Arizona Waiver and Expenditure Authorities
Current Demonstration Approval Period: 10/1/2011-9/30/2016
Proposed for: 10/1/2016 – 9/30/2021

Waiver/ CNOM #	Title	Brief Description	Renew	Notes
Waiver Authorities				
1	Proper and Efficient Administration	a) Limit choice of managed care entities for enrollees in foster care or who are in need of treatment for developmental disabilities, behavioral health issues, or conditions covered by the State's Children's Rehabilitative Services Program to a single MCO b) Auto enroll members who lose eligibility w/in 90 days to same PIHP previously enrolled c) restrict disenrollment w/out cause after 30 days d) restrict disenrollment for cause	Y	Allows the State to only offer one MCO where the Medicaid Act requires enrollees be provided a choice of MCO's. Ensures effective and efficient functions And guarantees continuity of care. The ability to disenroll without cause is costly and requires more administrative resources. Less than 3% of members choose to switch their plans during annual enrollment choice. **Waiver Authority Requested: Section 1902(a)(4) (42 CFR 438.52, 438.56)**
2	Eligibility Based on Institutional Status	Allows AZ to exclude hospitalized individuals and others in medical institutions for more than 30 days from automatically becoming eligible for LTC services if they do not meet the level of care standard for LTC service.	Y	Arizona would otherwise be required to provide LTC services to acute care individuals with income up to 300% who may not be at risk of institutionalization but are in the hospital for more than 30 days. **Waiver Authority Requested: Section 1902(a)(10)(A)(ii)(V) (42 CFR 435.217 and 435.236)**
3	Amount, Duration and Scope of	Allows AZ to offer different/additional services based on different care arrangements for members receiving	Y	To limit the number of hours of attendant care that can be provided for members

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	Services	spousal caregiver services. Allows MCOs and PIHPs to provide additional or different benefits.		receiving spousal caregiver services. **Waiver Authority Requested: Section 1902(a)(10)(B) (42 CFR 440.240 and 440.230)**
5	DSH Requirements	Relieves AZ from making payments for inpatient hospital services that take into account disproportionate share of low income patients	Y	Allows flexibility to operate AZ's DSH program under the waiver vs. the State Plan **Waiver Authority Requested: Section 1902(a)(13) insofar as it incorporates section 1923**
6	Cost Sharing	Allows AZ to charge premiums to parents of ALTCS disabled children <18 from household with income 400%-500% FPL	N	ARS 36-2929 has been revised since CMS authority was approved. **Waiver Authority Requested: Section 1902(a)(14) insofar as it incorporates 1916 (42 CFR 447.51 and 447.52)**
7	Estate Recovery	Relieves AHCCCS from creating an estate recovery program for acute care enrollees 55 and older who receive LTC services.	Y	Resources for this population are limited and few have lienable/recoverable assets Start up and ongoing costs for initiating the program would outweigh any recovery efforts based on the population and their resources. **Waiver Authority Requested: Section 1902(a)(18) (42 CFR 433.36)**
8	Freedom of Choice	Restricts freedom of choice of providers by furnishing benefits through MCOs and PIHPs that don't meet the requirements of Section 1932	Y	Allows for the statewide mandatory managed care system to enroll members into health plans which reduces risk to health plans, thus lowering capitation which is key to AHCCCS demonstrative success.

