

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

Thomas Betlach
Director
Arizona Health Care Cost Containment System
801 East Jefferson, MD
Phoenix, AZ 85034

OCT 15 2013

Dear Mr. Betlach:

On August 23, 2013, your staff submitted a draft transition plan for your section 1115 demonstration, Arizona Health Care Cost Containment (project number 11-W-00275/09 and 21-W-0064/9). We appreciate the cooperation and collaboration your staff has provided during our review of your section 1115 demonstration transition plan.

Please find attached a clean version of your transition plan. CMS has accepted the redline edits you submitted on October 2, 2013. We ask that you review this document carefully and submit your confirmation of your transition plan as described in the enclosed document within 15 days.

Based on the enclosed version of your transition plan, at this time we have no further questions about your 2013 transition plan for your section 1115 demonstration population. Please note that the draft transition notices are still outstanding; we request that you submit the draft notices as soon as possible. Please be aware that we may have additional questions after the submission of the outstanding items.

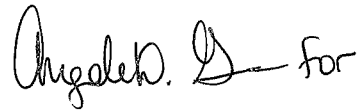
Please note that we will continue to work with you through the State Operations Technical Assistance (SOTA) process on issues related to overall eligibility and enrollment policies and practices for 2014, such as the grandfathering protections for beneficiaries. Other Centers for Medicare & Medicaid Services (CMS) components will continue to work with you on other Affordable Care Act-related items, such as your systems and data.

If you have any questions, please contact your transition plan project officer, Ms. Angela Britton, at either 410-786-3079 or by email at Angela.Britton@cms.hhs.gov.

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We appreciate your cooperation throughout the review process.

Sincerely,

A handwritten signature in cursive script, appearing to read "Diane T. Gerrits for".

Diane T. Gerrits
Director
Division of State Demonstrations & Waivers

Enclosure

cc: Eliot Fishman, Director, Children and Adults Health Programs Group
Gloria Nagle, Associate Regional Administrator, Region IX

Arizona 1115 Demonstration Transition Plan

I. 2013 Renewal Process

For those members that have a renewal coming due between October 1 through December 31, they will go through the current renewal process. Thus, they will not get asked to update their information with the tax relationships in the household as the system will not yet be ready to send that style of renewal yet.

II. Coverage in 2014

For all populations currently served by Arizona's demonstration (this includes mandatory state plan, optional state plan, and expansion populations), you must map their coverage in 2014. Please:

- Identify the current authority for the population;
- Identify the 1/1/2014 authority for the population; and
- For each 1/1/2014 population, specify the benefits the population will receive and the delivery system for those benefits.

Eligibility Category	Current Coverage and Authority	Jan. 1, 2014 Coverage and Authority	Benefits	Delivery System	Transition Required?
Mandatory Coverage Groups					
Infants Age 0-1	140% FPL; Mandatory State Plan (AZ covers FPL above minimum requirement of 133% FPL)	No change	State Plan	Managed Care	No
Children Age 1-5	133% FPL; Mandatory State Plan	No change	State Plan	Managed Care	No
Children Age 6-18	100% FPL; Mandatory State Plan	Increase to 133% FPL	State Plan	Managed Care	Yes – State Plan to State Plan

Pregnant Women	150% FPL; Mandatory State Plan (AZ covers FPL above minimum requirement of 133% FPL)	No change	State Plan	Managed Care	No
Parents and Caretaker Relatives	100% FPL; Mandatory State Plan (AZ covers FPL above 1996 minimum level which averages 21.3% FPL)	No change	State Plan	Managed Care	No
Aged, Blind and Disabled	100% FPL; Mandatory State Plan	No change	State Plan	Managed Care	No
Young Adult Transitional Insurance (YATI)	Mandatory State Plan	Increase of coverage to Age 26.	State Plan	Managed Care	Yes – State Plan to State Plan
Adoption Assistance and Foster Care Children	Mandatory State Plan	No change	State Plan	Managed Care	No
Optional Coverage Groups (State Plan)					
SSI-MAO	Income greater than 100% FBR and up to 100% FPL; Optional State Plan	No change	State Plan	Managed Care	No
Breast and Cervical Cancer Treatment Program	Optional State Plan	No change	State Plan	Managed Care	No
Freedom to Work	250% FPL; Optional State Plan	No change	State Plan	Managed Care	No

