

May 31, 2022

Brian Zolynas  
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Dear Mr. Zolynas,

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for January 1, 2022, through March 31, 2022, which also includes the Quarterly Quality Initiative and the Arizona Medicaid Administrative Claiming Random Moment Time Study results.

If you have any questions about the enclosed report, please contact Alex Demyan at [Alex.Demyan@azahcccs.gov](mailto:Alex.Demyan@azahcccs.gov) or Shreya Arakere at [Shreya.Arakere@azahcccs.gov](mailto:Shreya.Arakere@azahcccs.gov).

Sincerely,



Shelli Silver  
Deputy Director- Health Plan Operations

CC:

Heather Ross, CMS  
Kelsey Smyth, CMS



**AHCCCS Quarterly Report**  
**January 1, 2022 – March 31, 2022**

**May 2022**

# AHCCCS Quarterly Report

## January 1, 2022 – March 31, 2022

### TITLE

#### Arizona Health Care Cost Containment System – AHCCCS A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report

Demonstration Year: 39

Federal Fiscal Quarter: 2nd (January 1, 2022 – March 31, 2022)

### INTRODUCTION

As written in Special Terms and Conditions (STCs), paragraph 37, the Arizona Health Care Cost Containment System (AHCCCS) submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the demonstration.

### ENROLLMENT INFORMATION

Table 1 contains a summary of the number of unduplicated enrollees for January 1, 2022, through March 31, 2022, by population categories. The table also includes the number of voluntarily and involuntarily disenrolled members during this period.

**Table 1**

Population Groups <sup>1</sup>	Number Enrolled	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,170,644	4,313	6,052
Acute SSI	215,933	306	3,567
Prop 204 Restoration	477,164	2,062	6,029
Adult Expansion	185,902	761	881
LTC DD	37,906	48	168
LTC EPD	30,127	34	1,902
Non-Waiver	121,461	356	1,861
<b>Total</b>	<b>2,239,137</b>	<b>7,880</b>	<b>20,460</b>

<sup>1</sup> Data is loaded and reported 45 days after the end of the quarter. This report differs from previous reports in that data is unduplicated and is updated quarterly. Data that contains no Medicaid funding (state only) is excluded from this report.

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Table 2 is a snapshot of the number of current enrollees (as of April 1, 2022) by funding categories, as requested by CMS.

**Table 2**

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
<b>Title XIX funded State Plan <sup>2</sup></b>	<b>1,544,238</b>
<b>Title XXI funded State Plan <sup>3</sup></b>	<b>64,706</b>
<b>Title XIX funded Expansion<sup>4</sup></b>	<b>637,172</b>
• <b>Prop 204 Restoration (0-100% FPL)</b>	489,997
• <b>Adult Expansion (100% - 133% FPL)</b>	147,175
<b>Enrollment Current as of</b>	<b>4/1/2022</b>

**OPERATIONAL/POLICY DEVELOPMENTS/ISSUES**

**Waiver Update**

Arizona’s 1115 Waiver demonstration was set to expire on September 30, 2021. However, on September 30, 2021, CMS approved a one-year extension of the previous period’s waiver while it continues to review the agency’s 2021-2026 waiver application. Because of the extension, it now becomes the 2022-2027 waiver application. AHCCCS is requesting a five-year renewal of Arizona’s demonstration project under Section 1115 of the Social Security Act. Arizona’s existing demonstration project is currently approved through September 30, 2022, and the application is therefore seeking a renewal period from October 1, 2022, through September 30, 2027. AHCCCS submitted a waiver application to CMS to renew its 1115 Waiver demonstration on December 22, 2020.

The current demonstration exempts Arizona from particular provisions of the Social Security Act and also includes expenditure authority permitting federal financial participation (FFP) for state expenditures that would not otherwise qualify for federal participation. Moreover, demonstration projects, including Arizona’s, must establish budget neutrality where Medicaid costs to the federal government are not expected to exceed in the absence of the demonstration.

<sup>2</sup> SSI Cash and Related, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1

<sup>3</sup> KidsCare.

<sup>4</sup> Prop 204 Restoration & Adult Expansion.

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CMS's approval of Arizona's demonstration renewal application will continue the success of Arizona's unique Medicaid program and statewide managed care model, extending the authority for Arizona to implement programs including, but not limited to:

- Mandatory managed care,
- Home and community-based services for individuals in the Arizona Long Term Care System (ALTCS) program,
- Administrative simplifications that reduce inefficiencies in eligibility determination,
- Integrated health plans for AHCCCS members,
- Payments to providers participating in the Targeted Investments Program, and
- Waiver of Prior Quarter Coverage for specific populations.

In addition to renewing current waiver and expenditure authorities, AHCCCS is seeking to implement the following:

- Authority to enhance and expand housing services and interventions for AHCCCS members who are homeless or at risk of becoming homeless through the Housing and Health Opportunities (H2O) program,
- Authority to allow for verbal consent in lieu of written signature for up to 30 days for all care and treatment documentation for ALTCS members when included in the member's record and when identity can be reliably established,
- Authority to reimburse traditional healing services provided in, at, or as part of services offered by facilities and clinics operated by the Indian Health Service (IHS), a tribe or tribal organization, or an Urban Indian health program, and
- Authority to reimburse Indian Health Services and Tribal 638 facilities to cover the cost of adult dental services that are eligible for 100 percent FFP, that are in excess of the \$1,000 emergency dental limit for adult members in Arizona's State Plan and \$1,000 dental limit for individuals aged 21 or older enrolled in the ALTCS program.

More details on Arizona's section 1115 Waiver renewal request (2022-2027), along with the proposal and supplemental documentation can be found on the [AHCCCS Section 1115 Waiver Renewal Request \(2021-2026\) web page](#).

On March 17 and March 24, 2020, AHCCCS submitted requests to the CMS administrator to waive certain Medicaid and Children's Health Insurance Program (CHIP) requirements in order to combat the continued spread of COVID-19. AHCCCS sought a broad range of emergency authorities to:

- Strengthen the provider workforce and remove barriers to care for AHCCCS members,
- Enhance Medicaid services and supports for vulnerable members for the duration of the emergency period, and

## AHCCCS Quarterly Report January 1, 2022 – March 31, 2022

- Remove cost sharing and other administrative requirements to support continued access to services.

CMS approved components of Arizona’s requests under the 1135 Waiver, Appendix K, and the State Plan. Information regarding the status of AHCCCS Emergency Authority Requests (for the federally declared COVID-19 public health emergency) is available on the [AHCCCS COVID-19 Federal Emergency Authorities Request web page](#).

### Waiver Evaluation Update

In accordance with STC 59, AHCCCS must submit a draft Waiver Evaluation Design for its 1115 Waiver demonstration. In addition, AHCCCS is also required by CMS to submit an Interim Evaluation Report and a Summative Evaluation Report of the 1115 Waiver Demonstration by December 31, 2020, and March 30, 2023, respectively.