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				AHCCCS members are able to choose from at least two physicians within their health care plan. Other protections are in place to assure quality and continuity of care through policy, contract and standards. **Waiver Authority Requested:** **Section 1902(a)(23)(A)** **(42 CFR 431.51)**
9	Drug Utilization Review	Exempts AHCCCS from drug use review requirements of 1927(g)	Y	Allows AHCCCS to not be required to utilize drug use review requirements. **Waiver Authority Requested:** **Section 1902(a) (54) insofar as it incorporates section 1927(g)** **(42 CFR 456.700 through 456.725)**
Expenditure Authorities				
Administrative Simplification and Delivery Systems				
1	MCO Requirements (Companion to Waiver #1)	Allows MCOs who do not meet requirements of 1932(a)(3) (freedom of choice of MCOs) to operate one MCO in urban areas for: a) Individuals with SMI b) ALTCS and CMDP	Y	See #1 above **CNOM Authority Requested:** **Section 1932(a)(3)** **(42 CFR 438.52(a))**
2	MCO Requirements (Companion to Waiver #1)	Allows AHCCCS to: a) Restrict enrollees from disenrolling from their health plan without cause beyond 30 days b) Automatically reenroll member into same health plan as was previously enrolled if the member lost eligibility within 90 days (vs. 60 day standard)	Y	See #1 above **CNOM Authority Requested:** **Section 1903(m)(2)(A) to the extent it requires compliance with section 1932(a)(4) and** **42 CFR 438.56(c); and section 1903(m)(2)(H) and 42 CFR 438.56(g)**

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3	MCO Requirements	MCOs do not have to pay Indian Health care providers (IHCPs) when the State pays them for covered services for members enrolled in managed care plans	Y	Allows IHCPs to receive the All Inclusive Rate claiming 100% FMAP and not be required to bill multiple entities for American Indians who receive services through fee-for-service. **CNOM Authority Requested:** **Section 1903(m)(2)(A) to the extent it requires compliance withSection 1932(h)**
4	MCO Requirements	Allows the state to make payments for services provided by Indian health care providers to members enrolled in managed care, when those payments are offset from the managed care capitation payment.	Y	See CNOM #3 above
5	MEQC Findings	Enables AHCCCS to use an MEQC process that is different than what is required under 1903(u).	Y	AHCCCS can target specific problem areas rather than random sampling as otherwise required **CNOM Authority Requested:** **Section 1903(u)** **(42 CFR 431.865)**
6	Outpatient Drugs (Companion to waiver #9)	FFP for outpatient drug costs	Y	See Waiver #9 above **CNOM Authority Requested:** **Section 1903(i)(10)**
8	Direct payments to CAH	Allows for direct payments to CAH for services provided to enrollees.	Y	**CNOM Authority Requested:** **42 CFR 438.60**
9	FFS UPL	Allows the state to claim capitation for the costs of institutional care provided through managed care regardless of whether aggregate payments exceed upper payment limitations in the regulations listed	Y	Without the waiver, AHCCCS would be required to make various annual assurances and findings and file a DSH State Plan rather than Operational Protocol. Also, a UPL methodology would be required for FFS and prepaid captivated drugs, outpatient hospitals and clinics and for non-risk contracts **CNOM Authority Requested:** **Section 1902(a)(30)**

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				(42 CFR 447.250-.280; 447.300-.334)
10	DSH Payments (Companion to waiver #5)	Expenditures for supplemental payments for inpatient hospital services notwithstanding non-compliance section 1902(a)(13)(A)(iv) to the extent it requires compliance with section 1923 regarding hospitals serving a disproportionate share of low income patients	Y	See Waiver #5 above **CNOM Authority Requested: Section 1902(a)(13)(A)**
11	HCBS	Expenditures for HCBS through ALTCS for those over 18 who reside on Alternative Residential Settings classified as residential Behavioral Health facilities.	Y	Allows the State to claim the cost of the HCBS services listed in the STC's even though the services are not described in section 1905 and to do so without a separate waiver under section 1915.
Eligibility Simplification				
12a	ALTCS income disregard	Expenditures for the cost of institutional care and HCBS provided to persons whose eligibility is determined based on SSI income standards notwithstanding non-compliance with 42 CFR 435.725 and 726 to the extent that those regulations require payments for those services be reduced by the patient cost of care based on a calculation that begins with total income (include amounts disregarded); rather the State is requesting authority to reduce total income by the disregards in 1612(b) when calculating the patient cost of care (and the commensurate reduction in payments for the patient's care).	Y	Without, AHCCCS would need to set up two different tests for income disregards depending whether the person is applying under 300% of SSI or 100% of SSI. Will also have an impact on post eligibility treatment of income
12b	300% FBR	Applies the PAS to determine ALTCS eligibility for those at 300% FBR regardless of institutionalize 30 day requirement.	Y	Reduces FFS exposure under prior period coverage. Federal law requires applicants to be hospitalized 30 consecutive days before approving eligibility at 300% of SSI. When the person is determined eligible, eligibility is retroactive to the first day of the month of application. With this waiver, persons can be enrolled with a Program Contractor earlier.

