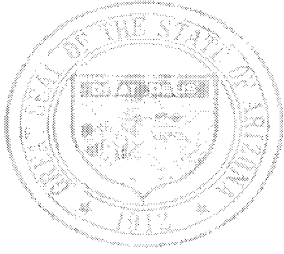


AHCCCS Community Forum Agenda
Public Training re Respite Hours and CES Update
June 23, 2011

- I. Overview and Introductions
 - II. Respite Presentation and CES Update
 - III. Public Comment
-

Notes:

To submit written comments please visit the AHCCCS website at:
<http://www.azahcccs.gov/reporting/federal/commentform.aspx>



AHCCCS

Public Training Session

Proposed Respite Changes



PURPOSE:

AHCCCS will hold a number of community forums to provide updates on various aspects of Arizona's Medicaid Reform Plan. This session will include discussion and opportunity for public comment regarding the:

- Proposal to reduce respite hours from the current allowable of 720 hours/year to 360 hours/year¹.
- Delay to changes in the Cost Effectiveness Study threshold for the Division of Developmental Disabilities as originally proposed by the DDD Sustainability Workgroup and included in the 1115 Waiver proposal for a 10/1/11 effective date. Based on stakeholder feedback, AHCCCS is delaying seeking authority for this change pending additional agency review and community engagement.

DATE: Thursday, June 23, 2011; 2:00-4:00 * this session is at capacity
Thursday, June 23, 2011; 4:00-5:30 * same topics with opportunity to comment

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

¹ Respite is a Waiver services provided only to members enrolled in ALTCS and BHS.



