



AHCCCS MCO Update Meeting

January 30, 2023

Agenda

- Director Opening Remarks and Introductions
- Director Update
- COVID Unwinding Discussion
- Legislative Update
- Finance/Actuary Update
- CMS Managed Care Reporting Update
- OIFA Update - Peer Support Employment Training Programs
- CMO Update



Director Opening Remarks and Introductions



Director Update

Carmen Heredia, Director

AHCCCS SFY 2023 - 2027 Strategic Plan



Sustain: Provide equitable access to high quality, whole person care

Includes initiatives to reduce provider workforce shortages, maintain a responsive provider network, address key social drivers of health, and meet the needs of individuals with special health care needs



Build: Implement solutions that optimize member and provider experience

Includes initiatives to support technology platforms that advance program operations; enhance transparency related to delivery system performance; eliminate fraud, waste and abuse; and, align funding priorities across the Agency's entitlement and discretionary programs



Lead: Offer tools and programming that support core organizational capacity

Includes initiatives to improve employee engagement, increase retention rates, and minimize disruption in program operations in the event of staff transitions

Goals and Strategies

SFY 2023 - 2027

Provide Equitable Access to High Quality, Whole Person Care

- Reduce provider workforce shortages.
- Ensure all AHCCCS members are able to readily access services in the most appropriate setting to meet their needs.
- Address social drivers of health using available Medicaid levers.
- Improve health outcomes and member experience for individuals with special health care needs through targeted population health programming.

Goals and Strategies

SFY 2023 - 2027

Implement solutions that ensure optimal member and provider experience

- Maintain and build technology platforms that ensure adherence to existing regulation and enhance program performance.
- Routinely assess and communicate system performance using visualization tools accessible to community stakeholders.
- Eliminate fraud, waste, and abuse across all components of the program.
- Optimize federal block and discretionary grant funding to advance Medicaid programming and systems.

Goals and Strategies

SFY 2023 - 2027

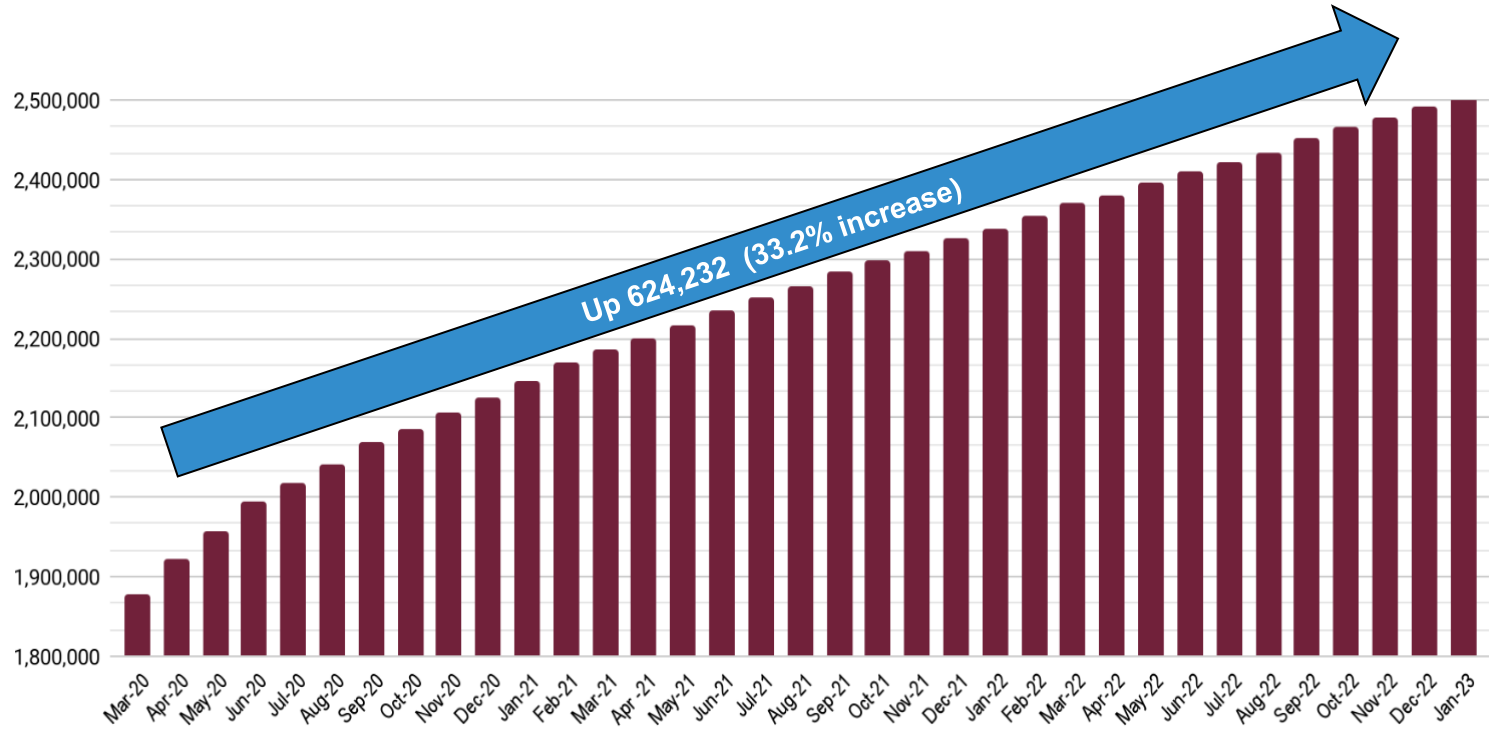
Maintain core organizational capacity, infrastructure and workforce planning that effectively serves AHCCCS operations

- Improve employee engagement.
- Increase employee retention rates.
- Prevent disruption in program operations by investing in human resource tools and programming.

