AHCCCS
Arizona Health Care Cost Containment System

ARIZONA LONG TERM CARE SYSTEM

ANNUAL HCBS REPORT
CY 2014

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ANNUAL HCBS REPORT – CYE 2014

(10/01/2013 – 09/30/2014)

INTRODUCTION

The Arizona Health Care Cost Containment System (AHCCCS) has implemented a long-term care program through the Managed Care Organizations (Contractors) including the Department of Economic Security/Department of Developmental Disability (DES/DDD) that strongly supports opportunities for individuals enrolled in the ALTCS program to live in home and community based service (HCBS) settings. To that end, in recent years AHCCCS continues to see a marked increase of members residing in their own homes and a decline in members residing in skilled nursing facilities.

The AHCCCS Administration has accomplished this through its Arizona Long Term Care System (ALTCS), a long term care program that promotes the values of:

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

Guiding principles have also been 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, and family/significant others, as appropriate, are active participants in the planning for and the evaluation of services provided to them. Services are mutually selected to assist the member in attaining his/her goal(s) for achieving or maintaining their highest level of self-sufficiency. Information and education about the ALTCS program, their choices of options and mix of services should be accurate and readily available to them.

- *Member-Directed Options*
  To the maximum extent possible, Members should be afforded the opportunity to exercise responsibilities in managing their personal health and development by making decisions about how best to have their needs met including who will provide the service and when and how the services will be provided.

- *Consistency of Services*
  Service systems are developed to ensure a member can rely on services being provided as agreed to by the member and the Contractor.

- *Accessibility of Network*
  Access to services is maximized when they are developed to meet the needs of the members. Service provider restrictions, limitations or assignment criteria are clearly

identified to the member and family/significant others. Service networks are developed by the Contractors to meet members' needs which are not limited to normal business hours.

- *Most Integrated Setting*
  Members are to live in the most integrated setting. To that end, members are afforded choice in remaining in their own home or choosing an alternative residential setting versus entering into an institution.

- *Collaboration With Stakeholders*
  The appropriate mix of services will continue to change. Resources should be aligned with identified member needs and preferences. Efforts are made to include members/families, service providers and related community resources, to assess and review the change of the service spectrum. Changes to the service system are planned, implemented and evaluated for continuous improvement.

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

Arizona's Olmstead Plan, developed in 2001 has influenced the changes made to the ALTCS program over the years. The Olmstead Plan is available on the AHCCCS web page at http://azahcccs.gov/reporting/Downloads/OlmsteadPlan.pdf.

In Contract Year Ending 2014 (CYE 2014) the ALTCS and DES/DDD programs experienced another year of slow but continued growth in the percentage of Elderly /Physically Disabled program members living in HCBS settings. The percentage of members residing outside of a nursing facility remained 86 percent, marking the fifth year in a row that the percentage has exceeded 70 percent. This growth is largely attributable to the service options and HCBS activities addressed in this report.

The information that follows details efforts and initiatives aimed at improving the quality and promoting the expansion of HCBS.

THE MEMBER EXPERIENCE

The priority of the ALTCS program is to ensure that members are living in the most integrated setting and actively engaged and participating in community life (i.e. employment, education, volunteer, social and recreational activities). The following member stories exemplify how these priorities present themselves on a day-to-day basis in the lives of members.

Jennifer is a female in her twenties who has obtained both a Bachelor's and Master's Degree in Social Work. She is currently finishing her externship while also volunteering in her community. Jennifer has lived in the community since she was 18 years of age including experiencing dorm life at the University, living in her own home and sharing an apartment with her brother. Recently Jennifer has moved into a rental home. She relies on an electric wheelchair for mobility, attendant care services and home modifications to support her living in her own home and her active participation and contributions to her community.

Barbara is a female in her thirties who began volunteering in an assisted living home in her community. She voiced she wanted to be able to help other people in her local community and connected with the owner of a local assisted living home. Barbara completed requirements to volunteer in the home and volunteers 2 days per week. In addition to keeping the residents company and listening to their stories, she sings to the residents, paints their nails and gets them involved in different activities. Patricia will continue to volunteer while her health permits because it makes her feel good to see how happy the residents are to see her.

Rebecca has been identifying ways to become more independent and physically active. Recently, a friend gave her a computer but she didn't know how to use all the functions. Her Case Manager encouraged and shared with her resources for library classes and community centers that might offer computer classes for beginners. Rebecca chose a computer class at the Independent Living Center (ILC) in her local community. She has been attending beginner computer classes one time a week. Since going to the ILC to develop her computer skills, she is also becoming more physically fit and enjoys exercising. Carolyn has found new energy, but also a greater excitement for life.

Mary currently serves in a leadership position for one of the Contractor's Member Advisory Councils. While in high school she was a member of various clubs and organizations actively

[1] The member story was redacted, at the request of the member's family, for versions of the report posted to the AHCCCS website.

participating in leadership roles pertaining to disability and non-disability causes. Mary regularly presents on topics related to disability and community inclusion. In addition to her leadership on the Member Advisory Council, Mary currently volunteers at a local hospital and assisted living center answering phones, delivering items to patients and providing assistance for scheduled activities.

MEMBER INITIATIVES

The following is a summary of specific HCBS related activities undertaken by the ALTCS Contractors and AHCCCS.

- ***Spouse as Paid Attendant Caregiver***
  AHCCCS implemented the spouse as paid caregiver service option on October 1, 2007, after receiving a waiver from the Centers for Medicare and Medicaid Services (CMS). Spouse as Paid Caregiver is an Attendant Care service option which allows a spouse, who is qualified to provide basic health care services to their husband or wife, to be compensated for providing Attendant Care services. Per the CMS 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. This service is part of Arizona's Olmstead Plan. The Spouse as Paid Caregiver waiver information can be found on the AHCCCS website at http://azahcccs.gov/reporting/federal/waiver.aspx.

  In CYE 2014, 1,306 members received paid services from their spouse, a 6 percent increase from the previous year

- ***Self-Directed Attendant Care (SDAC)***
  SDAC is Arizona's initiative aimed at implementing a Member-Directed Care option for ALTCS HCBS members. The service option became available on September 1, 2008.
  SDAC offers ALTCS members or their representatives the choice of directly hiring and supervising their own attendant care workers, 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 to best 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 qualified fiscal agents who perform 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 Direct Care Worker. Additionally, Case Managers may authorize the member training service to have an AHCCCS registered provider provide training to the member on how to exercise their employer authority.

  During CYE 2010, Arizona Administrative Code (rule) was amended to allow SDAC participating members to direct certain skilled nursing services to their attendant care

worker. A member can now direct their attendant care worker to perform the following skilled services:

- Bowel care, including suppositories, enemas, manual evacuation and digital stimulation;
- Bladder catheterizations (non-indwelling) that does 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 Director and the Arizona State Board of Nursing.

The SDAC policy can be found on the AHCCCS website at: http://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/Chap1300.pdf.

In CYE 2014, 382 members elected this service, an 18 percent increase from the previous year.

