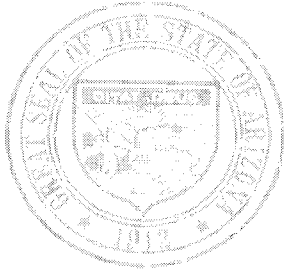


AHCCCS Community Forum Agenda
MED Phase-Out Plan Public Training
May 23, 2011

- I. Introductions
 - II. MED Phase Out Plan
 - a. Overview
 - b. Fact Sheet
 - c. Resources
 - III. Web Overview
 - IV. AHCCCS Updates
 - V. Discussion
-

Notes:



AHCCCS Program Update Public Training Session MED Phase-Out Plan



PURPOSE: AHCCCS will hold a number of public meetings over the next few months to provide updates on various aspects of Arizona's Medicaid Reform Plan. This Session will provide the public with information about the final approved Phase-Out Plan for the Medical Expense Deduction (MED) program. Topics will include:

- **MED Phase-Out Plan**
- **MED Fact Sheet**
- **Resources for the Public**

DATE: Monday, May 23, 2011; 2-4 p.m.

LOCATION: ABIL Conference Center
5025 E. Washington St., Ste 200
Phoenix, AZ 85034
Phone: 602-256-2245
The AHCCCS Flagstaff and Tucson offices will have conference lines available.

RSVP: Space is limited. RSVP to Alma.Torres@azahcccs.gov

For additional information visit: www.azahcccs.gov/publicnotices

AHCCCS Public Notices

Community Forums

AHCCCS will hold a number of public meetings over the next few months to provide updates on various aspects of Arizona's Medicaid Reform Plan. Specific information for each session is provided below.

Upcoming Meetings

- May 23, 2011 - MED Phase-Out Plan and Community Resources [71KB]
- **June 1, 2011** - Childless Adult Transition Plan and Community Resources [28KB]
- June 23, 2011 - Respite Benefit [Coming soon.]
- July 6, 2011 - Childless Adult Transition Plan and Community Resources [Coming soon.]

Previously Held Meetings

- **April 25, 2011** - AHCCCS held a public meeting on April 25, 2011, to obtain public comments on updates to the Arizona Medicaid program. For more information about the public meeting, see the notice below.

[Summary of Briefing \[15.5MB\]](#)

[AHCCCS Public Informational Notice \[42KB\]](#)

[Waiver Overview Presentation \[222KB\]](#)

[MED Phase Out Plan Presentation \[51KB\]](#)

- **August 9, 2010 and September 2, 2010** - AHCCCS held two public meetings, on August 9th and September 2nd, to obtain public comment on updates to the Arizona Medicaid program. For more information about the public meetings, see the notice below.

[AHCCCS Public Informational Notice \[PDF, 47KB\]](#)

Please send any questions to: PublicInput@azahcccs.gov

Submit Comments

Written comments can also be submitted by clicking on the link below:

[Comment submission form](#)

MED Phase-Out Plan Public Training

May 23, 2011

MED Phase-Out Overview

Who is covered by the MED Program?

The Medical Expense Deduction program (MED) is Arizona's spend down program for those not otherwise eligible for AHCCCS under any other category and who have medical expenses that reduce their income below 40% FPL. As of May 1, 2011, there were 6,035 MED members.

When will the MED program end?

Beginning May 1st, enrollment for the MED program was frozen and no new applications will be accepted. All individuals currently enrolled in the MED program will retain their coverage until the end of their eligibility period. Since eligibility for MED does not exceed 6 months, the May 1st freeze has the effect of eliminating the MED program by October 1, 2011.

What process did Arizona follow to Phase-Out the MED Program?

- March 16, 2011: Draft MED Phase-Out Plan submitted to CMS for approval.
- March 17, 2011: Notice of Proposed Exempt Rule-Making with 30 day comment period.
- March 31, 2011: Revised Waiver Renewal submitted to CMS.
- April 25, 2011: Public Hearing on the MED Phase-Out Plan.
- April 29, 2011: CMS approved the MED Phase-Out Plan.
- May 1, 2011: MED Program frozen.
- May 6, 2011: All MED households sent notice and Short Change Form.

MED Phase-Out Specifics

What happens to applications?