AHCCCS has contracted with the Health Services Advisory Group (HSAG) to serve as the independent evaluator for Arizona’s 1115 Waiver Demonstration. In SFY 2019, AHCCCS worked with HSAG to develop Evaluation Design Plans for the following programs:

- AHCCCS Complete Care (ACC) Program,
- Arizona Long Term Care System (ALTCS) Program,
- Comprehensive Health Plan (CHP),
- Regional Behavioral Health Authorities (RBHAs),
- Targeted Investments (TI) Program,
- Retroactive Coverage Waiver, and
- AHCCCS Works program.

On November 13, 2019, AHCCCS submitted an Evaluation Design Plan to CMS for Arizona’s demonstration components noted above, with the exception of AHCCCS Works. Additionally, HSAG later developed, and AHCCCS submitted, a separate evaluation design plan to CMS for the AHCCCS Works program. Arizona’s waiver evaluation design plan was approved by CMS on November 19, 2020.

As required by the STCs of Arizona’s approved demonstration, a submitted Interim Evaluation Report must discuss the evaluation progress and findings-to-date, in conjunction with Arizona’s demonstration renewal application. Arizona’s interim evaluation report was submitted with the waiver renewal application on December 22, 2020.

Due to data limitations and operational constraints imposed by the COVID-19 pandemic, Arizona’s previous interim evaluation report did not include data from all sources described in Arizona’s evaluation design plan. Qualitative data based on key informant interviews and focus groups, as well as beneficiary survey data, were not collected.

For this reason, an updated interim evaluation report was developed and completed by August 30, 2021. HSAG’s updated report contains results for additional years and includes findings-to-date from focus groups and qualitative interviews. In addition, the report used statistical techniques, where

possible, to control for confounding factors and identify the impact of Arizona’s demonstration initiatives on access to care, quality of care, and member experience with care. On March 17, 2022, AHCCCS received feedback on the previously submitted revised Interim Report and some important considerations for the upcoming Summative Evaluation. AHCCCS, in conjunction with HSAG, addressed CMS comments and submitted the updated report on May 10, 2022. The report is currently under CMS’ review. Once approved by CMS, AHCCCS intends to post the updated interim evaluation report to its website.

On June 24, 2021, CMS withdrew the federal approval of the AHCCCS Works Community Engagement Program, which was pending implementation. The program is included in the 2021-2026 waiver renewal request and may be implemented in the future. Thus, the AHCCCS Works program will not be evaluated.

Additionally, AHCCCS worked with HSAG on developing an Evaluation Design Plan for the COVID-19 section of Arizona’s 1115 Waiver, in accordance with the guidance issued by CMS on COVID-19 Section 1115 Waiver Monitoring and Evaluation. AHCCCS submitted the design plan to CMS on July 31, 2021 and received CMS approval on February 1, 2022.

### **Targeted Investments Program Update**

The AHCCCS Targeted Investments (TI) Program achieved the following accomplishments and activities during the period January 1, 2022, to March 31, 2022:

- Program participants attested to attainment of Year Five Program milestones,
- AHCCCS staff disseminated Year Six milestone measures targets to Program participants,
- Quality Improvement Collaborative (QIC), in collaboration with Arizona State University (ASU), continued engaging participants in process improvement guidance and individual technical assistance; topics included addressing specific participant questions regarding the performance, data harmonization (understanding the measures’ algorithms), performance improvement (including root cause analysis), creating best-practice guides to summarize peer learning tips identified through previous QIC meetings on each performance measure, and performance review (explaining the measures dashboard, and other resources),
- Established monthly Quality Improvement (QIC) workshops, which are focused on specific provider types to provide systems and process flow analysis and using peer experience and process improvement principles to support improved measures performance,
- Consulted with ASU Centers for Health Information and Research (CHiR) to develop a systematic analysis of the impact of failure modes (root causes) accounting for individual and aggregate providers’ non-numerator qualifying events on TI performance measures; several root causes of the FUH measure have been explored, including: length of stay (discharge planning timeframe), Serious Mental Illness(SMI) status (available care management), data types submitted to Health Information

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Exchange (HIE) by discharging hospital, member age, member sex, admission/discharge day of the week, and non-qualifying visits in follow-up period,

- AHCCCS engaged numerous and diverse internal and external stakeholders regarding the focus and potential requirements for the renewal of the TI Program as part of the 2021-2026 1115 Waiver; topics and stakeholders include recommendations on addressing social risk factors and health disparities from nationally-recognized subject matter experts (including NCQA), updates on the current and future state of the health information exchange (HIE) and closed loop referral system from Arizona’s HIE, recommendations on how to align with other AHCCCS quality improvement and whole-person-care initiatives and incentives from internal subject matter experts and community partners, and recommendations on how to support AHCCCS Criminal Justice initiatives,
- Surveyed Program participants on their intent to continue Program requirements, perceptions of Program requirements’ impact on member care, interest in participation if the Program is renewed, and suggestions for Program enhancements,
- Toured the one of the Phoenix TIP Justice clinics that is co-located with Maricopa County Probation, and
- Consulted with participants on adoption of integration strategies including the Collaborative Care Model.

**Legislative Update**

The Arizona Legislature's Fifty-fifth Legislature, Second Regular Session, began on January 10, 2022, and is ongoing at this time.

**State Plan Update**

During the reporting period, the State Plan Amendments (SPAs) noted in Table 3 were filed and/or approved:

**Table 3**

SPA #	Description	Filed	Approved	Eff. Date
<b>22-0001 January NF Rates</b>	Updates the State Plan nursing facility rates.	1/24/22	2/8/22	1/1/22
<b>22-0002 Clinical Trial Routine Patient Costs</b>	Attests to the state providing mandatory Medicaid coverage of routine patient costs furnished in connection with participation in qualifying clinical trials.	3/14/22	3/29/22	1/1/22
<b>22-0003 COVID-19 Testing</b>	Attests to the state’s coverage of COVID-19 testing.	4/7/22	NA	3/11/21
<b>22-0004 COVID-19 Treatment</b>	Attests to the state’s coverage of COVID-19 treatment.	4/7/22	NA	3/11/21



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<b>22-0005 COVID-19 Vaccination</b>	Attests to the state's coverage of COVID-19 vaccination.	4/7/22	NA	3/11/21
<b>21-0024 Outpatient DAP</b>	Updates the Outpatient Differential Adjusted Payment (DAP) program.	11/15/21	2/4/22	10/1/21
<b>21-0020 Other Provider Rates</b>	Updates the State Plan and other provider rates.	11/10/21	1/20/22	10/1/21
<b>21-0019 Outpatient Hospital Rates</b>	Updates the State Plan outpatient hospital rates.	11/10/21	2/4/22	10/1/21
<b>21-0016 EMT Rates</b>	Updates the State Plan EMT rates	11/10/21	1/18/22	10/1/21
<b>21-0003 MAT Services</b>	Updates the State Plan to attest to the state's coverage of Medication Assisted Treatment and related counseling and behavioral health therapies.	2/12/21	1/24/22	10/1/20
<b>20-0018 GME 2021</b>	Updates the State Plan to continue the GME program for FY 2021.	9/30/20	2/8/22	9/30/20
<b>19-0007-A DSH Pool 5</b>	Updates the State Plan to reflect DSH Pool 5 funding and participating hospitals for FY 2020.	9/30/19	3/15/22	10/1/19

## CONSUMER ISSUES

Table 4 summarizes advocacy issues received by the Office of Client Advocacy (OCA) for the quarter January 1, 2022 – March 31, 2022. The originators of the issues are identified in Table 5.

