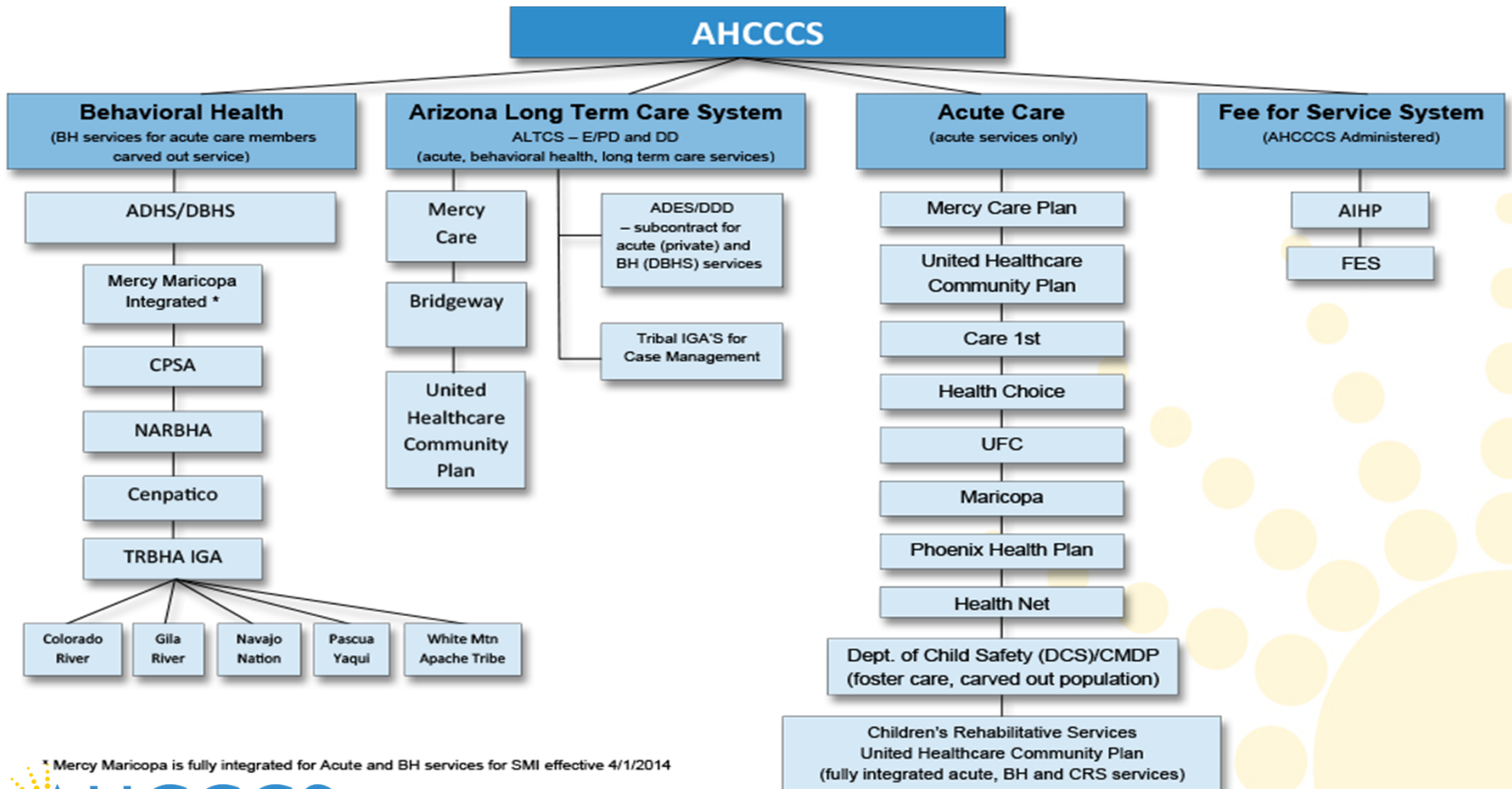




AHCCCS Update



AHCCCS Care Delivery System

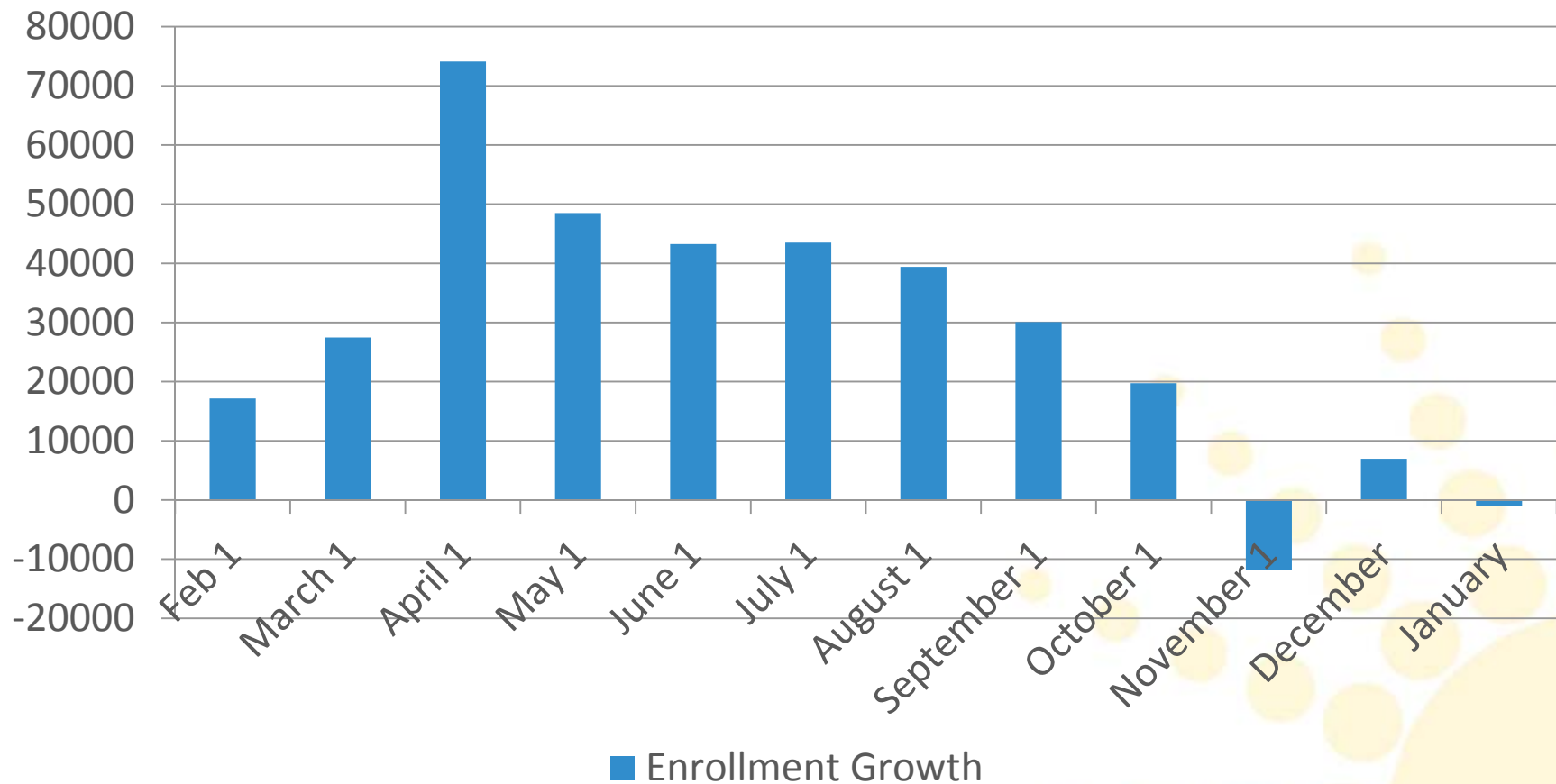


* Mercy Maricopa is fully integrated for Acute and BH services for SMI effective 4/1/2014