AHCCCS Update

Community Forum
Disability Empowerment Center
June 23, 2011

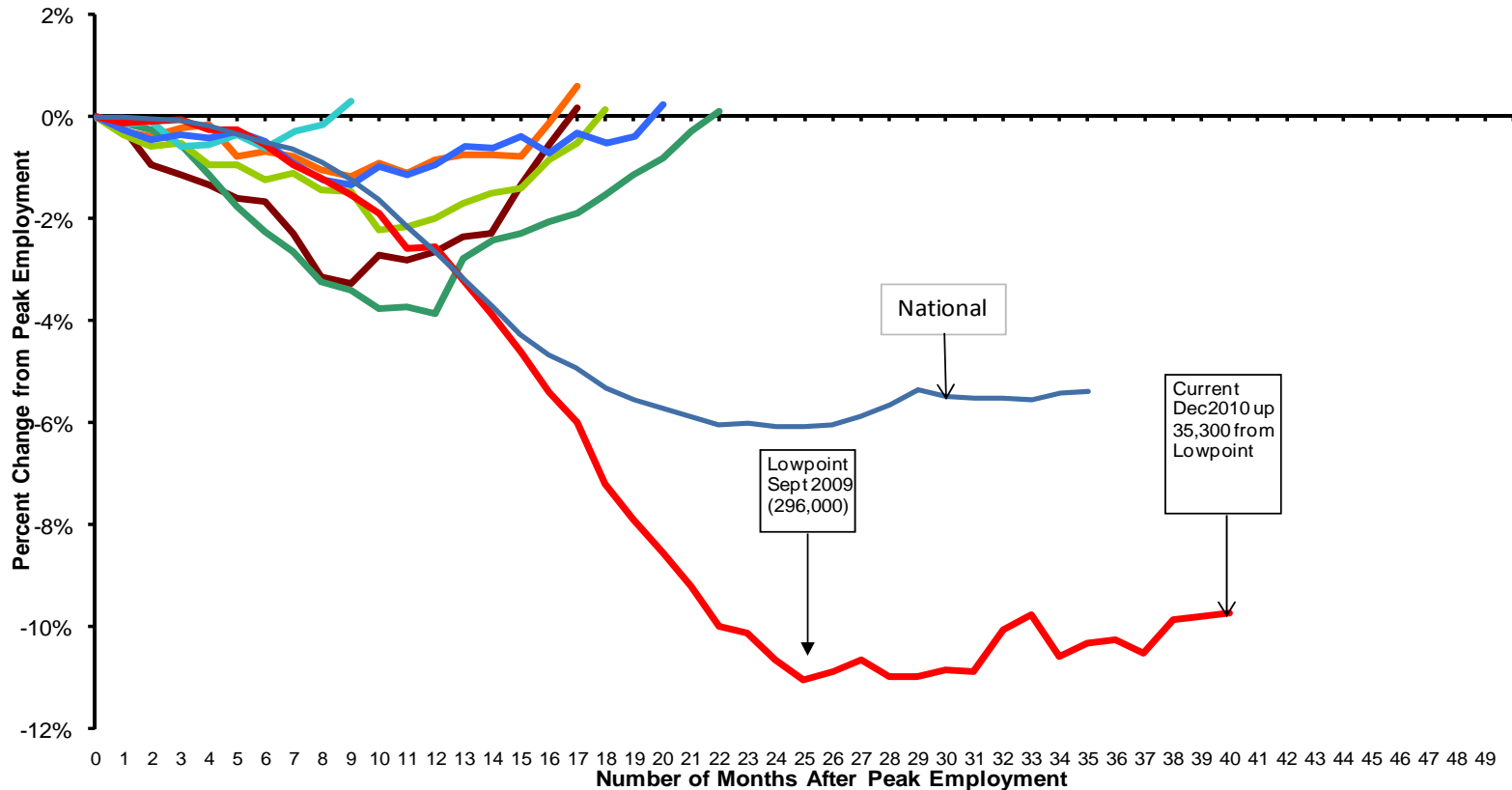


Topics to Cover

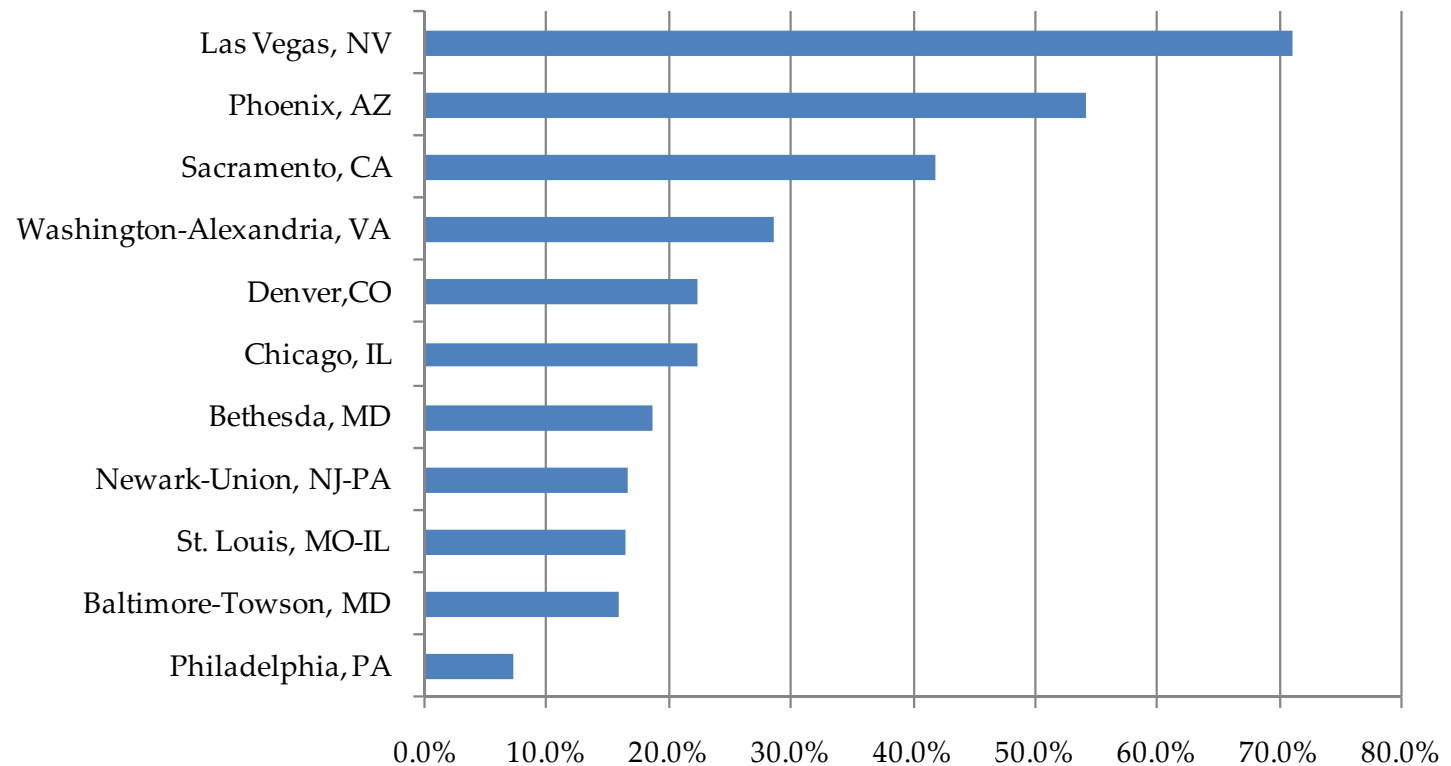
- Economic Realities
- How the Economic Downturn has Impacted the AHCCCS Program to Date
- What Is Coming Next for AHCCCS?

State Level Realities: Employment

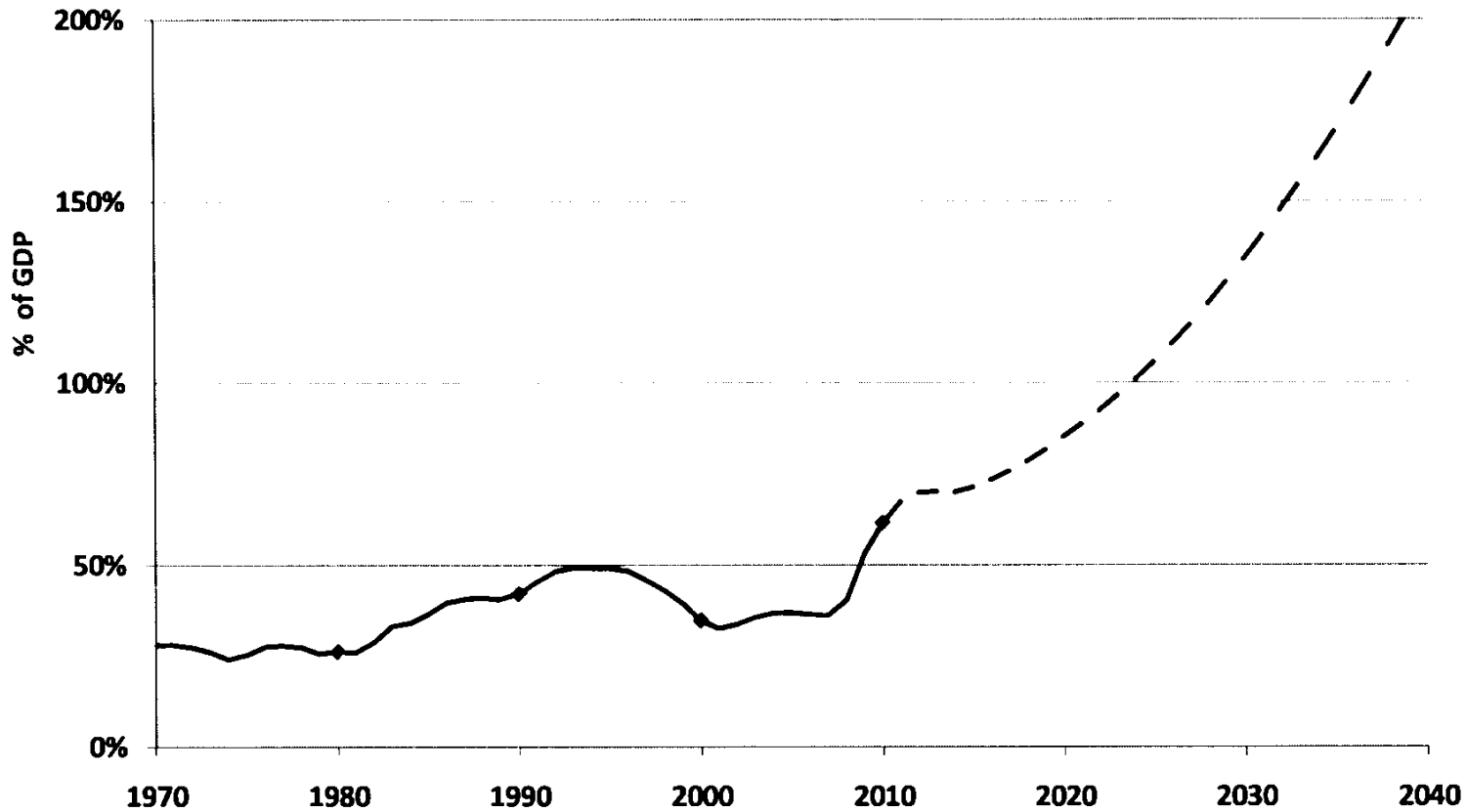
Arizona
Job Loss Non-Farm Seasonally Adjusted