**Table 4**

Advocacy Issues <sup>5</sup>	January	February	March	Total
<b>Billing Issues</b>	7	5	7	19
<ul style="list-style-type: none"> <li>● Member reimbursements</li> <li>● Unpaid bills</li> </ul>				
<b>Cost Sharing</b>	0	0	2	2
<ul style="list-style-type: none"> <li>● Co-pays</li> <li>● Share of cost (ALTCS)</li> <li>● Premiums (KidsCare, Medicare)</li> </ul>				
<b>Covered Services</b>	16	18	6	40

<sup>5</sup> Categories of good customer service, bad customer service, documentation, policy, and process are captured under the category it may relate to.

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<b>ALTCS</b> <ul style="list-style-type: none"> <li>● Resources</li> <li>● Income</li> <li>● Medical</li> </ul>	2	4	2	8
<b>DES</b> <ul style="list-style-type: none"> <li>● Income</li> <li>● Incorrect determination</li> <li>● Improper referrals</li> </ul>	19	10	18	47
<b>KidsCare</b> <ul style="list-style-type: none"> <li>● Income</li> <li>● Incorrect determination</li> </ul>	0	0	0	0
<b>SSI/Medical Assistance Only</b> <ul style="list-style-type: none"> <li>● Income</li> <li>● Not categorically linked</li> </ul>	0	2	1	3
<b>Information</b> <ul style="list-style-type: none"> <li>● Status of application</li> <li>● Eligibility criteria</li> <li>● Community resources</li> <li>● Notification (did not receive or didn't understand)</li> </ul>	55	37	63	155
<b>Medicare</b> <ul style="list-style-type: none"> <li>● Medicare coverage</li> <li>● Medicare Savings Program</li> <li>● Medicare Part D</li> </ul>	1	0	4	5
<b>Prescriptions</b> <ul style="list-style-type: none"> <li>● Prescription coverage</li> <li>● Prescription denial</li> </ul>	1	0	1	2
<b>Fraud-Referred to Office of Inspector General (OIG)</b>	2	1	0	3
<b>Quality of Care-Referred to Division of Health Care Management (DHCM)</b>	25	5	23	63
<b>Total</b>	128	92	127	347

**Table 5**

Issue Originator <sup>6</sup>	January	February	March	Total
<b>Applicant, Member, or Representative</b>	73	71	85	229
<b>CMS</b>	1	0	4	5
<b>Governor's Office</b>	14	8	3	25
<b>Ombudsmen/Advocates/Other Agencies</b>	37	10	34	81

<sup>6</sup> This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.

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<b>Senate &amp; House</b>	3	3	1	7
<b>Total</b>	128	92	127	347

**OPT-OUT FOR CAUSE**

Attachment 1 summarizes the opt-out requests filed by individuals with a Serious Mental Illness (SMI) designation in Maricopa County and greater Arizona, broken down by months, MCOs, counties, reasons for opt-out requests, opt-out outcome, and post-appeal opt-out outcomes.

**QUALITY ASSURANCE AND MONITORING ACTIVITY**

Attachment 2 describes AHCCCS’ quality assurance and monitoring activities that occurred during the quarter, as required in the Special Terms and Conditions of the State’s Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements; and Managed Care Organization (MCO) monitoring and compliance.

**ENCLOSURES/ATTACHMENTS**

- Attachment 1: SMI Opt-Out for Cause Report
- Attachment 2: Quality Assurance and Monitoring Activities
- Attachment 3: Arizona Medicaid Administrative Claiming Random Moment Time Study Report