Additional Areas of Focus 2023

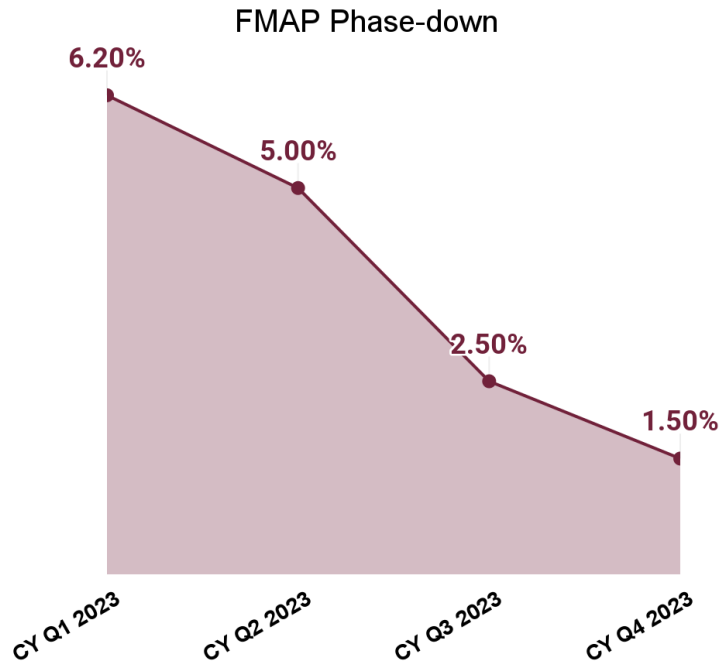
- Implementation
 - H2O Waiver
 - Targeted Investments
 - Tribal Dental Benefit
- PHE Unwinding
- COR Corrective Actions

AHCCCS Enrollment: March 2020 - January 2023



End of Medicaid Continuous Enrollment

- March 31, 2023: Continuous enrollment requirement ends
- 6.2% FMAP will be phased down throughout 2023
- Conditions to qualify for enhanced FMAP in Quarter 2 - Quarter 4
- AHCCCS must report on enrollment and call center metrics during the unwinding period

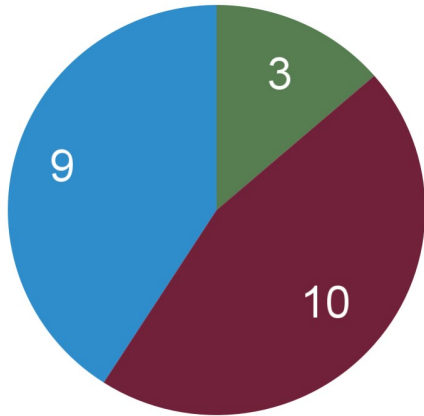


Additional Opportunities Detailed in the Consolidated Appropriations Act

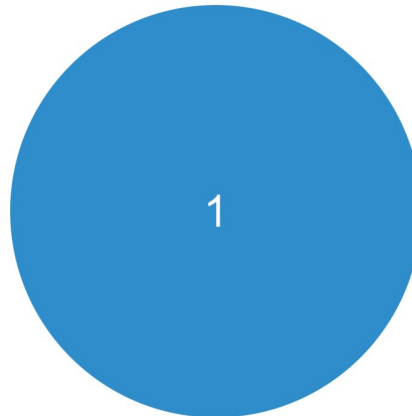
- Starting 1/1/24, Medicaid state plans, waivers of state plans, and CHIP must provide 12 months of continuous eligibility for children up to age 19
- Made permanent 12-Month State Plan postpartum coverage option
- CHIP funding extended through FY 2029
- Removes certain coverage and enrollment restrictions for juveniles in institutional settings starting 1/1/2025
- Establishes searchable Provider Directory requirements effective 7/1/2025
- HHS to develop guidance on effective crisis response systems by 7/1/2025

AHCCCS Implementation of Office of the Auditor General (OAG) Audit Recommendations

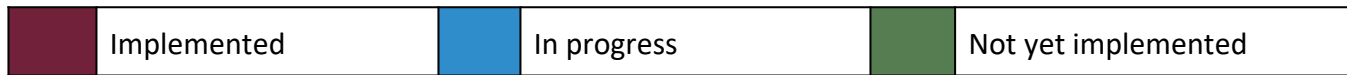
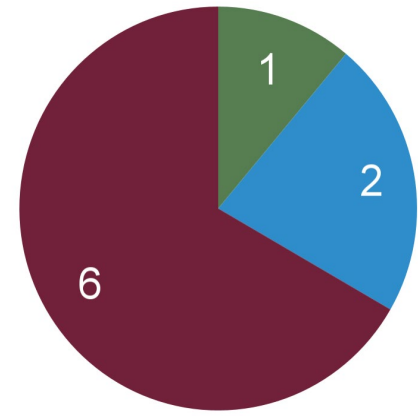
Sunset Factor Report:
(Published September 29, 2022)