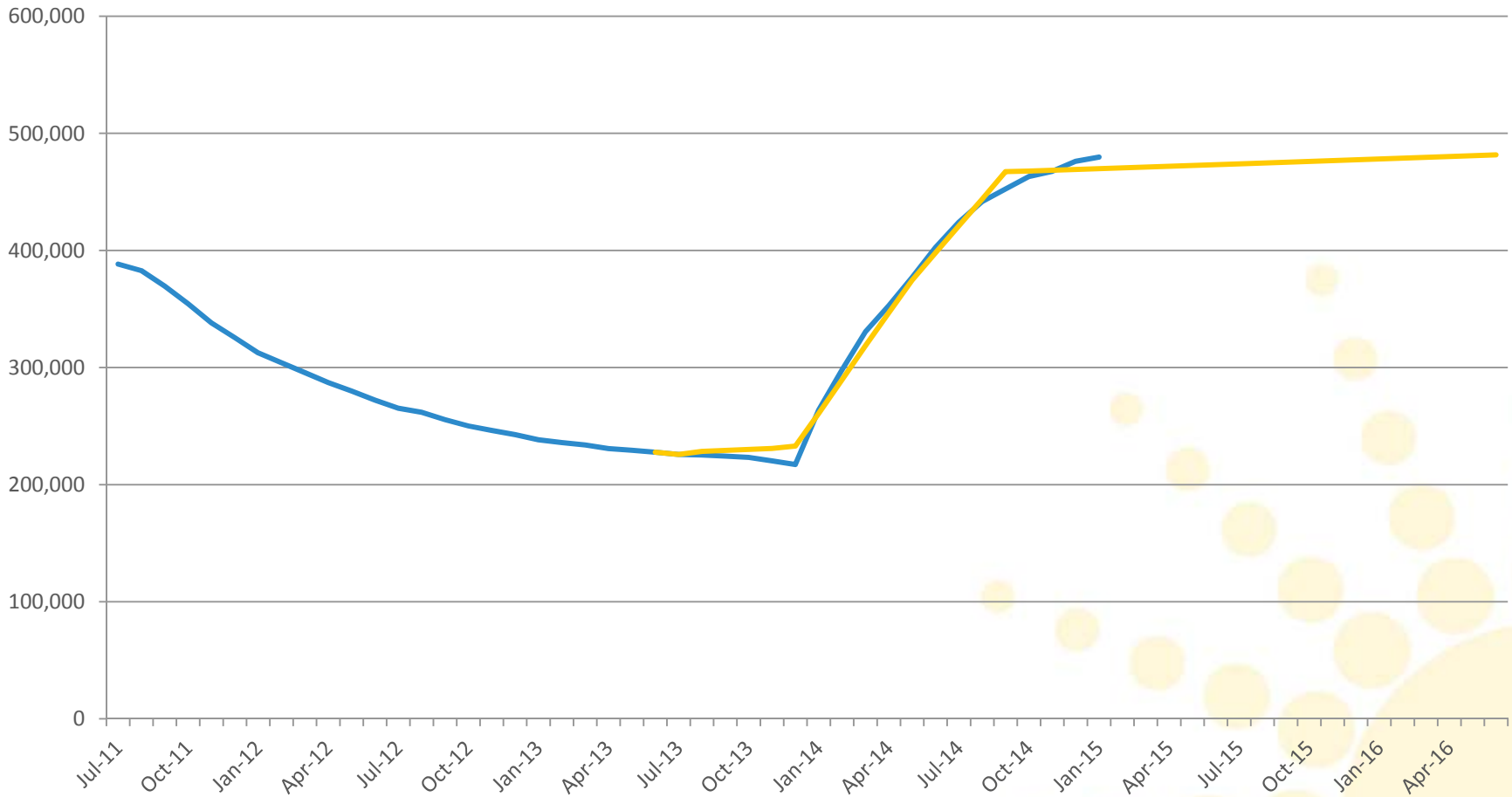
Medicaid Restoration

	12/1/2013	1/1/2015	Change
Prop 204 Restoration	67,770	279,097	211,327
Adult Expansion	0	36,373	36,373
KidsCare	46,761	1,872	-44,889
Family Planning	5,105	0	-5,105
AHCCCS for Families & Children (1931)	672,135	699,674	27,539
All Other	505,379	618,523	113,144
Total Enrollment	1,297,150	1,635,539	338,389

