Performance Improvement**

#### **Performance Measures**

AHCCCS worked to strategically align its statewide performance measures with the CMS Child and Adult Core Sets prior to implementation of mandatory child and adult behavioral health measure reporting. For the ALTCS population, AHCCCS continues to evaluate the best measures for the populations served, incorporating Child and Adult Core Measures as well as LTSS-specific measures. AHCCCS included a requirement for its Contractors to achieve National Committee for Quality Assurance (NCQA) First Accreditation [inclusive of the NCQA Medicaid Module and specific to its Medicaid Line(s) of Business] by October 1, 2023. Additionally, ALTCS Contractors must achieve NCQA LTSS accreditation by October 1, 2024.

AHCCCS will continue to prioritize meaningful measures that align with high priority agency initiatives. For example, AHCCCS required Contractors to calculate and report on Managed Long Term Services and Supports (MLTSS) focused performance measures included as part of the CYE 2022 contract amendments. AHCCCS is working towards implementation of HCBS measures that were included in AHCCCS’ 1115 Waiver approval in October 2022 (described further below) as well as a number of health equity-related measures from the CMS Health Equity Measure Slate.

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### **Performance Improvement Projects (PIPs)**

In addition to performance measures, AHCCCS also implements Performance Improvement Projects (PIPs) to drive member health outcomes and improve Contractor performance on selected state and national health care priorities. 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. While Contractors are required to select and implement their own PIPs to address self-identified opportunities for improvement specific to their plans, AHCCCS mandates other program-wide PIPs in which Contractors must participate, and monitors performance until each Contractor meets requirements for statistically significant improvement followed by sustained improvement for one consecutive year.

- **Back to Basics:** The Back to Basics PIP was selected for the DES/DDD Contractor with a baseline measurement year of CYE 2019. The purpose of this PIP is to increase the number and percentage of children and adolescent well-child/well-care visits.
  - CYE 2019 Baseline rate for child and adolescent well-child/well-care visits is 50.7%.
  - Calendar Year (CY) 2022 Re-measurement 1 rate is 54.4%.
  - Re-measurement 2 will be reflective of CY 2023 performance.<sup>3</sup>
  
- **Breast Cancer Screening:** The Breast Cancer Screening PIP was selected for ALTCS-EPD Contractors with a baseline measurement year of CYE 2019. The purpose of this PIP is to increase the number and percent of breast cancer screenings.
  - CYE 2019 Baseline rate for breast cancer screening is 36.5%.
  - CY 2022 Re-measurement 1 is 38.5%.
  - Re-measurement 2 will be reflective of CY 2023 performance.<sup>4</sup>

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<sup>3</sup> Final CY 2023 PIP Indicator rates anticipated to be available in March 2025.

<sup>4</sup> Final CY 2023 PIP Indicator rates anticipated to be available in March 2025.

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**HCBS Growth and Placement**

Overall, the ALTCS program enrollment change remained relatively stable with member growth increased by 6% within the DES/DDD program, compared to no percent growth (0%) in the ALTCS-EPD membership.

**Membership by Contractor and Setting Type**

Table 1 highlights **the membership breakdown by placement setting type**. In CYE 2023, the percentage of members residing outside of a nursing facility remained consistent with the trend in recent years at 88%. This successfully sustained rate is largely attributable to the service options and HCBS activities available to members, which are addressed in this report.

