



AHCCCS MCO Update Meeting

October 19, 2022

Agenda

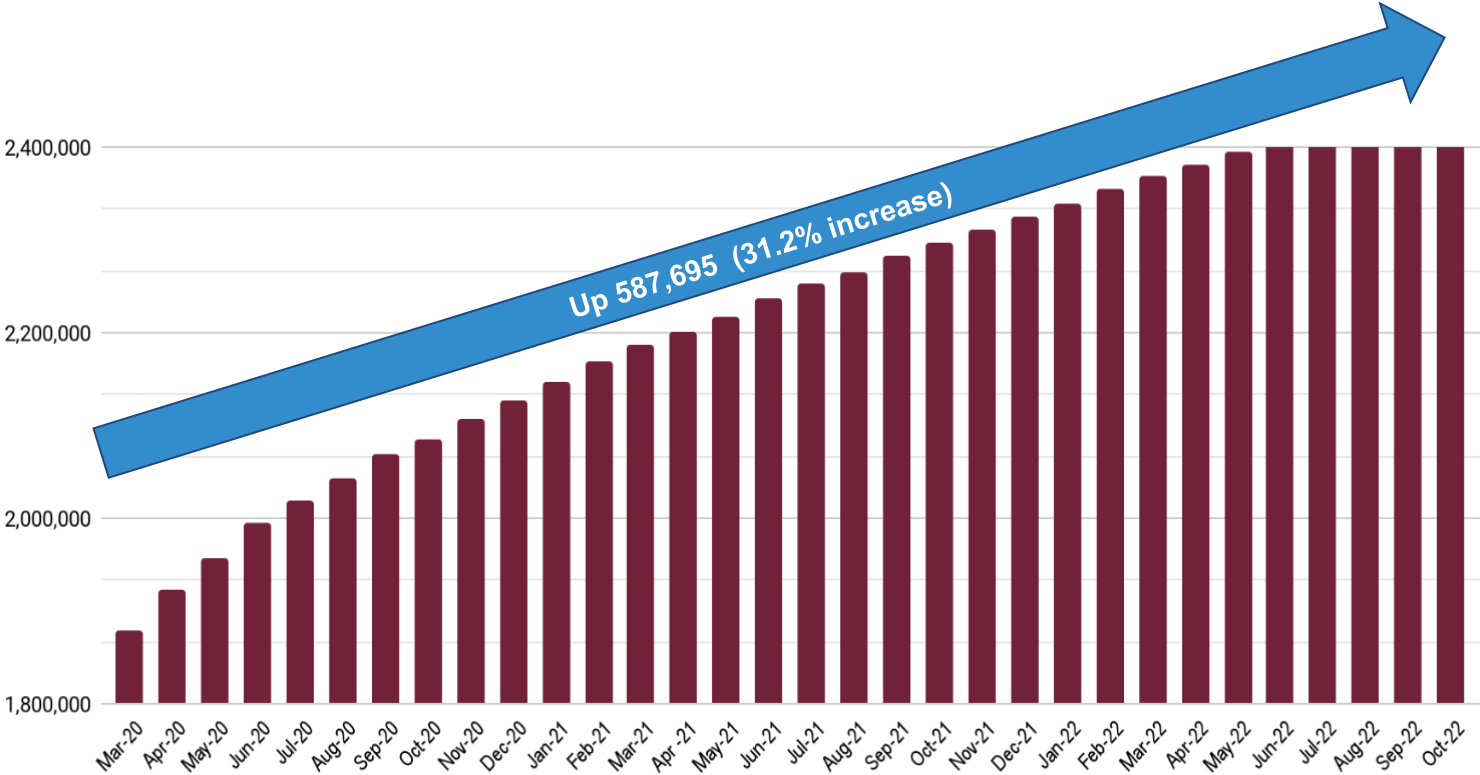
- Director Update
- External COVID-19 Dashboard
- Actuarial and Rates Update
- Programmatic Changes
- NEMT Update
- Community Health Workers (CHWs) and Community Health Representatives (CHRs) Update