Applications received prior to May 1, 2011, will be processed for MED eligibility. Households that meet all MED eligibility requirements, including the spend-down requirement, before May 1, 2011, will be approved for MED. If the household does not meet eligibility requirements until May 1, 2011, or later, the household will not be approved for MED.

What happens to current MED members?

All MED households will be reviewed for eligibility under another Medicaid category, and if eligible, moved to the new category and be notified.

All MED members have received a notice explaining the program is ending. A Short Change Form is included in this notice for members to report decreases in their income or other changes. If there has been any kind of change, the form should be completed and returned for review of eligibility in another Medicaid category.

Each month as members reach the end of their eligibility period, they will receive the Short Change Form along with their regular discontinuance notice. A completed Short Change Form will be accepted as an application for Medicaid benefits and will be reviewed immediately.

DES will telephone MED households with children under the age of 18 who have not returned the Short Change Form or contacted DES. If they can not be reached, DES will send another notice to the household.

What happens if a MED member disagrees with an eligibility determination?

If a MED member believes their eligibility was not determined correctly, they can file an appeal and request that their MED coverage be continued until the final decision is made by the DES Office of Appeals. The household has 30 calendar days from the date the decision notice is mailed to request an appeal of the decision. A request for appeal can be submitted either verbally or in writing.

**Medical Spend Down Program (MED) Phase Out Plan
Fact Sheet
April 29, 2011**

Eligibility for the MED Program will be frozen May 1, 2011 and will end September 30, 2011. No one will be approved for the MED program for the month of May 2011 and ongoing

What is the MED program?

MED is a short term program with a block of eligibility lasting no more than 6 months for families with income over 100% of the Federal Poverty Level (FPL) and medical expenses that reduce their countable income to less than 40% of the FPL. They are NOT eligible for any other AHCCCS program. Families often qualify for MED after a family member has experienced a catastrophic injury or illness. Currently 14% of MED members are able to move to another category of AHCCCS when their MED coverage ends.

How many people are on MED?

As of April 1, 2011 there are 5,711 AHCCCS members enrolled in MED. There are less than 1,000 children on the MED program.

What will happen to those already on MED?

All MED members with eligibility effective before May 2011 will remain eligible for their block of eligibility. We expect about 1,000 MED members to roll off the MED program each month through September. All MED members will receive a notice in May explaining the phase out of the program. They will receive another notice in the last month of their MED eligibility.

What can MED members do?

- All MED families will get a SHORT CHANGE FORM in May and in the last month of their MED eligibility. They can use the Short Change Form or call DES to report decreases in their income or other changes to see if they qualify for other AHCCCS Programs. If their income or other circumstances have changed, it is important they return the form or call DES to see if they are eligible in another AHCCCS category.
- DES will contact MED families with children who do not submit the SHORT CHANGE FORM to assist them and their children to get other AHCCCS coverage.
- If MED members are denied for other AHCCCS coverage and they believe their eligibility was not determined correctly, they can file an appeal and request that their MED coverage be continued until the final decision is made by the DES Office of Appeals.

Alternative resources

See: <http://www.azahcccs.gov/community> for ideas about helping MED families who are losing AHCCCS coverage.

IDEAS FOR MED FAMILIES WHO LOSE THEIR AHCCCS COVERAGE

1. Report changes in income on their **SHORT CHANGE FORM** (form is mailed to MED families and is identified using light green paper) or call DES to see if they are eligible for other AHCCCS programs.
2. **Keep denial letters for AHCCCS coverage.** Some other programs will want to see proof they are not eligible for AHCCCS.
3. **Refer to Community Action Programs** that have discounted medical services for a small annual enrollment fee.

Maricopa County
Health Care Connect
Phone: **602-288-7564**
On the Web: www.healthcareconnect.org/contactus.php

Pima and Santa Cruz County
Pima Community Access Program (PCAP) Medical Discount Programs
Phone: **520-694-0418**
On the Web: www.pcap.cc

Yuma County
Community Access Programs of Arizona and Mexico (CAPAZ-MEX)
Phone: **928-627-9222**
On the Web: www.rcfbh.org/programCAPAZMEX

4. Refer families who need primary care services to **Community Health Centers** that provide primary care services, and may offer additional services such as pharmacy, dental and behavioral health on a sliding fee scale.