State Level Realities: Housing – Negative Equity



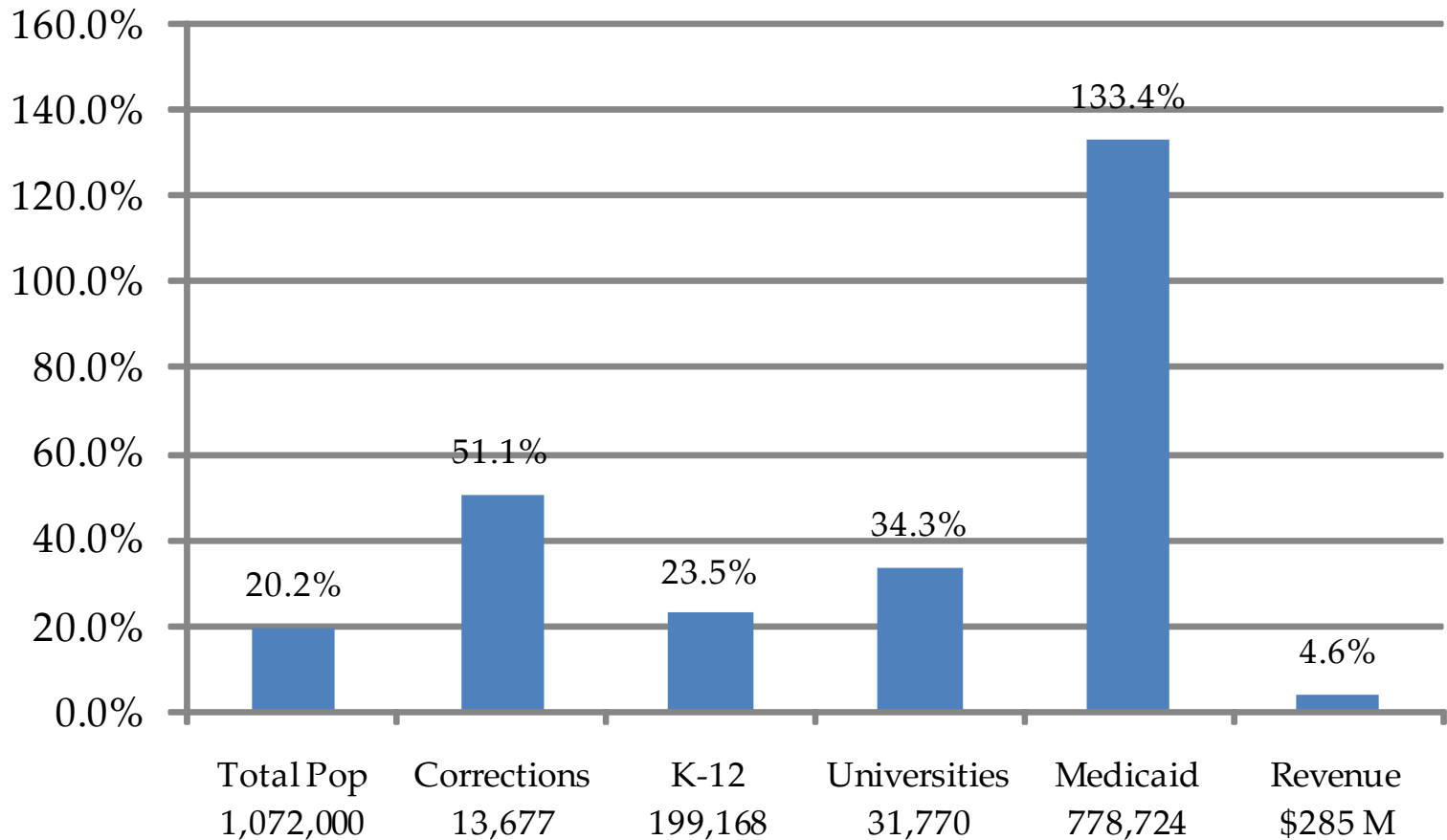
Debt Held By The Public



Source: CBO's "Alternative Fiscal Scenario" constructed from the August 2010 Budget and Economic Outlook, additionally assuming that troops in Iraq and Afghanistan are reduced to 30,000 by 2013.

State Level Realities:

