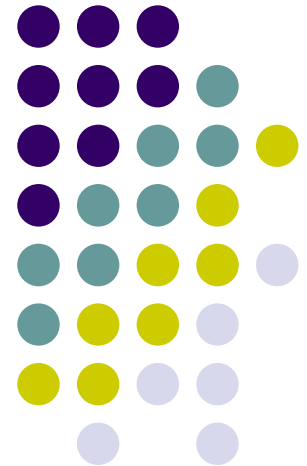
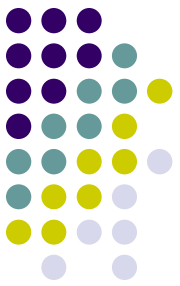


# The Renewal of Arizona's 1115 Waiver

Office of Intergovernmental  
Relations  
August 2010

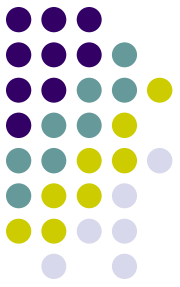




# Section 1115 Defined

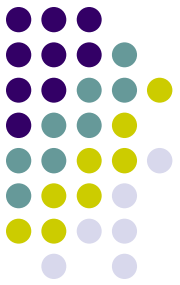
- Section 1115 of the Social Security Acts gives states authority to waive selected Medicaid requirements in federal law
- Two types of authority may be requested:
  - Waiver of provisions of Section 1902
  - Expenditure of federal funds under Section 1903
- Projects must be budget neutral- can't cost more than without the waiver
- Projects are generally approved for 3 or 5 years; states may submit renewals for continuation

# Arizona's 1115 Specifics

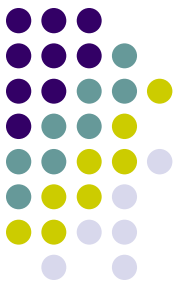


- There are 3 major sections of the waiver:
  - Waiver List (9)
  - Expenditure Authority List (27)
  - Special Terms and Conditions (68)
- Additional attachments (A-D) provide more detail on various programs and guidelines

# Waiver Amendments



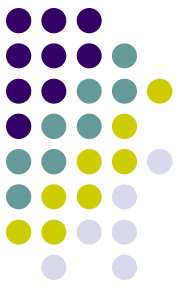
- The Waiver may be amended at various times throughout the demonstration period based on changes to federal and state law, regulation, policy or court decisions
- The Waiver amendment process is less formal than the SPA process as there are no timelines, templates, etc.



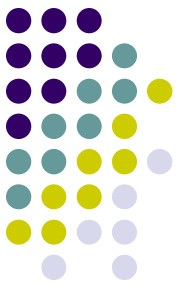
# CMS Approval

- The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for oversight of State Medicaid agencies
- Arizona must obtain final approval from CMS (Central Office) for all 1115 Research and Demonstration authorities
- The Office of Management and Budget and the Department of Health and Human Services also review waiver proposals

# The Waiver Allows Arizona to:

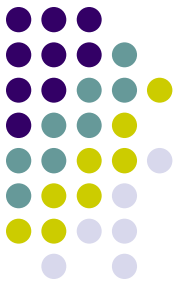


- Run its unique Medicaid model built around a statewide managed care system
- Provide health care to expanded populations
- Serve members enrolled in the Arizona Long Term Care System in the community rather than more costly institutions
- Implement administrative practices that increase efficiency



# Waiver Milestones

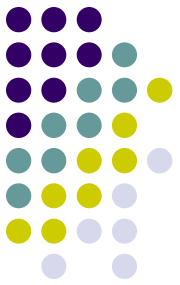
- 1982- AHCCCS is born
- 1988- ALTCS is born
- 1990- Behavioral health services available
- 1998- KidsCare is born
- 2001- Expansion up to 100% FPL (Prop 204)
- 2003- Expansion for HIFA Parents
- 2006- Spouses paid as caregivers for members in ALTCS



# Renewal Process

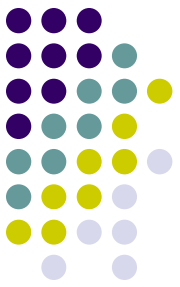
- Arizona's waiver is scheduled to expire September 30, 2011
- An internal team of experts have been meeting to assist in the submittal
- Arizona will submit its letter of intent to renew the waiver by September 30, 2010





# AHCCCS will request:

- A new waiver for 5 years
- Continuation of all current waiver and expenditure authorities
- Additional authority for:
  - Innovative reimbursement strategies
  - Program integrity improvements
  - Additional administrative efficiencies



# Next Steps

- Two public hearings are scheduled to seek input from stakeholders
  - August 9, 2010
  - September 2, 2010
- Written comments should be submitted electronically no later than October 1, 2010
- Instructions for submitting comments and additional information is available at:  
[www.azahcccs.gov/publicnotices/](http://www.azahcccs.gov/publicnotices/)