Community Health Centers
Phone: **602-253-0090**
On the Web: www.aachc.org

5. Veterans of the United States Armed Services can be referred to the Arizona **Department of Veteran's Services Administration:**

602-255-3373

On the web: <http://www.azdvs.gov>

6. Refer families to the **high risk insurance pool** to see if they qualify
1-866-717-5826 or <https://www.pcip.gov/>

7. Refer higher income families to websites where they can research **private insurance plans**, such as:

People can search for health insurance directly on the healthcare.gov website, or specifically at this link: <http://finder.healthcare.gov/?state=AZ&x=9&y=16>

Health Insurance Sort <http://www.healthinsurancesort.com>

Lower Health Quotes.com <http://www.lowerhealthquotes.com>

Low-Income-Health-Insurance.com <http://www.low-income-health-insurance.com>

8. Refer families who cannot afford their **prescription drugs** to low cost/no cost sources, such as:

Copper RX:
1-888-227-8315 or <http://azgovernor.gov/coppercard/> .

Partnership for Prescription Assistance
Link to web: <http://www.pparx.org/>)

St. Elizabeth's Health Center (in Pima County) offers prescription assistance to eligible residents of Pima County up to \$200 each patient per year.

Voice TTY **520-623-0344**
TOLL FREE: **1-800-234-0344**

9. Refer families to **Health Hotlines**:

In Maricopa & Pinal Counties:
1-800-235-9678 or www.kidshealthlink.org

Pima & Santa Cruz Counties
1-800-311-0627

10. Inform families with high medical expenses to contact their medical provider to work on a payment arrangement.
11. If any member of the family receives Medicare, contact their local SHIP office (**State Health Insurance Assistance Programs**) for help using their Medicare benefits to their best advantage:
SHIP Offices
1-800-432-4040; 1-800-Medicare or <https://www.azdes.gov/common.aspx>

12. Check for **other resources** in the Health Care Resources for Arizona's Low Income and Uninsured Families Manual at:

In English: <http://www.azchildren.org/MyFiles/PDF/2008%20Health%20Manual%20-%20FINAL%20ENGLISH%20-%20updated%202-09.pdf>

Or in Spanish:

<http://www.azchildren.org/MyFiles/PDF/2008%20Health%20Manual%20-%20FINAL%20Spanish.pdf>

13. **Other resources** available in Maricopa County offering free primary care, prescriptions and dental services:

Mission of Mercy- Offers free primary care and prescriptions

Mobile locations throughout Maricopa County (see flyer)

(602) 486-7798

MOM Clinic Flyer

St. Vincent De Paul- Medical and Dental Clinic

Call **602-261-6868**

420 W. Watkins Road

Phoenix, AZ 85002

<http://www.stvincentdepaul.net/PS-VirginiaGPiper.htm>


AHCCCS News & Updates [Subscribe](#)

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- [ALTCS RFP Award Announcement](#)
- [Change in ALTCS Transfer Policies](#)
- [Options re Medicaid Enrollment](#)
- [Director's Testimony on AHCCCS Termination Bill \(SB 1519\)](#)
- [Notice Procedures for Services](#)
- [AHCCCS Update Regarding Health Care Reform](#)
- [New FPL Limits Effective April 1, 2011](#)
- [AHCCCS April 1, 2011 Provider Rate Reductions](#)
- [AHCCCS Copayments](#)
- [KidsCare Wait List](#)

Looking for a previous story? Information previously located on this page has been placed in either the [State Legislative Budget Activities](#) pages or the [Federal Activities](#) page.

Note: Information provided in PDF files, unless otherwise noted.

Governor Brewer's Medicaid Reform Package

Fri May 20, 2011 

Information about the implementation status of Arizona's Medicaid Reform plan is provided below. Continue to check the website for updates.

[Tracking AZ's Medicaid Reform Plan \[49KB\]](#)

Wed Mar 16, 2011

On March 15, 2011, Governor Brewer presented her plan to preserve Arizona's Medicaid program with reforms that will drive down costs by an estimated \$500 million in the State's General Fund for the partial first year. The plan will be discussed by the Legislature as part of the FY 2012 budget adoption and is subject to federal approval.

[Medicaid Reform Plan \[81KB\]](#)

1. [Community Forums](#)

Wed May 18, 2011

AHCCCS will hold a number of public meetings over the next few months to provide updates on various aspects of [Arizona's Medicaid Reform Plan](#). Specific information is provided in the link below.