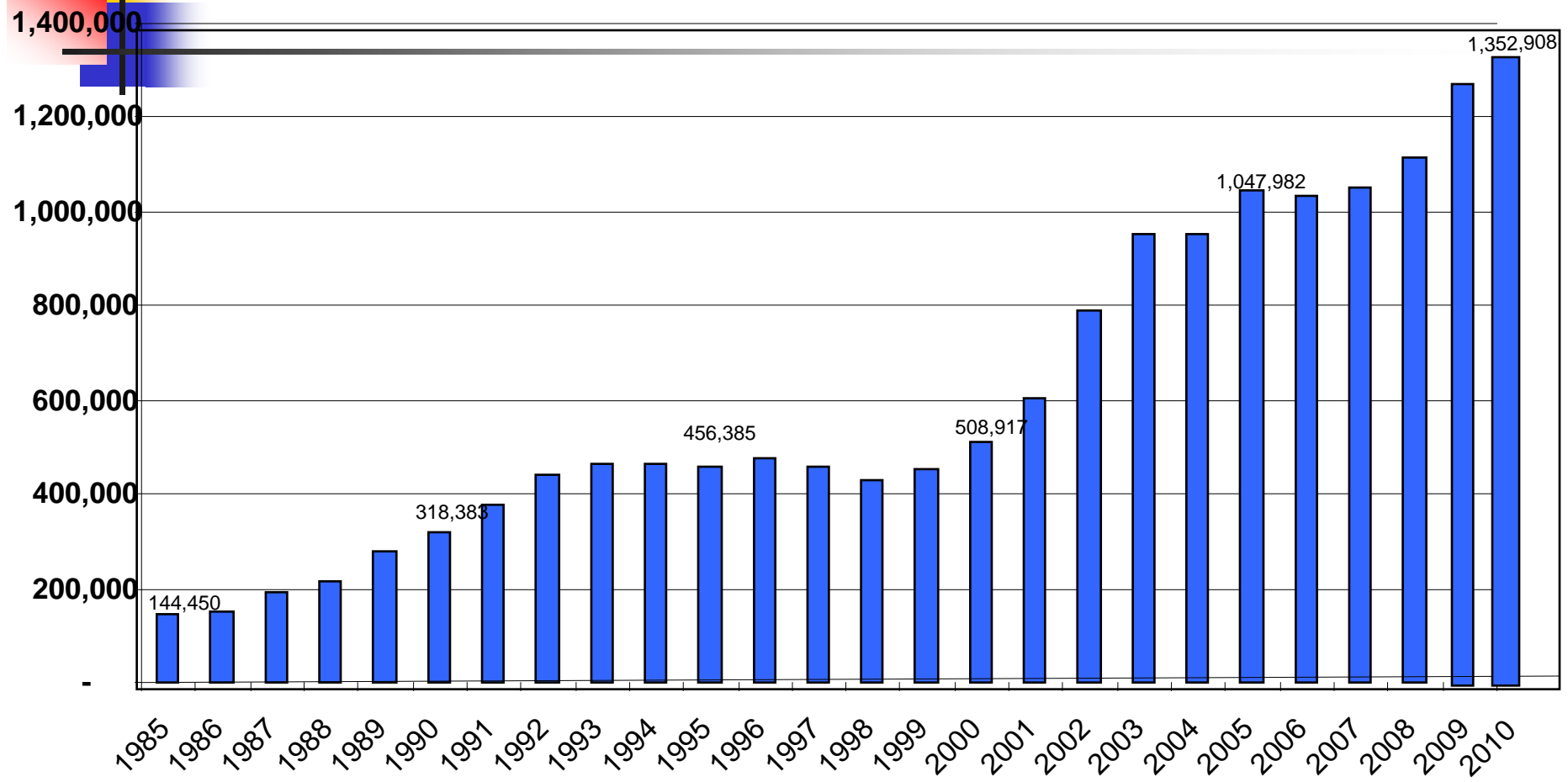
Enrollment Growth FY 2001 to FY 2010



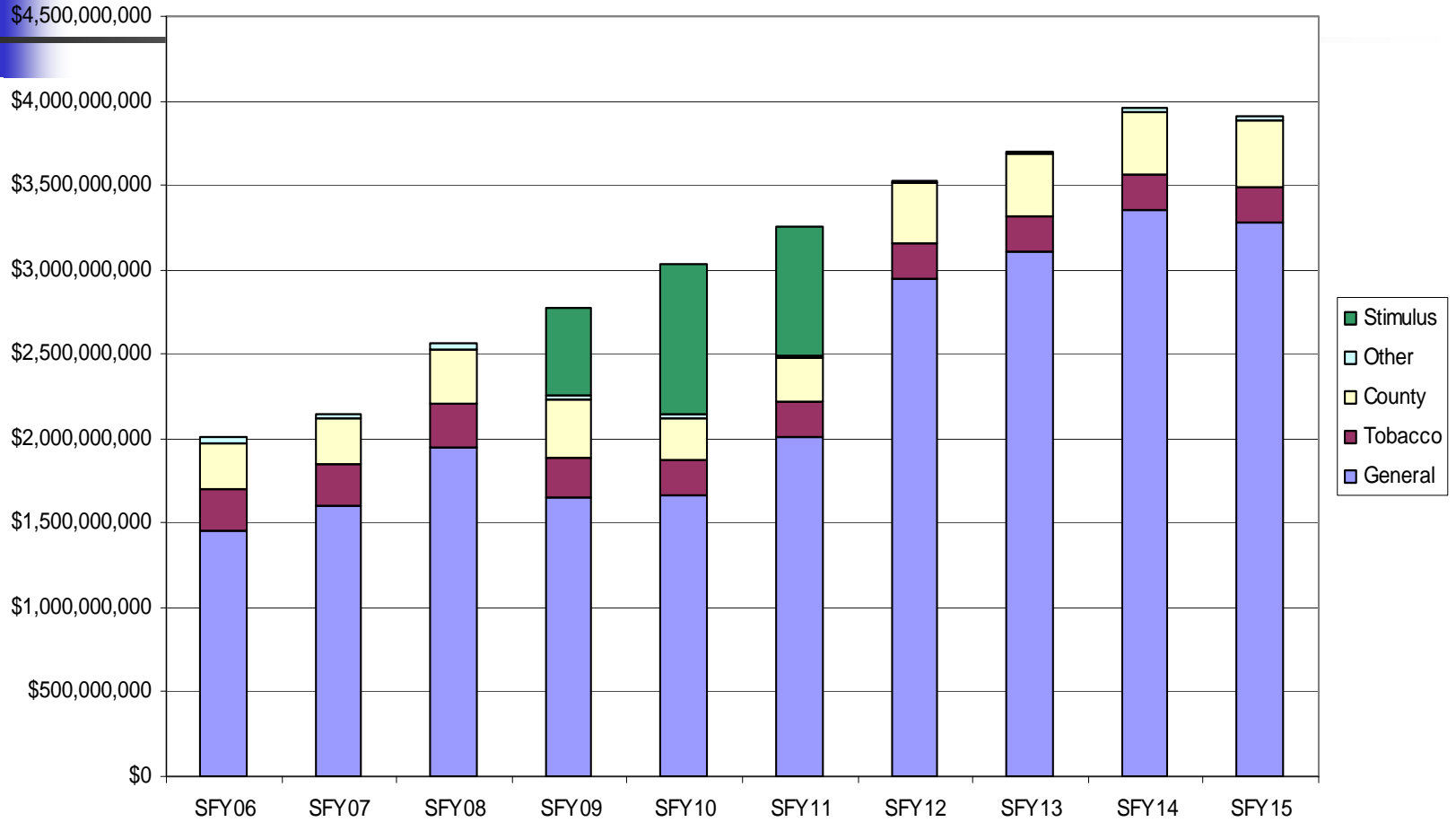
AHCCCS Population as of July 1, 2010



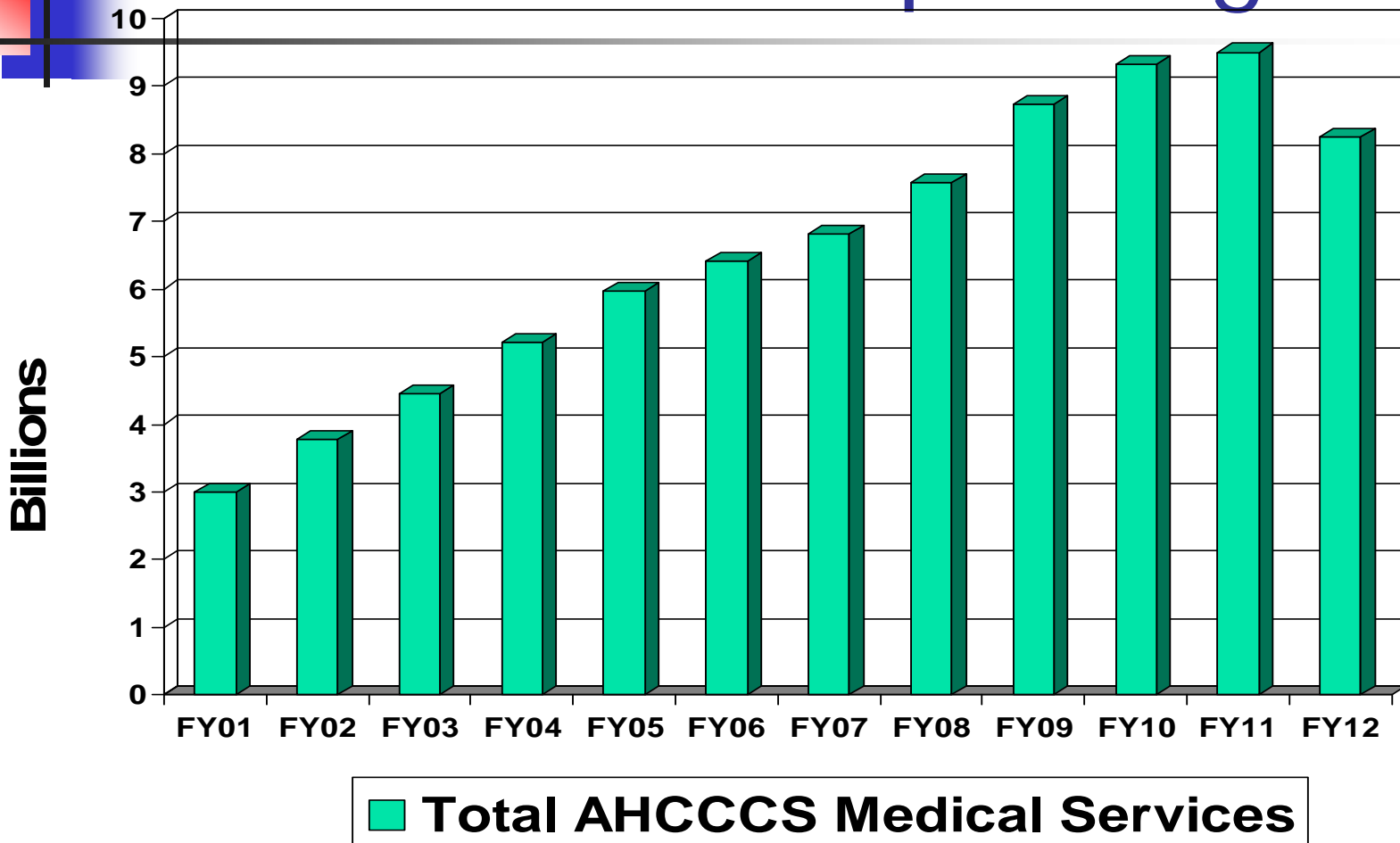
1985 – 2010



AHCCCS/TOTAL MEDICAID STATE MATCH SFY2006-SFY2015



AHCCCS Spending





Economic Realities

- General Fund Revenues have decreased significantly even with new Sales tax
- AHCCCS caseload and costs have risen explosively during past decade.