Director Update

Jami Snyder, Director

AHCCCS Enrollment: March 2020- October 2022



Public Health Emergency (PHE) Renewed - Effective Oct 13, 2022

1/31/23
Expiration of the
Maintenance of
Effort Requirement/
Initiation of
Processing
Redeterminations

Continuous Enrollment

6.2% FMAP

PHE

<p>1/21/21 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>4/21/21 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>6/20/21 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>10/18/21 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>1/16/22 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>4/16/22 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>7/16/22 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>	<p>10/13/22 HHS PHE Renewed Flexibilities, enhanced match and MOE continue</p>
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1/11/23
PHE
ends

3/31/23
Expiration of the
Enhanced Federal Match

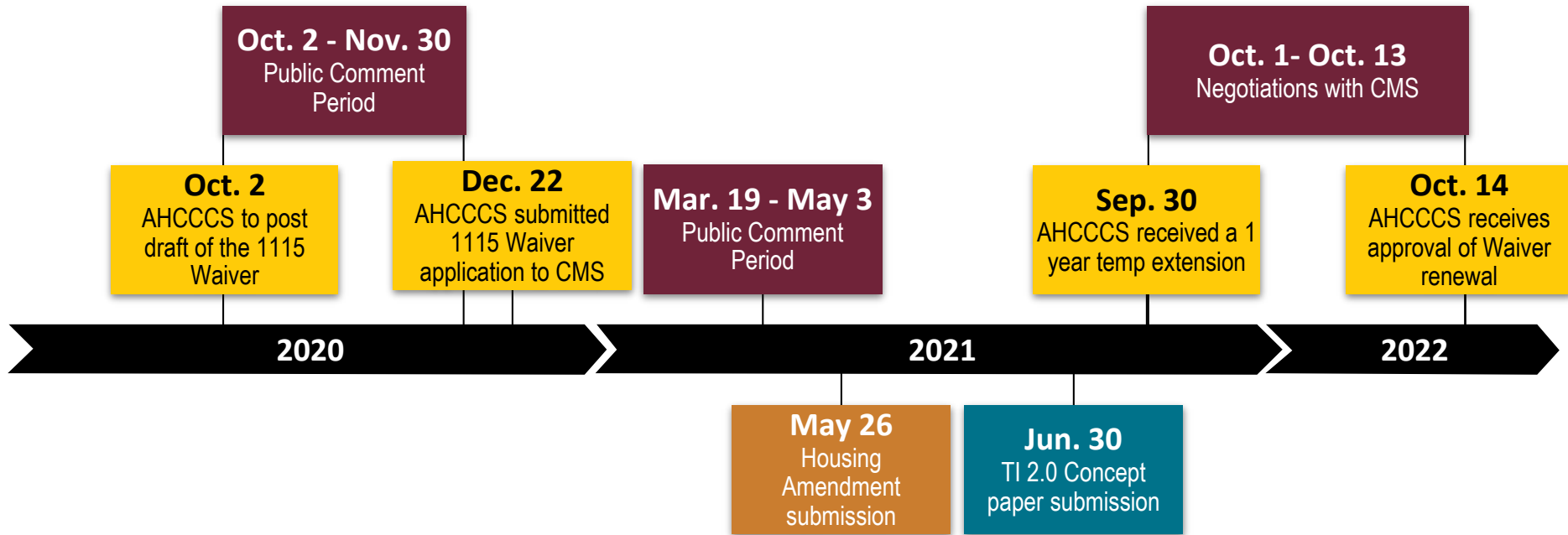
*AHCCCS has not yet received indication from CMS on whether the federally declared PHE will extend beyond 1/11/2023.

**CMS has indicated that they will provide states with 60 days advance notice prior to ending the federally declared PHE (by November 12, 2022).