[Community Forums](#)

2. [Medical Expense Deduction \(MED\) Phase Out](#)

Fri April 29, 2011

In a letter dated April 29, 2011, CMS approved the MED Phase Out Plan. Anyone currently enrolled in this program will KEEP their coverage for the duration of their eligibility period. Beginning May 1, enrollment for this program will be frozen. This means AHCCCS will not accept any new applications for coverage under the MED program beginning May 1. All MED members will be receiving notices regarding this enrollment freeze. Please refer to the [MED Phase Out Plan](#) for more information and an example of the notices that MED members will receive.

[CMS Approval Letter - 4/29/11 \[116KB\]](#)

[Final MED Phase Out Plan - 4/29/11 \[117KB\]](#)

[Final Rule \[49KB\]](#)

Click below for a list of resources and ways to partner with community organizations to assist individuals.

[MED Fact Sheet and Resources](#)

Wed Mar 16, 2011

Pursuant to the flexibilities outlined in Secretary Sebelius' letter, Governor Brewer's Medicaid Reform Package includes the phase out of the MED program. A phase out plan was submitted to CMS on March 16, 2011. This MED phase out plan must be approved by CMS prior to implementation. More information is provided below.

[Medical Expense Deduction \(MED\) Phase Out](#)

3. [Childless Adult Transition Plan](#)

Pursuant to the flexibilities outlined in Secretary Sebelius' letter, Governor Brewer's Medicaid Reform Package includes a freeze on the childless adult population. A transition plan was submitted to CMS on April 11, 2011. This transition plan must be approved by CMS prior to implementation. More information is provided below.

[Childless Adult Transition Plan](#)

4. [Revised Waiver Proposal](#)

Thurs Mar 31, 2011

On March 31, 2011, AHCCCS submitted a revised Waiver Demonstration proposal to CMS incorporating provisions of the Governor's Medicaid Reform Plan. Waivers from various federal requirements are needed for flexibilities that will allow the State to manage its Medicaid program within budgetary constraints. The links below have more information including the proposal, how to submit comments about the proposal and the upcoming public hearing about the proposal.

[Waiver Information](#)

[Estimated Impact Data \[17KB\]](#)

[Public Meeting Notice](#)

5. [Transplant Restoration Update](#)

Wed April 6, 2011

Governor Brewer's Medicaid Reform Plan restores the transplants AHCCCS previously covered for adult members age 21 and older, effective April 1, 2011. See the link below for additional information:

[Transplant Restoration Update \[81KB\]](#)

ALTCS RFP Award Announcement

Thurs May 13, 2011

On May 5, 2011, AHCCCS awarded managed care program contracts to provide long term care services to Arizonans enrolled in the Arizona Long Term Care System (ALTCS). On May 12, 2011, AHCCCS awarded an additional capped contract. The contracts begin October 1, 2011, and are in place for up to a five year period. Please see the link below for updated information.

[ALTCS Award Announcement \[44KB\]](#)

Mon Jan 31, 2011

The AHCCCS Long Term Care Request for Proposal and Bidder's Library is now available. Use the link below for more information.

[YH12-0001 RFP and Bidder's Library](#)

Change in ALTCS Transfer Policies

Thur Apr 28, 2011

Effective with ALTCS applications filed on and after May 1, 2011, uncompensated transfer penalty periods will be reduced and ended only when ALL transferred assets are returned. Penalty periods will no longer be shortened when only a partial return is made. For more information, click on the link below:

[ALTCS Transfer Change \[8KB\]](#)

Options re Medicaid Enrollment

1. [Expansion Population Data](#)

Tues Mar 15, 2011

In response to a number of requests, AHCCCS is providing details related to the medical

Arizona's Medicaid Reform Plan AHCCCS Activities

On March 15, 2011, Governor Brewer announced a plan to preserve Arizona's Medicaid program through reforms designed to reduce costs by an estimated \$500 million in the State's General Fund. Many provisions of the plan are subject to federal approval. Below is information regarding implementation of the plan and the status of AHCCCS progress and federal approval. This document will be updated regularly.