**Table 1: Membership Breakdown by Placement Setting Types – September 30, 2023**

Setting	Banner University Family Care	Mercy Care Plan	United Healthcare	DES/DDD	Total Membership	%of Total Membership
Own Home	3,188	4,684	3,762	32,807	44,441	66.06%
Assisted Living	1,702	2,466	2,755	19	6,942	10.32%
Group Home	0	1	0	3,578	3,579	5.32%
Developmental Home	0	1	0	1,664	1,665	2.47%
Acute Services Only	151	272	257	1,983	2,663	3.96%
<b>Total Membership in HCBS Placements</b>	<b>5,041</b>	<b>7,424</b>	<b>6,774</b>	<b>40,051</b>	<b>59,290</b>	<b>88.13%</b>
Skilled Nursing Facility	1,831	2,281	1,803	12	5,927	8.81%
Institution for Mental Disease	0	0	0	2	2	0.00%
Residential Treatment Center	0	1	0	0	1	0.00%
ICF-ID	0	0	1	95	96	0.14%
<b>Total Membership in Institutional Settings</b>	<b>1,831</b>	<b>2,282</b>	<b>1,804</b>	<b>109</b>	<b>6,026</b>	<b>8.96%</b>
Placement Data Not Available	41	796	103	1,019	1,959	2.91%
<b>Total Membership</b>	<b>6,913</b>	<b>10,502</b>	<b>8,681</b>	<b>41,179</b>	<b>67,275</b>	<b>100.00%</b>

**Statewide Placement Percentage by Setting Type**

Table two outlines the distribution of placement setting type<sup>5</sup> for the period of September 2018 through September 2023. Well over a decade ago (2009), the proportion of members residing in their own homes was as low as 49% but has grown and stabilized to 72% starting in CYE 20 and, while the proportion of the members residing in institutions declined from 31% (2009), stabilizing at 9% beginning in CYE 20. Consistently, the proportion of members residing in alternative residential settings remains stable at 19% beginning in CYE 20. This continues to demonstrate the program’s commitment to advancing initiatives which result in the shift of placement for ALTCS-EPD and DES/DDD members to community-based placements while also recognizing there will be members for which institutional placement is medically necessary.

<sup>5</sup> The number of individuals receiving acute services only is captured in the “own home” category. Further, the number of individuals for which placement data is not available is not reflected in the data.

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**Table 2: Statewide Placement Percentage by Setting**

	Sep-19	Sep-20	Sep-21	Sep-22	Sep-23
<b>Own Home</b>	63%	72%	72%	72%	72%
<b>Alternative Residential</b>	26%	19%	19%	19%	19%
<b>Institutional</b>	11%	9%	9%	9%	9%
<b>Total Membership</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### HCBS Placement by Age Group

Table three<sup>6</sup> presents information detailing member placements broken down by three age groupings (0-21, 22-64, and 65 plus) as of the conclusion of CYE 2023 (September 30, 2023). Consistent with the historical trend, the number of members in the 65 years and older age group compose the highest proportion of members residing in institutional settings (22%). Conversely, the 0-21 years of age group has the lowest proportion of members residing in institutional settings (0%). Only 9% of members 22-64 years of age reside in institutional settings.

**Table 3: ALTCS Placement by Age Group**

	0-21	22-64	65+	TOTAL
<b>Own Home</b>	24,211	15,210	7,659	47,080
<b>Alternative Residential</b>	783	5,215	6,188	12,186
<b>Institutional</b>	10	2,100	3,939	6,049
<b>TOTAL</b>	25,004	22,525	17,786	65,315
	0-21	22-64	65+	TOTAL
<b>Own Home</b>	97%	68%	43%	72%
<b>Alternative Residential</b>	3%	23%	35%	19%
<b>Institutional</b>	0%	9%	22%	9%
<b>TOTAL</b>	100%	100%	100%	100%

### Future HCBS Reporting Considerations

As a result of the CMS approval of Arizona’s request for a five-year extension of its 1115 Demonstration Waiver on October 14, 2022, AHCCCS continues to review the Standard Terms and Conditions (STCS) as it pertains to the HCBS Reporting Requirements (STC #28) as the HCBS Quality Assessment and Performance Improvement metrics will further support the information outlined in this report; those metrics will be incorporated as part of future HCBS Report submissions. Additionally, AHCCCS will use the metric data to highlight Program successes and best practices as well as any potential improvement opportunities stemming from identified deficiencies. AHCCCS is committed to providing high quality HCBS services that support the values and guiding principles of the ALTCS program.

<sup>6</sup> The number of individuals receiving acute services only is captured in the “own home” category. Further, the number of individuals for which placement data is not available is not reflected in the data.

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