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12c	Children/ Spouses in Separation	Allows a dependent child/institutionalized spouse to qualify for ALTCS a month earlier by disregarding income of parents and spouses in month of separation.	Y	Without, would require staff to verify income and resources of parents and spouses in the month of separation.
12d	QMB, SLMB, QI-1, SSI MAO, ISM income disregard	Expenditures for medical assistance furnished to persons who would be eligible under section 1902(a)(10)(E) as QMB, SLMB, QI-1 and SSI-MAO if in kind support and maintenance described in section 1612 were disregarded.	Y	Admin simplification
12e	SSI-MAO (1924)	Alternate budget process for ALTCS and SSI-MAO applicants/recipients when there is a spouse or if the applicant/recipient is living w/ a minor dependent child.	Y	Admin simplification Allows for the same budgeting process to apply to these situations. **CNOM Authority Requested:** **1924**
12f	Disregard of interest	Disregards excess interest and dividends from resources for the Pickle category disabled adult children, disabled children, widows and widowers.	Y	Admin simplification **CNOM Authority Requested:** **42 CFR 435.135** **1634(c)** **1902(a)(10)(A)(i)(II)** **1634(d)**
12g	Post-eligibility	Disregards interest and dividend from post-eligibility calculations.	Y	Admin simplification **CNOM Authority Requested:** **1902(a)(10)(A)(ii)(V)**
12h	Disregard of excess resources	Disregards excess resources under Pickle Amendment, disabled adult children and disabled widows and widowers	Y	Admin simplification. **CNOM Authority Requested:** **Section 503 of Public Law 94-566; section 1634(c) of the Act (disabled adult children); or section 1634(b) of the Act (disabled widows and widowers).**
12i	$20 Quarterly	Disregards quarterly income that is less than $20 in	Y	Admin simplification. AHCCCS rarely

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	income	the post-eligibility determination process for the ALTCS program.		encounters quarterly payments of $20 or less (if so, it's interest from bank accounts). The administrative cost to process is more than the estimated cost adjustment.
13	SSI	Extends eligibility beyond those specified in 42 CFR 435.1003 for those who lose SSI eligibility for a period of up to 2 months from the SSI termination effective date	Y	Admin Simplification **CNOM Authority Requested:** **42 CFR §435.1003**
14	Part B Premiums	Pays for Part B premiums for those in ALTCS with income up to 300% FBR also eligible for Medicare but who do not qualify as QMB, SLMB, or QI1; are eligible for Medicaid under T.19 group for the aged, blind or disabled; are eligible for continued coverage; or are in the guaranteed enrolment period	Y	**CNOM Authority Requested:** **42 CFR 435.1003 and .212**
15	ALTCS PAS	Extends ALTCS eligibility to individuals under 65 using the PAS as a substitute disability standard.	Y	Admin Simplification. Without, would require staff to complete disability determination paperwork for individuals under 65, causing a huge increase in workload. **CNOM Authority Requested:**
16	HCBS	Authorizes HCBS under ALTCS (including Transitional program)	Y	Allows AHCCCS to pay health plans for home and community based services vs more costly nursing home services. **CNOM Authority Requested:**
17	Spouses as Paid Caregivers	FFP to reimburse spouses as paid caregivers	Y	Supports and allows members to remain in their homes to receive Home and Community Based Services. **CNOM Authority Requested:**
Costs Not Otherwise Matchable				
18	SNCP	Expenditures for SNCP PCH through 12/31/2015	N	Expires 12/31/2015; but see Building on AZ's Past Successes #3 below