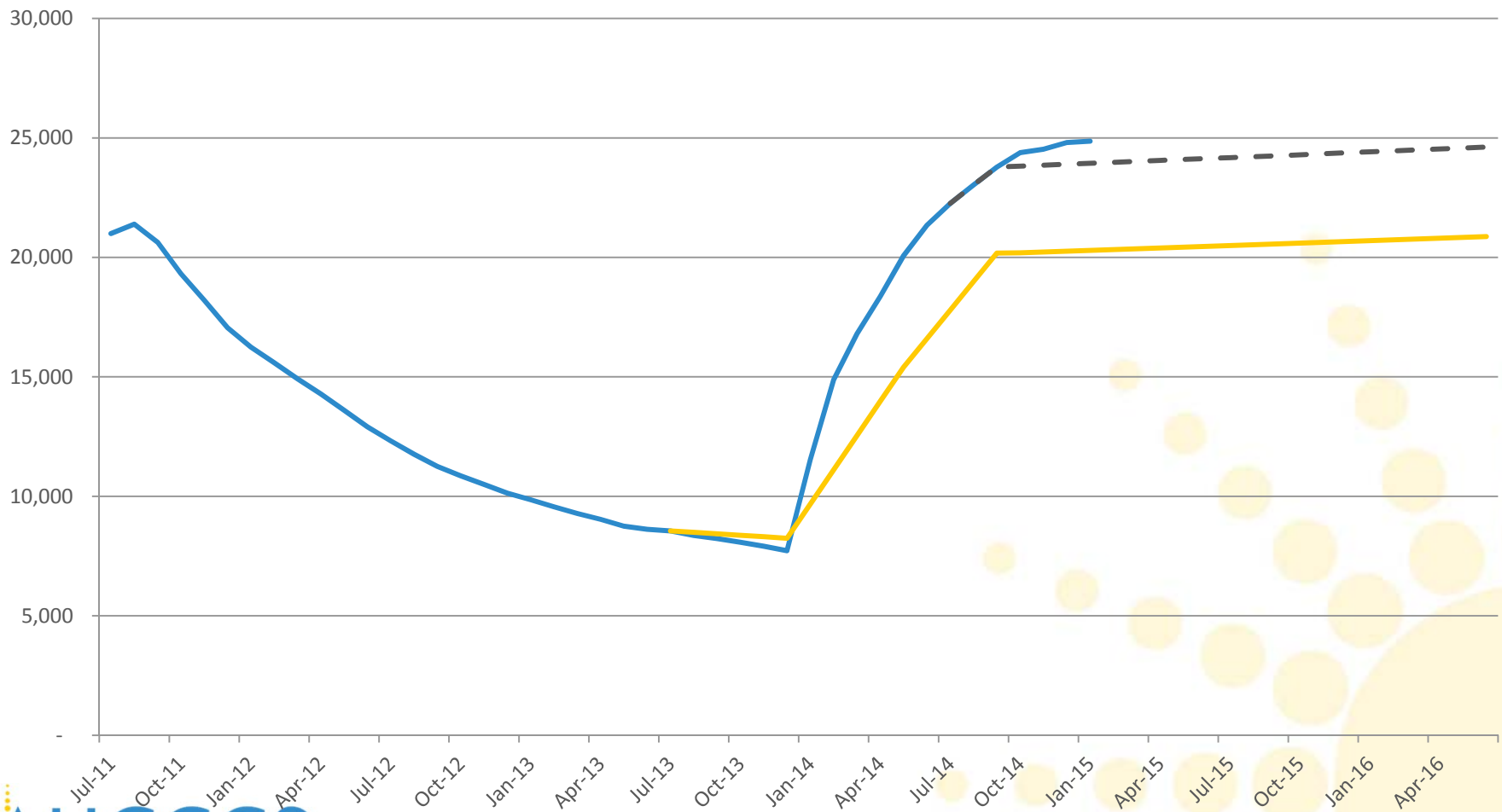
AHCCCS Enrollment Growth



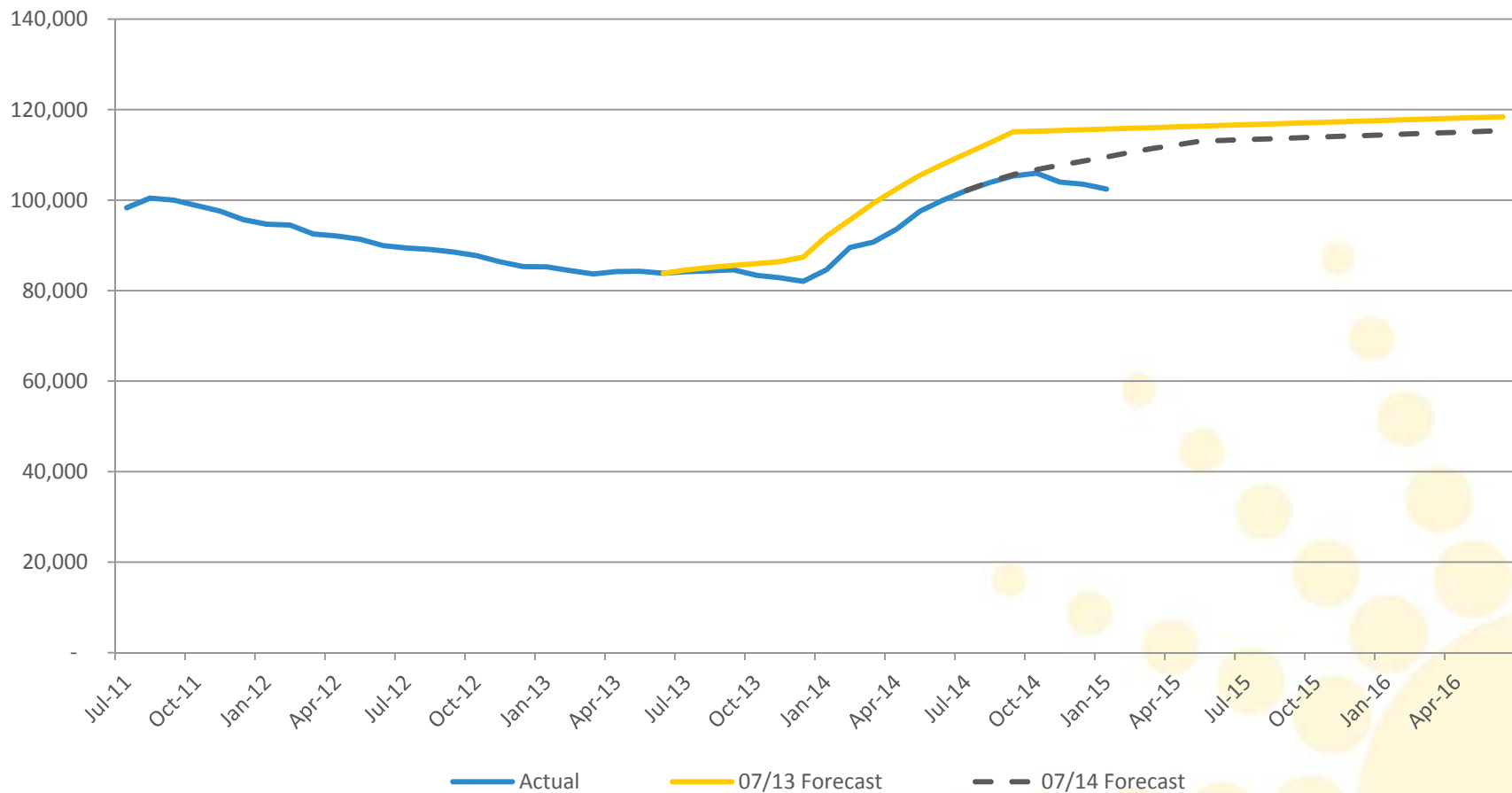
Restoration/Expansion Actual to 2013 Estimates