**STATE CONTACT(S)**

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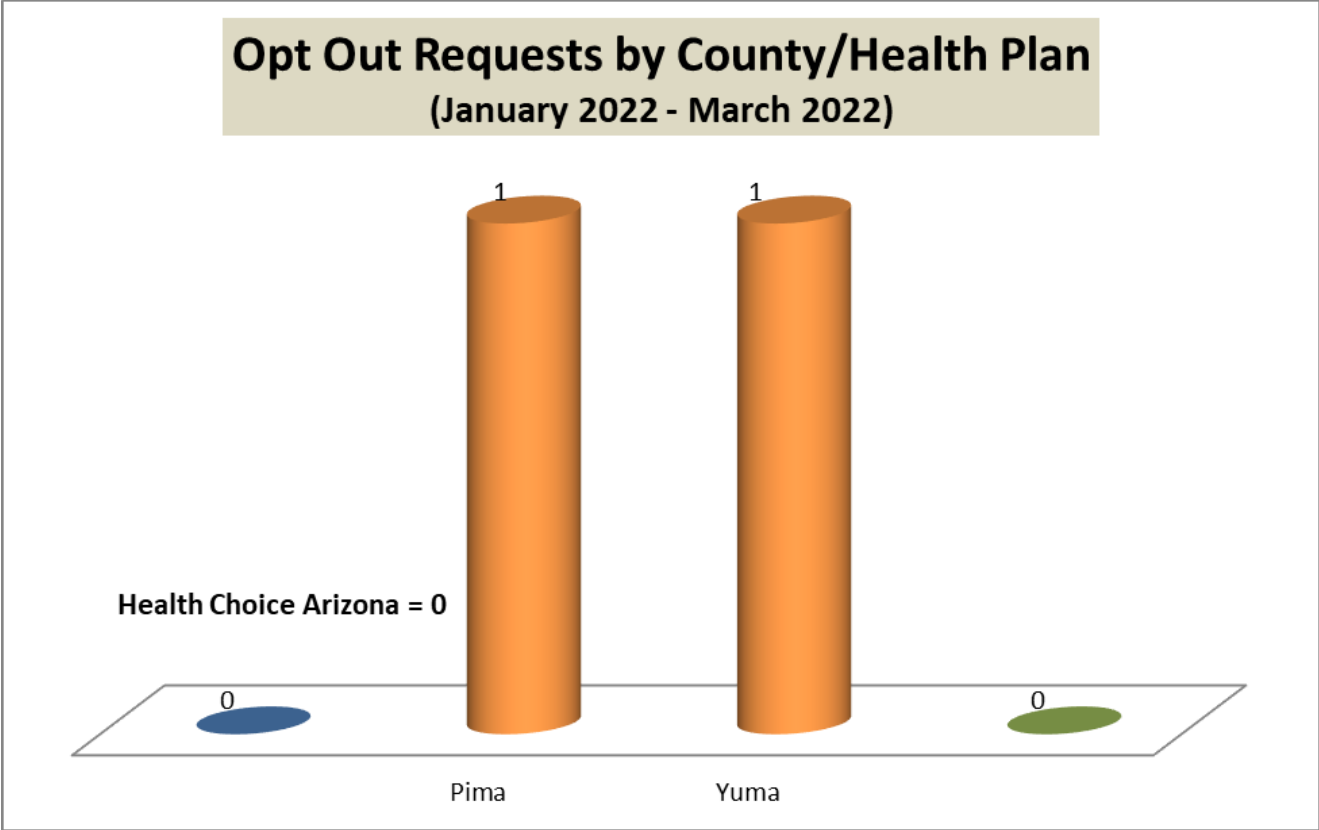
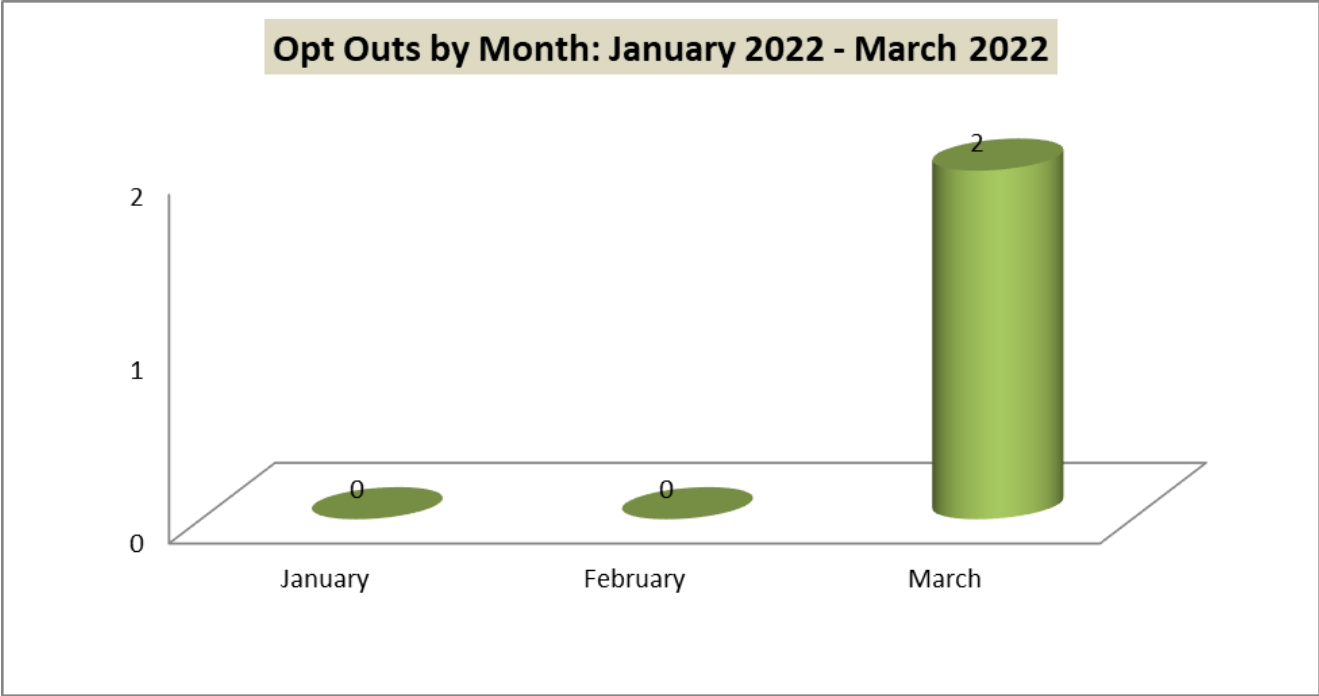
**DATE SUBMITTED TO CMS**

May 31, 2022

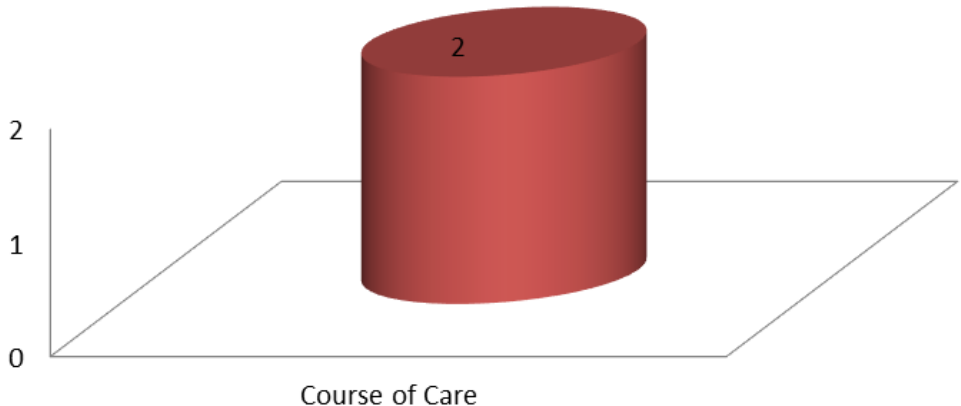
**ATTACHMENT 1**

**SMI Opt Out for Cause Quarter 2**  
**(January 1, 2022 – March 31, 2022)**

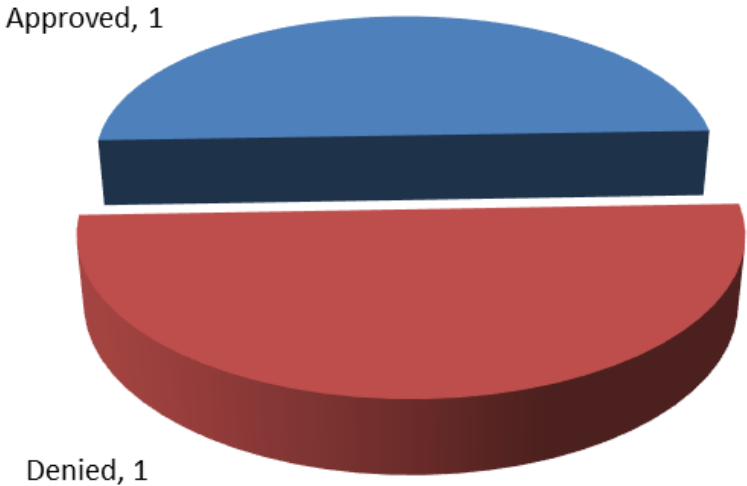
Opt Out Requests for Quarter 2 (January 1, 2022 – March 31, 2022)