A. Medicaid Eligibility Reforms

1. Changes to Childless Adults Program and Enrollment Freeze (Eff. 7/1/2011)

The Childless Adult program is for those persons not otherwise eligible for Medicaid¹ with income up to 100% FPL. As of May 1, 2011, there were 221,952 childless adults. Eligibility for Childless Adults is derived exclusively from the AHCCCS 1115 Waiver. In a letter dated February 15, 2011, the Centers for Medicare and Medicaid Services (CMS) confirmed that Arizona would not be in violation of the Maintenance of Effort (MOE) requirements in the Affordable Care Act (ACA) if it did not renew coverage for this waiver population.

Rather than eliminate coverage for the Childless Adults altogether, the revised Waiver Renewal seeks to change the nature of the Childless Adult program in Arizona from an open-ended entitlement program to one based on available funds. This would provide the State with the flexibility to manage enrollment based on available funding, including adding to enrollment if additional funds are made available. To meet current budget requirements, the proposal seeks to freeze enrollment July 1, 2011. Individuals enrolled prior to July 1 would retain their coverage, but no new individuals would be made eligible in this category unless additional funding becomes available. The proposal also includes an incentives strategy coupled with an annual fee to encourage healthy behaviors, as well as changing redeterminations from 12-months to 6-months. No children, elderly or individuals meeting the federal definition of disability will be impacted by this enrollment freeze or the incentives/fee strategy.

→ AHCCCS Progress:

- March 31, 2011: AHCCCS submitted its revised Waiver Renewal to CMS.
- April 11, 2011: AHCCCS submitted a transition plan for the freeze and phase out of the existing Childless Adult program for CMS approval.
- May 2, 2011: Notice of Proposed Exempt Rule Making was posted on the AHCCCS website.
- June 20, 2011: The 30-day comment period closes.

2. Medical Expense Deduction program Phase-Out (Begin Phase Out 5/1/2011)

The Medical Expense Deduction (MED) program is for those individuals not otherwise eligible for AHCCCS under any other category and who have medical expenses that reduce their income below 40% FPL. As of May 1, 2011, there were 6,035 MED members. Eligibility for MED is derived exclusively from the AHCCCS 1115 Waiver. In a letter dated February 15, 2011, CMS confirmed that Arizona would not be in violation of the MOE requirements in the ACA if it did not renew coverage for this waiver population.

On March 31, 2011, AHCCCS submitted its revised Waiver Renewal to CMS, which does not renew coverage for the MED program after the expiration of the current waiver on September 30, 2011. Beginning May 1, enrollment for the MED program is frozen and no new applications will be accepted for this category pursuant to the MED Phase-Out Plan approved by CMS. All individuals currently enrolled in the MED program will retain their coverage. Since eligibility for MED does not exceed 6 months, the May 1 freeze has the effect of eliminating the MED program by October 1, 2011.

¹ That is, they are not age 65 or older, blind, disabled, pregnant or do not have deprived dependent children in their household.

→ AHCCCS Progress:

- March 16, 2011: A draft MED Phase Out Plan was submitted to CMS for approval.
- March 17, 2011: Notification of the Phase Out plan and the Notice of Proposed Exempt Rule Making were posted on the AHCCCS website.
- April 18, 2011: The 30-day comment period closed; comments are posted on the website.
- April 29, 2011: CMS approves the MED Phase-Out Plan.

3. Freeze New Enrollment of Parents between 75-100% FPL (Eff. 10/1/11)

Coverage of parents between 75-100% FPL is an optional Medicaid expansion group under Section 1931 and Arizona's State Plan. This group is also referred to as TANF parents. About 60,000 parents between 75-100% FPL are enrolled in AHCCCS.

The proposal would freeze enrollment for new parents between 75-100% FPL and no new applicants would be accepted in this category. Individuals already enrolled would retain their coverage. No children would be impacted by this enrollment freeze. In order to freeze eligibility for this income level, CMS must approve a waiver of the MOE requirement in the ACA.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

4. Eliminate Federal Emergency Services (FES) (Eff. 10/1/11)

Persons who qualify for Federal Emergency Services (FES) meet all other eligibility requirements for Medicaid under Arizona's State Plan except for citizenship or qualified alien status. Services are limited to those required to treat an emergency medical condition as defined by federal law. The proposal eliminates FES coverage. Eliminating this eligibility category would require a waiver of the MOE requirement in the ACA.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