Behavioral Health Report:
(Published September 29, 2022)



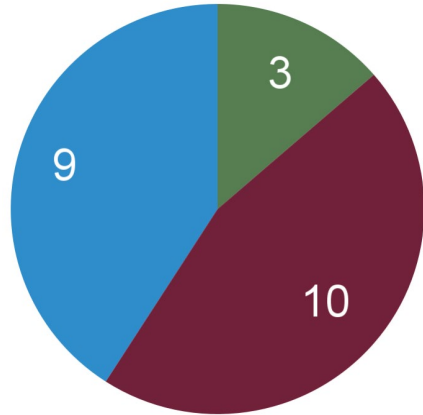
Member Disenrollment Report:
(Published May 11, 2022)



Progress as of 12/31/2022

Sunset Factor Report

Progress as of December 31, 2022



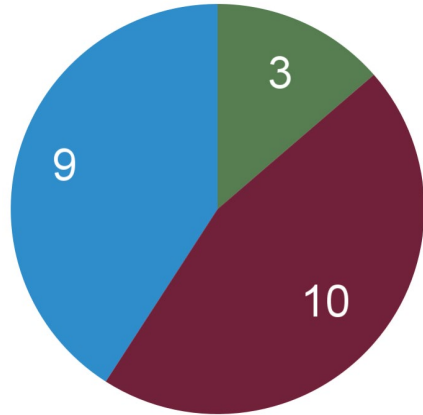
45%	Implemented
41%	In progress
14%	Not yet implemented

Summary of Agency Follow-Up:

- Fraud and abuse case investigations
 - Developed prioritization processes for provider fraud and abuse cases
 - Established a performance metric
 - In calendar year 2023, AHCCCS will complete a preliminary investigation of 90% of high priority provider fraud and abuse incidents within 90 days
 - Completed staffing analysis. Staff needed:
 - *Inspector General's Office*: 1 manager, 3 supervisors, 17 staff investigator positions; permanent funding for 11 time limited investigator positions
 - *Division of Fee-for-Service Management*: 1 supervisor and 9 staff investigator positions

Sunset Factor Report

Progress as of December 31, 2022



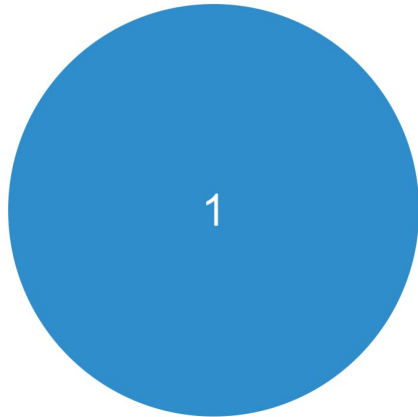
45%	Implemented
41%	In progress
14%	Not yet implemented

Summary of Agency Follow-Up:

- Finalized standard work and resumed adherence to 3 year timeframe for all Managed Care Organization (MCO) operational reviews
- Implemented oversight/review processes related to eligibility
 - Initiated review of negative eligibility decisions
 - Resumed primary (ADES) and secondary (AHCCCS) quality reviews of eligibility decisions
- Finalized processes for addressing findings/deficiencies identified in reports focused on services for members with an SMI designation
- Finalized policies and procedures detailing oversight of AHCCCS Housing Administrator

Behavioral Health Services Report

Progress as of December 31, 2022

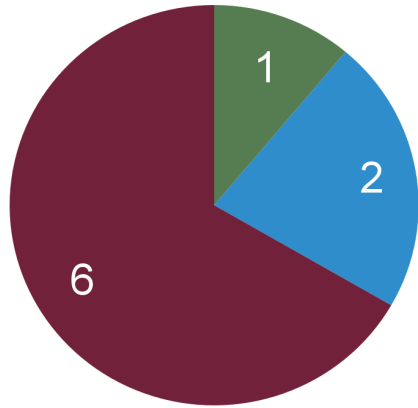


Summary of Agency Follow-Up:

- Notified MCOs in October 2022 (confirmed receipt in November 2022) of Peer and Recovery Support Specialist qualification and supervision requirements (and the obligation of providers to have policies demonstrating adherence to such requirements)
- Updated MCO Operational Review protocols, mandating assessment of compliance with Peer and Recovery Support Specialist requirements (implementation in February 2023)

Member Disenrollment Report

Progress as of December 31, 2022



67%	Implemented
22%	In progress
11%	Not yet implemented

Summary of Agency Follow-Up:

- Contacted (letter/phone) 100% of the 50 families whose children were improperly disenrolled
 - Offered assistance to re-apply, if not currently enrolled
 - Offered to pay for any clinical care expenses incurred subsequent to disenrollment
 - Refunded all improperly paid premiums
- Issued reminder (10/22 & ongoing) to caseworkers about requesting/entering proof of Native American heritage
- Implemented review process in March 2022 to ensure entry of verification documentation supplied by Native American members
- Developed monthly report of disenrollments due to failure to pay premiums for review by compliance manager
- Added messages to member letters