### Reason for Opt Out Request (January 2022 - March 2022)

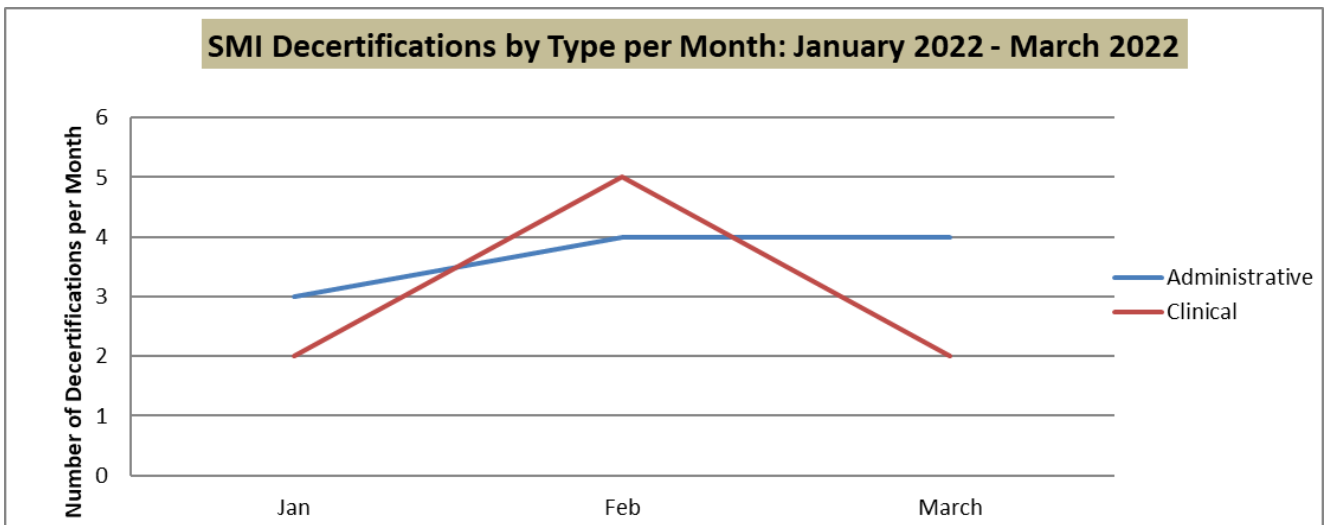


### Initial Opt Out Decisions (January 2022 - March 2022)



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<b>Appeal Outcomes (January 2022 - March 2022)</b>			
<b>Approved</b>	<b>Withdrawn</b>	<b>Denied</b>	<b>Pending</b>
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**ATTACHMENT 2**  
**Quality Assurance And Monitoring Activity Quarter 2**  
**(January 1, 2022 – March 31, 2022)**



## **INTRODUCTION**

This report describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in Special Terms and Conditions of the State's Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements; and Managed Care Organization (MCO) monitoring and compliance. The main report headers are indicated in blue with related sub-headers in maroon. The sections under the maroon sub-headers contain quarterly-specific updates. AHCCCS' Division of Health Care Management (DHCM), including Operations, Compliance, Quality Management (QM), Performance Improvement (PI), Medical Management (MM), Maternal, Child Health/Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT), Integrated System of Care, and Payment Modernization oversee the reported activities.

## **MANAGED CARE PROGRAMS**

AHCCCS maintains its overall objectives for its Managed Care Demonstration programs, AHCCCS Complete Care (ACC), Arizona Long Term Care System (ALTCS) for the Elderly and/or Physically Disabled and Developmentally Disabled, Comprehensive Health Plan for children in the foster care system (CHP), and Regional Behavioral Health Authorities (RBHAs). These objectives include maintaining and improving care coordination among primary care and behavioral health providers; maintaining and enhancing access to care and quality of care; improving health outcomes and member satisfaction as well as quality of life for members; and continuing to operate as a cost-effective managed care delivery model. AHCCCS has engaged in a multi-year effort to reduce delivery system fragmentation at all levels through the transformational initiative of integrating physical and behavioral health services under the same MCO in order to enhance care management and quality of care across the entire continuum of care. AHCCCS' objectives are further supported by evidence of integration's benefits (including whole-person care, increased care coordination, simplifying a complex health care system for members and providers, and resulting in improved health outcomes). AHCCCS is continually reviewing opportunities to improve the effectiveness and efficiency of Arizona's health care delivery system, as well as the methods utilized to promote optimal health for members.

## **DELIVERY SYSTEM INITIATIVES, INNOVATIONS, AND IMPROVEMENTS**

AHCCCS is committed to the development of a thoughtful, data-informed delivery system that incorporates CMS priorities and AHCCCS' business needs and promotes optimal health outcomes for all members. AHCCCS teams undertake extensive efforts to promote delivery system innovation and improvement for internal and external processes.

### **INITIATIVES**

#### **Abuse and Neglect Prevention Task Force**

The Abuse and Neglect Prevention Task Force was convened in response to a State of Arizona Executive Order to ensure the health and safety of Arizona's most vulnerable

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citizens. The Task Force examined a broad range of concerns and opportunities aimed at enhancing the prevention of abuse and neglect, and developed 30 recommendations that fall under the following themes:

- Statewide public awareness campaign to encourage a culture of abuse, neglect, and exploitation prevention and to educate the broader public of that commitment,
- All state agencies, in collaboration with private vendors and stakeholders, are accountable to develop, disclose, implement, and monitor policies and practices aimed at preventing abuse, neglect, and exploitation, reporting incidents, conducting investigations, and ensuring incident stabilization and recovery,
- Multi-agency coordination where AHCCCS, Arizona Department of Economic Security (ADES), Arizona Department of Health Services (ADHS), and other critical system partners work to employ a coordinated, multidisciplinary team approach in preventing and addressing incidents of abuse and neglect.
- Implement signage on how to report abuse, neglect, and exploitation to be prominently posted in all settings in which vulnerable individuals reside and/or receive services,
- State agencies, in partnership with community-based organizations, to offer evidence-based training on abuse, neglect, and exploitation prevention, reporting, and recovery to vulnerable individuals and their families,
- Improvements in identification, tracking, and analysis of incidents of alleged abuse and neglect, including mechanisms for making data readily available to the public,
- Workforce Development (WFD) strategies which foster workplaces that uphold the ideals of respect, attentiveness, and active support for all individuals receiving services and providing services within the Medicaid program,
- Adult Protective Services registry checks and training for investigators,
- Supportive resources to help manage caregiver stress,
- Public access to Setting Monitoring Reports that include monitoring reports for group homes and adult developmental homes to the extent allowed by statute and privacy restrictions, and
- Review of confidentiality requirements to identify potential revisions to statute and agency policies to allow information sharing between parties while maintaining required privacy and confidentiality protections.