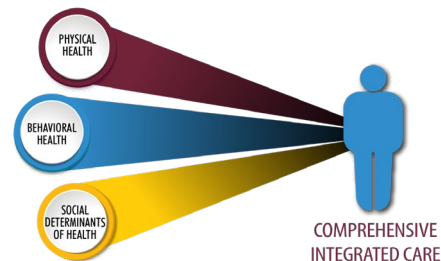
1115 Demonstration Waiver Approval


Arizona's 1115 Waiver Renewal Timeline



1115 Waiver Renewal Approval


- On Oct.14, 2022 CMS approved Arizona's request for a five-year extension of its 1115 Waiver
 - October 14, 2022 through Sept. 30, 2027
- Continues:
 - Retroactive Eligibility
 - HCBS
 - Managed Care
 - ACC
 - ALTCS
 - CHP
 - ACC-RBHA





1115 Waiver Renewal Approval- Dental for AI/AN Adults

- Authorizes payment for medically necessary diagnostic, therapeutic, and preventative dental services for American Indian/Alaskan Native (AI/AN) beneficiaries
- Reimbursement for services beyond the current \$1,000 dental limit for individuals age 21 or older when provided by Indian Health Services or tribally operated 638 facility



1115 Waiver Renewal Approval - Targeted Investments 2.0

- Provider types eligible for participation
 - Primary Care: 05-clinics, ICs
 - Behavioral Health: 77s, ICs
 - Justice Clinics: ICs, FQHCs, RHCs
- TI incentives based on developing required processes and meeting performance measure targets
- To participate, provider organizations will need to meet certain requirements
- Example TI 2.0 Initiatives:
 - Screening and referring members to community services (CLRS)
 - Developing cultural competency training and protocols (CLAS)

A close-up photograph of a hand holding a set of keys. The keychain is a light-colored wooden house shape with a square window cutout. The background is a soft, out-of-focus grey.

1115 Waiver Renewal Approval- Housing and Health Opportunities (H2O)

Infrastructure

- Technology
 - electronic referral systems
 - screening tool and/or systems
- Development of business or operational practices
- Workforce development
- Outreach, education, and stakeholder convening

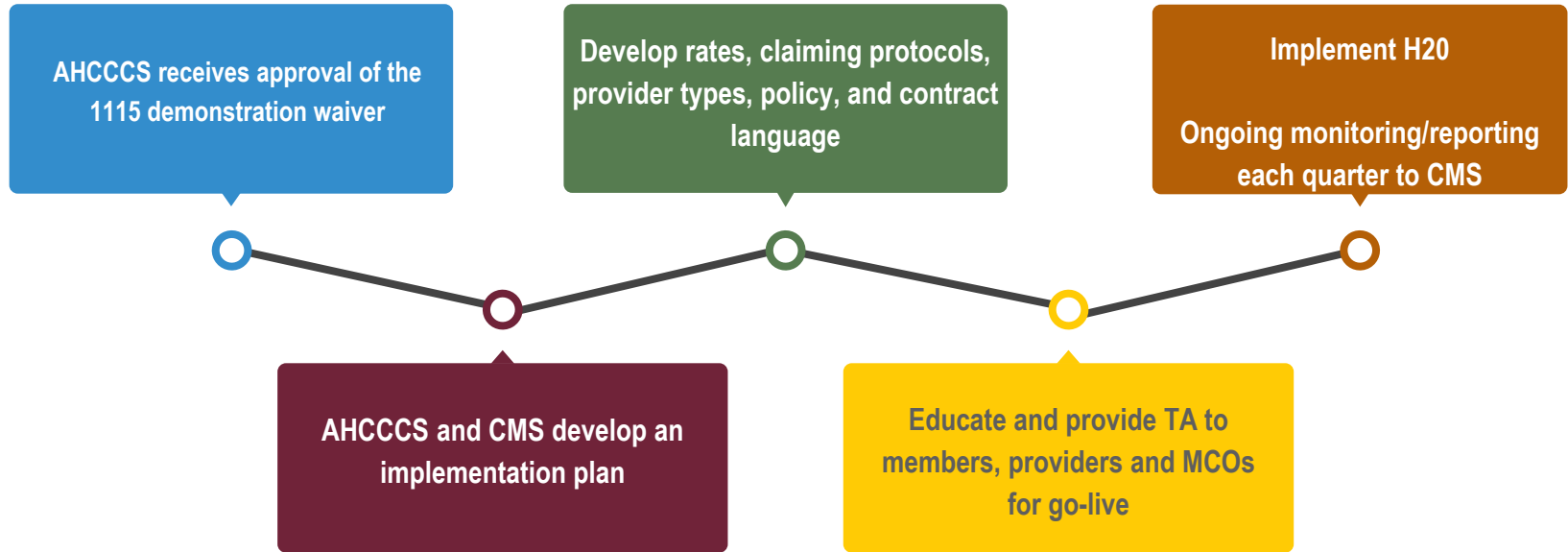
A close-up photograph of a hand holding a set of keys. The keys are attached to a wooden keychain shaped like a house. The background is a soft, out-of-focus light color.