AIHP Childless Adult Population

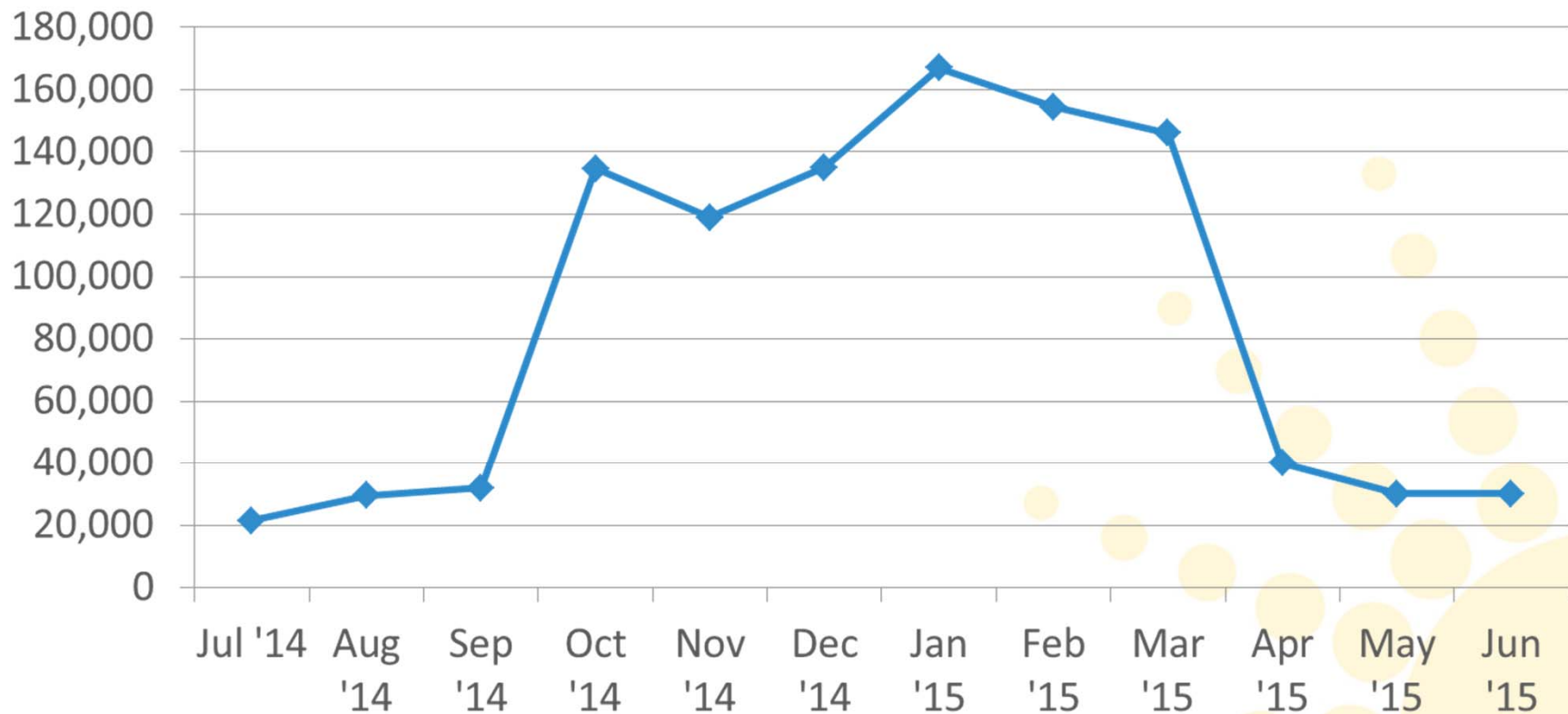


AIHP Population

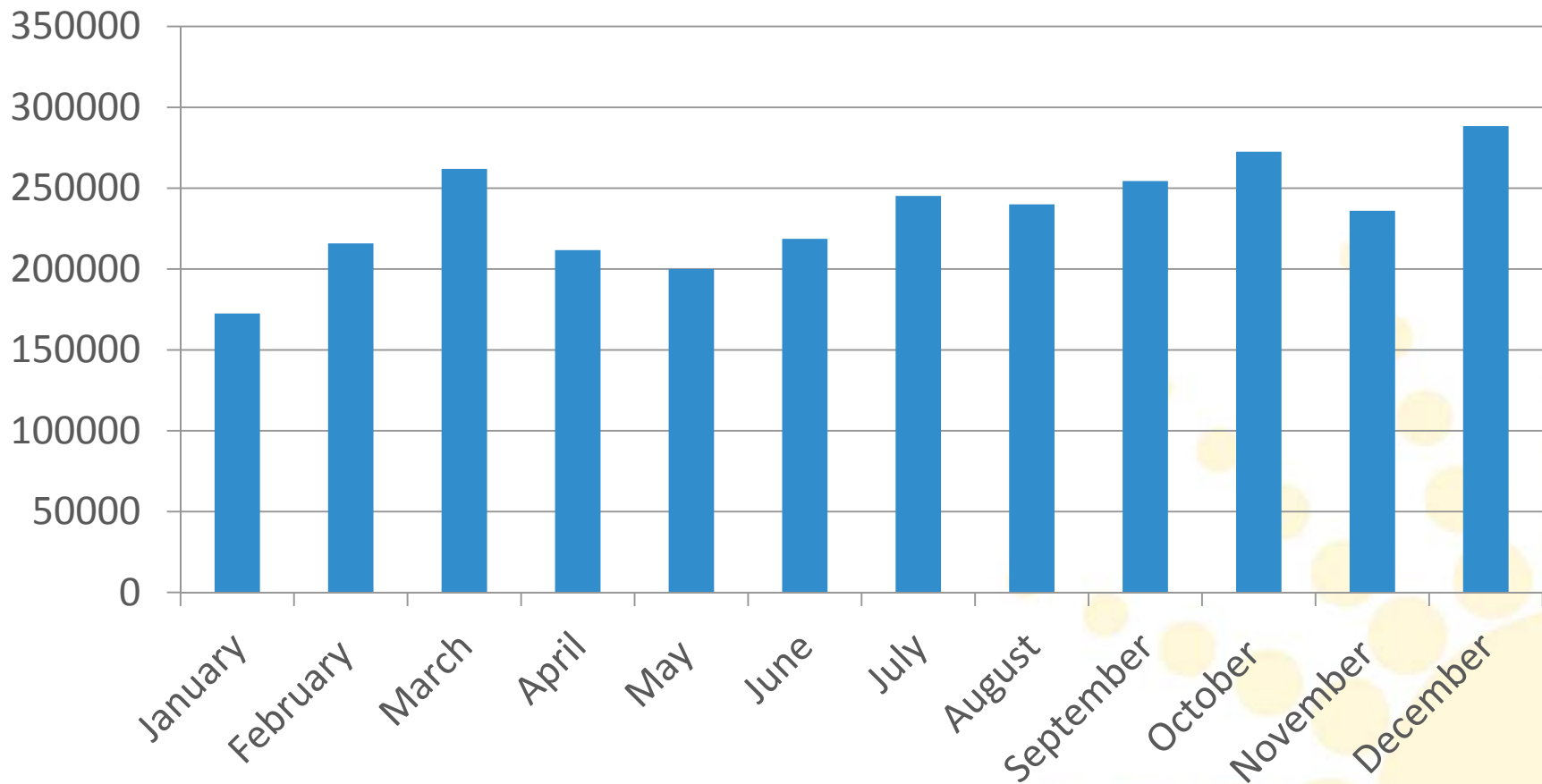


Renewal Activity

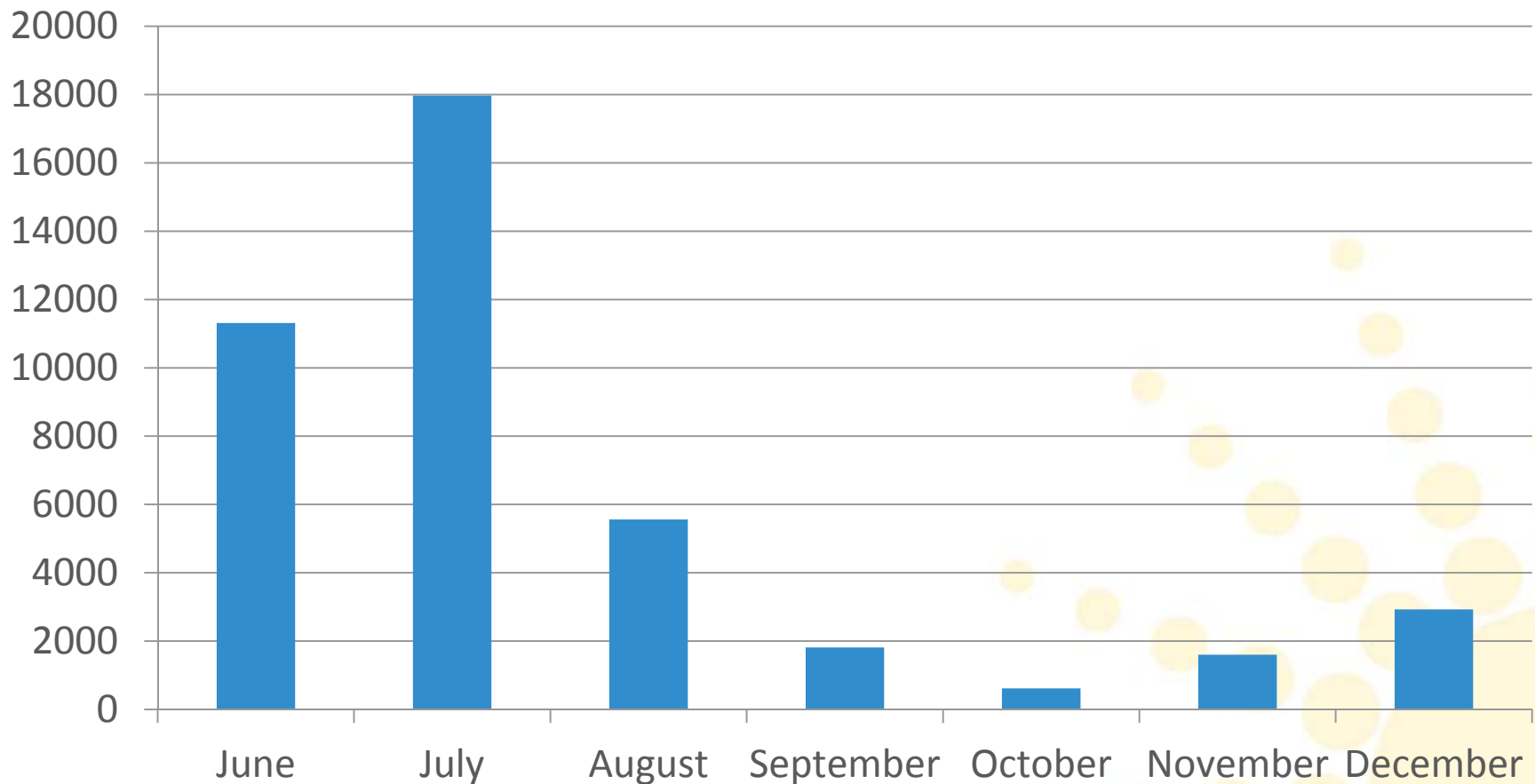
Renewal Received (Recipients)