Significant work has been accomplished and the vast majority of the recommendations have been completed to improve the system to prevent abuse and neglect. More information can be found in the *Recommendation Status Report from December 2021* on the [AHCCCS website](#).

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AHCCCS contracted with the Sonoran University Center for Excellence in Disabilities (UCEDD) to evaluate the process for the collaborative work completed by the state agencies involved and to conduct a provider and a member/family survey to assess the impact and outcomes of the work. In FFY quarter two, the Member/Family survey was conducted. A comprehensive report including survey results is forthcoming from UCEDD.

### **AHCCCS Health Equity Committee**

The AHCCCS Health Equity Committee was formed in July 2020 with the goals of understanding health disparities among AHCCCS members, effectuating policy changes that improve health outcomes for AHCCCS members, and supporting the implementation of strategies for positive improvement where known disparities exist. Feedback from public forums held in September and October 2020 is a part of the qualitative information the AHCCCS Health Equity Committee will use, in combination with claims data, to inform future health equity strategies and recommendations. These forums resulted in the following themes: access to technology; communication and language; education and health care literacy; care coordination; and access to health care. Quarter two Health Equity Committee activities included the following:

- Updated AHCCCS' Health Equity Committee web page,
- Updated Health Equity Committee communications plan;
- With the Division of Grants Administration, coordinated efforts regarding the use of American Rescue Plan Act (ARPA) funding in health equity efforts and data analysis to better understand the impact of COVID-19 on health disparities among the populations needing behavioral health services,
- The Health Equity Data Subcommittee coordinated with the Division of Member and Provider Services to develop race and ethnicity indicators in the AHCCCS eligibility system, HEAPlus,
- Coordinated with Health Equity Solutions, an organization focused on promotion of policies, programs, and practices that result in equitable health care, regarding formal organizational assessments, and
- Began work regarding understanding and aligning the MCO contracts with the National Committee for Quality Assurance's (NCQA's) health equity requirements to prevent duplication and misalignment.

### **ARPA**

In January 2022, CMS granted approval of AHCCCS' Home and Community Based Services (HCBS) Spending Plan which allows the agency to begin implementing all of the activities in its spending plan and narrative, and qualify for a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS. The additional funding made available through the American Rescue Plan Act of 2021 will be used to enhance the state's HCBS and behavioral health programs as appropriate. Implementation activities detailed in the spending plan will run through March 31, 2024.

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Arizona has identified four key populations at the center of the efforts outlined in this spending plan. They include Arizona’s seniors, individuals with disabilities, individuals with an SMI designation, and children with behavioral health needs. Additionally, this spending plan will allow for transformational change of the delivery system, which will enhance care delivery to individuals who are accessing general mental health and substance use services.

Arizona has identified two critical priorities (Strengthening and Enhancing Arizona’s HCBS system of care, and Advancing Technology to Support Greater Independence and Community Connection), each with member-centric strategies that will serve as a roadmap for the state’s use of these dollars.

AHCCCS obtained the required expenditure authority from the Arizona State Legislature in Quarter 2 and has begun the process for the release of one-time directed payments to providers for the purposes of strengthening their workforce and enhancing services for HCBS. AHCCCS is in the process of reviewing and developing administrative and operational processes for other initiatives included in the spending plan and looks forward to continuing its work with stakeholders across the state to implement these proposals.

### **Behavioral Health Clinical Chart Audits**

AHCCCS lifted the COVID Public Health Emergency related suspension of the Behavioral Clinical Chart Audits in January 2022. Following the lift of the suspension, AHCCCS finalized the statewide Behavioral Health Audit Tool in January 2022 and disseminated it to the MCOs to complete the Behavioral Health Clinical Chart Audits. First reports from MCOs are due April 2022.

### **Children Family Team Facilitators (CFT) Training**

In response to stakeholder concerns about declining performance of CFT facilitators, the combined team of MCO WFD Administrators undertook an extensive revision of the CFT training curriculum with the goal of making the training process more experiential and to require a competency-based evaluation of the facilitator as well as the team. In an effort to continually monitor the facilitator’s skills and the fidelity of the practice, a specialized training for supervisors was developed this quarter. This training will assist supervisors in how to use the CFT Supervisory Fidelity Review Tool to evaluate a facilitator's skills, and how to provide coaching skills for each of the nine essential elements of the CFT process. The CFT facilitator train-the-trainer will begin in June 2022 and the same trainers will need to complete the additional supervisor training in September 2022. WFD will require these trainers attend tri-annual meetings starting in 2023 to ensure they are supported in their role and able to answer any questions that arise while providing the training at their agency.

### **Collaboration with Arizona Department of Education (ADE) and ADHS for Behavioral Health in Schools**

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AHCCCS collaborates with the ADE and the ADHS on innovative projects that join behavioral health and education.

During the COVID-19 pandemic, behavioral health providers continue to find innovative ways to meet students in locations that best serve the needs of the students. From January 1, 2022, through March 31, 2022, 2,674 referrals, from 695 schools in Arizona, were provided for behavioral health services. Services are provided via telehealth, in the home, in clinics, and at schools where available.

The Children's Behavioral Health Services Fund (CBHSF) assists with behavioral health services for uninsured and underinsured children who are referred through an educational institution. Schools that meet the requirements of the law are able to refer students for behavioral health services, regardless of a student's Medicaid eligibility. Of the 2,674 referrals from January 1, 2022, through March 31, 2022, 193 were referred to receive services from the CBHSF. The legislation for CBHSF requires AHCCCS to conduct a survey of services provided through this funding source. As of March 31, 2022, 48 surveys were completed by families who provided information regarding behavioral health services received. The surveys have indicated optimal satisfaction.

### **Collaboration with the Arizona Department of Child Safety (DCS)**

AHCCCS participates in an affinity group with CMS targeted at improvement to streamline collection of data when children first enter foster care. These activities continued in FFY quarter two. The goals aim to improve the timely provision of care and services to children in the custody of DCS and enrolled with CHP as evidenced by increasing the rate of comprehensive health assessments completed within 30 days of entering foster care, increasing the rate of completed well visits for first 15 months, and increasing the rate of completed preventative dental visits. Through participation in the affinity group, AHCCCS is leading work around development of additional processes and ideas around coding, standardization of assessment, and eligibility of benefits. In quarter two, the affinity group explored potential change ideas that include: adding an ages/stages questionnaire as a standardized screening tool to every Rapid Response completed statewide to ensure appropriate identification of behavioral health/developmental needs for members. Additionally, CHP has committed to offering regular opportunities for provider education around the requirements for assessments to be completed within the first 30 days of entering foster care, as well as coding to ensure appropriate monitoring of these assessments being completed. Collaboration outreach to community providers and family-run organizations has been added to state monthly meetings to discuss Rapid Response processes and any barriers to ongoing services following initial contact.