- For FY 2012 State had to replace \$800 million in federal stimulus funding for Medicaid.
- National conversation about addressing the unprecedented federal debt, raising the debt ceiling and the role of entitlement programs.



FY 2012 Budget

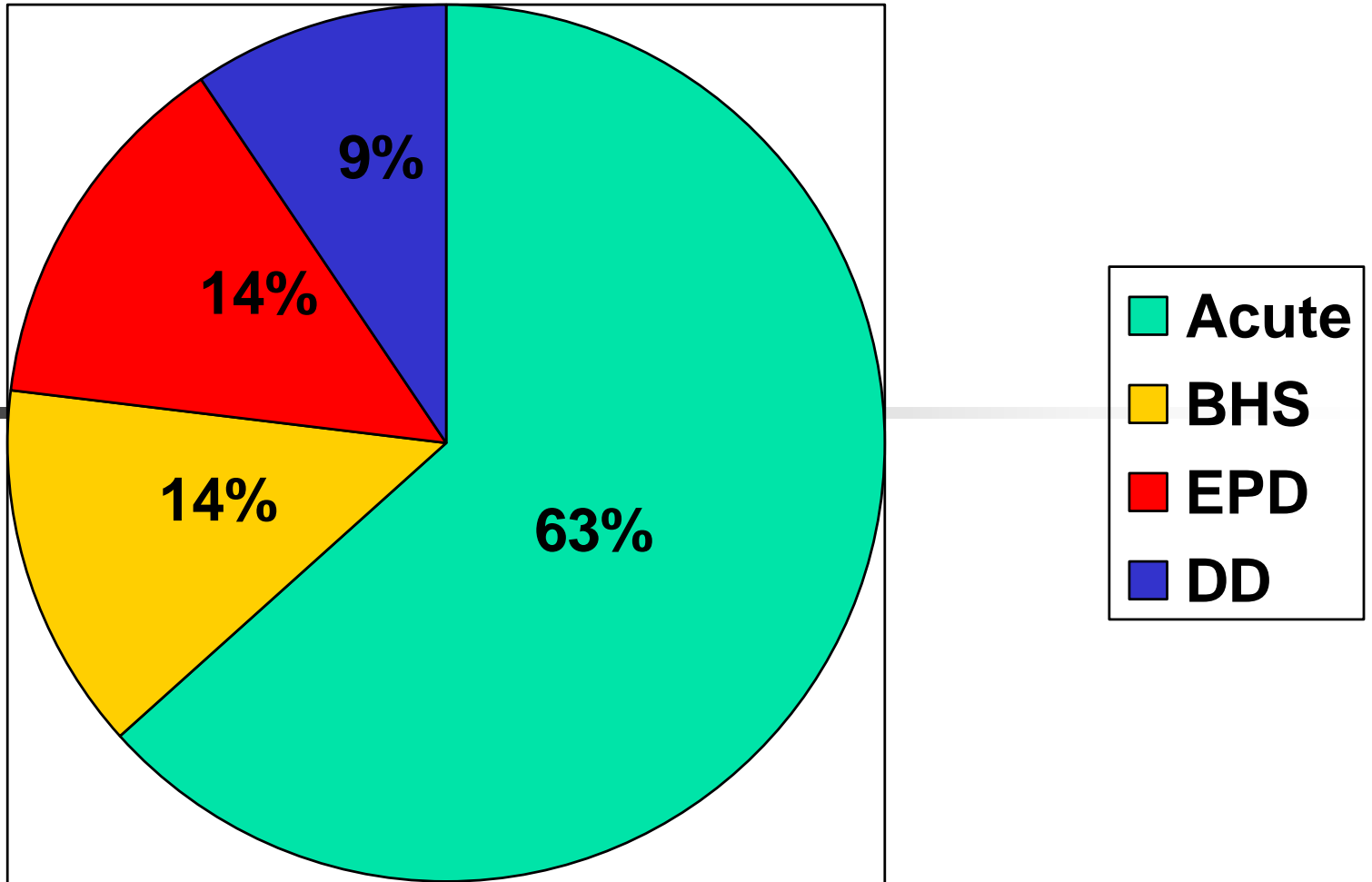
- Legislature enacted \$1.0 billion in General Fund reductions to the overall State Budget.
- Medicaid accounted for over half of overall reductions (\$520 million, which is \$1.5 Billion total when including federal dollars).