Overview of SFY 24 Budget Submittal

Budget Issue or Assumption	Original Request (September 2022)	Revision (November 2022)	Internal Rebase (December 2022)	Consolidated Appropriations Act, 2023
MES Modernization System Integrator	\$9,500,000 TF Ongoing (\$2,000,000 GF)	Unchanged	Unchanged	NA
MES Modernization Next Steps	TBD	\$7,000,000 TF (\$700,000 GF)	Unchanged	NA
Value Based Purchasing (VBP) for Prescription Drugs	\$660,400 TF Ongoing (\$330,200 PDRF, no GF)	Unchanged	Unchanged	NA
Maintenance of Eligibility	Projected end Jan 2023 (reinstatement of renewals 2/1/23)	Projected end Jan 2023 (reinstatement of renewals 2/1/23)	Projected end Apr 2023 (reinstatement of renewals 5/1/23)	Ends March 2023 (reinstatement of renewals 4/1/23)
Enhanced FMAP	6.2% Ends Mar 2023	6.2% Ends Mar 2023	6.2% Ends Jun 2023	6.2% Ends Mar 2023 5.0% Ends Jun 2023 2.5% Ends Sep 2023 1.5% Ends Dec 2023

2022 Accomplishments

- Obtained approval of [1115 Waiver renewal](#) package
 - Housing and Health Opportunities (H2O)
 - Extension of Targeted Investments Program
- Received 2022 [Medicaid Innovations Award](#) from the Robert Wood Johnson Foundation and the National Academy for State Health Policy, recognizing AHCCCS' work to [advance whole person care](#)
- Received Centers for Medicare and Medicaid Services (CMS) approval of American Rescue Plan Act (ARP) [spending plan](#) to allocate \$1.5B to improving HCBS programs
- Implemented the AHCCCS Complete Care Regional Behavioral Health Agreement (ACC-RBHA) line of business and integrated 424 American Indian and Alaska Native individuals with an SMI designation into the American Indian Health Program on October 1, 2022



2022 Accomplishments

- Helped to create the Arizona Perinatal Access Line to provide real time perinatal psychiatric consultation to primary care practitioners serving pregnant and postpartum members
- Launched the AHCCCS Virtual Assistant (AVA) to handle the 25 most-asked eligibility-related questions, resulting in an 12% reduction in calls to the Division of Member and Provider Services' member contact unit
- Allocated over \$25 million in [Substance Abuse Block Grant COVID-19 Supplemental Funds](#) for substance use harm reduction efforts, treatment and recovery services as well as primary prevention services, and \$30 million in Mental Health Block Grant funding to support and expand the spectrum of mental health services available to children and adults
- Expanded recovery housing options and funded the first mobile Medication Assisted Treatment (MAT) unit with State Opioid Relief grant dollars



On the Horizon

- 1115 waiver implementation
- End of continuous enrollment; re-initiation of standard redetermination protocols, including disenrollments for those no longer eligible for Medicaid - April 1, 2023
- American Rescue Plan Act Section 9817 HCBS Funding Plan implementation:
 - Second HCBS provider directed payment and implementation of grants program scheduled for spring 2023
- Medicaid Enterprise System Roadmap finalized and published in March 2023
- Continued preparations for ALTCS bid (contracts term on 9/30/24)



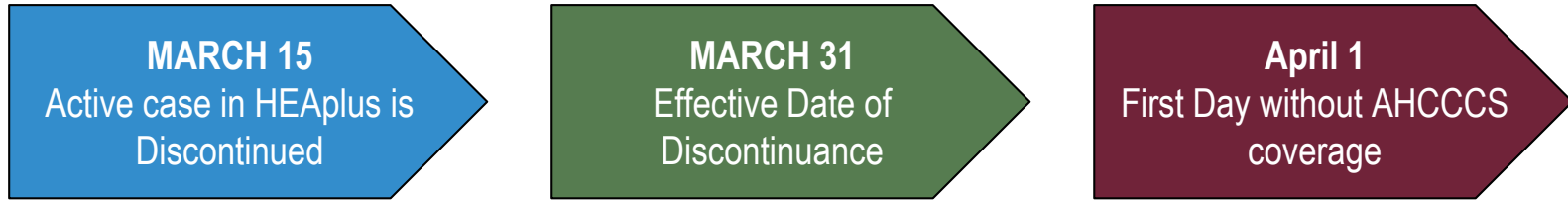
COVID Unwinding Discussion

Kristen Challacombe, Deputy Director for Business Operations
Julie Swenson, Senior Policy Advisor, DMPS

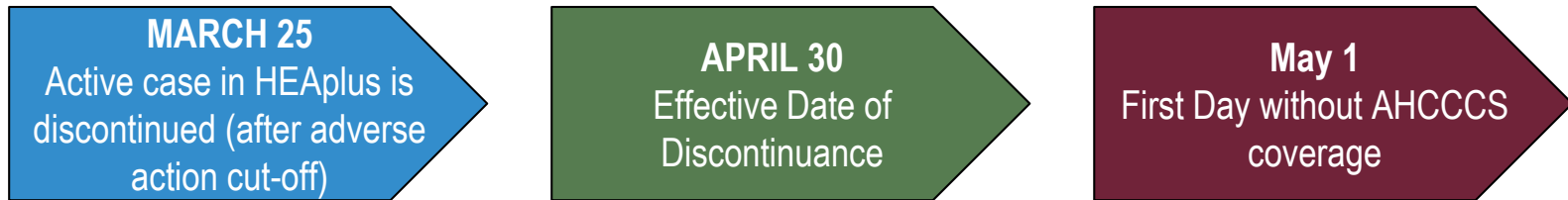
Monthly Disenrollment Timeline

(when determined ineligible for AHCCCS)

Example 1: Early-mid month



Example 2: Month's end



What is Adverse Action

§ 431.211 Advance notice.