1115 Waiver Renewal Approval- Housing and Health Opportunities (H2O)

Services

- Temporary housing for up to 6 months:
 - for members transitioning out of institutional or congregate settings, individuals who are homeless, individuals transitioning out of an emergency shelter, individuals transitioning out of foster care
- Housing transition navigation
- Medically necessary home accessibility modifications and remediation services
- Outreach

Waiver Implementation - H20



**Deliverables are ongoing throughout the entire demonstration period.

Requests Subject to Continued Negotiation

- Traditional Healing services
- Pre-release services for individuals in federal, state, local and tribal correctional facilities

1115 Waiver Renewal Approval Resources

The Waiver approval is effective October 14, 2022 through Sept. 30, 2027.


All documents, including the original and amended waiver applications and the approval letter from CMS, are posted on the [AHCCCS 1115 Waiver web page](#).

TI 2.0 Resources

Visit the Targeted Investments webpage:

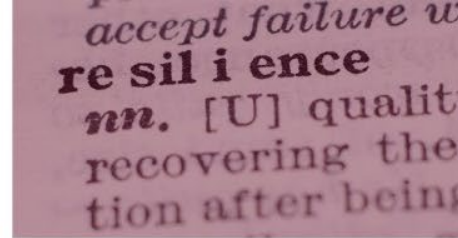
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Office of the Auditor General

Sunset Review

Office of the Auditor General

Sunset Review

- Sunset review process prescribed by §A.R.S. 41-2951
- Typically conducted every 10 years
- Last sunset review of AHCCCS occurred in 2012
- 2022 sunset review resulted in 1 finding and 22 recommendations
 - 55% of the recommendations are already in progress

AHCCCS has met or is taking steps to meet its statutory objective and purpose in some areas we reviewed by contracting with health plans and directly reimbursing some providers to provide both physical and behavioral health services to more than 2.4 million members throughout the State and requiring its contracted health plans to meet established provider network adequacy standards and address identified service gaps.

Office of the Auditor General

Sunset Review - Report Highlights

- **AHCCCS has taken more than 1 year to investigate more than half of potential fraud or abuse incidents that were open as of May 2022.**
 - **Recommendation:** Conduct a workload analysis to determine sufficiency of funding and staffing levels.
 - **Agency response:** AHCCCS will conduct the recommended analysis.
- **AHCCCS has not correctly made some eligibility determinations.**
 - **Recommendation:** Develop a risk-based approach to sample and review denied eligibility determinations and disenrollment decisions.
 - **Agency response:** AHCCCS piloted a process to review negative eligibility determinations beginning in January 2022 and is hiring additional staff to complete these reviews on an ongoing basis.

Office of the Auditor General

Sunset Review - Report Highlights

- **AHCCCS has not reviewed contracted health plans once every 3 years as required and does not have a formal process for ensuring its health plans verified performance prior to reimbursing them for incentive payments made to providers.**
 - **Recommendation:** Review contracted health plans every 3 years as required and establish processes for ensuring health plans verify provider performance prior to disbursing incentive payments.
 - **Agency response**
 - AHCCCS will review its contracted health plans every 3 years as required.
 - AHCCCS performs risk-based audits of each contracted health plan's providers receiving payments. No later than January 2023, AHCCCS will develop and implement standard work, documenting the process for verifying provider performance on performance measures prior to reimbursing its contracted health plans for provider incentive payments.