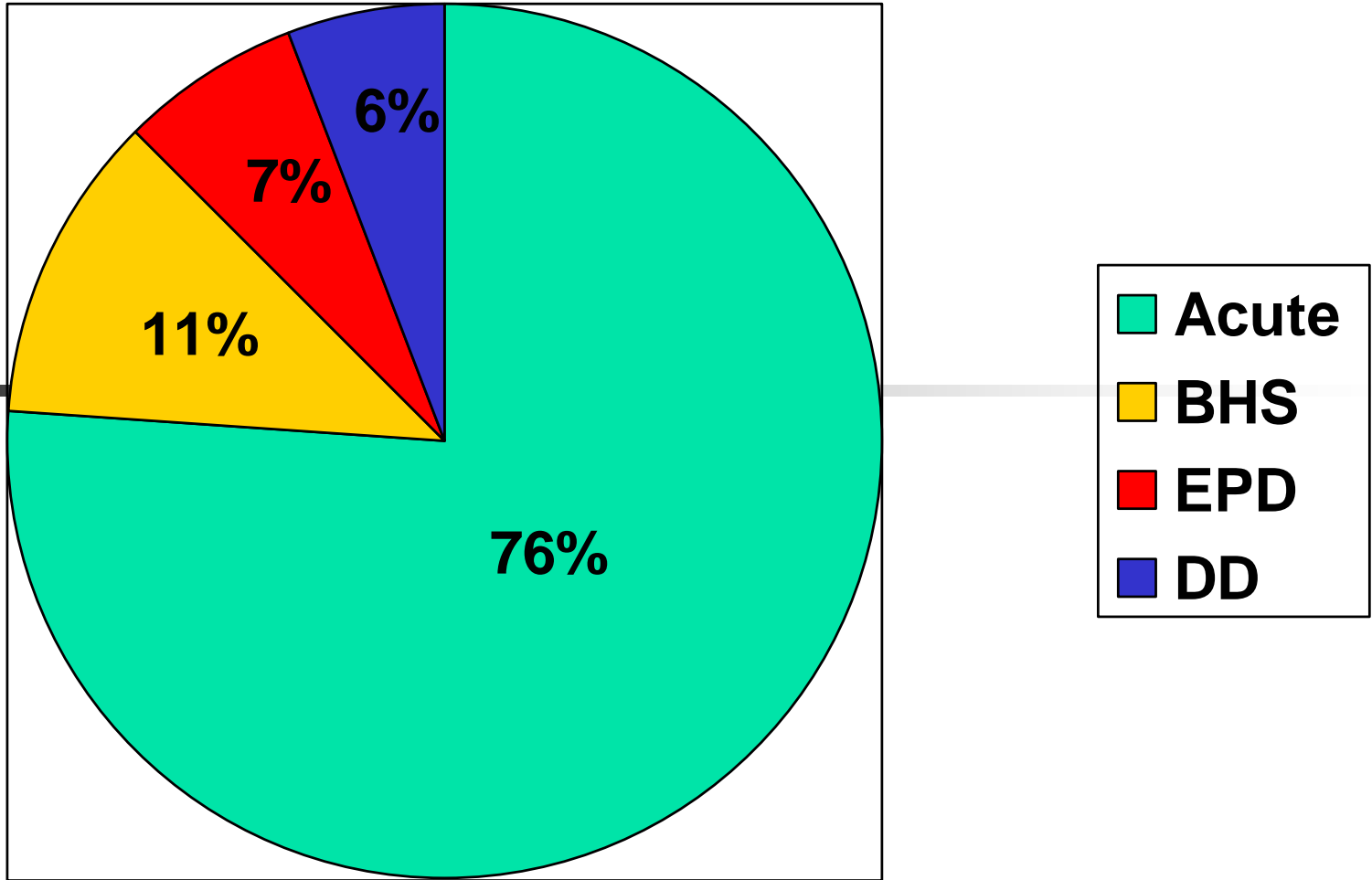
FY 2012 Budget

- That means AHCCCS has been asked to reduce the program by \$1.5 Billion in the coming year.
- The Legislature delegated to AHCCCS the authority to make these reductions.
- These reductions are *in addition* to over \$1 Billion in reductions AHCCCS has made to date.

