2021 Summer Institute - Arizona's Medicaid
The Continued Evolution of Integrated Health Care
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AHCCCS At A Glance

Largest insurer in AZ, covering over 2 million individuals and families...

AHCCCS uses federal, state and county funds to provide health care coverage to the state’s Medicaid population.

...more than 50% of all births in AZ...

More than 108,000 health care providers are registered with AHCCCS.

...and two-thirds of nursing facility days.

Payments are made to 15 contracted health plans that are responsible for the delivery of care to members.
AHCCCS Enrollment: March 2020 - July 2021

Integration

Physical Health
Behavioral Health
Social Determinants of Health

Comprehensive Integrated Care
Relief Offered During the Public Health Emergency

- Streamlined provider enrollment
- Amended prior and continued authorization processes
- Provided continuous eligibility
- Waived premiums and copays
- Expanded telehealth benefit
- Extended over $120 million in provider relief funding
Telehealth Utilization
July 2019 - April 2021
Percentage of enrolled members with one or more telehealth service (rolling 12 month data per month)

Note: Includes real-time audio/visual services, permanent telephonic services and the expansion of telephonic services in response to the public health emergency.

PHE Timeline as of July 9, 2021

- January 21
  - HHS PHE Renewed
  - Medicaid disasterSPA
  - CHIP DisasterSPA

- April 21
  - HHS PHE Renewed
  - Flexibilities, enhanced match and MDE continue

- July 14, 2021
  - PHE Ends

- September 30, 2021
  - Expiration of Enhanced Federal Match

- July 31/August 1, 2021
  - Expiration of the Maintenance of Effort Requirement/Initiation of Processing Redeterminations

- June 30, 2021
  - Continuous Enrollment
  - 6.2% FMAP
American Rescue Plan Act
Home and Community Based Services
American Rescue Plan Act of 2021

- Vaccine COVID-19 Administration
- Mobile Crisis Services
- Elimination of Medicaid Drug Rebate Cap
- 100% FMAP for Urban Indian Health Program
- 10% Increase to FMAP for HCBS
- Twelve Months Postpartum Coverage
- SAMHSA Block Grants to Address Addiction, Mental Health Crisis

American Rescue Plan Act of 2021 - Section 9817

- Provision offers temporary 10 percentage point bump in federal funds for certain HCBS services
- State Medicaid Director Letter issued on May 13, 2021
  - Services eligible for the enhancement
  - Examples of activities that enhance, expand, or strengthen HCBS
  - Requirement that states submit initial and quarterly HCBS spending plans
    - Initial narrative and spending plan due July 12, 2021
Key Parameters - ARP/HCBS Provision

- Funding is short-term and must be spent by March 31, 2024
- Broader definition of HCBS - includes services such as home health, personal care services, attendant care services, case management and rehabilitative services (mental health and substance use treatment services)
- Cannot use funds to pay for HCBS available under the Medicaid program as of April 1, 2021
  - Funds must be used to enhance, expand, or strengthen existing HCBS program
- Strategies employed under the plan cannot negatively impact current HCBS program
  - Prohibited from imposing stricter eligibility standards
  - Must preserve covered HCBS
  - Must maintain HCBS provider payments at a rate no less than those in place as of April 1, 2021
- Nothing will be included which creates a long-term funding obligation without a sustainable funding source after March 31, 2024
Funding Enhancement & Reinvestment Opportunity

- AHCCCS estimates it will expend approximately $3.5 billion on HCBS that qualify for the temporary 10 percentage point FMAP increase (expenses during April 1, 2021 through March 31, 2022)
- Enhanced match rate is expected to increase federal spending on currently covered HCBS by approximately $350 million during that time to be used as reinvestment funds for the strategies proposed in ARP HCBS spending plan
- Reinvestment funds then leverage additional federal funds to a total of $1.6 billion to be spent throughout the period from April 1, 2021 through March 31, 2024
  - Enhance or strengthen Medicaid HCBS
  - Subject to CMS approval and legislative expenditure authority
  - Estimates subject to change due to various factors

Member Focus

- Seniors
- Individuals with Disabilities
- Individuals Living with Serious Mental Illness
- Individuals Accessing General Mental Health and Substance Use Services
- Children with Behavioral Health Needs
Funding Priority #1: Strengthening and Enhancing Arizona’s Home and Community Based System of Care

- Expanding access to care from a well-trained, highly-skilled workforce
- Funding local initiatives and community-specific programming to improve member health
- Assessing member engagement and satisfaction to better understand needs, prevent abuse and neglect, and identify opportunities for improvement
- Empowering parents and families to provide care and meet the needs of their children
- Promoting stabilization, access to supportive services, and workforce retention/consistency to improve member outcomes

Funding Priority #2: Advancing Technology to Support Greater Independence and Community Connection

- Utilizing new technology to promote care coordination and seamless communication
- Creating tools that strengthen quality monitoring and prevent abuse and neglect
- Supporting individual self-sufficiency by connecting members to technological tools and resources that promote independence
Arizona’s 1115 Waiver Renewal Timeline

- **Oct. 2, 2020**: AHCCCS is post draft of the 1115 Waiver
- **Dec. 22, 2020**: AHCCCS submitted 1115 Waiver application to CMS
- **Mar. 19, 2021**: Hearing Amendment and TI 2.0 Concept paper
- **Oct. 1, 2021**: Anticipated GO LIVE date of 1115 Waiver

**Timeline**

- **2020**
- **2021**
1115 Demonstration Waiver Renewal

- Managed care
- Home and community based services
- Targeted Investments Program continuation
- AHCCCS Works
- Waiver of prior quarter coverage for certain populations
- Verbal consent in lieu of written signature for up to 30 days for ALTCS members
- Reimbursement for traditional healing services
- Reimbursement for adult dental services provided by IHS and Tribal 638 facilities
- Housing and Health Opportunities (H2O) Initiative

AHCCCS H2O Demonstration Strategies

**Strategy 1:** Strengthening Homeless Outreach and Service Engagement

**Strategy 2:** Securing Housing Funding for Members Who are Homeless or At-Risk of Homelessness

**Strategy 3:** Enhancing Medicaid Wraparound Services and Supports
Update on Key Initiatives

- Continued roll out of Electronic Visit Verification
- Transfer of HEAplus maintenance and operations to Accenture - 7/1/21
- Implementation of closed-loop referral system - fall 2021
- Implementation of housing administrator contract - 10/1/21
- Release of RFP and award of competitive contract expansion contracts - fall 2021
- Renewal of 1115 waiver - 10/1/21
  - Amendment submitted for H30 - 5/26/2021

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