State Adoption Subsidy	Optional State Plan	No change	State Plan	Managed Care	No
New Adult Group	100-133% FPL; Not currently covered	Coverage begins 1/1/14 at option of the State; State Plan authority	ABP	Managed Care	Yes – New State Plan
Optional Coverage Groups (1115 Waiver)					
Childless Adults	100% FPL; 1115 Waiver (Enrollment currently frozen)	No FPL change; restore coverage 1/1/14; transition authority from 1115 to State Plan	ABP	Managed Care	Yes – expansion to State Plan
Family Planning Extension Program	150% FPL; 1115 Waiver	No change	State plan	Managed Care	No
KidsCare II	100-200% FPL up to age 19; 1115 Waiver (authority expires 12/31/13)	<i>Transition to Medicaid:</i> Children with income between 100-133% FPL <i>Transition to FFM:</i> Children with income over 133% FPL up to 200%	N/A	N/A	Yes – Expansion to State Plan; Expansion to FFM
CHIP/KidsCare					
KidsCare I	100-200% FPL up to age 19; Title XXI State Plan (enrollment currently frozen)	<i>Transition to Medicaid:</i> Children with income between 100-133% FPL	State plan	Managed Care	Yes – Title XXI CHIP State Plan to Title XIX State Plan

		<i>Maintain KidsCare enrollment:</i> Children with income over 133% FPL up to 200%; enrollment remains frozen (no new enrollment)			
Arizona Long Term Care System (ALTCS)					
Elderly & Physically Disabled	300% of FBR; Optional State Plan	No change	State Plan and 1115 Waiver	Managed Care	No
Division of Developmental Disabilities (DDD)	300% of FBR; Optional State Plan	No change	State Plan and 1115 Waiver	Managed Care	No

III. Process for Transition

Describe the state process for transitioning covered groups to appropriate Medicaid eligibility or to the Marketplace under the 2014 coverage options.

- Describe any actions (including proposed dates for those actions) the state will take to transition populations including the process the state will use to screen individuals for coverage under his/her existing category, and for other Medicaid eligibility categories (if he/she is not still eligible under the existing category);
- Describe any actions the beneficiary will need to take for his/her transition; and
- Describe how the state will communicate with and transfer cases to the Marketplace.

AHCCCS Populations Requiring Transition						
Eligibility Category	Type of Transition	Impact to Member	State Action	Action Needed by AHCCCS Member?	Member Notice Needed?	Transfer of Case to FFM?

Children ages 6-18 (100-133% FPL)	State Plan to State Plan to reflect increase in FPL level from current maximum of 100% FPL to new of 133% FPL	None. Current members in this category retain their coverage. Enrollment opens for new members from 100-133% FPL on 10-1-13 for coverage effective 1-1-14.	System change to allow for new enrollment	No.	No.	No.
YATI	State Plan to State Plan to reflect increase in upper age limit for youth transitioning out of foster care from current age limit of 21 to new age limit of 26.	Members in this category will retain their coverage through age 26.	System change to maintain eligibility of member in this category through age 26.	No.	Yes to inform member they will retain coverage in this category through age 26. Notices to be sent 1-1-14.	No.
Childless adults (0-100% FPL)	1115 Waiver to State Plan	Current members retain coverage; enrollment will open to new members beginning 10-1-13 for coverage effective 1-1-14	System change to open enrollment 10-1-13 for coverage effective 1-1-14	None for existing members. Adults not currently enrolled must submit application to be considered for eligibility.	Yes to inform current members that enrollment is no longer frozen, their coverage is not being impacted and coverage is available to all adults from 0-133% FPL effective 1-1-14. Notice to be sent 1-1-14.	No.
New Adults (100-133% FPL)	New State Plan Amendment	None. Coverage category not currently available	System change to open enrollment 10-1-13 for	Yes. Must submit application to be considered for	Yes. This is a new notice to explain final eligibility determination (eligibility	No