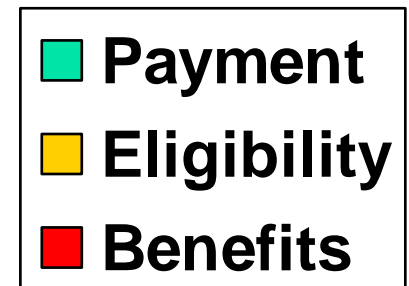
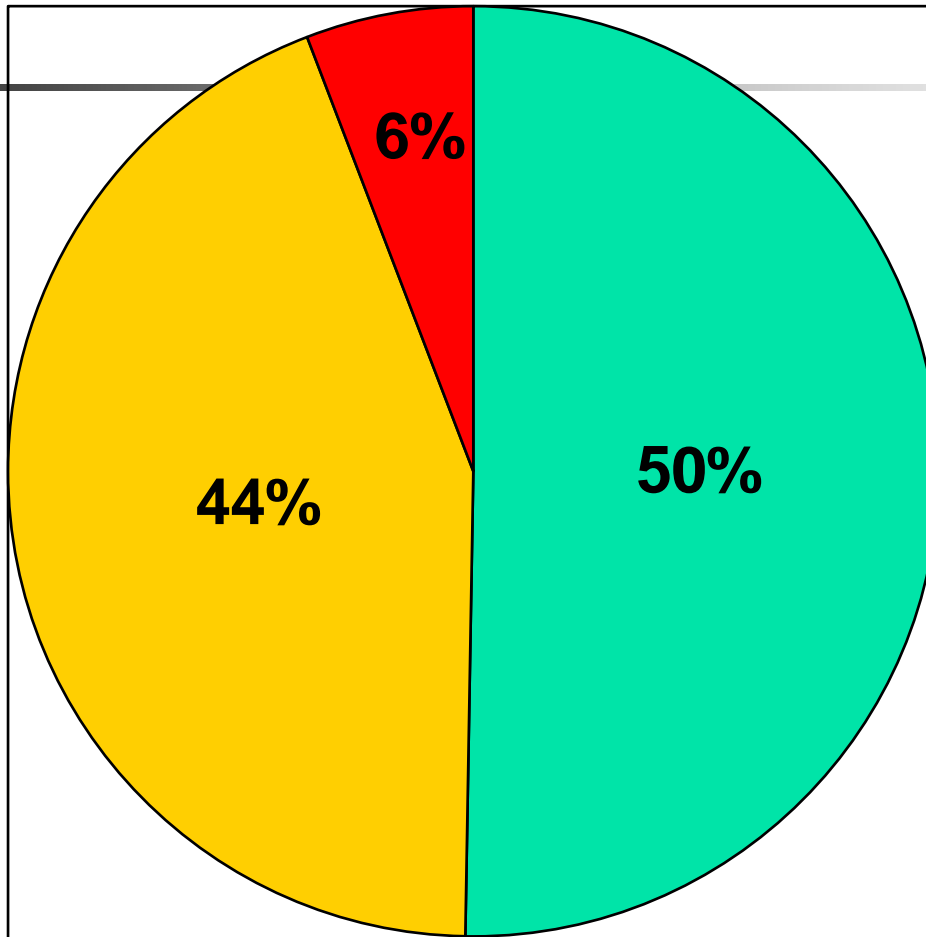
AHCCCS Program Distribution by Cost



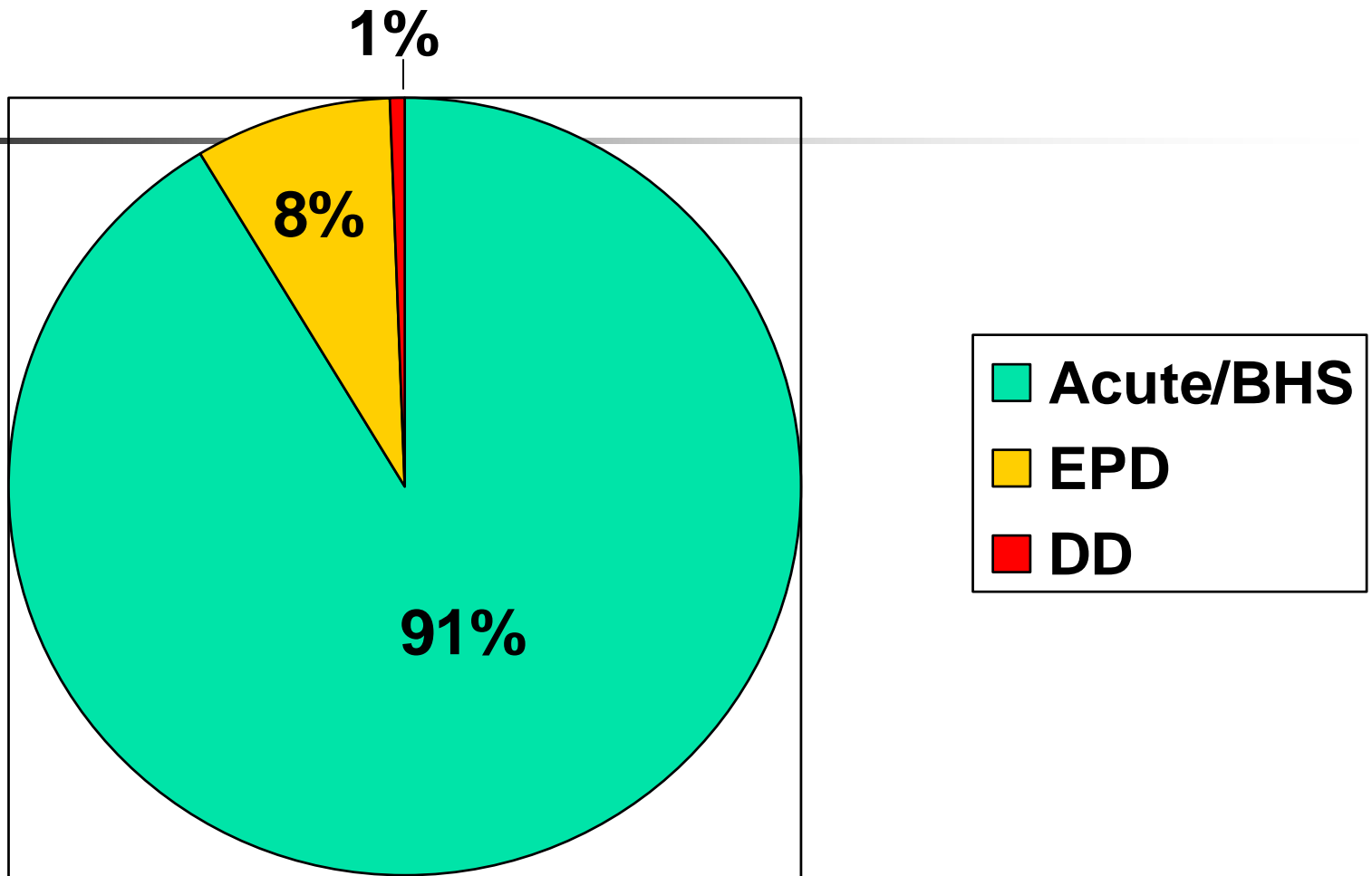
Total AHCCCS Reductions by Program (With Respite)



