

F O R I M M E D I A T E R E L E A S E

September 30, 2016

First In The Nation: Governor Ducey's Reforms To Medicaid Granted By Feds

"Arizona has provided a template for the rest of the country to follow."

PHOENIX — Reform is on its way to Arizona's Medicaid program.

The Centers for Medicare and Medicaid Services (CMS) has approved Arizona's request to reform its Medicaid program, known as the Arizona Health Care Cost Containment System (AHCCCS). Under the reformed program, eligible members will now make contributions to an account – similar to a Health Savings Account – to be used for services not currently covered by Medicaid, including dental, vision, weight loss and more.

Traditionally, Medicaid has served children, pregnant women, persons with disabilities and the elderly. Today, with more than 1.8 million members, the newly-approved AHCCCS CARE program seeks to promote personal responsibility, provide tools for managing one's own health, and prepare adults to transition out of Medicaid and into private coverage.

"Arizona can do better than Washington, D.C. when it comes to delivering quality and affordable health coverage and taking care of our most vulnerable citizens," said Governor Ducey. "When we rolled this out more than a year ago, many said it just couldn't be done — that reform was too hard, and that the federal government would never say yes. By working proactively, we've proved the naysayers wrong. Now, with these one-of-a-kind, first-in-the-nation reforms, Arizona has provided a template for the rest of the country to follow. We're taking AHCCCS into the 21st century, allowing Arizonans to take charge of their own health, providing enhanced services not currently offered under the Medicaid program, and better protecting taxpayer dollars."

"Today marks a new day for Arizona's participation in the Medicaid program," said AHCCCS Director Tom Betlach. "We have the opportunity with AHCCCS CARE to build upon past successes by giving adult members the supports and tools they need to improve health literacy and prepare for life after AHCCCS. We are pleased to launch this innovative new outreach strategy to support Governor Ducey's goal of a healthier Arizona."

Program highlights include:

- **Health Savings Account.** Adults over 100% of the Federal Poverty Level are required to pay a monthly premium at 2% of household income or \$25, whichever is lesser.
- **Giving Citizens Tools to Manage Their Own Health.** Member premium contributions go into their AHCCCS CARE Account, which works like a flexible health savings account. These funds can be withdrawn by members and used for non-covered services, including dental, vision, chiropractic care, recognized weight loss programs, nutrition counseling, gym membership and sunscreen.

- ***Enforcing Member Contribution Requirements.*** Members will be disenrolled for failure to pay their monthly premium requirements.
- ***Engaging the Business and Philanthropic Community.*** Employers and charitable organizations can contribute funds into the AHCCCS CARE Account to support a healthy workforce and achieving health goals.
- ***Promoting Healthy Behaviors.*** The AHCCCS CARE program includes incentives to promote healthy behaviors. Members can defer their premium payments for 6 months if they meet healthy targets that include: (1) meeting preventive health targets like getting a wellness exam, flu shot, mammogram or cholesterol screening; or (2) managing chronic illnesses like diabetes, asthma or tobacco cessation. Meeting these healthy targets allows members to roll unused funds over into the next year and unlock funds in the AHCCCS CARE Account to be used for non-covered services.
- ***Supporting the Medical Home through Strategic Coinsurance.*** The AHCCCS CARE program uses a strategic coinsurance strategy that only assesses payment requirements retrospectively, so members are not denied services and providers are not burdened with uncompensated care and administrative hassle. Strategic coinsurance only applies to: (1) opioid use, (2) use of brand name drugs when a generic is available, (3) non-emergency use of the emergency department, and (4) seeing a specialist without a primary care provider's referral.
- ***Connecting to Employment Opportunities.*** Through an innovative partnership with the Arizona Department of Economic Security, all AHCCCS CARE members will be automatically enrolled in job seeking programs.

Arizona's waiver approval also includes an extension of existing authorities, such as mandatory managed care and use of home and community based services for members with long-term care needs, as well as a new \$1,000 dental benefit for long term care members on ALTCS. These and other innovations have made the AHCCCS program one of the highest quality, most cost effective Medicaid programs nationally.

###

For more information, contact the AHCCCS press office at (602) 417-4019 or go to the AHCCCS website News & Updates page at: www.azahcccs.gov.