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				CNOM Authority Requested: **1905(a)** **1923**
19	HPE for Pregnant Women	Expenditures for all State Plan Medicaid services not otherwise allowed under sections 1902(a)(47) and 1920 during HPE for pregnant women through 9/30/2016	Y	Without the waiver, pregnant women who receive HPE would not be eligible for all State Plan services. Expires 9/30/2016 **CNOM Authority Requested:** **42 CFR § 435.1103(a)**
20	I.H.S./638 Uncompensated Care	Expenditures to I.H.S. and 638s for uncompensated care through 9/30/2015	Y	Expires 9/30/2016 **CNOM Authority Requested:**
New Waivers to be Requested				
Governor Ducey's Package to Modernize Medicaid				
1	AHCCCS CARE Program	Provides authority to implement the AHCCCS CARE program- a vision to modernize Medicaid by building upon past successes and implementing opportunities for member engagement, system reform and long-term sustainability, including strategic copays that would include exemptions for certain services and populations.	N/A	**Waiver Authority Requested:** **1902(a)(14); 42 CFR 447.50-.56**
Legislative Directions				
1	Cost Sharing (premiums, copays)	Adds cost sharing requirements in the form of premiums and copays	N/A	See Senate Bill 1475 and 1092 **Waiver Authority Requested**: **1902(a)(14) and 1916; 42 CFR 447.50-.56** **1916(f): cost sharing for non ER use of the ER**
2	Eliminate NEMT	Eliminations non-emergency medical transportation as a benefit	N/A	**Waiver Authority Requested:** **1902(a)(4); 42 CFR 431.53 (assurance of transportation)**

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				1902(a)(10)(B) OR 1902(a)(17); 42 CFR 440.240 and .230 (comparability)
3	Work Requirements	Requires all able-bodies adults to become employed or actively seeking employment or attend school or a job training program	N/A	See Senate Bill 1092 **Waiver Authority Requested: 1902(a)(10)(A) (eligibility for expanded pop; waiver from federal law that requires states to provide coverage to all eligible individuals)**
4	Monthly income and work requirement verification	Requires members to verify on a monthly basis compliance with the work requirements and any changes in family income	N/A	See Senate Bill 1092 **Waiver Authority Requested: see above re eligibility**
5	Enrollee Disenrollment	Allows AHCCCS to ban an eligible person from enrollment for one year if the eligible person knowingly failed to report a change in family income or made a false statement regarding compliance with the work requirements	N/A	See Senate Bill 1092 **Waiver Authority Requested: see above re eligibility**
6	5 year limit	Places all able-bodied adults on a lifetime limit of five years with exceptions for certain circumstances.	N/A	See Senate Bill 1092 **Waiver Authority Requested: see above re eligibility**
Delivery System Reform Incentive Payment				
1	DSRIP	Build on the current structure for provider network accountability to reform Arizona's delivery and payment systems.	N/A	**CNOM Authority Requested:**
HCBS Settings				
1	HCBS Final Rule	Arizona's Assessment and Transition Plan as required by the HCBS final rules	N/A	See: http://www.azahcccs.gov/hcbs/default.aspx. **Waiver Authority Requested: N/A**
American Indian Medical Home				
1	A/I Medical Home	Establishes Medical Homes for American Indians who receive services through the Indian Health Services.	N/A	This request is pending with CMS and has been revised since initially submitted

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				Waiver Authority Requested: 1902(a)(B) and 42 CFR 440.240 (comparability)
Building on AZ's Past Successes				
1	AHCCCS and BHS Integration	Technical amendment to revise Waiver language to reflect the merger of the Division of Behavioral Health Services and AHCCCS	N/A	**Waiver Authority Requested:** N/A
2	Dual Eligibles Alignment	Technical amendment to revise Waiver language to reflect that dual eligible members choice of health plans for their full benefit package, including behavioral health	N/A	**Waiver Authority Requested:** N/A
3	Safety Net Care Pool and Phoenix Children's Hospital	Proposes a five-year phase down period per the submitted Transition Plan	N/A	**Waiver Authority Requested:** N/A
Benefits				
1	Traditional Practitioner Services	Authorizes payment for credentialed Traditional Practitioner services provided through a Regional Behavioral Health Authority integrated plan	N/A	**Waiver Authority Requested: 1902(a)(B) and 42 CFR 440.240 (comparability)**