The State or local agency must send a notice at least 10 days before the date of action, except as permitted under §§ 431.213 and 431.214.

§ 431.201 Definitions.

For purposes of this subpart:

Action means a termination, suspension of, or reduction in covered benefits or services, or a termination, suspension of, or reduction in Medicaid eligibility or an increase in beneficiary liability, including a determination that a beneficiary must incur a greater amount of medical expenses in order to establish income eligibility in accordance with § 435.121(e)(4) or § 435.831 of this chapter or is subject to an increase in premiums or cost-sharing charges under subpart A of part 447 of this chapter. It also means a determination by a skilled nursing facility or nursing facility to transfer or discharge a resident and an adverse determination by a State with regard to the preadmission screening and resident review requirements of section 1919(e)(7) of the Act.

12 Month Disenrollment Timeline

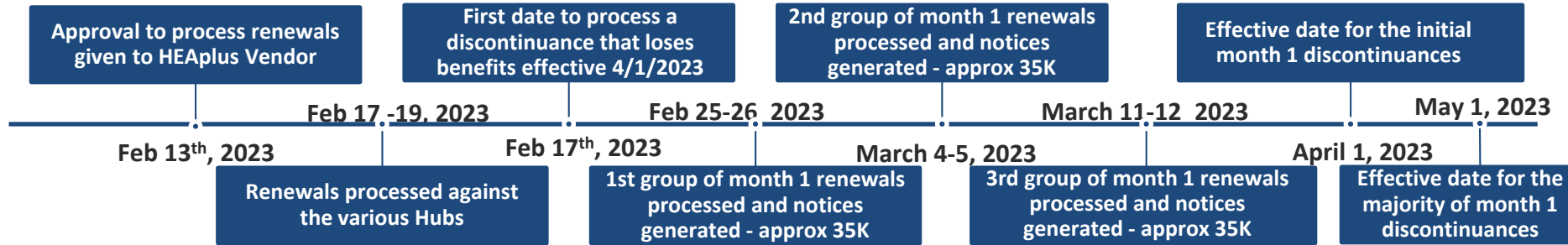
Unwinding Adverse Action Calendar

Month of Redetermination		Adverse Action Cut-off Date*	Discontinuance Effective Date	First Day Without AHCCCS Coverage
1	Apr-23	3/22/2023	3/31/2023	4/1/2023
2	May-23	4/21/2023	4/30/2023	5/1/2023
3	Jun-23	5/22/2023	5/31/2023	6/1/2023
4	Jul-23	6/21/2023	6/30/2023	7/1/2023
5	Aug-23	7/20/2023	7/31/2023	8/1/2023
6	Sep-23	8/22/2023	8/31/2023	9/1/2023
7	Oct-23	9/21/2023	9/30/2023	10/1/2023
8	Nov-23	10/19/2023	10/31/2023	11/1/2023
9	Dec-23	11/21/2023	11/30/2023	12/1/2023
10	Jan-24	12/22/2023	12/31/2024	1/1/2024
11	Feb-24	1/22/2024	1/31/2024	2/1/2024
12	Mar-24	2/20/2024	2/29/2024	3/1/2024



*If the discontinuance action is completed on or before this date, then the effective date will be the end of that same month; If the discontinuance action is completed after this date, then the effective date will be the end of the month following the month the discontinuance action was taken.. The Adverse Action Notice must be mailed at least 10 calendar days prior to the end of the month.

Arizona Enrollment Unwinding - System Perspective





Legislative Update

Willa Murphy, Chief Legislative Liaison

2023 Legislative Session Timeline

- January 9 – 2023 Legislative Session begins
- Mid January – Late March, Regular Committees
- Late March – Last week of regular committees
- April(exact date TBD) – Budget negotiations and executive appointments; legislature adjourns sine die

2023 Legislative Forecast

AHCCCS Legislative Priorities:

- Agency Sunset Continuation bill (SB 1081)
- Supplemental appropriation
- Confirmation of Director Heredia

Additional issues of note:

- Many freshmen legislators and complete change in legislative leadership
- New Health & Appropriations Committee chairs
- Divided government (executive/legislative)



Finance/Actuary Update

Erica Johnson, Chief Actuary, DHCM

Ben Kauffman, Reimbursement Administrator, DHCM

CYE 24 Rates Timeline

Key Activity	Date
AHCCCS to Send Contractor Ground-Up Administrative Cost Development (ACD) Information Request	On or before 1/27/2023
Contractor Ground-Up ACD Information Request Responses Due	(4 weeks after sent)
Contractor Encounter Data File Submission for CYE 24 Rate Setting (first cycle)	2/2/2023
Contractor Encounter Data File Submission for CYE 24 Rate Setting (final cycle)	2/16/2023
Contractor Identification of Items for Consideration by Actuaries via email or meeting	January 30 through March 3, 2023
AHCCCS to Send Contractor Data Request (non-exhaustive list: member months, admin, encounters, anything noted during Contractor meetings)	On or before 3/10/2023
Contractor Data Request Responses Due	(2 weeks after sent)
AHCCCS to Send Projected Trends to Contractors	On or before 5/31/2023
Contractor Feedback to AHCCCS on Projected Trends	(2 weeks after sent)
AHCCCS to Send Projected Admin, Case Management (CM), and HCBS Mix % (if applicable) to Contractors	On or before 6/30/2023
Contractor Feedback to AHCCCS on Projected Admin, CM, and HCBS Mix % (if applicable)	(2 weeks after sent)
AHCCCS to Send Rates to Contractors with Summary of Key Items	Send on 7/14/2023
Contractor Feedback to AHCCCS on Rates	(1 week after sent)
AHCCCS to Submit Actuarial Certifications to CMS	Send on 8/15/2023