- ***Agency with Choice***

On January 1, 2013, AHCCCS implemented and instituted a new member-direct option, the Agency with Choice member-directed option. The option is available to ALTCS members who reside in their own home. A member or the member's Individual Representative (IR) may choose to participate in the Agency with Choice option. 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 who would also like the support offered by a provider agency. For provider agencies, the new option affords them an opportunity to support members in directing their own care.

During CYE 2012, AHCCCS worked in collaboration with a Development and Implementation Council comprised of ALTCS members, providers, community stakeholders and contractors. The Council's primary function was to provide input on programmatic changes AHCCCS needed to make in order to implement the new Agency with Choice member-directed option, including policy and form changes.

In CYE 2013, the primary focus was on supporting Contractors to educate members/IRs about all the available service model options including member-directed options. In CYE 2014, AHCCCS prioritized the development of tools to monitor the progress and quality of the initiative in collaboration with the stakeholders and Contractors. The following are examples of monitoring tools that were drafted. In CYE 2015, AHCCCS will work in collaboration with Contractors to implement the use of the tools.

- Developed a Case Manager refresher training to ensure Case Managers are able to support members/IRs to make informed choices about electing member-directed options. Additionally, developing tools to educate Case Managers on how to

assess whether or not the member/IR is fulfilling their respective roles and responsibilities and whether or not additional support is required.

- Developed a provider assessment tool that helps providers and Contractors assess whether or not a provider agency is fulfilling its respective roles and responsibilities and whether or not additional technical assistance is required.

The Agency with Choice policy can be found on the AHCCCS website at: http://www.azahcccs.gov/shared/Downloads/MedicalPolicyManual/Chap1300.pdf.

In CYE 2014, 3,244 members elected this service option, a 67 percent increase from the previous year.

- ***Community Transition Service***

  The implementation of the Community Transition Services option was approved by the CMS in 2010. This service provides financial assistance to members to move them 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 they 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.

- ***Prior Period Coverage For HCBS***

  Since 2006, Contractors have been 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.

- ***Prior Quarter Coverage for HCBS***

  Beginning January 2014, AHCCCS members can be determined to have "Prior Quarter Coverage" eligibility and have health care coverage as early as three months prior to the month the prospective member applied for services. In order to be eligible for "Prior Quarter Coverage," the prospective member must have received one or more AHCCCS covered services and would have met AHCCCS qualifications for eligibility at the time services were received.

- **Home and Community Based Services Litigation: *Ball v. Biedess (Betlach)***

  In January 2000, a class action lawsuit Ball v. Biedess (Betlach) was filed on behalf of E/PD members enrolled in the ALTCS Program concerning the availability of critical in-home services. Critical services include Attendant Care, Personal Care, Homemaker and Respite services which provide bathing, toileting, dressing, feeding, and transferring to or from beds or wheelchairs, and assistance with other similar daily activities. In addition to other claims, Plaintiffs alleged a violation of 42 USC 1396a(a)(30)(A), the Medicaid Equal Access provision. A Settlement Order in this matter was approved by the Federal District Court in October 2012. Nevertheless, this case had been in litigation for more than a decade and had been appealed to the Ninth Circuit Court of Appeals on two separate occasions. Below is a brief summary of the major events.

  In 2004 the Federal District Court concluded that AHCCCS failed to provide members with equal access and ordered that AHCCCS provide each individual who qualifies for critical services with those services without gaps in service. The following year the Federal District Court issued an Order which required AHCCCS to eliminate gaps in critical in-home services within 2 hours and mandated that ALTCS Contractors have back-up staff available. AHCCCS was also required to file monthly reports of gaps in critical services with the Court and to implement an expedited grievance process where members could contact a hotline.

  Two years later, in 2007, the Ninth Circuit Court of Appeals concluded that Congress did not intend to create a private right of action under 42 USC 1396a(a)(30)(A), reversing the District Court. In 2010, the District Court ordered AHCCCS to establish a single toll free hotline for members to report gaps and to modify all relevant contracts, forms, and policies to explicitly require that ALTCS Contractors have back-up workers available. (From October 2010 to September 2013 the hotline received less than 5 calls each month concerning gaps in services).

  Mediation was subsequently explored. After several assessment conferences were scheduled by the Court of Appeals, the parties agreed to settle the litigation in principle. A fairness hearing was scheduled in early October 2012, and on October 30, 2012, the Federal District Court approved the Proposed Settlement Agreement. As part of the Settlement, AHCCCS agreed to provide Plaintiffs an additional 24 months of gap reports and 2 annual reports. If the aggregate rate of gaps for authorized services is .1% or more for two consecutive months, Plaintiffs can request a meeting with AHCCCS to address the concerns, and, if not satisfied with AHCCCS' efforts, Plaintiffs may seek judicial intervention. If there is no judicial enforcement action pending at the end of the 25th month following approval of the Settlement, Plaintiffs will dismiss the case.

  As required by the Settlement Agreement, AHCCCS continues to file monthly gap reports which continue to be very low: The percentage of gap hours remains in the .05-.08 range. Pursuant to the federal District Court Order dated October 26, 2012, the Court retained jurisdiction of this case through December 2014 for the purpose of hearing any issues regarding alleged violations of the terms of the Settlement Agreement. The Settlement Agreement provides for limited Court jurisdiction through the end of the 25th month

following approval of the Settlement. No allegations of violations have been presented, and unless there is a judicial enforcement action filed by Plaintiffs in December 2014, the Court will no longer retain jurisdiction of this matter after December 2014. The case will be dismissed in its entirety. Gap Reports to Plaintiffs' counsel are no longer required after November 2014.

To continuously review the delivery of critical care services, AHCCCS will continue to require Contractors to provide a monthly report outlining instances of gaps in services. The Semi-Annual Report outlines trends and corrective actions regarding gaps in services and grievances related to service gaps. Contractors use the analysis to drive network development and to work with providers to ensure that members receive services appropriately and timely.

- ***Arizona State Hospital Transition Workgroup***
  The ALTCS Contractors meet with staff from AHCCCS and the Arizona State Hospital on a quarterly basis. The purpose of these meetings is to discuss discharge plans for the most difficult to place clients currently residing as inpatients at the facility. The clients typically not only have severe behavioral problems, which necessitate specialized community placements, but also have serious and chronic medical conditions. Virtually all have been admitted to the hospital on court orders. These members eventually reside in HCBS settings such as small group homes dedicated to members with similar behavioral challenges. Network enhancements and active coordination of care practices by the Contractors have resulted in timely discharges to appropriate settings and a low recidivism rate.

  This year, a new form has been created and initiated to streamline the client staffing process. This transition form has allowed for an increase in targeted discussion for individualized planning, while utilizing an effective use of time to more readily discuss core clinical criteria for each patient.

CONTRACTOR INITIATIVES

The Contractors engage in a number of initiatives aimed at ensuring members are living in the least restrictive setting as well as participating in community life. The following are a few examples of those initiatives.