### **NCQA MCO Accreditation**

AHCCCS has begun concerted efforts related to MCO accreditation to compare the NCQA Health Plan Accreditation standards with the NCQA Medicaid Managed Care Toolkit, as well as current contractual and policy requirements, to ensure maximum alignment of

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regulatory oversight, increase opportunities for non-duplication as permitted by 42 CFR 438.360, and to leverage data validation tools. AHCCCS' MCOs are simultaneously prioritizing initial NCQA MCO accreditation efforts. Quarter two accreditation activities included resuming meetings with each of the AHCCCS workgroups to begin in-depth reviews of 2022 NCQA Accreditation Standards and to ensure bidirectional communication with NCQA and the MCOs.

### **Secured Behavioral Health Residential (BHRF) Settings**

Under the auspices of the Arizona Housing Trust Fund, there were two facilities proposed for development of community-based mental health treatment to support individuals under a court ordered treatment status. As of this quarter, the awardees were not able to acquire property within the specified time frame due to decreased availability and increased costs associated with the COVID-19 pandemic. Therefore, the grant project will be discontinued pending exploration of other options.

### **Significant Policy Changes**

**EPSDT:** To align with CMS Core Measures as well as AHCCCS' Quality Strategy, AHCCCS Medical Policy Manual, Policy 430 was revised and published in February 2022 to add a requirement for providers to perform a general developmental screening at a child's EPSDT visit at 30 months of age. With this revision, AHCCCS policy requires a total of five developmental screenings.

## **INNOVATIVE APPROACHES AND CONTINUOUS QUALITY IMPROVEMENT**

### **Court Ordered Evaluation and Court Ordered Treatment (COE/COT)**

The COE/COT education program was developed in response to stakeholder concerns about the process being unevenly applied across the state. The COE/COT process can vary from county to county. The intent of this education and awareness program is to ensure that all standard provisions of Arizona law covering these processes were put in a single training program and made available for clinical practitioners charged with ensuring the process is administered lawfully and equitably. In this quarter, the COE/COT training program has been completed and will deploy through AHCCCS WFD as an online training course (e.g., Relias).

### **Electronic Visit Verification (EVV)**

In this quarter, AHCCCS has been focused on obtaining EVV certification from CMS. CMS granted certification on March 7, 2022. AHCCCS will continue monitoring and submitting Key Performance Indicators to CMS on a quarterly basis. AHCCCS is also developing tools and communications to help our provider community prepare and comply with EVV before hard claims edits are implemented later this year.

### **HCBS Rule**

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In this quarter, AHCCCS continued work with the MCOs to assess the compliance of HCBS settings and provide technical assistance to ensure compliance by March 2023. AHCCCS' first public comment period specific to settings that meet the criteria of Heightened Scrutiny was held from February 2, 2022, through March 14, 2022. Those public comments, and a quarterly progress report on the HCBS Rule assessment progress, were submitted to CMS on March 15, 2022. AHCCCS is continuing work with the MCOs to assess HCBS compliance. Its next milestone is to update the Arizona State Transition Plan and obtain CMS approval.

### **Medicaid Innovation Collaborative (MIC)**

The MIC is a grant funded, non-profit organization dedicated to providing research and technical assistance to Medicaid agencies for innovative interventions to improve service quality, equity, and health outcomes. AHCCCS elected to participate in the 2021-2022 multi-state project, which is focused on improving services and system navigation for adolescents utilizing behavioral health and crisis services. The MIC team is currently interviewing AHCCCS staff, health care providers, members, health plan leaders, and crisis care providers to learn about gaps in the system and opportunities for improvement. Based on the information gathered, MIC will release a public Request for Information (RFI) seeking organizations to help fill those gaps, improve system navigation, enhance services, reduce adolescent crisis events, and improve adolescent behavioral health services. The MIC will provide a final report in 2022 quarter three, and AHCCCS will evaluate the report along with the responses to the RFI to determine the best approach for implementing system improvements.

### **Performance Measures**

The agency's External Quality Review Organization (EQRO) conducted Contract Year Ending (CYE) 2021 Performance Measure Validation activities. These activities yielded MCO and line of business performance measure rates reflective of Calendar Year (CY) 2020 performance. AHCCCS intends to utilize national benchmark data (i.e., CMS Medicaid median and NCQA HEDIS® Medicaid mean) to evaluate the CY 2020 MCO performance.

### **Performance Measure Dashboard**

In this quarter, AHCCCS updated its [Performance Measure Data Dashboard](#), which includes a selected set of performance measures that are reported based on the lines of business. The dashboard compares the line of business and statewide aggregate rates with the associated CMS Medicaid median and quartile data. AHCCCS intends to expand the list of selected performance measures, as well as enhance the dashboard as additional years of performance measure data become available and stakeholder feedback is received.

## **MANAGED CARE ORGANIZATION MONITORING AND COMPLIANCE**

AHCCCS monitors and evaluates availability of services and access to care, organizational structure and operations, clinical and non-clinical quality measurement, and performance improvement outcomes through several methods including:

- Operational Reviews,
- Review and Analysis of Periodic Monitoring Reports,
- Performance Measures,
- Performance Improvement Projects,
- Data Analysis,
- Provider Network Time and Distance Standards Monitoring,
- Appointment Availability, Monitoring, and Reporting,
- Case Management ratios,
- Assessment of fidelity to service delivery for individuals with a Serious Mental Illness designation, and
- Surveys.

A number of contract deliverables are used to monitor and evaluate MCO compliance and performance. AHCCCS reviews, provides feedback, and approves these reports as appropriate.

### **MONITORING AND COMPLIANCE**

#### **ACC-RBHA Competitive Contract Expansion (CCE) Readiness Activities**

On October 1, 2022, AHCCCS is updating its contracts with awarded ACC MCOs for health insurance coverage for individuals with a Serious Mental Illness (SMI) designation. In November, 2021, AHCCCS awarded three ACC MCOs to expand current contracts effective October 1, 2022. Services are currently provided by contracted MCOs known as Regional Behavioral Health Authorities (RBHAs). Upon the contract effective date, RBHAs will be called AHCCCS Complete Care Contractors with Regional Behavioral Health Agreements (ACC-RBHAs).