Office of the Auditor General

Sunset Review - Report Highlights

- **AHCCCS lacks formal processes for ensuring that findings and recommendations resulting from 3 separate reviews of behavioral health services provided to members with an SMI are addressed.**
 - **Recommendation:** Establish processes for ensuring providers address findings.
 - **Agency Response:** No later than December 2022, AHCCCS will finalize and implement policies and procedures for overseeing its contracted health plans' process for ensuring provider adherence to the terms and requirements contained in the Arnold v. Sarn settlement.
- **AHCCCS has not established some formal processes for overseeing the Housing Program and its Administrator.**
 - **Recommendation:** Establish processes for overseeing the Housing Program and Administrator.
 - **Agency response:** In October 2022, AHCCCS will finalize and implement policies and procedures for monitoring the Housing Administrator's performance against established benchmarks, including the utilization of a quarterly report to document performance.

Office of the Auditor General

Performance Audit - Review of Selected Behavioral Health Services

- **AHCCCS did not ensure all peer specialists met qualification requirements, and some of these and other peer specialists were not supervised, potentially jeopardizing the quality of peer support services provided to members.**
 - **Recommendation:** AHCCCS should ensure that peer specialists meet qualification requirements and are supervised as required by developing and implementing monitoring processes, such as assessing compliance with these requirements during its 3-year reviews of contracted health plans.
 - **Agency Response:** MCO operational reviews will include standards to ensure the review of network providers' policy compliance with employment and supervision expectations. By November 2022, AHCCCS will issue a written memo to MCOs about the requirement that providers maintain their own policies detailing qualifications and supervision requirements.

On the Horizon

- **October 2022 Go Live**
 - Launch of ACC/RBHAs and statewide crisis line
 - Transition of American Indian/Alaska Native members designated with a SMI to integrated options
- **1115 waiver implementation**
- **Unwinding from the Public Health Emergency (PHE expected to end in mid January 2023)**
- **American Rescue Plan Act Section 9817 HCBS Funding Plan implementation**
 - **Second HCBS provider directed payment scheduled for spring 2023**
- **Medicaid Enterprise System Roadmap (finalized by December 2022)**
- **Initial preparations for ALTCS bid (contracts term on 9/30/24)**



External COVID-19 Dashboard

Melissa Kotrys, Contexture CEO

Ashley Geisel, Contexture Director of Data Analytics &
Reporting



Actuarial and Rates Update

Colby Schaeffer, Chief Actuary

Bret Cloninger, Rates Analysis and Incentives Administrator

Division of Health Care Management

CYE 23 Capitation Rates Status

- CYE 23 capitation rates can be found at <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/ManagedCare/capitationrates.html>
- PHE was extended to January 2023 which matches the assumption in the capitation rates
 - A further extension to the PHE, which will be known as of November 12, 2022 as if it will not be extended, per HHS guidance
 - An extended timeline of the PHE may require an adjustment to the capitation rates
- FQHC fee schedule inflation adjustment did not rise to a level of materiality necessitating a change to the certified capitation rates

CYE 24 Capitation 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

*CYE 24 rates
timeline sent to
MCOs on September
30, 2022*

Rate Guidance - Required Increases

Required increases:

- NF and HCBS rates - increased by 11%
- OB global package - select codes increased by 88%
- BH outpatient rates - certain codes increased by 2.5%

Required Increases - DAPs

- Differential adjusted payments (DAPs) - required rate increase
 - qualifying providers are listed on AHCCCS website
 - technical specifications for provider flags were sent in communication from Julie Nieder

Rates Guidance - Calculation Methodology

- All Contractors, effective 10/01/22, are required to adjust base provider reimbursement rates by the percentage adjustment
 - The adjustments are to be applied to rates in place three months prior
 - AHCCCS may verify by comparing rates in effect on 07/01/2022 to those in effect on 10/01/2022
- The corresponding final public notice is posted online here:[https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/Final Public Notice Rate Changes 20221001 Revised.pdf](https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/Final%20Public%20Notice%20Rate%20Changes%2020221001%20Revised.pdf)
- For more detail, see AHCCCS guidance emails of September 15, September 23 and October 6

Other Fee Schedule Increases

Other significant AHCCCS fee schedule increases:

- Ambulance CON Providers have an aggregate increase of 10.8%
- Non-CON Ambulance Providers- aggregate increase of 6.2%
- Air Ambulance Rates - Base rates increased by 17.7% for an aggregate increase of 6.9%
- AzEIP Rate Schedule- Rates changed between 20-40% depending on location and setting

Other Notable Changes

- Hospice rates posted to the AHCCCS website
- At the end of the PHE the following rates changes are required:
 - Non-Emergency Medical Transportation (NEMT) wait time services - removal of \$8.64 increase per unit for trips associated with a COVID-19 drive-through vaccination site
 - Administration of COVID-19 immunizations - \$83 rate will revert to the current Medicare rate of \$40

Mandatory Directed Payment Pass-Throughs

- Lump sum payments, outside of capitation rates for:
 - APSI
 - PSI
 - HEALTHII
 - NF Supplemental
- MCOs should not adjust contracted rates for the providers for these payments

January 1, 2023 Adjustments

- 1/1/23 adjustments for minimum wage increases have been posted to AHCCCS website for [HCBS](#), [NF](#) and [ALF](#) rates.
 - Statewide minimum wage goes to \$13.85 on 1/1/23
 - Tucson minimum wage - scheduled for \$13.50, but will match statewide \$13.85
 - Flagstaff minimum wage - to \$16.80
- Rates will be in mid-November MCO upload files

New Benefits

All Contractors are required to make available for provider reimbursement the additional procedure codes related to the new benefits, effective 10/1/22:

- chiropractic care
- biomarkers
- diabetes self-management training and
- mental health partial hospitalization

The corresponding notices are posted on the AHCCCS website:

<https://azahcccs.gov/PlansProviders/Downloads/MedicalCodingResources/AHCCCSMedicalCodingMemoOctober2022.pdf>

<https://azahcccs.gov/PlansProviders/Downloads/MedicalCodingResources/AHCCCSMedicalCodingMemoH0035.pdf>

Reinsurance - New Catastrophic Drugs effective 10/1/2022

<u>Drug</u>	<u>Treats</u>
Haegarda	Hereditary Angioedema (HAE)
Kalbitor	HAE
Icatibant	HAE
Orladeyo	HAE
Takzyro	HAE

Reinsurance - New Catastrophic Drugs effective 10/1/2022 (Cont.)

<u>Drug</u>	<u>Treats</u>
Kanuma	Lysosomal Acid Lipase Deficiency (LAL-D)
Galafold	Fabry disease and an amenable GLA gene variant
Ultomiris	Myasthenia Gravis
Firdapse	Lambert-Eaton myasthenic syndrome (LEMS)

Value Based Purchasing Policies effective 10/1/2022

- ACOM 306 and ACOM 307 posted to AHCCCS policy website for public comment through November 26, 2022.
- Reporting Templates for ACOM 307 will be sent for feedback in the next week
 - VBP APM Strategy and PBP Certification
 - VBP/APM Quality Narrative Report
 - VBP/APM Quality Measures Results Report
- Bailit Final Report Posted to the AHCCCS VBP website:
<https://www.azahcccs.gov/AHCCCS/Downloads/Initiatives/AHCCCSFinalReport08262022.pdf>



Programmatic Changes

Alex Demyan, Deputy Assistant Director, DCAIR

Dr. Megan Woods, Integrated Care Administrator, DHCM

SPA Updates

Recent Approval

Mobile Crisis Services

Adds mobile crisis services to the state plan. This SPA does not include new requirements for mobile crisis services but describes the established system.

Recent Submission

Medicaid/CHIP Postpartum Coverage Extension

Expands the coverage period of postpartum coverage from 60-days to 12-months.

SPA Updates

Recent Submission

CHIP Continuous Eligibility

Allows a CHIP member to remain eligible for benefits for a 12- month period, unless the member exceeds the age of eligibility during those 12-month period.

Recent Submission

Chiropractic Benefit

Adds medically necessary chiropractic services as a benefit. Such services must be ordered by a primary care physician under specified circumstances.