AHCCCS/DES Call Volume



Total FFM Approvals for AHCCCS



FY 15 & FY 16 Executive Budget

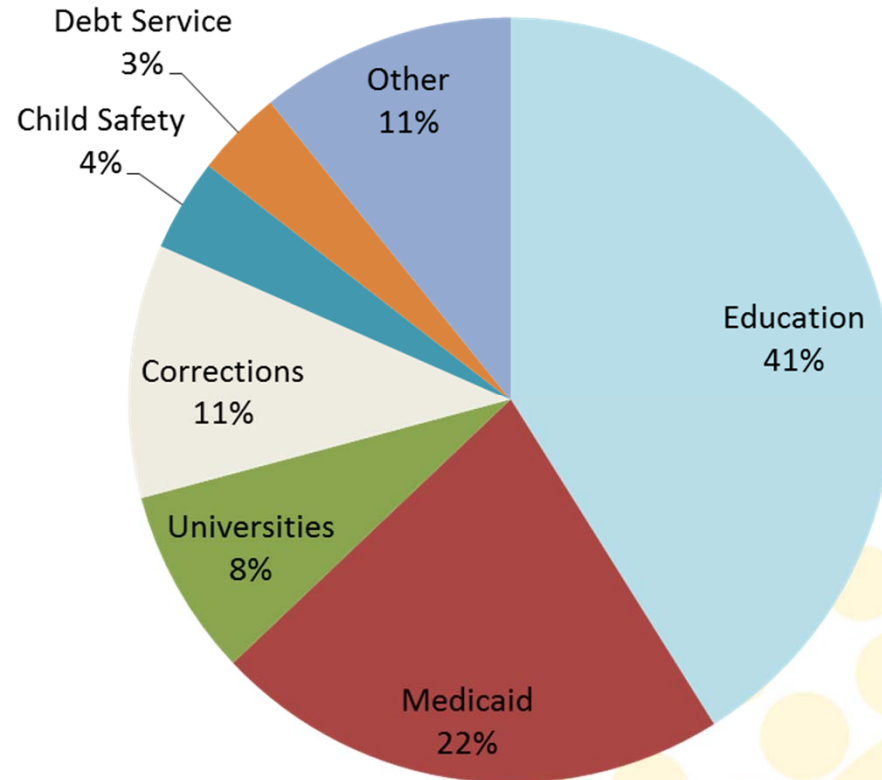
- How big is the problem?
 - FY 15 - \$160 m
 - FY 16 - \$533.7 m
- AHCCCS Recommendation
 - 3% Provider Rate Reduction – in FY 15
 - All Inclusive Rate is exempt
 - DD Provider rates exempt
 - Flexibility for AHCCCS in analysis
 - DSH Changes
 - Some funding included for ALTCS Dental

AHCCCS Budget Rec

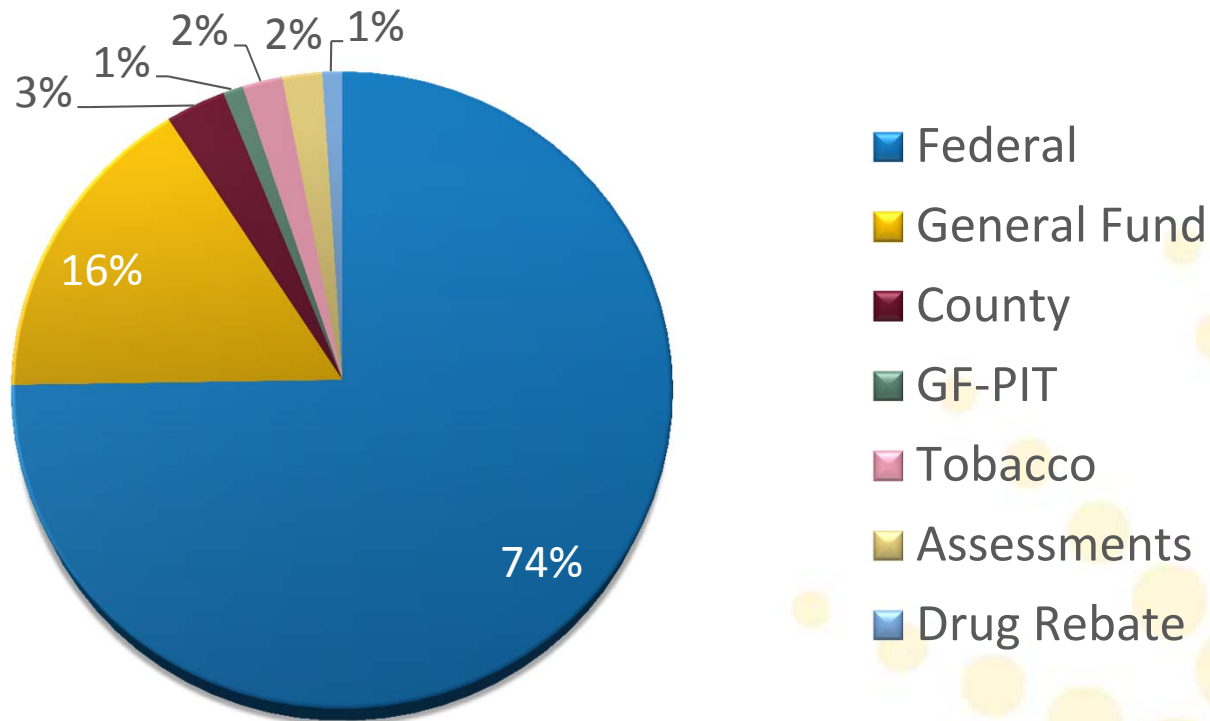
- Governor's Initiative for Administrative Simplification with BHS and AHCCCS fully effective July 1, 2016
- Current Structure is redundant – AHCCCS oversees BHS
- No services are cut and no change in how services are delivered
- All existing contracts (and new awards) remain in place – moves existing RBHA contracts to AHCCCS for oversight
- This transition will be seamless to those who need services and the family members that support them
- We will be thoughtful in transition and work to bring the best of both organizations together
- We will be reaching out to stakeholders for input as part of transparent process