Additional Capitation Rate Changes

- CYE 22 Rate Amendment
 - Recently sent to MCOs with updated contract
 - No changes to capitation rates (only the lump sum directed payments)
- CYE 23 Rate Amendment
 - Capitation rates are expected to decrease (~0.5% for ACC-RBHA) due to the end of continuous enrollment (acuity adjustment in original rates used assumption disenrollments would resume February 2023 as opposed to April 2023)

January 1, 2023 Provider Rate Adjustments

AHCCCS sent guidance to the MCOs on December 16th with anticipated rate adjustments effective January 1, 2023. All AHCCCS Fee for Service Fee Schedules impacted have been updated to reflect these new changes.

- Home and Community Based Services (HCBS) fee schedule received a 2.48% statewide rate increase and a 2.42% rate increase in Flagstaff. Please refer to the following public notice for more information:
 - https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/20230101_PublicNotice-HCBS_Final.pdf
- Nursing Facility fee schedule received a 1.24% statewide rate increase and a 1.21% rate increase in Flagstaff. Please refer to the following public notice for more information:
 - <https://azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/20230101PublicNotice-NFFinal.pdf>
- AHCCCS did not implement operational changes on the RF166 screen to provide a Tucson specific rate due to minimum wage in FFY 2023. Once the Tucson minimum wage surpasses the statewide rate, AHCCCS will implement the RF166 changes and set a separate Tucson rate for HCBS and NF.

January 1, 2023 Provider Rate Adjustments

- Hospital Inpatient APR-DRG Reimbursement has been updated to reflect changes to base rates for specific rural hospitals.
 - The base rate change for specific rural hospitals is a result of the elimination of the Rural Hospital Inpatient Fund (RHIF) Supplemental Payment that is paid out via specific MCOs each spring.

AHCCCS has implemented one additional changes for the MCOs to be aware of at this time.

- AHCCCS has adjusted rates specific Long-Acting Reversible Contraception (LARC) procedure codes. Starting January 1, 2023, the following codes were adjusted on the AHCCCS Fee-for-Service fee schedule to reflect the current Wholesale Acquisition Cost (WAC) for the devices:
 - J7296- LEVONORGESTREL-RELEASING INTRAUTERINE CONTRACEPTIVE SYSTEM, (KYLEENA), 19.5 MG
 - J7297- LEVONORGESTREL-RELEASING INTRAUTERINE CONTRACEPTIVE SYSTEM (LILETTA), 52 MG
 - J7298- LEVONORGESTREL-RELEASING INTRAUTERINE CONTRACEPTIVE SYSTEM (MIRENA), 52 MG
 - J7300- INTRAUTERINE COPPER CONTRACEPTIVE
 - J7301-LEVONORGESTREL-RELEASING INTRAUTERINE CONTRACEPTIVE SYSTEM (SKYLA), 13.5 MG
 - J7307- ETONOGESTREL (CONTRACEPTIVE) IMPLANT SYSTEM, INCLUDING IMPLANT AND SUPPLIES
 - S4989-CONTRACEPTIVE INTRAUTERINE DEVICE (E.G., PROGESTACERT IUD), INCLUDING IMPLANTS AND SUPPLIES

CMS Managed Care Reporting Update

Christina Quast, Deputy Assistant Director of
Managed Care Operations, DHCM

CMS Managed Care Reporting Update

- CMS released an [informational bulletin](#) in July 2022 outlining information related to several reporting tools, including the:
 - Medical Loss Ratio (MLR) Reporting template,
 - Network Adequacy and Access Assurances Report (NAAAR), and
 - Managed Care Program Annual Reporting (MCPAR) tool.
- The reporting tools are intended to streamline state reporting of Medicaid and CHIP managed care data to improve monitoring and oversight efforts.
- Data will be submitted to the CMS via a web-based portal
- As of October 1, 2022, states are required to submit data utilizing these templates
- MCO deliverables may be impacted related to information required in these reports

CMS Managed Care Reporting - Medical Loss Ratio (MLR) Report

- 42 CFR § 438.74(a) requires that states annually submit, with their annual rate certification a summary description of the MLR reports received from the MCOs
- The MLR Report template includes:
 - Program information detailing the process used for calculating the MLR for the various AHCCCS programs
 - Details on the calculations, their results and the remittance requirements
- MLR Report submissions are due annually when rate certifications are submitted to CMS

CMS Managed Care Reporting - Network Adequacy and Access Assurances Report (NAAAR)