5. Six Month Eligibility Redeterminations (Eff. 10/1/11)

States have discretion to establish the frequency of eligibility redeterminations as long as redetermination occurs at least every 12 months. The proposal is seeking to change the redetermination time frame from every 12 months to every 6 months for 1931 parents and childless adults to ensure that only those persons who meet the eligibility requirements are maintained on the program. In order to implement this change for non-waiver groups (i.e. parents), CMS must approve a waiver of the MOE requirement in the ACA.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

B. Personal Responsibility Reforms

6. Expand Mandatory Copayments and Cost Sharing (Eff. 10/1/11)

A *mandatory* copayment is an amount paid by the AHCCCS member directly to a provider in order to receive a Medicaid covered service; services can be denied for failure to pay a mandatory copayment. Federal law only permits mandatory copayments for limited populations. AHCCCS currently has reached maximum limits on mandatory copayments for AHCCCS members as permitted by federal law. Thus, to expand mandatory copayments, AHCCCS requires waiver authority from CMS.

The proposal expands mandatory copayments for all adults and children to the same levels as the Transitional Medical Assistance population and adds copayments for non-emergency use of the emergency room as a requirement before receiving services. The proposal also requires annual fees for childless adult members who smoke, or who fail to meet steps that are within their control and outlined by their physician to manage a chronic disease.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

7. Penalty for Missed Appointments (Eff. 10/1/11)

In an effort to increase member accountability and provider satisfaction during a period of decreased funding for the program, the proposal includes a measure to allow healthcare providers to impose a charge for missed appointments. Missed appointment penalties are permitted in Medicare and similar charges are required of commercially insured patients. In February 2009, AHCCCS requested CMS guidance regarding charges by healthcare providers for missed appointments. CMS indicated longstanding policy prohibits charging Medicaid recipients a missed appointment penalty.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

C. Benefit Reforms

8. Restore Transplants Previously Covered (Eff. 4/1/11)

Federal law requires mandatory services be provided to all Medicaid members and allows states to cover additional optional services. Federal law also permits states to place limits on services as long as the services are sufficient in amount, duration, and scope to reasonably achieve their purpose. Coverage of transplants is optional and AHCCCS' federal authority to cover transplants derives from the State Plan. On October 1, 2010, AHCCCS implemented a number of benefit limits including the elimination of certain transplant types for persons age 21 years and older. The Governor's plan included restoring coverage for these transplants.

→ AHCCCS Progress:

- April 1, 2011: AHCCCS restores transplants previously covered.
- April 7, 2011: Notice of Proposed Exempt Rule Making was published on the website.
- April 21 2011: AHCCCS submits SPA #11-005 to CMS
- May 6, 2011: the public comment period closed.

9. Impose Benefit/Service Limits (Eff. 10/1/11)

Federal law requires mandatory services be provided to all Medicaid members and allows states to cover additional optional services. Federal law also permits states to place limits on services as long as the services are sufficient in amount, duration, and scope to reasonably achieve their purpose.

State Plan Changes. The proposal includes the following changes to the State Plan:

- 25-day inpatient hospital limit for adults; and
- 12-visit limit to the emergency department for adults.

→ AHCCCS Progress: June 2011: Additional information will be available on the website including a fact sheet, FAQs, a Notice of Proposed Exempt Rule Making and a State Plan Amendment.

Policy Changes. The proposal includes the following changes to AHCCCS policy:

- Reduction in the amount of respite hours covered for Long Term Care members and enrollees receiving Behavioral Health Services (amount to be determined). Respite is a waiver service and limitations are listed in rule and in the AHCCCS Medical Policy Manual (AMPM).

→ AHCCCS Progress:

- June 23, 2011: AHCCCS will hold a public meeting to discuss the agency's specific proposal regarding reduction of respite hours. Following the public meeting, AHCCCS changes will include a Notice of Proposed Exempt Rule Making and a change in the AMPM.

10. Eliminate Non-Emergency Medical Transportation (Eff. 10/1/11)

Federal law requires non-emergency medical transportation (NEMT) be provided to all Medicaid recipients. The proposal eliminates NEMT for non-disabled childless adults and non-disabled parents in the expansion population in Maricopa and Pima counties, and institutes copayments for NEMT for non-disabled childless adults and non-disabled parents in all other counties. In order to implement this proposal, AHCCCS must obtain a waiver from federal regulations.