			coverage effective 1-1-14	eligibility.	confirmed or denied). Notice sent once eligibility determination is made to inform applicant of disposition of case.	
KidsCare I (children 100-133% FPL)	CHIP State Plan to Medicaid State Plan for children in households with income between 100-133% FPL	Minimal. Coverage and health plan options are the same. Move to Medicaid means household will no longer have to pay premiums for coverage. Some copay requirements may apply.	AHCCCS will determine Medicaid eligibility using income data on file	No.	Yes to inform member they are now Medicaid eligible and impact of change in status regarding premiums. Notice to be sent 11-15-13.	No.
KidsCare II (children 100-133% FPL)	1115 Expansion to Medicaid State Plan for children in households with income between 100-133% FPL	Minimal. Coverage and health plan options are the same. Move to Medicaid means household will no longer have to pay premiums for coverage. Some copay requirements may apply.	AHCCCS will determine Medicaid eligibility using income data on file	No.	Yes to inform member they are now Medicaid eligible and impact of change in status regarding premiums. Notice to be sent 11-15-13.	No.
KidsCare II (children above 133% FPL)	Termination of 1115 Expansion program	Children in households with income above 133% FPL will no longer be eligible for KidsCare II. Household	AHCCCS will review for Medicaid eligibility using income data on file to confirm	Yes. Member will have to work with FFM to complete the application	Yes to inform member their KidsCare coverage is terminating and their case is being transferred to FFM for	Yes. Ideally the State will complete account transfer electronically but is awaiting

		will have to seek coverage on FFM or elsewhere.	household is above 133% FPL	following the account transfer.	disposition and availability of PTC or CSR Notice to be sent 11-15-13.	testing with FFM.
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General Transition Information

1. Prepopulated forms will be used in 2014 for the renewal process. The prepopulated form will be used to collect additional income information. Notices will request that additional information be sent if your income has changed.
2. Between November and December 2013 a data conversion will take place to move data to the new system. In 2014, the new system will run household information thru MAGI rules.
3. The state will transfer accounts to the federal facilitated Marketplace.
4. Arizona will check all eligible categories before referring enrollee to the marketplace.

IV. Notification

Please describe the notification process the state will use to communicate with beneficiaries about changes to his/her coverage in 2014. This process description should include:

- A description of the review process used to develop the notices;
- The timing of notices to beneficiaries;
- How the notices will be sent to beneficiaries; and
- How the beneficiaries will be able to ask questions about the notice.

Notices are developed by AHCCCS staff. AHCCCS uses special software to identify base reading level and ease of reading. Also, the staff who complete final reviews have participated in multiple training sessions and webinars by Penny Lane and Maximus, and employ the principles from those sessions in development and review to ensure notices are clear and written at appropriate reading levels.

For those coverage groups whose transition will trigger a notice requirement, the timing of the notice was noted above. Notices will be sent via U.S. Mail to the address of record. A phone number will be provided on the notice for customers to call with questions. The AHCCCS Administration is currently working on a streamline call center targeting a 10-1-13 start date.

V. Content of the Notices

- Please provide drafts of the notices that will be sent to beneficiaries.

- Please provide an example of the draft notice for each type of transition (this should include examples of notices where the only change that will be apparent to a beneficiary is a change in benefits or delivery system).

Please note that all notices must comply with the notice requirements in 42 CFR 431.206, 431.210 and 431.213, and must include information on appeal and hearing rights as outlined in 42 CFR 431.220 and 431.221.