- The NAAAR is designed to fulfill network reporting requirements
- 42 CFR 438.207 requires submit assurance of compliance to CMS that each MCO meets the state's requirements for availability of services, including documentation of analysis supporting the adequacy of the provider network for each MCO.
- NAAAR submissions are due:
 - At the time the state enters into a new contract with an MCO
 - On an annual basis
 - Any time there is a significant change in operations affecting the adequacy of capacity and services of an MCO
 - At the same time the state submits the associated managed care contract to CMS for approval (new contract, renewal, or amendment)

CMS Managed Care Reporting - Network Adequacy and Access Assurances Report (NAAAR)

- The NAAAR Template includes:
 - State level information - Details on programs (e.g. ACC), the statutory authority, rates, services covered, and types of network analysis used
 - Program information - Details network standards applicable for each, a table detailing how that analysis is applied, and a table with each MCO listing what they submitted, the results, deficiencies, exceptions and justification for each type of analysis

CMS Managed Care Reporting - Managed Care Program Annual Reporting (MCPAR)

- The MCPAR tool will be used for states to meet 42 CFR § 438.66(e) requirements which include annual submission of “information on and an assessment of the operation of each managed care program” to CMS.
- The MCPAR includes data collection and reporting on nine areas, which will require reporting of statewide, line of business/population, and MCO-level data:

MCPAR Focus Areas	
Program characteristics and enrollment	Quality and performance measures
Financial performance	Sanctions and corrective action plans
Encounter data reporting	Beneficiary Support System (BSS)
Grievances, appeals, and state fair hearings	Program integrity
Availability, accessibility, and network adequacy	

CMS Managed Care Reporting - Managed Care Program Annual Reporting (MCPAR)

- Each of the nine focus areas have data elements organized by state, program, and plan level
- MCPAR submissions are due to CMS 180 days after the end of the contract year.
- First submission from AHCCCS is due March 29, 2023

OIFA Update - Peer Support Employment Training Programs

Susan Kennard, Office of Individual and Family
Affairs Administrator, DCAIR

Peer Support in Arizona

- Arizona's method of compliance with CMS reg is AMPM 963, *Peer and Recovery Support Service Provision Requirements*
- Per policy, Peer and Recovery Support Specialist (PRSS) Credentials are issued by Peer Support Employment Training Programs (PSETPs) compliant with AHCCCS Policy, AMPM 963, AHCCCS
- AHCCCS recognizes PRSS credentials issued by compliant PSETPs and the peer support services the PRSS deliver are Medicaid reimbursable

Peer Support Employment Training Programs (PSETPs)

Arizona's model for PSETPs allows for great diversity and adaptability to the needs of the agencies and communities. AHCCCS recognizes over 40 PSETPs as compliant with AMPM 963. Since 2012, PSETPs have trained and credentialed over 11,000 Peer Recovery Support Specialists (PRSS).

To ensure AHCCCS has appropriate processes in place to recognize PSETPs who are best qualified to train the PRSS workforce, AHCCCS OIFA implemented a “**pause**” on reviewing and recognizing new training programs from **10/31/22 to 1/31/23**.



During this pause, the OIFA Alliance, (comprised of the OIFAs at AHCCCS, ACC, ACC-RBHA, DES/DDD, and DCS/CHP) collaborated and created a review and recognition process that is consistent and transparent. This process includes, but is not limited to:

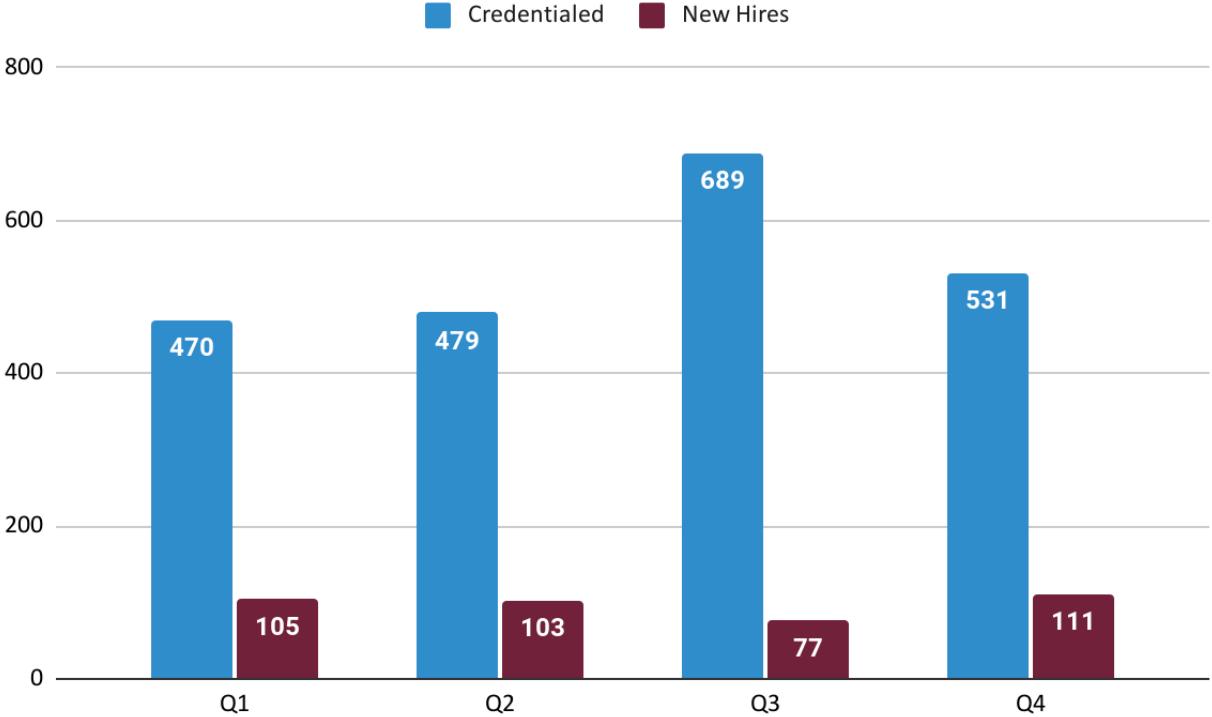
- Creating enhanced criteria for operating a PSETP
- Further formalizing the application process
- Developing a review process that includes all of the Alliance