→ AHCCCS Progress:

- August 2010: AHCCCS requested authority to waive the requirement to provide NEMT for childless adults and individuals in the MED program in Maricopa and Pima counties.
- December 2010: CMS denies request.
- March 31, 2011: AHCCCS submits revised Waiver Renewal to CMS including this request and proposing to review utilization data after one year and, if it is determined that the change resulted in a significant restriction in access to care, restore the benefit.

D. Other Reforms

11. Modify Reimbursement Rates (Eff. 10/1/11)

The proposal reduces provider rates and managed care organization payments and eliminates the growth in outlier payments. Currently, AHCCCS anticipates that all provider rates will be reduced by 5% with exemptions *only* for Indian Health Services and 638 facilities receiving 100% federal pass-through funding, and hospice rates, which are set by the federal government. These changes will be made through the State Plan Amendment process.

→ AHCCCS Progress: June 2011: Additional information will be on the website. This will include a Notice of Proposed Exempt Rule Making and a State Plan Amendment.

12. State Reimbursement of Medicare Liability (Eff. 10/1/11)

For over three decades, state Medicaid programs, including Arizona, have paid for health care coverage for individuals who were eligible for Medicare but were not enrolled in Medicare because of errors in the methodology used by the Social Security Administration (SSA) to determine federal disability benefits. The SSA has acknowledged this error and implemented the Special Disability Workload (SDW) project to correct the error. The proposal seeks \$40 million in reimbursements for payments that were made by the State but should have been made by Medicare. More information on this issue can be found here: Background on Medicare Liability.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

13. Avoid Indian Health Service Cost Shift (Eff. 10/1/11)

AHCCCS provides care for qualified American Indians who receive services at the Indian Health Services (IHS) or 638 facilities with 100% federal dollars. This proposal seeks federal authority to exempt benefit restrictions and eligibility changes for those services and benefits obtained through IHS or 638 facilities to ensure the viability of their programs. In addition, the State is still seeking similar authority to exempt benefits eliminated on October 1, 2010. More information about this request can be found on the Federal Activities page.

→ AHCCCS Progress: March 31: AHCCCS revised Waiver Renewal to CMS includes this request.

Future Long Term Reforms:

14. Innovations in Medicaid

While Arizona is nationally recognized as one of the most integrated and efficient Medicaid models in the country, opportunities exist to continue to innovate and build upon AHCCCS' mature model. Specifically, AHCCCS is seeking authority in the following areas:

- **Payment Reform.** AHCCCS is seeking the ability to partner with providers and health plans to improve quality outcomes. To support those types of initiatives, AHCCCS needs waiver authority to allow the agency to enter into shared saving arrangements to reward health plans and providers for achieving goals, such as reducing hospital admissions or readmissions.
- **Care Integration.** In her letter to Arizona from February 15, 2011, Secretary Sebelius identified care integration as a means of improving quality and achieving cost efficiencies in the Medicaid program. Specifically, the Secretary highlighted the need for Arizona to consider revising its current policy of maintaining a carved out behavioral health benefit. Accordingly, the State is considering ways to integrate care in two areas:
 - Integrating care for Children's Rehabilitative Services. AHCCCS will be exploring opportunities to further integrate care for special needs children, such as creation of a specialty health plan. This process will include an extensive consumer engagement strategy. AHCCCS is partnering with St. Luke's Health Initiatives to assist in this effort. This strategy will also include opportunities for input and collaboration with the provider community and other stakeholders.
 - Integrating care for the Seriously Mentally Ill (SMI) and Dual eligibles. AHCCCS will be working with the Arizona Department of Health Services to explore the development of health homes for SMIs and the creation of a specialty plan for the SMI population. This process will also include an extensive consumer engagement strategy. AHCCCS is partnering with St. Luke's Health Initiatives to assist in this effort. There will also be opportunities for input and collaboration with the provider community and other stakeholders.

→ AHCCCS Progress:

- March 11, 2011: AHCCCS submits its planning grant proposal under the ACA §2703- "Health Homes for Enrollees with Chronic Conditions" to develop integrated health homes for SMIs.
- March 29, 2011: CMS awards AHCCCS planning grant funding.
- March 31, 2011: AHCCCS submits revised Waiver Renewal to CMS including this request.