- Contractors utilize Member Advisory Councils (in accordance with AHCCCS requirements) to assist them in developing enhancements to service delivery and information sharing amongst and between members on community resources, activities and health information. One Contractor has established Councils in three different Geographic Service Areas (GSA). Additionally, the Contractor has created an "Officer's Council" with leadership positions/officers comprised of members from each GSA. Those in leadership positions develop the governing principles and parameters of the Councils and assist in the creation of the agenda for the meetings. Oftentimes, Council leaders make presentations on various topics during the meetings. Annually, all the council members from each GSA participate in a summit to discuss issues, concerns and priorities for discussion in the coming year. The new leadership strategies for the Member

Advisory Councils have proven to be effective in supporting the active participation and representation of members during meetings. Another Contractor furthered their Member Empowerment (me) through the infrastructure of their Member Advisory Councils by sponsoring eight "Member Abilities Workshops" across the state. The themes for these Workshops included information about local resources and programs that can assist members with achieving personal goals ultimately improving their quality of life. Themes included topics such as continuing education, homeownership and eating healthy.

- One Contractor has established a partnership with the Work Incentive Information Network (WIIN). The purpose of the WIIN is to ensure that individuals with disabilities and their families have the information, services and supports they need to make decisions about employment and the transition from dependence on public benefits to financial self-sufficiency. The WIIN partners utilize the Arizona Disability Benefits 101 online tool (www.az.db101.org) that is designed to support individuals to make informed decisions about employment and/or other opportunities to enhance their capacity for independent living. The Contractor sponsors training for Case Managers on how to integrate the online tool into their day-to-day interactions with members and use the tool to support members to achieve personal goals.

- One Contractor has instituted Reintegration Specialists positions focused on assisting members with reintegration back into their communities. Members new to ALTCS that are living in skilled nursing facilities are screened for their potential and desire to move to a lower level of care, specifically to a home based setting. Specific assessments were created to identify members that might be candidates for a transition. The Reintegration Specialist works with the member, their family, friends and providers to facilitate a safe transition home. Additionally, the Contractor has identified certain Case Managers to serve as regional Housing Liaisons. For example, these individuals help members complete the application process for HUD Housing and get them established on waiting lists for housing. Additionally, all Case Managers are well informed about the availability of the Community Transition service. The Contractor has created a catalog of eligible purchases with the service. Case Managers use the catalog to assist members, preparing for a transition back into the community, to make informed decisions about items they will need in their home or apartment. Lastly, Case Managers assist members in developing a budget to ensure they have planned for their expenses for living in the community.

- One Contractor is conducting a pilot study of the Supports Intensity Scale® (SIS®). The SIS is a standardized assessment designed to measure the pattern and intensity of supports that an adult with developmental disabilities requires to be successful in the community. The assessment measures support requirements in 57 life activities and 28 behavioral and medical areas. The assessment is administered by a trained interviewer who meets with the individual and important people in that person's life. The goal of the pilot study is to explore the use of the SIS in order to (1) have a standard tool to consistently and fairly measure the support needs of members, (2) identify opportunities to assist individuals to achieve optimal levels of autonomy and independence, and (3) utilize resources in an efficient, effective, and sustainable manner.

AHCCCS ADMINISTRATION AND OVERSIGHT

The following is a summary of other activities that touch on broader long-term care issues but do 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.

- ***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 conduct regular home visits with HCBS members to ensure quality services are being provided without gaps; to determine the services necessary to meet the member's needs, while in the most integrated setting; to provide member specific education to the member and their family; and to introduce alternative models of care delivery when appropriate. The following are examples of how Case Managers execute their aforementioned 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.

  - **Cost Effectiveness Analysis:** Case Managers assess the continued suitability 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 services and compares them to the estimated cost of institutionalized care. Placement in the setting is considered cost effective if the cost of HCBS services for a specific member does not exceed 100 percent 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. Case Managers are also responsible for assisting members in identifying independent living/personal goals and provide them with information about local resources that may help them transition to greater self-sufficiency in the areas of housing, education, employment, recreation and socialization.

  In an effort to support Case Managers to fulfill their roles and responsibilities AHCCCS worked in tandem with the ALTCS Contractors to adjust case management case load formulas. The previous formulas did not account for significant workload requirements that have increased over the years for ALTCS Case Managers. New standards were implemented for Institutional, HCBS, and Assisted Living case loads that reduced the

maximum allowable members per case load allowing for increased case management staffing. The new standards were implemented in 2014 contracts with an effective date for meeting case management staffing and caseload ratios of April 2015.

- ***Network Development Plans***

AHCCCS requires that ALTCS Contractors develop an adequate network and submit Network Development and Management Plans (Plans) to demonstrate that their networks meet the needs of ALTCS members. These Plans 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.

The Plan requires the Contractor to develop information on the following:

- Evaluation of the previous year's Plan
- Current status of network
  - How members access the system
  - Relationship between the various levels of the networks
- Current network gaps
- Immediate short term interventions when a gap occurs
- Interventions to fill network gaps, and barriers to those interventions
- Outcome measures/evaluation of interventions
- Ongoing activities for network development
- Coordination between Contractor departments and outside organizations, including member/provider councils
- Specialty populations
- Membership growth/changes

Additionally, AHCCCS requires its Contractors to develop and demonstrate the implementation of pro-active strategies to reduce the percentage of members in Alternative Residential Settings once it is determined that 20 percent or more of a Contractor's HCBS membership resides in such settings.

AHCCCS evaluated the Plans that were submitted for CYE 2014 and have approved each Contractor's Plan and the methods for analyzing the network and identifying and addressing network gaps.

- ***Operational Reviews***

AHCCCS regularly reviews its Contractors to ensure that their operations and performance are in compliance with Federal and State law; rules and regulations; and the AHCCCS Contract. Operational Reviews are conducted in order to:

- Determine if the Contractor satisfactorily meets AHCCCS' requirements as specified in Contract , AHCCCS policies, Arizona Revised Statute, Arizona Administrative Code and 42 CFR Part 438, Managed Care.
- Increase AHCCCS knowledge of the Contractor's operational encounter processing procedures.

- 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 the CMS in accordance with AHCCCS' 1115 waiver.
- Provide information to an External Quality Review Organization (EQRO) for its use as described in 42 CFR 438.364.

The reviewers use a process approved by the Centers for Medicare and Medicaid Services (CMS) utilizing established standards based upon contract terms with AHCCCS Contractors. Review of case management standards evaluate compliance with case management staff orientation and training; service review which includes member's placement, HCBS living arrangement, HCBS service authorizations, needs assessment, timeliness of service visits and cost effectiveness study. This review also includes an interview of selected Case Managers to determine understanding of case management roles and responsibilities, member service options, coordination of services, how to access resources, member goal setting etc. and to evaluate the effectiveness of the Contractor's orientation and ongoing training.