SPA Updates

Recent Submission

Diabetes Self-Management

Expands AHCCCS covered services to include up to 10 hours of outpatient diabetes self-management education for members with a diabetes diagnosis, under specified circumstances.

Upcoming Submission

Community Health Worker Services

Adds CHW patient education and preventive services to the state plan.

Policy and Program Updates

- AMPM 310-B-
 - Addition of covered services to policy
- AMPM 320-U
 - Updates to policy for emergent applications and transportation of individuals for COE
- AMPM 320-U1
 - Establishes separate process for individuals on community release with the Superior Court
- Secure Behavioral Health Residential Facilities

NEMT Update

Christina Quast, Deputy Assistant Director for Managed
Care Operations
Division of Health Care Management

NEMT Services and Timeliness

- NEMT services continue to be a point of concern with members and stakeholders
- AHCCCS plans to increase oversight and reporting related to the NEMT benefit
 - Include timeliness data on the AHCCCS website
 - Implementation of a performance target for timeliness of completed trips
 - Revision of ACOM 417, Attachment B deliverable

AHCCCS Health Plan Report Card

- NEMT Timeliness data will be added to the Business Operations section of the Health Plan Report Card on the AHCCCS Website.

Health Plan Report Card

The Health Plan Report Card lets members compare contracted health plans by line of business. This is to let you know, on average:

- The quality of care members enrolled in each health plan receive.
- How satisfied members are with their enrolled health plan, and
- How well the member's enrolled health plan met their expectations.

ACC DCS CHP ALTCS DD ALTCS EPD RBHA

AHCCCS Complete Care (ACC)

Business Operations - CYE2022 Q3*

Performance Measures

Member Satisfaction Survey (CAHPS Survey)

Health Plan Accreditation*

External Quality Review Annual Report

ACOM Policy 417, Attachment B

- Clarify timeliness data is for completed trips
- Break down reporting of completed trips by ambulatory and non-ambulatory
- Add cancelation data to report
- Additional reporting may be required for any timeliness data where less than 95% of all trips provided during the quarter were completed timely

Next Steps

- AHCCCS staff to continue working on revisions to policy language and deliverable templates
- Additional communications with health plans regarding collection of data, including any additional data that may be required
- Changes will be in place no later than 10/1/2023

Community Health Workers (CHWs) and Community Health Representatives (CHRs) Update

Leslie Short, Integrated Services Administrator, DFSM
Alex Demyan, Deputy Assistant Director, DCAIR

What is a Community Health Worker or Community Health Representative?

- A frontline public health worker who is a trusted member of and has an unusually close understanding of the community served.
 - This trusting relationship enables the CHW to be a liaison between health and social services and the community, facilitate access to services, and improve the quality and cultural competence of service delivery.
 - CHWs build individual and community capacity by increasing health knowledge and self-sufficiency through activities such as outreach, community education, informal counseling, social support and advocacy.
- Their goal is to help people:
 - Navigate a complex health care system,
 - Encourage preventive care (as mammograms, cervical cancer screenings, and immunizations),
 - Manage chronic illnesses (blood sugar, follow treatment plans, and lower blood pressure),
 - Maintain healthy lifestyles, and
 - Assist people in receiving the care they need in culturally and linguistically relevant ways.