The State is working on its draft notices. The State's first goal is to complete work on the actual eligibility system to conform to required ACA changes for a 10-1-13 start date.

Kids CareII Notice: The state is trying to obtain a list of navigators to provide to the beneficiaries as part of their notice. The notice may reference a list of navigators and/or reference a website to obtain navigator information.

VI. Community Outreach

- Please describe all community outreach activities (such as public forums, webinars, flyers, websites, etc.) the state has or will undertake to inform beneficiaries about the transition and to support them during the transition period.
- This component of the transition plan must include information about tribal consultation activities for all states with federally recognized tribes.

HEA Plus Subscribers

The State has a robust community outreach and education effort. First, the State has 75 organizations with 300 different sites and over 1,000 employees trained as community assistants on the State's current and new eligibility system, Health-e-Arizona Plus (HEA Plus). These HEA Plus subscribers will be able to assist applicants and obtain real time eligibility determinations. The State engages with these subscribers in monthly meetings and has conducted various phases of testing on the new system. These subscribers represent FQHCs, other providers, community organizations and more.

In addition, the State is reaching out to new groups not currently subscribers. The State has a list of 20 new groups that will sign HEA Plus agreements beginning 10-1-13. The number of new subscribers is expected to grow.

Attached is a list of HEA Plus demonstrations and trainings conducted to date.

Website and Community Forums

The State developed a dedicated page on its website called Medicaid Moving Forward to provide updated information on the progress of the State in moving toward 2014. That page can be found here: <http://www.azahcccs.gov/publicnotices/MovingForward.aspx> .

The State also has developed a listserv that current has 1,366 individuals representing various organizations, Medicaid members or themselves.

The State is also hosting Community Forums across the State that are open to the public. The schedule is below, news of the update was sent via the AHCCCS listserv and is posted to the AHCCCS website here:

<http://www.azahcccs.gov/publicnotices/Downloads/MedicaidCoverage/MMFCommunityForums.pdf>

GENERAL – Sessions for Families, Advocates and Community Partners	
Tuesday, October 8, 2013 1p.m. – 3p.m. RSVP: ForwardTucson@azahcccs.gov	Casino del Sol - Conference Center 5655 W. Valencia Rd. Tucson, AZ 85757
Friday, October 11, 2013 1p.m. – 3p.m. RSVP: ForwardFlagstaff@azahcccs.gov	Flagstaff Medical Center – McGee Auditorium 1200 N. Beaver Street Flagstaff, AZ 86001
Wednesday, October 30, 2013 1p.m. – 3p.m. RSVP: ForwardPhoenix@azahcccs.gov	The Disability Empowerment Center 5025 E. Washington Street, Suite 200 Phoenix, AZ 85034

*Two additional sessions in Phoenix have been scheduled for October 30, 3:15 – 5:00 and November 4, 1:00-3:00. The website (link above) is updated as new forums are scheduled.

Tribal Consultation Activities

The State has been engaging with its tribal stakeholders throughout this process. Regular updates on HEA Plus and the transition of populations have been provided in tribal consultation. In addition, many tribal organizations are HEA Plus subscribers and have been part of the special trainings and demonstrations. These issues have been discussed as part of tribal consultation on the dates below:

Tribal Consultations and Meetings

- 2/6/13: Tribal Consultation meeting held in Phoenix
- 3/21/13: Special Meeting with I/T/U's held in Phoenix
- 6/25/13: Special ACA SPA Tribal Consultation via teleconference
- 7/12/13: Meeting with Vice-Chairwoman Catalina Alvarez of Pascua Yaqui Tribe to discuss Restoration Plan
- 8/5/13: Meeting with White Mountain Apache Tribal leaders and Health Program personnel re: Restoration Plan and HEA Plus
- 8/13/13: Inter-Tribal Council of Arizona Training: State Health Insurance Assistance Program (included update on restoration plan)
- 8/15/13: Tribal Consultation meeting off-site on the Hopi Reservation review of HEA Plus and 1115 Transition Plan