From September 2013 to August 2014, AHCCCS conducted an Operational Review of each AHCCCS Contractor including the three E/PD and one DDD, ALTCS, Contractors for compliance with these requirements. When the Contractor was found to be out of compliance with AHCCCS standards, the Contractor was required to submit a Corrective Action Plan (CAP) to address the deficiencies. AHCCCS conducted ongoing monitoring to ensure each CAP was implemented and corresponding standards were compliant.

- ***Direct Care Workforce Development***

Significant activities continue regarding the growing challenges related to ensuring the establishment of an adequate direct care (caregiver) workforce. The foundation for current activities began in March of 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.

In an effort to address the recommendations outlined in a report issued by the Workgroup in April 2005, AHCCCS, the Department of Economic Security and the Department of Health Services funded and created a Direct Care Workforce Specialist position from 2007 - 2012 to provide coordination for direct care workforce initiatives, including recruitment and retention, training, and raising the qualifications of direct care professionals in Arizona. The Workforce Specialist coordinated the activity of the Direct Care Workforce Committee, which established training and competency standards for all in-home caregivers providing homemaker, personal care and/or attendant care services.

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 in-home care givers are now required to pass standardized examinations based upon the competency standards established by the Committee in order to provide care to ALTCS members in their homes.

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 Direct Care Workers. Additionally, in 2014, AHCCCS implemented and continually monitors an online database that serves as a tool to support the portability or transferability of Direct Care Worker testing records from one employer to another employer. The online database also serves a secondary purpose to assist in monitoring compliance with the AHCCCS Direct Care Worker training and testing initiative.

Priorities for the Direct Care Working Training and Testing Program in CY 2015 include revisions to the standardized curriculum and development of alternate standardized competency tests. Furthermore, AHCCCS plans to require Direct Care Workers providing respite services to pass the competency tests in order to provide care to ALTCS members.

Detailed information on the direct care workforce initiatives can be found at the following link: www.azahcccs.gov/dcw.

- ***TEFT Grant***

  The demonstration grant for Testing Experience and Functional Assessment Tools in Community-Based Long-Term Services and Supports, known as TEFT, is designed to test quality measurement tools and demonstrate e-health in Medicaid long term care services and supports. The TEFT grant funding was awarded on April 1, 2014 and will conclude on March 31, 2018, with Year One designated to plan and complete work plans outlining all components, which will map the implementation phase for Years Two to Four.

  The purpose of the TEFT grant is to support States in furthering adult quality measurement activities under section 2701 of the Patient Protection and Affordable Care Act. The TEFT grant advances the development of two national, rigorously tested tools that can be used across all beneficiaries using Community-Based Long Term Services and Supports (CB-LTSS), an area in need of national measures. Additionally, the grant offers funding and technical support to demonstrate the use of a Personal Health Record (PHR) and test new electronic standards for interoperability among long term services and supports data.

  Arizona has selected both ALTCS populations (individuals who are elderly, have physical and/or developmental disabilities) to participate in the Member Experience of Care Survey and the testing of the CARE (Continuity Assessment Record and Evaluation) functional assessment tool. Furthermore, Arizona is dedicated to a Personal Health Record (PHR) that adds value to member's lives. To that end, AHCCCS has developed a guiding vision or goals for a PHR that focuses on support of the integration of data (e.g., a member's medical information); empowering members to direct their own care; improving quality of

care; enhancing care coordination/care management; and supporting a philosophical shift towards a highly valuable partnership between members and their providers.

- ***Home and Community Based Settings Rule Assessment***

  On January 16, 2014, the Centers for Medicare and Medicaid Services (CMS) released final rules regarding requirements for home and community based services (HCBS) operated under section 1915 of the Social Security Act. The rules mandate certain requirements for alternative residential or community settings where Medicaid beneficiaries receive long term care services and supports. While the AHCCCS HCBS program is operated under section 1115 of the Act, CMS is requiring compliance with those regulations for all Medicaid programs. To that end, AHCCCS has established a plan for meeting those standards on a timeline consistent with its 1115 Waiver renewal submission (October 2016). In Arizona, these requirements impact the residential placements for members enrolled in the Arizona Long Term Care Services (ALTCS) program. The new rules also impact day programs where ALTCS members receive services during the day only.

  AHCCCS is currently conducting an assessment of Arizona's HCBS settings to determine its level of compliance, provide recommendations for identified variances, and outline a process for continuous monitoring. Based upon the assessment, AHCCCS will also develop a transition plan to ensure compliance with the new standards. AHCCCS will publish its initial assessment of Arizona's HCBS settings and the draft transition plan and will seek public comment in the summer of 2015. After consideration of public comment, AHCCCS will submit its final assessment and transition plan to CMS for approval.

- ***ALTCS Advisory Council***

  The ALTCS Advisory Council is made up of ALTCS Members and their family members/representatives. Additionally, representatives from ALTCS Contractors, providers and state and advocacy agencies also serve on the Council. AHCCCS used a Council to help create and implement the Agency with Choice, member-directed option in 2011-2013. The contributions of the Council Members were invaluable to the program development and implementation process. As the ALTCS program continues to develop new and innovative practices to serve 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 Council assisted the ALTCS Program in developing a work plan that addresses opportunities for new service innovations or systemic issues impacting ALTCS Members. The work plan is AHCCCS' Olmstead Plan agency-specific action plan. Council Members advise AHCCCS on activities aimed at making the 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.

- ***Olmstead Plan***

Arizona's initial Olmstead Plan was developed in 2001. In CY 2014, the Olmstead Plan was reviewed and updated by the Olmstead Policy Academy facilitated by the Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS). The Olmstead Policy Academy brought together representatives from government entities, consumers, community members, service providers (health care, independent living and housing providers) and advocates interested in seeing those most in need paired with available housing and supports to integrate into the community.

The Olmstead Policy Academy provided a number of technical assistance and learning opportunities to help inform the planning process to update the Olmstead Plan. Each state agency (ADHS/DHBS, AHCCCS and DES/DDD) underwent a plan development and review process with both internal and external stakeholders. Each agency has a consumer advisory board that was engaged and provided input on the agency specific action plans. The ALTCS Advisory Council assisted AHCCCS in developing the AHCCCS specific action plan.

There are still homeless people in Arizona who need a safe place to live. The 2014 Arizona Olmstead plan describes in detail how our community, including government and private funding, will come together to address housing needs. While an over-majority of individuals who are aging and individuals with developmental and physical disabilities are living in integrated settings in their communities, they may not be actively engaged and participating in their communities. The 2014 Arizona Olmstead Plan outlines how the State can support these individuals to find resources, supports (i.e. assistive technology, employment, etc.) and individuals/agencies to provide the services.

Currently the final draft is undergoing a review by each of the three state agency partners. Once a final draft is available, each state agency will initiate their respective public input processes to garner input from the public and inform the final revisions to the plan. Subsequent to the approval of the final and updated plan, each state agency agreed to actively participate in quarterly Olmstead Policy Academy meetings hosted and facilitated by ADHS/DBHS. The primary purpose of the meetings will be to inform one another of progress made on the agency specific action plans, identify strategies to address any implementation barriers and discuss strategies for collaboration. In addition to the Olmstead Policy Academy meetings, each state agency has developed, at a minimum, annual review processes to monitor and receive input on the plan implementation from both internal and external stakeholders.

