Journey to Restoration

- In State of the State, Gov. Brewer called for restoration of Prop. 204 childless adult coverage (240,000 Arizonans 0-100% FPL) and new adult coverage (57,000 Arizonans between 100-133% FPL).
- Because Arizona expanded early, the State was not eligible for 100% federal funding for childless adults.
- ACA included transitional enhanced FMAP for expansion states, but Arizona could only access that higher match if it "expanded" to include adults from 100-133% FPL.
- The State could not afford restoration without expansion.
- Arizona’s “expansion” debate was over 57,000 new adults.

Relatively Minor Tweak to Populations Already Covered by Arizona Voters

- Percentage of costs paid by federal government
- 100-133% FPL: Estimated 57,000 to enroll
- *Currently frozen
### 2013 Coverage Policy Options

<table>
<thead>
<tr>
<th>Options</th>
<th>Lives covered</th>
<th>GF Impact (FY 14-16)</th>
<th>Federal $ available</th>
<th>Prop 204 Vote Honored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governor's Proposal</td>
<td>300,000</td>
<td>$(100) m savings</td>
<td>$4.1 billion</td>
<td>Yes</td>
</tr>
<tr>
<td>Continued Freeze (assume state only)</td>
<td>63,000 and shrinking</td>
<td>$850 m plus cost</td>
<td>$0</td>
<td>No</td>
</tr>
<tr>
<td>Terminate Coverage 1-1-14</td>
<td>0 (63,000 lose coverage)</td>
<td>$0</td>
<td>$0</td>
<td>No</td>
</tr>
</tbody>
</table>

### Hospital Assessment & Litigation

- **Hospital Assessment**
  - Collaborating with hospital industry; no negative impact to hospital systems
  - Assessed: $75M in FY14; $233M in FY15

- **Litigation: Biggs v. Brewer and Betlach**
  - Goldwater Institute files lawsuit representing 36 legislators
  - Claim hospital assessment required 2/3 supermajority.
  - 2/3 does not apply to “fees and assessments that are authorized by statute, but are not prescribed by formula, amount or limit, and are set by a state officer or agency.” Agencies given fee authority over 80 times in the past 5 years.
  - February: Judge grants State motion to dismiss on standing.
  - April 23, Court of Appeals reverses Superior Court ruling.
  - November 6 State Supreme Court arguments

### Total AHCCCS Acute

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>200,000</td>
<td>400,000</td>
</tr>
<tr>
<td>2001</td>
<td>600,000</td>
<td>800,000</td>
</tr>
<tr>
<td>2002</td>
<td>1,000,000</td>
<td>1,200,000</td>
</tr>
<tr>
<td>2003</td>
<td>1,400,000</td>
<td>1,600,000</td>
</tr>
<tr>
<td>2004</td>
<td>1,800,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>

### Moving Forward

**Implementation**
**Medicaid Restoration**

<table>
<thead>
<tr>
<th></th>
<th>12/1/2013</th>
<th>9/1/2014</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prop 204 Restoration</td>
<td>67,770</td>
<td>258,169</td>
<td>190,399</td>
</tr>
<tr>
<td>Adult Expansion</td>
<td>0</td>
<td>28,477</td>
<td>28,477</td>
</tr>
<tr>
<td>KidsCare</td>
<td>46,761</td>
<td>1,966</td>
<td>-44,795</td>
</tr>
<tr>
<td>Family Planning</td>
<td>5,105</td>
<td>0</td>
<td>-5,105</td>
</tr>
<tr>
<td>AHCCCS for Families &amp; Children (1931)</td>
<td>672,135</td>
<td>744,029</td>
<td>71,894</td>
</tr>
<tr>
<td>All Other</td>
<td>505,379</td>
<td>589,031</td>
<td>83,652</td>
</tr>
<tr>
<td>Total Enrollment</td>
<td>1,297,150</td>
<td>1,621,672</td>
<td>324,522</td>
</tr>
</tbody>
</table>

**KidsCare Update – changes for 2-1**

- **KidsCare I** (covers 133% - 200% FPL)
  - 7,000 Kids
    - roughly 4,500 to Medicaid
    - 2,300 stay in KidsCare
- **KidsCare II** (expired 1-1-14)
  - 37,000 Kids
    - 23,000 Medicaid
    - 14,000 to FFM - Marketplace

**Essential Health Benefits**

- EHBs required for Marketplace Coverage
- In Medicaid EHBs apply to New Adult Group Only.
- Medicaid rules allow Aligning to Medicaid package – Arizona’s path
  - Added HPV vaccine for adults (21-26) – 1/1/14
  - Restored well visits – 10/1/13
  - Allowing separate 15 visit PT limit for acquiring or maintaining a skill or function
  - 25-day IP limit going away 10/1/14

**Total AHCCCS Acute**

![Graph showing enrollment trends over time]
**New Application and Eligibility System**

Health-e-Arizona Plus

**Expanding the Public/Private Partnership**

- AHCCCS partners with over 100 organizations and providers to offer local application assistance to consumers.
- AHCCCS has trained nearly 2,000 subscriber employees known as “community assistors” to assist applicants.
- Many new organizations are signing up to become subscribers to HEAplus.
- Making Eligibility Local. Provide personalized support to your customers in their own community.

**Justice Transition Initiatives**

- 18,000 + released DOC annually
- 100,000 + released county jails annually
- Estimated over half of those released require treatment for mental health/substance abuse
- DOC spends $150 m annually
- Counties spend approx $90 m
- 60-70% for both is BH/SA
- In 2011 AHCCCS spent $187 m on members incarcerated at some point during the year

**Justice Transition Initiatives**

- AHCCCS has processes in place to:
  - Cover Inpatient costs for DOC and most county jails
  - Data interfaces to suspend and reinstate enrollment rather than terminate and require reapplication
  - Manual process for care coordination – enrollment for high cost cases
  - Pursuing other opportunities
Moving Forward
Medicaid vs. Marketplace

**Medicaid vs. Marketplace**

- **What if a HEAplus applicant is over income for AHCCCS?**
  - HEAplus will tell you if you are over income for AHCCCS and that your information is being transferred to the Marketplace.
  - For people not AHCCCS eligible, HEAplus will automatically transfer the application to the Marketplace for review.
  - AHCCCS has transferred approximately 146,000 accounts to FFM (as of April 1, 2014).
  - Applicants will need to go to [www.healthcare.gov](http://www.healthcare.gov) to open an account in the Marketplace.

**Medicaid vs. Marketplace**

- **What happens if an applicant applies for coverage through the Marketplace but is screened as AHCCCS eligible?**
  - FFM will not make AHCCCS eligibility determinations.
  - If Marketplace screens applicants as AHCCCS eligible based on income, Marketplace transfers that account to AHCCCS without the person having to do anything.
  - AHCCCS will then complete your eligibility determination.
  - FFM transferred 88,000+ accounts starting in mid-February.
  - Initially, there were multiple errors in the data transfer.
  - AHCCCS has since processed all FFM account transfers.
  - Federal changes to that process may occur and may require changes in HEAplus. We will know more soon.
Medicaid vs. Marketplace

- Are any of the federal Marketplace website issues impacting HEAplus?
  - HEAplus relies on a federal data hub to access certain information.
  - That system is sometimes taken down for maintenance.
  - This means that HEAplus will not be able to verify certain information like citizenship during those off hours.
  - Any unscheduled problems with the federal data hub will also cause delays for HEAplus.