Arizona Section 1115 Waiver Amendment Request
Medical Homes for American Indians

I. Overview

The Arizona Health Care Cost Containment System (AHCCCS) administers Medicaid to approximately 1.35 million members largely through a managed care delivery system. This system operates managed care insurance programs that establish each member with a Primary Care Physician (PCP) upon enrollment. Case management is provided as an administrative service to those members identified by their health plan to require care coordination. Health plans also offer call lines staffed by medical professionals as an administrative service.

The AHCCCS model requires every Medicaid beneficiary to enroll with a managed care organization (MCO). The only exception to this requirement is for the American Indian population, which has the option of enrolling with an MCO or receiving their services in the AHCCCS fee-for-service (FFS) program. American Indians who enroll in the AHCCCS FFS program receive their care largely through Indian Health Services (IHS) facilities and facilities operated under PL 93-638 (638 facilities). IHS and 638 facilities do not have the administrative dollars to support case management functions or call lines that assist members in coordinating their care. In addition, IHS and 638 facilities traditionally have not assigned their patients to a specific PCP or medical home team. Thus, there is not the same continuity of care in the FFS program as there is in the managed care program.

Almost half of the 277,732 American Indians in Arizona are enrolled in AHCCCS, and approximately 75 percent of American Indian AHCCCS members are enrolled in the FFS program. Significant disparities exist between the American Indian population and the general population of Arizona, including the average age of death (17.5 years lower for American Indians), and higher death rates from many preventable diseases. AHCCCS proposes a Medical Home Program (MHP) in order to address some of these disparities and to support the ability of IHS and 638 facilities to better manage the care for American Indians enrolled in FFS.

Accordingly, AHCCCS seeks the following authority:

- **Comparability** - Waiver from §1902(a)(10)(B) and corresponding regulations at 42 CFR §§440.240, to allow the State to provide services that support a medical home for American Indians enrolled in FFS who receive services provided through the IHS and 638 facilities. These services are Primary Care Case Management, after-hospital care coordination and 24-hour call lines staffed by medical professionals.
- **Reimbursement CNOM-** Expenditure authority to allow the State to pay for services that support a medical home for American Indians enrolled in FFS who receive services provided through the IHS and 638 facilities.

II. Public Process

Originally, this concept was proposed and brought to AHCCCS by the Tucson Area IHS. Verbal notification on the development of this proposal as well as notification that a future consultation meeting would be held to further discuss this topic was provided at an AHCCCS Consultation Meeting with Tribes and I/T/U on March 31, 2011.

Through the assistance of the American Indian Health Management and Policy (AIHMP), AHCCCS obtained information related to medical home activities from the Navajo Area IHS, Phoenix Area IHS, Tucson Area IHS, and certain 638 Facilities. This information was used in the development of the waiver proposal. AHCCCS formally consulted with tribes and I/T/U in Arizona on the components of this waiver proposal in accordance with the AHCCCS Tribal Consultation Policy and Medicaid State Plan on August 4, 2011.

Arizona expects that the oversight and payment for MHP service delivery will necessitate close working relationships between the State and the IHS and 638 facilities and that this process will enhance collaboration toward similar goals of reducing health disparities and delivering cost-effective care.

III. Data Analysis- "With Waiver" vs. "Without Waiver"

AIHMP has worked in conjunction with tribes and IHS facilities to determine the cost of delivering a MHP, which would reimburse for Primary Care Case Management, a 24-hour call line and care coordination. In order to simplify claiming and payment, AHCCCS has elected not to offer a tiered payment structure, but to combine requirements and payment into one flat rate. MHP cost data from IHS and tribal facilities in Arizona were evaluated to determine a PMPM payment of $6.50 with an annual increase of 4.6%, which is based upon the average annual increase of the outpatient all-inclusive rate over the past ten years. The MHP services for which AHCCCS proposes to reimburse are currently not reimbursed through the all-inclusive rate and will therefore be billable on a monthly basis to AHCCCS. PMPM payments will be made with 100% FFP dollars and will only be available for FFS members in order to avoid duplicative payment. Facilities will be required to submit a MHP claim for each member that is empanelled in their MHP on a monthly basis. Empanelment will be determined by AHCCCS based on the criteria discussed below.

IV. Allotment Neutrality

N/A. The amendment does not impact the XXI population.

V. Details

Development of Medical Home Criteria
IHS and 638 facilities may choose whether or not to provide a Medical Home Program (MHP) for their members. In order to receive reimbursement for services provided by their MHP, facilities must present their proposal to AHCCCS for review every three years or sooner if their program structure changes. This proposal should detail the mechanisms in place to meet the criteria outlined in the definition of a MHP below. For example, when the MHP requires that each member be empanelled to a personal Primary Care Provider (PCP), the facility should describe how they empanel patients, what their empanelment rate is, and what type of providers they employ as PCPs. When approved as medical home providers, IHS and 638 facilities should have a goal of 100% empanelment of their FFS AHCCCS members.