- ***Performance Measures***

AHCCCS has developed new performance measure sets for all lines of business, including Long Term Care which includes HCBS members. The new measures and related Minimum Performance Standards/Goals became effective on October 1, 2013 for the contract year ending September 1, 2014. The AHCCCS decision to transition to a new measure set was partially driven by a desire to align with measure sets such as the Adult Core Measure Set, Meaningful Use and other measure sets being implemented by CMS. It is AHCCCS' goal to continue to develop and implement additional Core Measures as the data sources become valid and reliable. Initial measures were chosen based on a number of criteria, which include greatest need for members, system ability to

impact/improve results, alignment with national measure sets, and comparability across lines of business. The new measures are shown below which are specific to Long Term Care and HCBS members. The data for these new measures are currently being validated.

Measure	New Measures? (Y/N)	Administrative (A) or Hybrid (H)?	MPS	Goal	Methodology
Inpatient Utilization (days/100,000 member months)	Y	A	TBD	TBD	HEDIS - IPU
ED Utilization (visits/100,000 member months)	Y	A	TBD	TBD	HEDIS - AMB (Ambulatory Care)
Readmissions within 30 days of discharge	Y	A	TBD	TBD	Adult Core
Follow-up After Hospitalization within 7 Days	Y	A	50%	80%	Adult Core
Follow-up After Hospitalization within 30 Days	Y	A	70%	90%	Adult Core
-- HbA1c Testing	N	H	83%	91%	Adult Core
-- LDL-C Screening	N	H	75%	91%	Adult Core
-- Eye Exam	N	H	60%	68%	HEDIS
Diabetes Admissions, short-term complications	Y	A	TBD	TBD	Adult Core
Ages 50-64	Y*	H	55%	80%	AHCCCS
Ages 65+	Y*	H	60%	80%	AHCCCS
Chronic obstructive pulmonary disease admissions	Y	A	TBD	TBD	Adult Core
Congestive heart failure admissions	Y	A	TBD	TBD	Adult Core
EPSDT Dental Participation	N	A	46%	56%	CMS 416 data will be used (Line 12.a./Line 1.b.)
EPSDT Participation	N	A	68%	80%	CMS 416 will be used (Line 10)
Advance Directives	Y*	H	55%	75%	AHCCCS

AHCCCS reports Performance Measures specific to the ALTCS Elderly and/or Physically Disabled (E/PD) population. These measures include members in home and community-based settings. The Performance Measures are as follows:

- **Initiation of Home and Community Based Services:**
  The intent of this study is to measure the health care services that primarily allow members at risk of institutionalization to remain in their homes or the community. The performance measure examines how quickly a member received HCBS services after their enrollment in the ALTCS program. The most recent report for this performance measure was completed in September 2014.

  The data showed that 95.9 percent of new members received HCBS services within 30 days of enrollment, a non-statistically significant decrease over the previous rate of 96.3 percent. Rates by Contractor ranged from 94.8 percent to 98.5 percent. All three Contractors exceeded the minimum performance standard (92 percent) and one achieved the AHCCCS goal (98 percent).

INITIATION OF HOME AND COMMUNITY BASED SERVICES WITHIN 30 DAYS OF ENROLLMENT, BY CONTRACTOR
Measurement Period: Oct. 1, 2012, through Sept. 30, 2013

Contractor	Percent who Received Service Within 30 Days	Relative Percent Change	Statistical Significance
Bridgeway Health Solutions	94.8%	1.6	p=.650
	93.3%		
Evercare Select	95.7%	-0.1	p=.981
	95.7%		
Mercy Care Plan	98.5%	-1.5	P=.402
	100.0%		
TOTAL	95.9%	-0.4	p=.797
	96.3%		

*Shaded rows represent data from the previous measurement period

- **EPSDT Participation:**
  AHCCCS utilized the methodology developed by the Centers for Medicare and Medicaid Services (CMS) for the Form 416 Report on participation in Early and Periodic Screening, Diagnostic and Treatment (EPSDT) services among members younger than 21 years of age during the contract year. This measurement includes HCBS members. For the measurement period of CYE 2013, the overall rate of EPSDT visits among members enrolled with ALTCS Contractors was 42.4 percent, a statistically significant decrease when compared with 47.5 percent in the previous year. It is important to note that due to the nature of the populations served, the

EPD Contractors serve smaller numbers of children and adolescents compared to DDD.

EPSDT Participation

Contractor	Total who Should Receive at least 1 Screening	Number with at least 1 Screening	Percent with at least 1 Screening	Relative Percent Change	Statistical Significance
Bridgeway LTC	81	32	39.5%	-9.7%	P=.606
	64	28	43.8%	n/a	n/a
DES/DDD	12893	5532	42.9%	-10.8%	**P<.001**
	12405	5968	48.1%	n/a	n/a
United Healthcare	96	16	16.7%	-27.8%	P=.271
	91	21	23.1%	n/a	n/a
Mercy Care Plan LTC	302	94	31.1%	-4.8%	P=.677
	312	102	32.7%	n/a	n/a
TOTAL	13372	5674	42.4%	-10.7%	**P<.001**
	12872	6119	47.5%	n/a	n/a

*Shaded rows represent data from the previous measurement period
*2012 was the first year this measure was included in contract

- **EPSDT Dental Participation:**
  In addition to EPSDT Participation, AHCCCS also utilizes the Form 416 report to generate EPSDT Dental Participation rates, based on members' receipt of preventive dental care. CYE 12 was the first year that this measure was formally calculated.

  For the measurement period of CYE 2013, the overall rate of EPSDT dental participation among members enrolled with ALTCS Contractors was 40.4 percent, a statistically significant increase when compared with 36.6 percent in the previous year.

EPSDT Dental Participation

Contractor	Total Eligible	Total who rec'd at least One Service	Percent with at least One Dental Service	Relative Percent Change*	Statistical Significance*
Bridgeway LTC	89	17	19.1%	74.3%	P=.153
	73	8	11.0%	n/a	n/a
DES/DDD	15256	6226	40.8%	10.5%	P<.001
	14779	5456	36.9%	n/a	n/a

United Healthcare	109	14	12.8%	31.0%	P=.487
	102	10	9.8%	n/a	n/a
Mercy Care Plan LTC	328	122	37.2%	6.6%	P=.536
	341	119	34.9%	n/a	n/a
TOTAL	15782	6379	40.4%	10.5%	P<.001
	15295	5593	36.6%	n/a	n/a

*Shaded rows represent data from the previous measurement period

AHCCCS has established contractual Minimum Performance Standards (MPS) for these measures. For any of the measures for which ALTCS Contractors did not meet the MPS, AHCCCS requires Corrective Action Plans (CAPs). AHCCCS will approve and monitor implementation of the CAPs. AHCCCS also continues to monitor Contractor quality-improvement activities related to these measures through submission of annual Quality Assessment/Performance Improvement Plans and Evaluation reports. AHCCCS provides ongoing technical assistance to Contractors to help them improve rates.