FY 2015 State Ongoing GF Expenditures

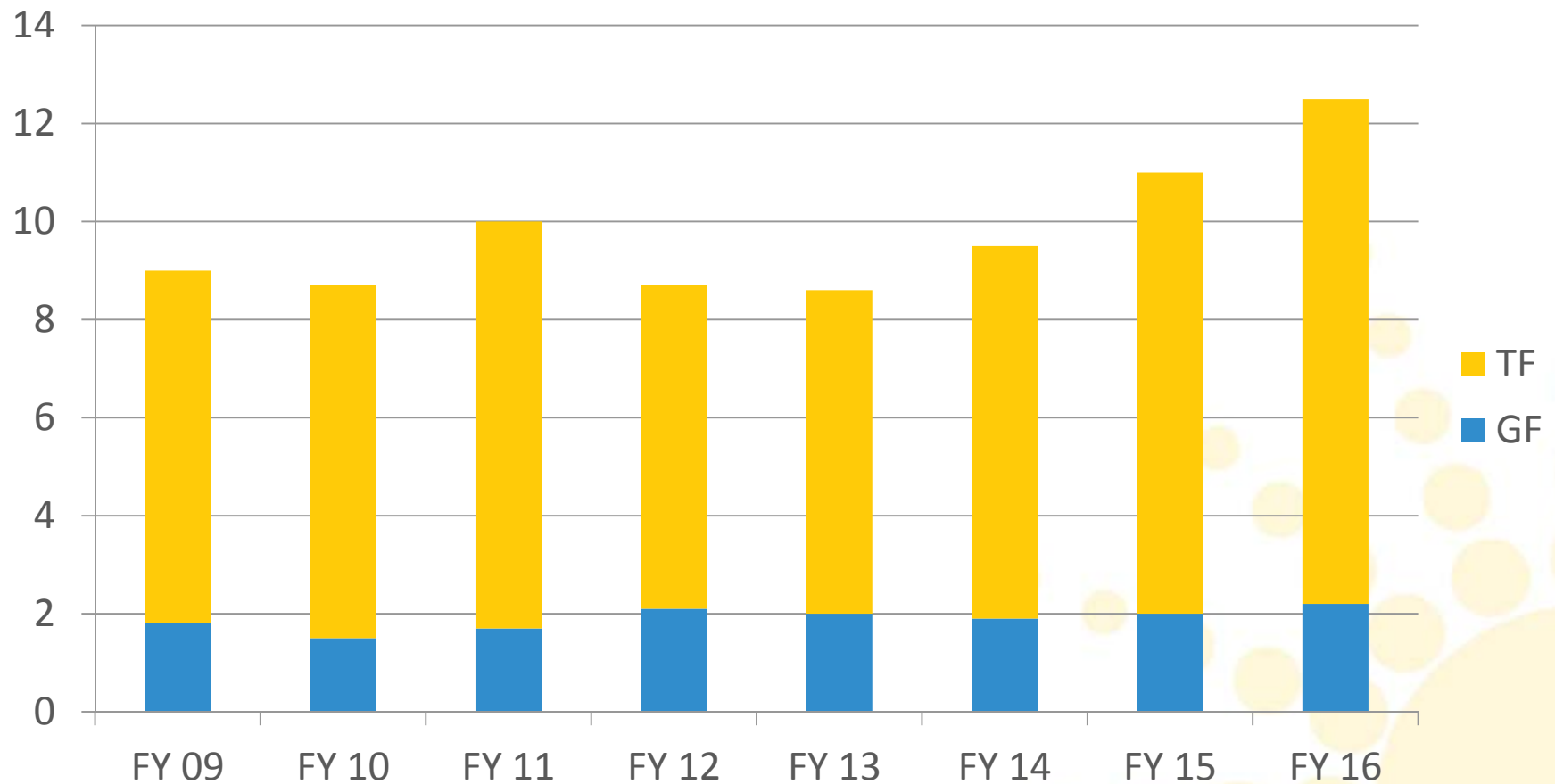
<u>Budget Unit</u>	<u>(Millions)</u>
Education (K-12)	\$ 3,808.4
Medicaid	2,026.5
Universities	733.8
Child Safety	361.0
Prisons	996.8
Debt Service	342.0
Other	1,002.9
TOTAL	9,271.4