CHW/CHR Role in the Member Care Delivery System



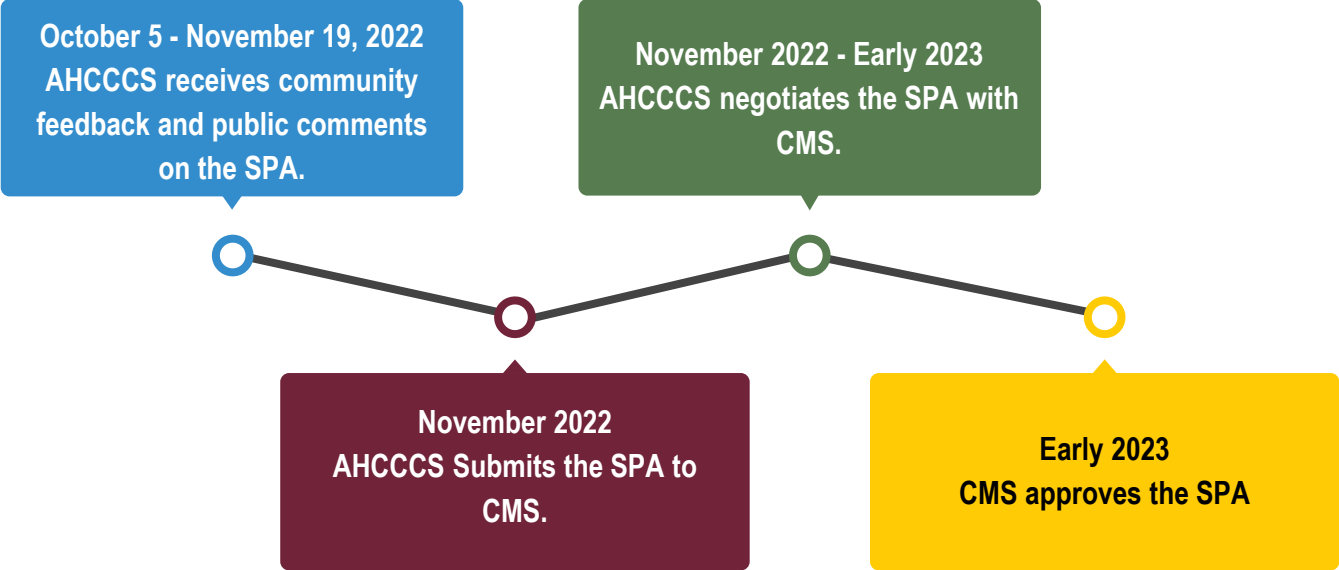
CHW Voluntary Certification Rule

- [The CHW Voluntary Certification rules](#) were approved by the Governor's Regulatory Review Council (GRRC) and filed with the Secretary of State on September 7, 2022.
- The rules do not go into effect until November 6, 2022.
- The ADHS Special Licensing Department plans to begin accepting applications on November 7, 2022 through an online portal.

Overview of State Plan/ State Plan Amendments (SPAs)

- Each state has a Medicaid state plan that describes how the state will administer its Medicaid program.
- States must follow broad federal rules in order to receive federal matching funds, but have flexibility to design their own version of Medicaid within the federal statute's basic framework.
- In order to alter a State Plan, states must submit State Plan Amendments (SPAs), and receive approval from CMS.

Projected Timeline - SPA Processing



CHW SPA Language

Certified Community Health Workers (CHW) acting within their scope of practice as defined in state law may provide AHCCCS-covered patient education and preventive services.

Proposed Reimbursable Service Codes

- Education and training for patient self-management by a qualified, nonphysician health care professional using a standardized curriculum, face-to-face with the patient (could include caregiver/family) each billed in 30 minutes increments.
 - 98960- education and training provided for an individual patient for each 30 minutes of service.
 - 98961- for a group of two to four patients.
 - 98962- or a group of five to eight patients.

Reimbursement Pathways

Phase 1

CHW/CHR obtains certification



CHW/CHR is employed by a currently registered provider.



CHW/CHR delivers a covered service within their scope of practice.



Registered provider submits a claim for the covered service provided by the CHW/CHR.



Medicaid Claim Reimbursement

Phase 2

CHW/CHR obtains certification



CHW/CHR is employed by a CHW/CHR organization.



CHW/CHR delivers a covered service within their scope of practice.



CHW organization submits a claim for the covered service provided by the CHW/CHR.



CHW/CHR organization will enroll with AHCCCS through the AHCCCS provider enrollment process.

Proposed List of Providers for Phase 1

- Federally Qualified Health Center (FQHC)
- Community/Rural Health Center
- Doc General Provider
- Hospital
- Clinic
- Chiropractor
- Naturopath
- Habilitation Providers
- Physicians Assistant
- Registered Nurse Practitioner
- DO-Physician Osteopath
- Dialysis Clinic
- Optometrist
- BH Outpatient Clinic
- Integrated Clinic
- MD-Physician
- Dentist
- Attendant Care Providers

Questions?

Thank You.