AHCCCS Waiver Update

Tribal Consultation

October 18, 2017

What is an IMD?

- An institution of **more than 16 beds** that is **primarily** engaged in the care and treatment of individuals with mental diseases, whether or not it is licensed as such

- Examples: psychiatric hospital, nursing facility, residential treatment center

- A psychiatric unit of a general hospital is not an IMD

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CMS's New Managed Care Rule

- Managed care regulations issued July 5, 2016, prohibit federal funding for stays in IMDs if the stay is more than 15 days in a calendar month

- Applies to adults aged 21-64

- Effectively restricts Arizona's "in lieu of" authority so that stays in IMDs in lieu of more expensive settings are not reimbursed by the federal government if the stay exceeds 15 days

Effects of CMS's Managed Care Rule

- If a member's stay in IMD is > 15 days, the State must recoup the entire monthly capitation payment from the MCO for that member

- AHCCCS can then reimburse the MCO for the number of days in that month in which the member was NOT in an IMD (if any)

- Regardless of recoupment, the member is still enrolled with plan, the plan is still responsible for care, and the MCO must pay providers for medically necessary services

- Challenges include developing adequate network of non-IMD alternatives and the higher cost of alternatives

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Waiver Update: Institutions for Mental Diseases (IMD)

- On April 12, AHCCCS submitted a waiver requesting that Arizona be exempt from the 15 day limit on federal funding for IMD stays, both for managed care and FFS populations

- On October 6, CMS approved West Virginia's request (as part of a larger waiver application from 2016) to exempt substance use disorder stays in IMDs from the 15 day limit

- We expect to hear from CMS soon about applying this exemption in Arizona

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Traditional Healing

- AHCCCS is seeking authority to reimburse for Traditional Healing services as a covered service

- The Workgroup has shared our current draft SPA with CMS

- Current Status: in active discussions with CMS

Questions?

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Reaching across Arizona to provide comprehensive
quality health care for those in need