FY 2016 Funding Distribution



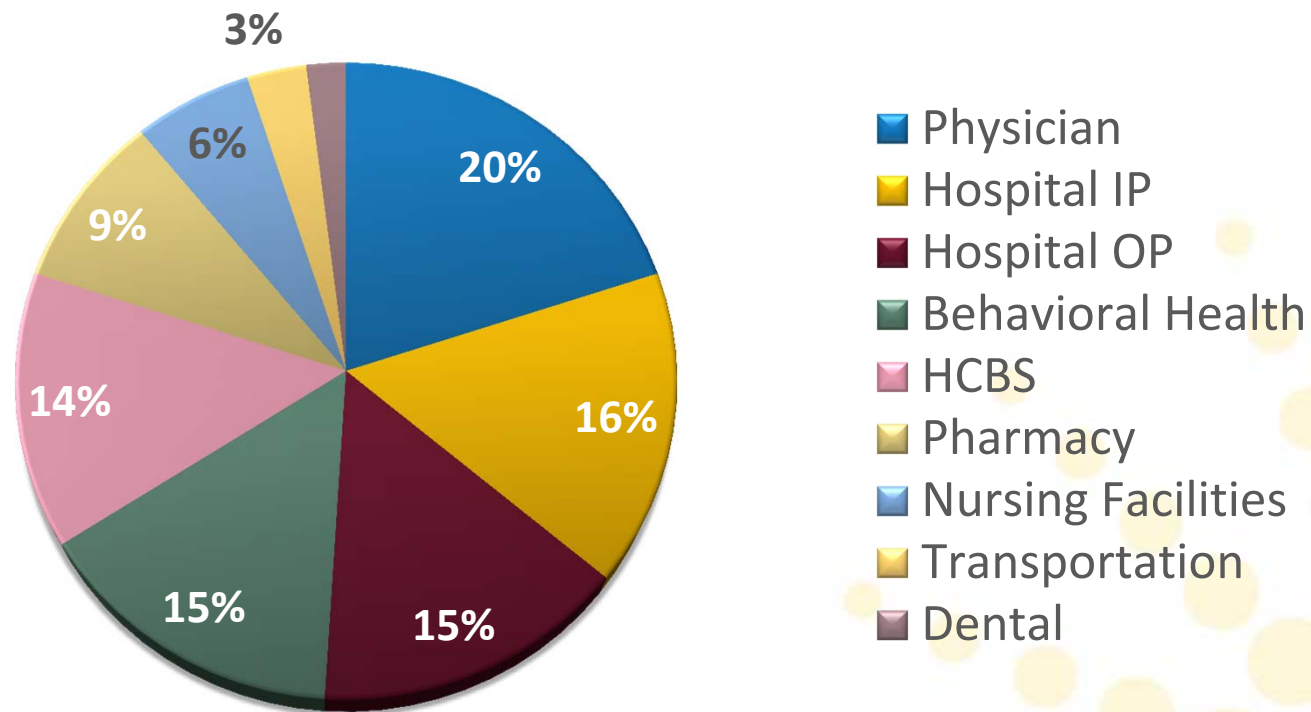
AHCCCS Total Spending



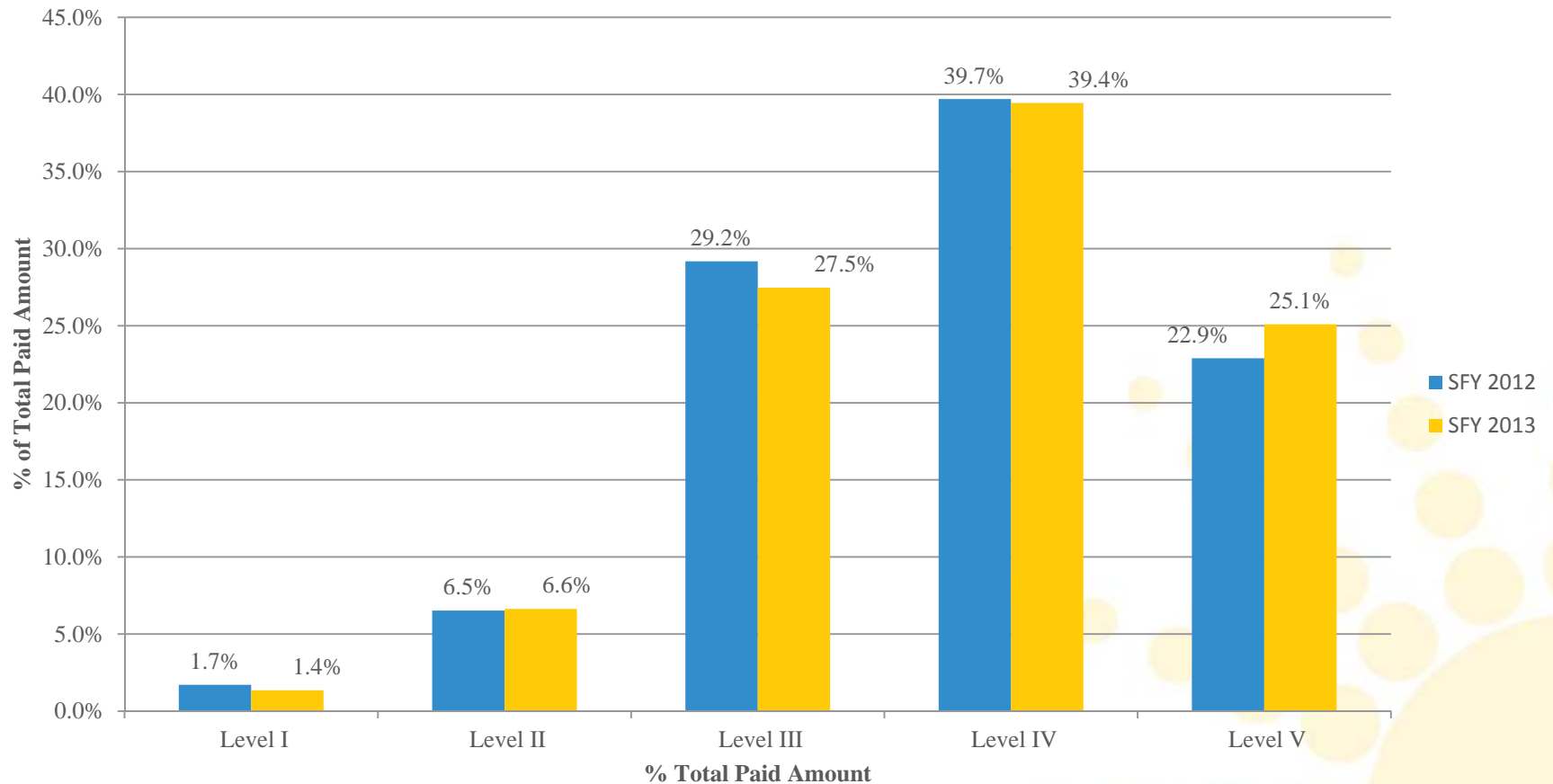
Impact of Enhanced Match (Millions)

Funding Source for Adults 0-100%	FY 16 Current Law – 90% match	FY 16 – Traditional Match
Tobacco Funds	156.4	156.4
Hospital Assessment	245.9	0.0
General Fund	114.3	746.8
Federal Funds	2,630.6	2,244.1
Total Funds	3,147.3	3,147.3