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AHCCCS recognizes the importance of prior research and development in the area of MHPs. The AHCCCS criteria for medical home designation are based upon the following Joint Principles of the Patient Centered Medical Home as presented in February 2007 by the American Academy of Family Physicians, American Academy of Pediatrics, American College of Physicians, and American Osteopathic Association.

- ***Personal physician*** - each patient has an ongoing relationship with a personal physician trained to provide first contact, continuous and comprehensive care.
- ***Physician directed medical practice*** – the personal physician leads a team of individuals at the practice level who collectively take responsibility for the ongoing care of patients.
- ***Whole person orientation*** – the personal physician is responsible for providing for all the patient's health care needs or taking responsibility for appropriately arranging care with other qualified professionals. This includes care for all stages of life; acute care; chronic care; preventive services; and end of life care.
- ***Care is coordinated and/or integrated*** across all elements of the complex health care system (e.g., subspecialty care, hospitals, home health agencies, nursing homes) and the patient's community (e.g., family, public and private community-based services). Care is facilitated by registries, information technology, health information exchange and other means to assure that patients get the indicated care when and where they need and want it in a culturally and linguistically appropriate manner.
- ***Quality and safety*** are hallmarks of the medical home.
- ***Enhanced access*** to care is available through systems such as open scheduling, expanded hours and new options for communication between patients, their personal physician, and practice staff.
- ***Payment*** appropriately recognizes the added value provided to patients who have a patient-centered medical home.

With these guidelines in mind and in conjunction with the IHS, tribally operated 638 programs and the AIHMP, AHCCCS has developed the following mandatory criteria for MHP designation when provided by IHS and tribally operated 638 facilities in Arizona.

Medical Home Program Mandatory Criteria:

1. Assigns the member to a primary care team led by a primary care physician, nurse practitioner, or physician's assistant. When staffing limitations prevent direct patient empanelment to a primary care physician, a primary care physician must be available for consultation and advisement as needed. The primary care team may consist of, but is not limited to, a combination of the following professionals: physician's assistants, nurse practitioners, registered nurses, licensed practical nurses, social workers, case managers, behavioral health professionals, and medical assistants.
2. Provides or coordinates all medically necessary primary and preventive services.
3. Organizes clinical data in an electronic format as a patient-specific charting system for individual patients.

4. Reviews all medications a patient is taking including prescriptions and maintains the patient's medication list in the chart.
5. Maintains a system to track tests and provide follow-up on test results.
6. Maintains a system to track referrals including referral plan and patient report on self-referrals.
7. Provides Care Coordination and Continuity of Care to the member, especially following hospital discharge, and supports family participation in coordinating care. Agrees to provide follow-up with the member within five days of hospital discharge. Provides various administrative functions including but not limited to securing referrals for specialty care and prior authorizations.
8. Provides patient education and support as needed.
9. Provides 24/7 voice to voice telephone call-line coverage with immediate availability of an on-call medical professional.
10. Uses mental health and substance abuse screening and referral procedures.
11. Agrees to follow and report to AHCCCS on an annual basis the following measures:
    a. Hospital readmissions within 30 days of discharge;
    b. Average number of ED visits per empanelled patient per year;
    c. GPRA measure: Childhood immunizations; and
    d. Additional GPRA measures will be added following two years of successful implementation of these criteria.

Patient Empanelment

While an AHCCCS member retains the right to seek care from any AHCCCS registered provider, AHCCCS may only pay for one MHP per member. In order to avoid reimbursement to two different MHPs for the same member, AHCCCS will recognize patient empanelment to a specific MHP by the receipt of claims for at least two separate visits/encounters within a six month time period. An MHP will not be able to be reimbursed for PMPM claims until the second visit confirms member stability in the MHP.

VI. Evaluation Design

AHCCCS will incorporate the effectiveness of utilizing Medical Homes as part of the program evaluation and evaluate the success in improving health disparities between American Indians and other populations in Arizona. AHCCCS will also identify best practices as well as report on opportunities for improvement.

VII. Conclusion

Arizona is proposing to offer services that support a Medical Home Program – Primary Care Case Management, 24-hour call line, and care coordination – to its acute care FFS Population. MHPs will be charged with addressing health disparities between American Indians and other populations in Arizona, specifically by enhancing case management and care coordination. In tracking the successes of MHPs across the state, Arizona expects to see trends indicating cost savings through the prevention of hospital readmissions and improved control of non-emergent use of the emergency department.