- **Performance Improvement Projects:**

In addition to performance measures, AHCCCS also implements performance improvement projects (PIPs) to drive member health outcomes and boost Contractor performance on selected state and national health care priorities. HCBS members were included in the PIP reported below.

- *Reduction of Hospital Readmissions:* The purpose of this Performance Improvement Project (PIP) was to decrease the rate of inpatient readmissions among AHCCCS members within 30 days of a previous discharge, in order to improve quality of life, promote patient-centered care, and reduce unnecessary health care utilization and costs. This PIP included all AHCCCS lines of business; Acute, Long Term Care, Children's Rehabilitative Services, Behavioral Health and KidsCare.

  AHCCCS decided to prematurely close the Reduction of Hospital Readmission PIP for a number of reasons. AHCCCS has adopted the Plan All-cause Readmission Rate from the Medicaid Adult Core Set as a contractually mandated performance measure. In addition, AHCCCS has included the performance measure in the Agency's Payment Reform Initiative. AHCCCS also believes that Contractors can leverage the national focus on reduction of readmissions to sustain the progress made through this PIP.

- *E-Prescribing:* The purpose of this Performance Improvement Project (PIP) is to increase the number of prescribers electronically prescribing at least one prescription and increase the percentage of prescriptions which are submitted electronically, in order to improve patient safety. The baseline measurement period for this PIP will be CYE 2014. AHCCCS is currently gathering and validating data for this PIP and expects to have the baseline rates available for Contractors in May 2015.

HCBS GROWTH AND PLACEMENT TABLES AND GRAPHS

The following pages contain tables and graphs that show the growth of the ALTCS E/PD population over several time periods. These tables and graphs are accompanied by a description.[2]

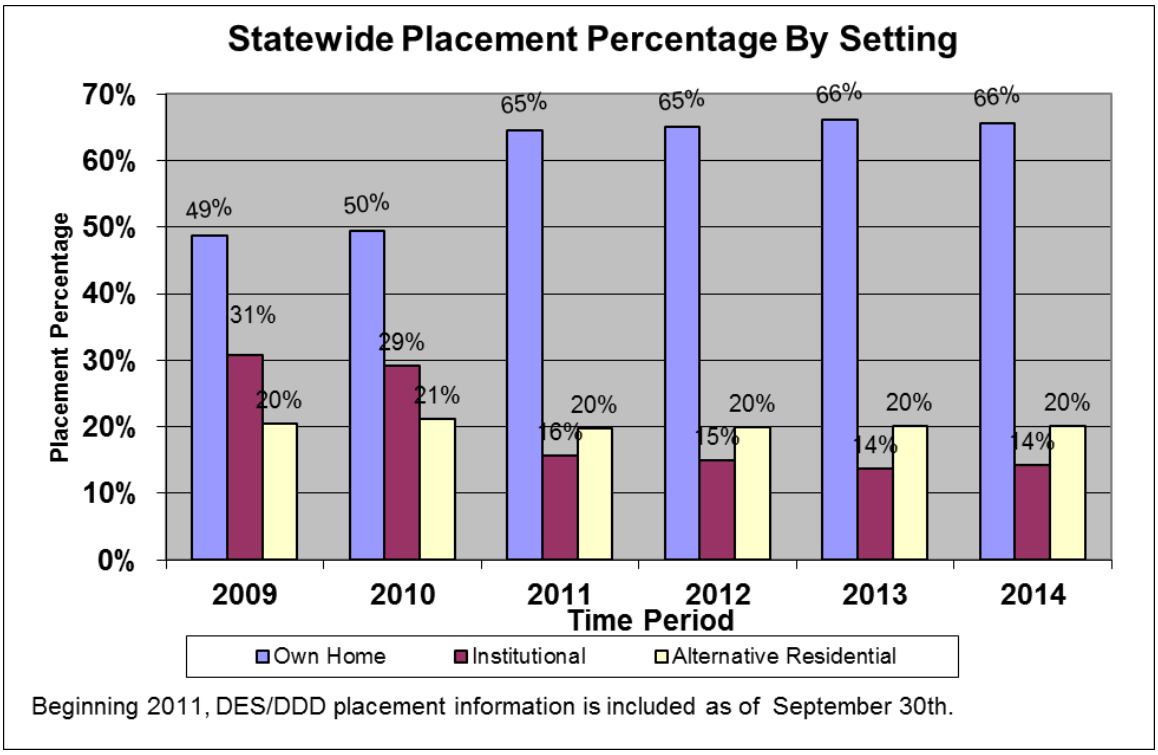
- Table 1 and Graph 1 — E/PD and DES/DDD Program Statewide Placement and Percentage by Setting (September 2009- CYE September 2014)
- Graph 2 — Percentage of Growth by Setting (September 2009-September 2014)
- Graph 3a — HCBS Placement Percentages by Contractor (Contractors Operating from CYE 2007 to 2011)
- Graph 3b — HCBS Placement Percentages by Contractor (Contractors Operating from CYE 2008 to 2013)
- Table 2 — E/PD and DES/DDD Placement by Contractor (As of September 30, 2014)
- Table 3 and Graph 4 — ALTCS E/PD and DES/DDD Placement By Age Group (as of September 30, 2014)

[2] Beginning September 2007, AHCCCS changed the reporting period to the timeframe of October – September.

Statewide Placement and Percentage by Setting

Table 1 and Graph 1 show the growth of the ALTCS E/PD and DES/DDD population from September 2009 through September 2014. Graph 1 shows the distribution of members between members living in their own home, in an alternative residential facility and in an institutional setting. Since 2009 the proportion of members residing in their own homes increased from 49% to 66%, while the proportion of the members residing in institutions declined from 31% to 14%. At the same time, the proportion of members residing in alternative residential settings remains the same. This continues to demonstrate the shift in placement for E/PD and DES/DDD members towards more community-based placements.