Peer Support Employment Training Programs (PSETPS)

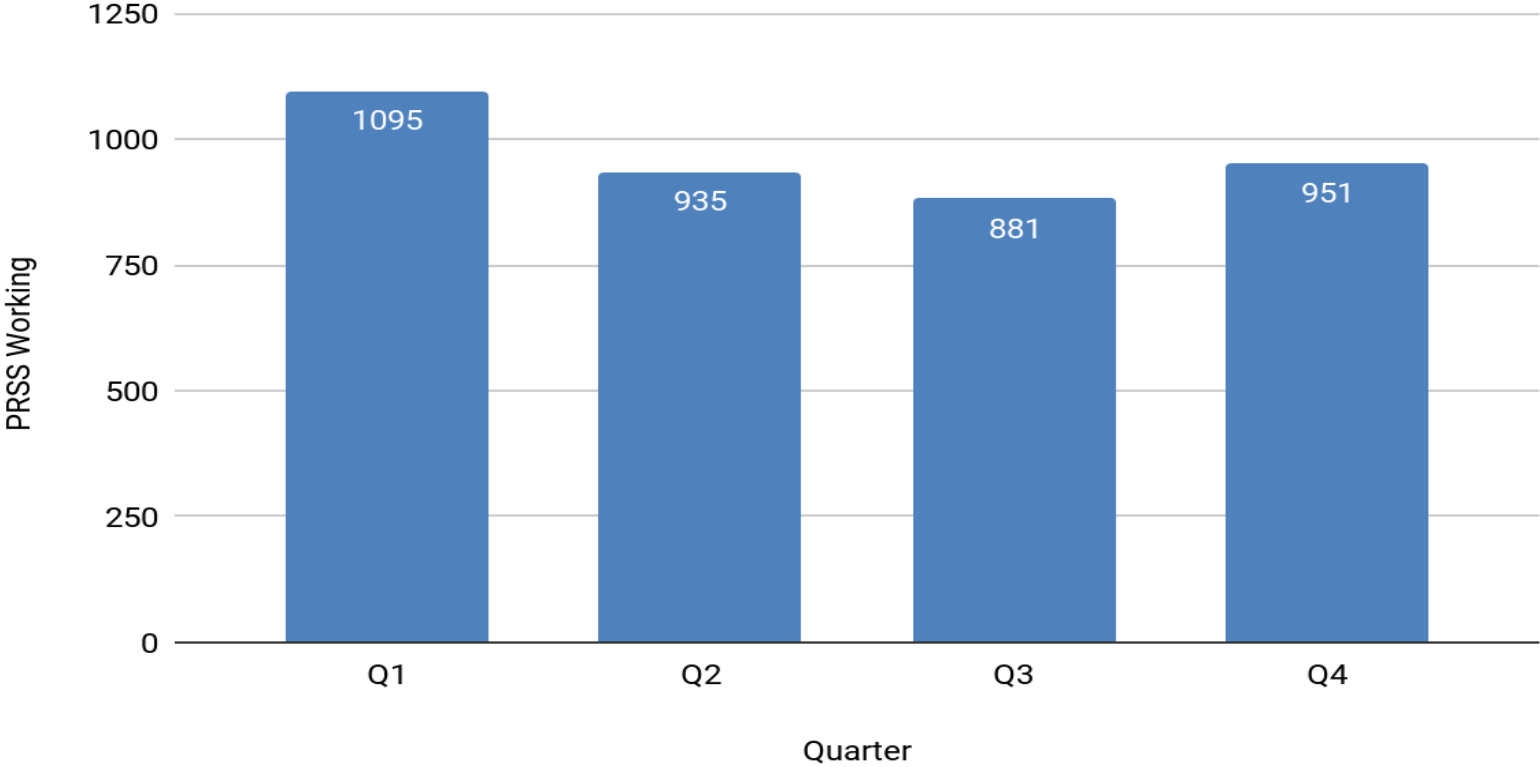
There are 43 AHCCCS recognized [PSETPS](#). These include:

- Community Services Agencies
- Outpatient Licensed Behavioral Health Agencies
- Integrated Clinics
- Health Plans
- Providers operated by Tribal Nations

Newly Credentialed/Newly Employed PRSS



PRSS Employed and Working 2022



MCO Best Practices and Processes

How are MCOs ensuring providers meet policy, code and statute requirements for the following:

- Determining and documenting classifications as BHPP, BHT or BHP
- Establishing supervision and supervisor documentation requirements based on qualification as BHPP, BHT, or BHP

CMO Update

Dr. Sara Salek, Chief Medical Officer

Questions?

Thank You.