- 9/19/13: Tribal Consultation regarding restoration and expansion implementation, threat of legal challenges to implementation and extension of current supplemental payments waiver authority
- 9/26/13: Provided overview at Phoenix Indian Medical Center ACA kick-off event
- 9/30/13: Meeting with Navajo Nation Vice President and Councilmembers

Communications on Expansion/Restoration Updates/Information sent to tribal listserv:

- 1/15/13: Proposed Expansion of AZ Medicaid Program by Governor Brewer = 205 people
- 3/19/13: Governor Brewer’s Medicaid Coverage Bill = 205
- 3/22/13: Yuma Public Forum Announcement sent to Colorado River Tribe Leaders, Tribal Council, Tribal Health Programs = 18
- 4/17/13: AHCCCS Public Forum at Eastern Arizona College in Thatcher sent to San Carlos Apache Tribal Leaders, Tribal Council, Tribal Health Programs = 20
- 5/1/13: AHCCCS Updates re: Medicaid Restoration = 205
- 5/2/13: Show Your Support - Rally for Restoration = 205
- 5/14/13: Rally for Restoration = 183
- 5/14/13: Rally for Restoration sent to Tribal Leaders = 22
- 6/14/13: Medicaid Restoration Approval Amendment Announcement = 205
- 6/14/13: Bill Signing Ceremony sent to Tribal Leaders = 22
- 6/17/13: AHCCCS Update – Thank you Follow-up to tribal stakeholders = 205

In addition, the schedule for upcoming forums, including dedicated tribal sessions outlined below, was sent to the tribal listserv.

TRIBAL – Sessions for Tribal Stakeholders	
Date	Location
Monday, September 16, 2013 and Monday, September 23, 2013 1p.m. – 3p.m. RSVP: ForwardPhoenix@azahcccs.gov	Native American Community Service Center 4520 N. Central Ave., 6 th Floor Conference Room Phoenix, AZ 85012
Tuesday, October 8, 2013 10a.m. – 12p.m. RSVP: ForwardTucson@azahcccs.gov	Casino del Sol - Conference Center 5655 W. Valencia Rd. Tucson, AZ 85757
Friday, October 11, 2013 10:30a.m. – 12:30p.m. RSVP: ForwardFlagstaff@azahcccs.gov	Flagstaff Medical Center – McGee Auditorium 1200 N. Beaver Street Flagstaff, AZ 86001

*Additional sessions in Parker, Arizona and Western and Eastern Navajo Nation are being scheduled. The website (link above) is updated as new forums are scheduled.

Additional Outreach Activities

Although the AHCCCS Administration has limited staffing and resources to attend individual meetings, AHCCCS staff has provided or are scheduled to provide updates on these issues to the following groups:

- 6/11: Healthy Children Arizona Committee
- 8/11: Arizona Hemophilia Association Statewide Conference

- 8/13: Alzheimer's Task Force Conference Call
- 8/20: Arizona Probation Court Administrators Monthly Meeting
- 9/6: Access Tucson – a panel discussion to be aired on local cable stations in the Tucson area
- 9/21: Philippine Nurses Association
- 9/24: Participated in Tele-Town Hall for small business owners and employees hosted by AZ Sen. Steve Farley
- 9/25: Participated in Tele-Town Hall for small business owners and employees hosted by AZ Sen. Steve Farley
- 9/27: Hosted two Webinars on implementation of restoration and expansion for HEA and HEAplus community partners and Cover AZ coalition members with over 600 people attending
- 10/22: Scheduled to speak at conference hosted by Mental Health America of Arizona
- 11/1: Arizona School Based Health Care Council Board annual meeting

Special communications and information are being provided as well to the hospital community working in cooperation with the Arizona Hospital and Healthcare Association. Additional outreach activities are anticipated throughout the Fall of 2013.