The awarded ACC-RBHAs are Mercy Care in the Central Geographic Service Area (GSA), Arizona Complete Health-Complete Care Plan in the South GSA, and Care1st Health Plan in the North GSA. As a result, approximately 6,100 members who are currently enrolled with the Health Choice RBHA in the North GSA will transition to Care1st Health Plan on October 1, 2022. Additionally, the current GSAs will be aligned to match the ACC and ALTCS-EPD GSAs. Gila County will move from the North GSA to the Central GSA, and Pinal County will move from the South GSA to the Central GSA; thus Central will expand from one county to three (Maricopa, Gila, and Pinal). As a result, approximately 1,900 members will change health plans to Mercy Care. An additional change that will be implemented October 1, 2022 is the ACC-RBHAs' selection of a single crisis phone line vendor to serve statewide. Currently, each RBHA is responsible for operating a crisis phone line in their assigned GSA. Existing statewide crisis telephone numbers will remain for at least one year.



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In preparation for the upcoming transition, and to ensure that AHCCCS is conducting considerable outreach to stakeholders to provide education regarding these upcoming changes, AHCCCS completed the following activities during quarter two:

Stakeholder presentations have been provided at the following AHCCCS meetings:

- 01/18/22 – Office of Individual and Family Affairs (OIFA) Advisory Council
- 01/21/22 – Behavioral Health Planning Council
- 01/25/22 – AHCCCS Update Meeting
- 01/25/22 – AHCCCS Community Forum
- 02/21/22 and 03/21/22 – AHCCCS Hot Topics

The 2022-2023 AHCCCS Integrated Delivery System Chart of Programs was revised to include the upcoming program changes, and is posted on the [Building an Integrated Health Care System and Improving Care Coordination web page](#).

AHCCCS' [Behavioral Health Initiatives web page](#) was revised to explain the current and future delivery system. It includes two new FAQ documents, one for members and one for providers, that clearly outline upcoming changes that members and providers can expect effective October 1, 2022.

Readiness activities for the ACC-RBHAs, as required under 42 CFR 438.66(d), have also begun with development of Readiness Assessment Tools focusing on the following review areas: Operations/Administration, Delivery Systems, Medical Management, Behavioral Health, Quality Management and Quality Improvement, Financial Management, EPSDT and Maternal and Child Health, Claims Processing and Provider Support, Encounter and Reinsurance Reporting, Management information Systems, and Member Services. AHCCCS/MCO Readiness meetings began in May.

### **Performance Measure Monitoring Report**

AHCCCS requires all MCOs to submit quarterly Performance Measure Monitoring Reports. During the quarter, AHCCCS updated the CY 2022 reporting template and distributed the updated template to the MCOs. The first CY 2022 quarterly reporting submission will be due in April/May 2022.

### **Provider Survey Results**

As a part of AHCCCS' ongoing monitoring activities of its MCOs, AHCCCS conducted a provider survey from April 15, 2021, through May 17, 2021. The purpose of the survey was to solicit feedback from providers contracted with AHCCCS MCOs regarding their satisfaction with claims processing, resolution of claims issues, provider services staff, credentialing processes, and prior authorization processes. The report summarizing the results of the survey, 2021 Managed Care Organization Provider Survey Results Report-Statewide Results, was published to the AHCCCS Provider Surveys [web page](#) in March 2022. Results of the survey vary by MCO. In all focus areas, the survey results indicate opportunities for improvement by all MCOs. Overall, providers expressed the

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most dissatisfaction with MCO performance with resolution of claims issues and timeliness of resolution of claims issues. Providers expressed the most satisfaction with MCO performance with claims processing timeliness and accuracy, and overall plan satisfaction. The results of this survey will be used by AHCCCS to support ongoing MCO monitoring and quality improvement processes.

**Request for Proposal (RFP) - SMI Eligibility Determinations**

In quarter two, AHCCCS began activities for development of an RFP to solicit for a vendor that will perform eligibility determinations for individuals who may be living with an SMI. The current contract with vendor Solari Crisis and Human Services expires on September 30, 2023 with the new Contract beginning on October 1, 2023. In March of quarter two, information was posted on AHCCCS' website under AHCCCS Open Solicitations regarding this RFP with the related procurement timeline. Presentations to solicit input from stakeholders regarding the current SMI eligibility determination process will begin in April.

**ATTACHMENT 3**

**Quarterly Random Moment Time Study Report Quarter 2**  
**(January 1, 2022 – March 31, 2022)**

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Arizona Health Care Cost Containment System (AHCCCS)  
Quarterly Random Moment Time Study Report  
January 2022-March 2022

The January through March 2022 (JM22) quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative service, direct service, and personal care time study cost pools.

**Active Participants**

The Medicaid Administrative Claiming Program Guide mandates that all school district employees identified by the district’s RMTS coordinator as being qualified to provide direct services or administrative activities must participate in a RMTS. Staff rosters are updated by RMTS coordinators on a quarterly basis to ensure accuracy of participants in the time study. The table below shows the number of participants in the administrative service, direct service, and personal care time study staff pools at the beginning of the quarter.

Staff Pool	January 2022- March 2022
Administrative	2,608
Direct Service	3,383
Personal Care	5,295

**Sampling Requirements**

To achieve statistical validity, maintain program efficiencies, and reduce unnecessary district administrative burden, the Arizona Health Care Cost Containment System (AHCCCS) implements a consistent sampling methodology for all activity codes and groups to be used. AHCCCS has constructed the RMTS sampling methodology to achieve a level of precision of +/- two (2) percent with a 95 percent confidence level for activities.

Statistical calculations show that a minimum sample of 2,401 completed moments each quarter, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 3,839,197. Additional moments are selected each quarter to account for invalid moments

**Moment Response**

For each of the three cost pools, more moments are generated than are needed for statistical validity, as allowed by the Time Study Implementation Guide approved by the Centers for Medicare and Medicaid Services (CMS). This oversample allows for the occurrence of invalid

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moments, which are observations that cannot be used for analysis (i.e., moments selected for staff no longer at the school district, who changed jobs and are no longer in an allowable position and their old position has not been filled or were not working and were unpaid).

The tables below demonstrate that the administrative service, direct service, and personal care time study achieved statistical validity in the JM22 quarter. The response rate reflects the number of valid responses received divided by the total number of valid moments generated per cost pool per quarter.

**Administrative Service**

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2022 – March 2022 Total Moments	2,900	2,603	2,576	98.96%

**Direct Service**

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2022 – March 2022 Total Moments	3,300	2,723	2,696	99.01%

**Personal Care**

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
January 2022 – March 2022 Total Moments	3,500	2,759	2,674	96.92%

As these results illustrate, the administrative service, direct service, and personal care time study reached statistical validity for the quarter with more than 2,401 valid responses received.