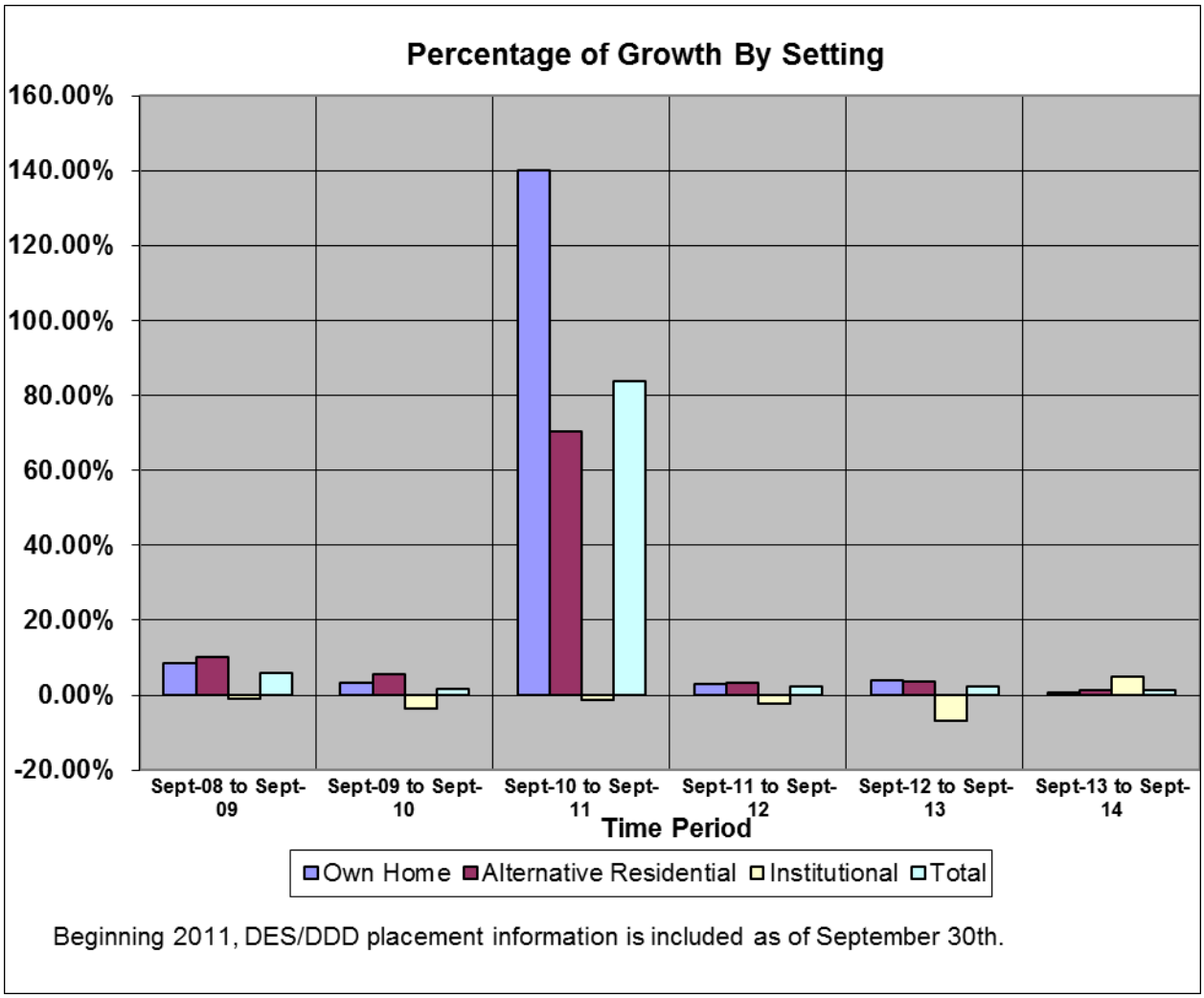
Table 1	E/PD and DES/DDD Program Statewide Placement Percentage by Setting (September, 2009 to CYE September, 2014)					
	Sep-09	**Sep-10**	**Sep-11**	**Sep-12**	**Sep-13**	**Sep-14**
Own Home	49%	50%	65%	65%	66%	66%
Alternative Residential	20%	21%	20%	20%	20%	20%
Institutional	31%	29%	16%	15%	14%	14%
Total	100%	100%	100%	100%	100%	100%



Percentage of Growth by Setting

Graph 2 takes the information from Table 1 and shows the percentage of growth that each type of setting has experienced since September 2009.[3] Members placed in their own home and in alternative residential settings experienced growth, while institutional (nursing facility) settings experienced a decline with the exception of the 2014 reporting period.

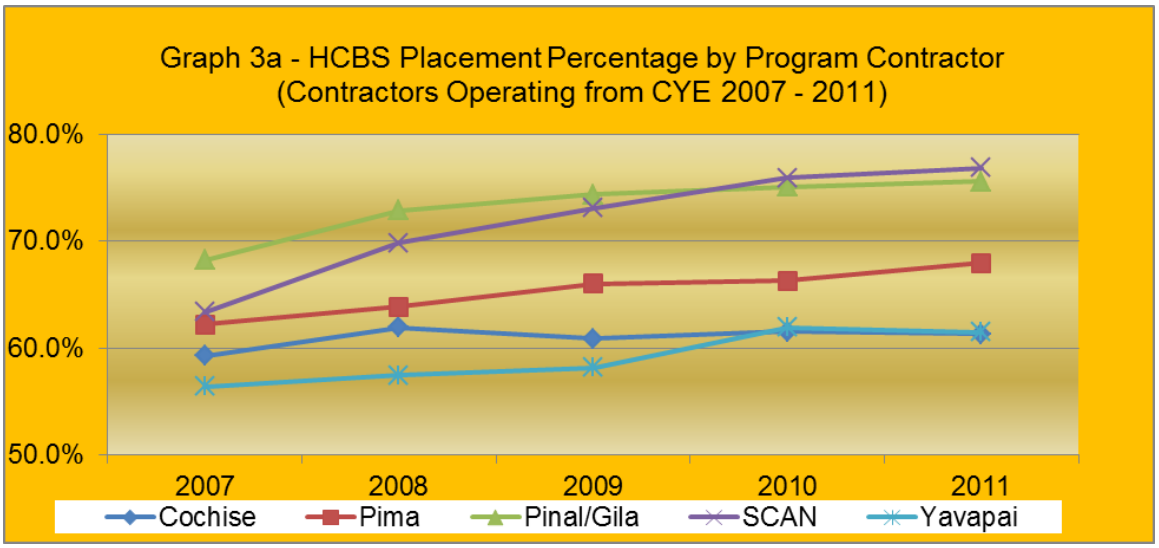
[3] The 2011 growth is directly attributed to the incorporation of DES/DDD data.


Percentage of Growth By Setting
160.00%
140.00%
120.00%
100.00%
80.00%
60.00%
40.00%
20.00%
0.00%
-20.00%
Sept-08 to Sept-09
Sept-09 to Sept-10
Sept-10 to Sept-11
Sept-11 to Sept-12
Sept-12 to Sept-13
Sept-13 to Sept-14
Time Period
Own Home
Alternative Residential
Institutional
Total
Beginning 2011, DES/DDD placement information is included as of September 30th.

HCBS Placement Percentage by Contractor

Graphs 3a and 3b show the HCBS placement growth by Contractor. In CYE 2011, five AHCCCS Contractors ceased providing services for AHCCCS members. Graph 3a shows the HCBS placement percentage for these Contractors. Graph 3b shows the percentages for Contractors continuing to provide HCBS services, as well as a statewide summary of all Contractors operating during these years. It is important to note only one Contractor experienced a slight decline in HCBS placements in recent years.

Table 2 outlines the number of members in each placement setting by Contractor on September 30, 2014.