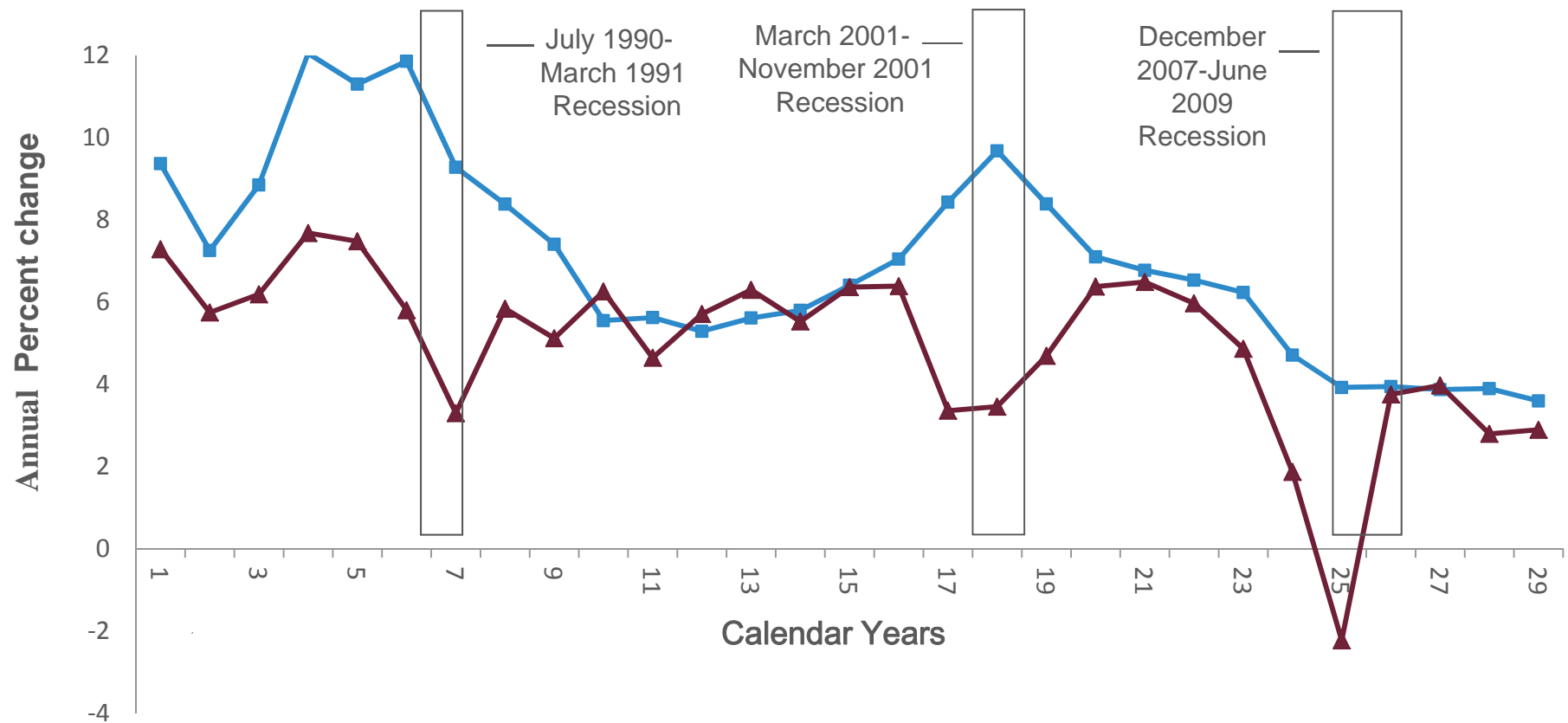
Spending by Provider Type



ED Utilization: % of Total Paid Amount

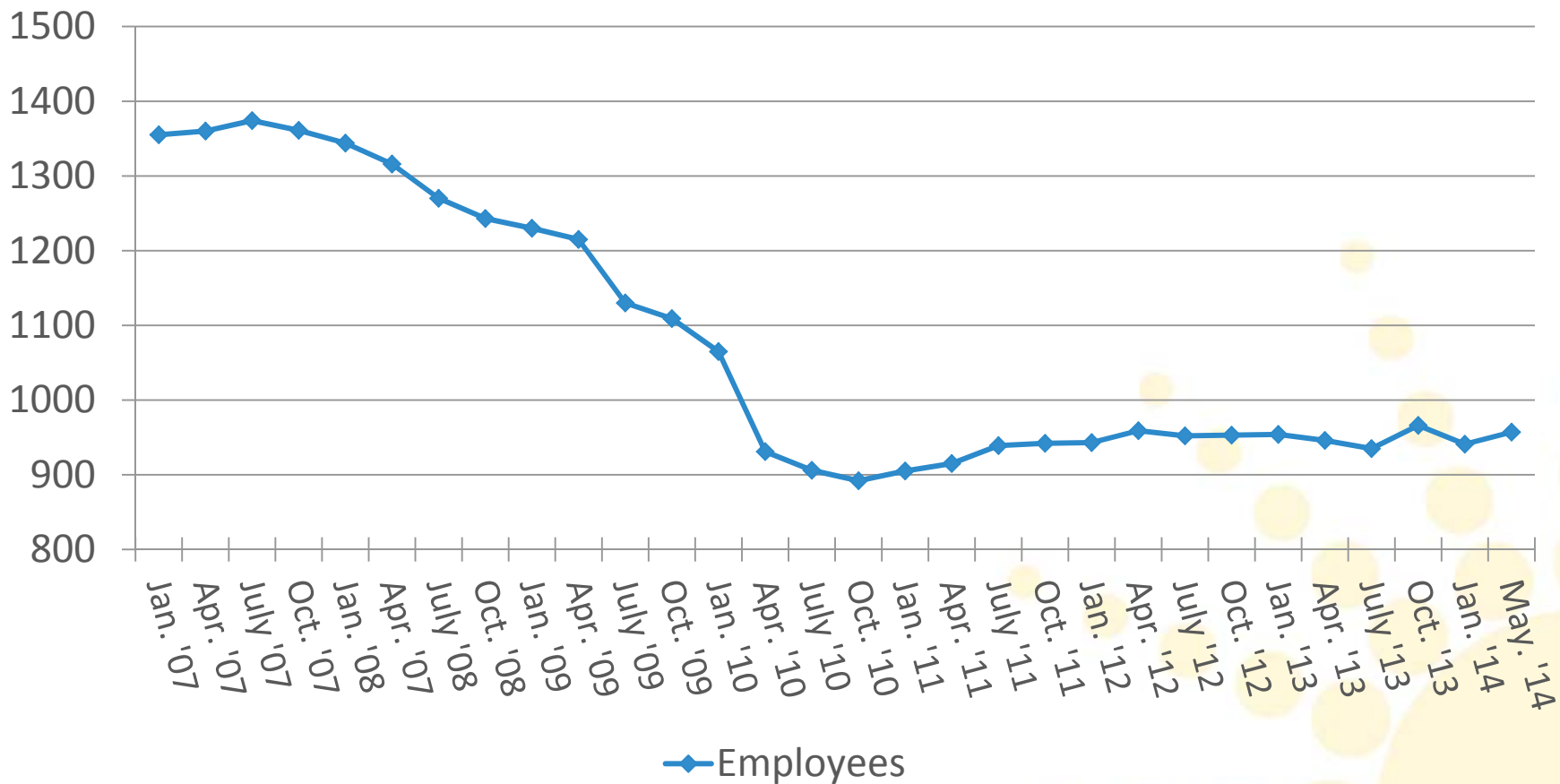


Growth in National Health Expenditures and Gross Domestic Product (GDP), 1985-2013



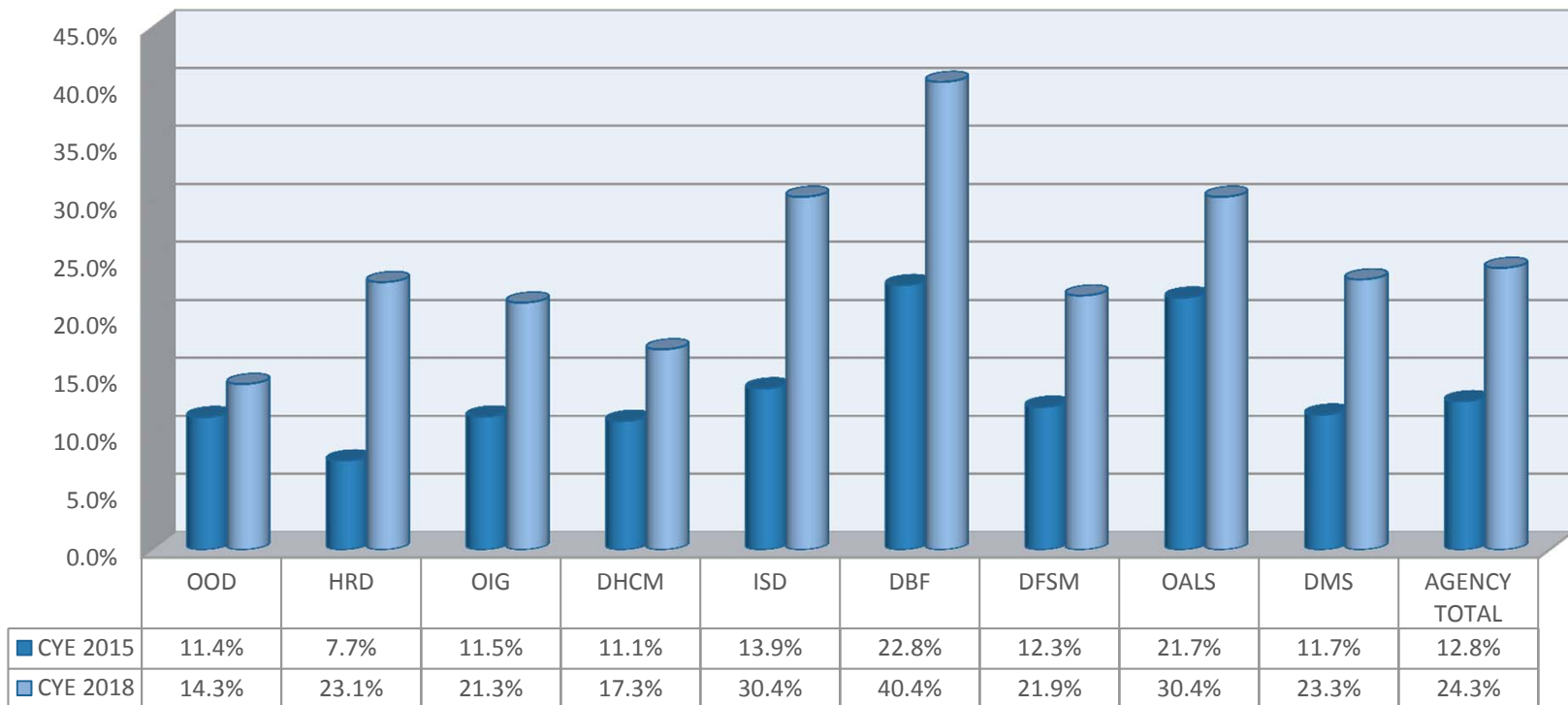
SOURCE: Centers for Medicare & Medicaid Services, Office of the Actuary, National Health Statistics Group, U.S Department of Commerce, Bureau of Economic Analysis and National Bureau of Economic Research, Inc.

AHCCCS Staffing Levels



Potential Retirees

**AHCCCS Employees (930)
Retirement Eligibles**



Delivery System Transformation Initiatives

1. Members with Serious Mental Illness
2. High Need High Cost - Super Utilizers
3. Dual Eligible Members
4. American Indian Health Program
5. Justice System Transitions
6. Health Information Technology
7. Blind Spot Data Sharing
8. Children with Special Needs

Other Items

- Hospital Assessment
- Greater AZ RBHA
- NDC Data on I.H.S/638 Claims
- PCP Rate Bump – expiration 12-31-14
- SIM Update - \$2.5 m Design
- Marketplace Changes – UAHN/Banner – Care 1st/California Blue Shield
- CMS Staffing Changes

AHCCCS Procurements

- 10-1-15 Greater AZ RBHA Transition
- 10-1-16 DD Acute Contracts
- 10-1-17 ALTCS Contracts
- 10-1-18 Acute Care
- 10-1- ? RBHA