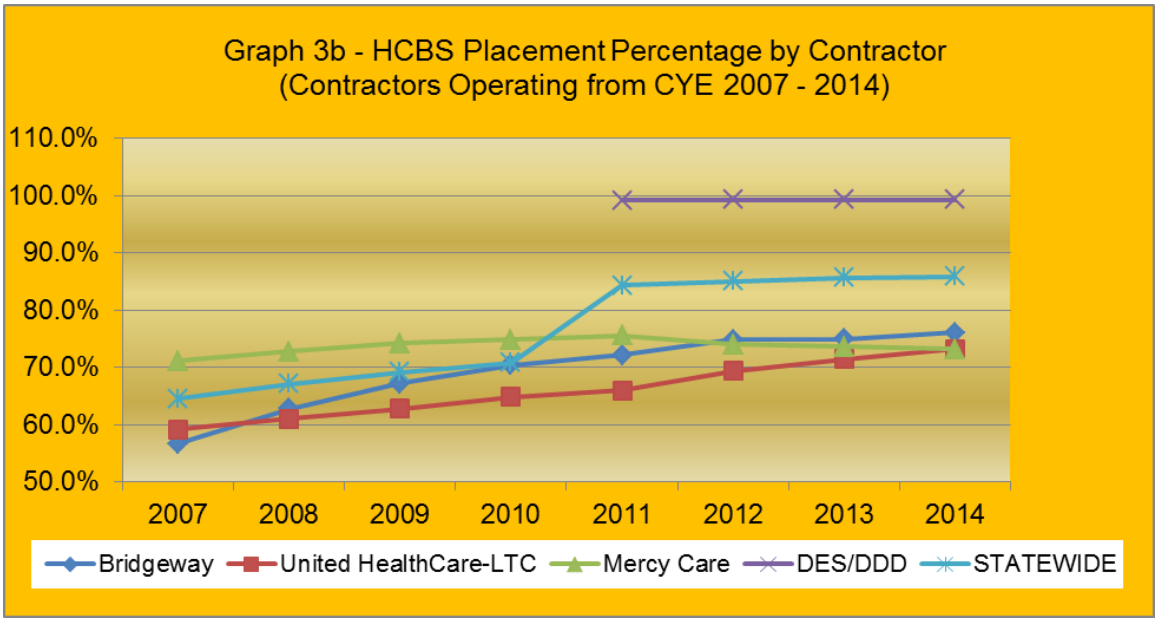


TABLE 2

		Alternative Residential								
Contractor	**Own Home**	**AFC**	**ALC**	**Behavioral Health**	**ALH**	**Total HCBS**	**Nursing Facility**	**Acute**	**Not Placed**	**COMBINED TOTAL**
Bridgeway Health Solutions	2,515	5	790	74	854	4,238	1,333	56	25	5,652
United HealthCare-LTC	4,508	41	1,025	67	858	6,499	2,380	96	139	9,114
Mercy Care Plan	5,902	109	1,484	88	701	8,284	3,043	206	380	11,913
DES/DDD	19,109	3	8	0	3,740	22,860	168	4,076	156	27,260
Total Population	32,034	158	3,307	229	6,153	41,881	6,924	4,434	700	53,939

AFC	Adult Foster Care or Developmental Home
ALC	Assisted Living Home
Behavioral Health	Behavioral Health Residential
ALH	Assisted Living Home or Group Home
Acute	ALTCS members currently receiving acute services only
Not Placed	No data recorded on placement type for member

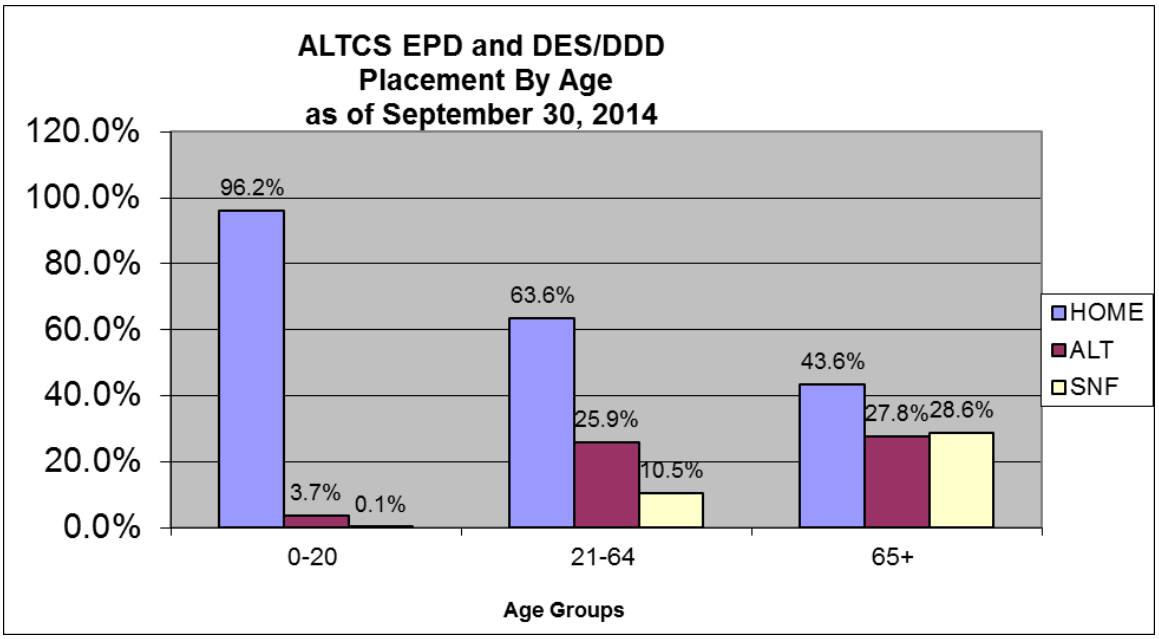
HCBS Placement by Age Group

Table 3 and Graph 4 present information detailing member placements based on three age groupings (0 - 20, 21 - 64 and 65 plus) as of September 30, 2014. As expected, members in the 65 year and older age group compose the highest proportion residing in institutional settings (29%). The 0 – 20 year age group has the lowest proportion of members residing in institutional settings (0%). Only 10.5% of members 21 – 64 years of age reside in institutional settings.

ALTCS EPD and DES/DDD Placement by Age Group

Does not include Not Placed and Acute Members

	0-20	21-64	65+	TOTAL
Own Home	13,574	10,628	7,832	32,034
Alternate Residential	523	4,330	4,994	9,847
Nursing Facility	20	1,757	5,147	6,924
TOTAL	14,117	16,715	17,973	48,805
	0-20	**21-64**	**65+**	**TOTAL**
Own Home	96.2%	63.6%	43.6%	65.6%
Alternate Residential	3.7%	25.9%	27.8%	20.2%
Nursing Facility	0.1%	10.5%	28.6%	14.2%
TOTAL	100%	100%	100%	100%


ALTCS EPD and DES/DDD
Placement By Age
as of September 30, 2014
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
96.2%
3.7%
0.1%
63.6%
25.9%
10.5%
43.6%
27.8%
28.6%
0-20
21-64
65+
Age Groups
HOME
ALT
SNF