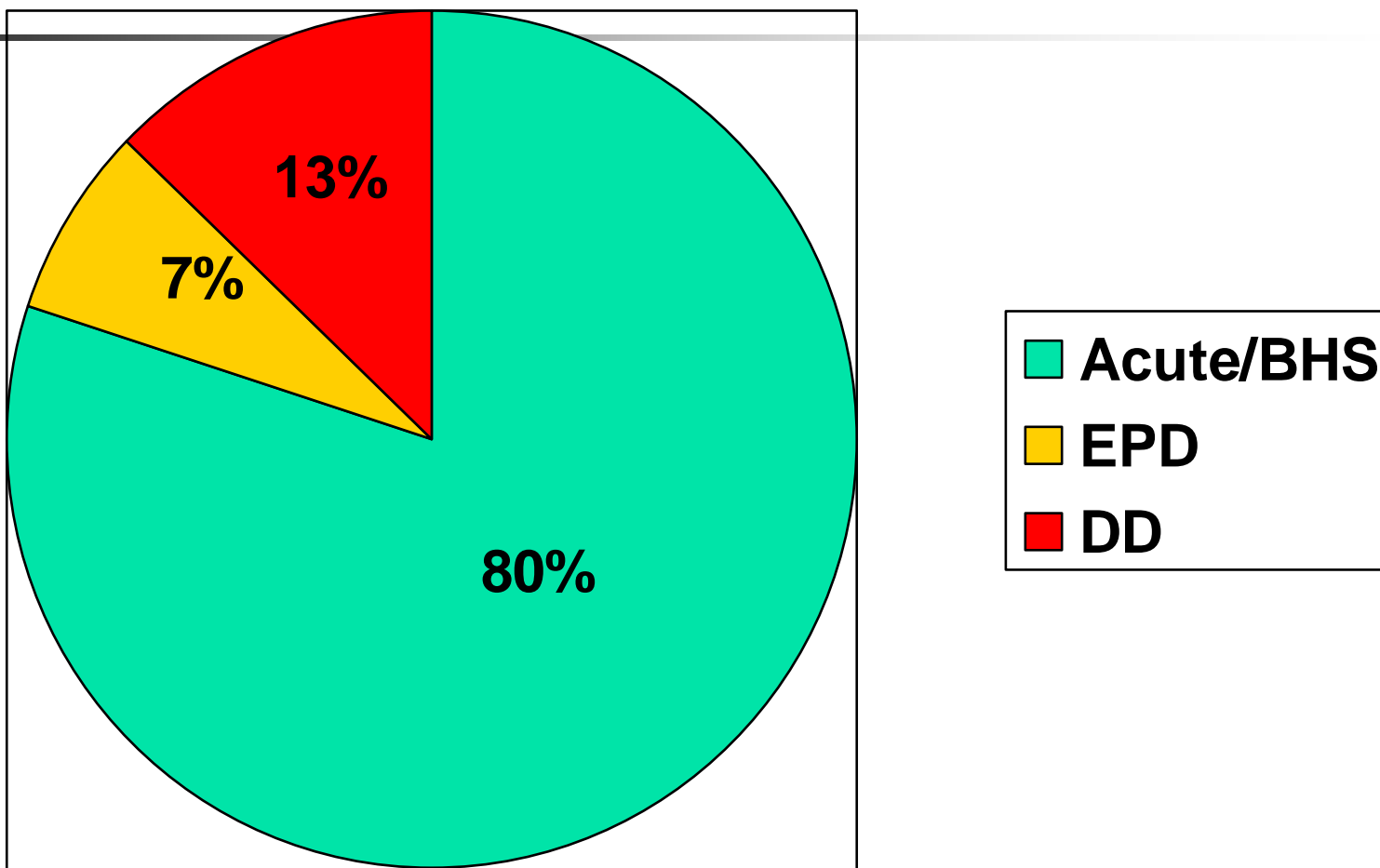
AHCCCS Reductions by Category



Percentage of Benefit Cuts Without Respite



Percentage of Benefit Cuts With Respite





AHCCCS Budget Changes: Where Does Respite Fit In?

- AHCCCS Program is over **\$2.6 Billion** less today.
- ***Payments.***
 - 50% of all reductions have come through decreases in provider rates and health plan payments.
 - Most providers have seen a 15% reduction in their reimbursement rates.



AHCCCS Budget Changes: Where Does Respite Fit In?

- ***Eligibility Changes*** account for 44% of all reductions; must acknowledge the human impact.
 - There are 105,000 children on the KidsCare waiting list since that program was frozen in January 2010.
 - KidsCare parents program was eliminated impacting about 9,000 parents.
 - 250,000 low-income adults now have mandatory copayments in order to receive services.
 - Spend Down program is being phased out October 1, which provided catastrophic coverage to about 6,000 individuals.
 - AHCCCS projects a drop in enrollment for childless adults by approximately 100,000; these are individuals between 0-100% FPL



AHCCCS Budget Changes: Where Does Respite Fit In?

- **Benefits** account for 6% of total reductions (with Respite)
 - For the acute care program, almost all optional services have been eliminated or limited.
 - Certain transplant types were eliminated and later restored.
 - New benefit reductions include a 25-day inpatient limit, excluding Behavioral Health.
 - Respite is an optional service provided ONLY to individuals enrolled in ALTCS and Behavioral Health Services.
 - Other than respite, the only high-dollar optional services remaining are HCBS and pharmacy and eliminating those would drive up costs.



AHCCCS Budget Changes: Where Does Respite Fit In?

- ***Maximized Cost Sharing:*** 250,000 low-income adults now have mandatory copayments in order to receive services.
- ***AHCCCS Administration:*** Staffing is down over 30%; salary reductions and furlough days already implemented.



AHCCCS Budget Changes: Where Does Respite Fit In?

- The cost of the ALTCS DDD program is about \$1 Billion (total fund)
- Proposed respite reduction is \$20 million (total fund).
- The Respite Reduction of \$20 million is less than 1% of overall reductions made to date.
- Families *are* permitted to privately pay for respite care that exceeds the proposed 360 hour limit.
- Providers should have members/families sign a notice acknowledging that they will be billed for respite services that exceed 360 hours.

Policy Issues Impacting AHCCCS:

Ensuring Coverage for Prop. 204 Population

- Proposition 204 provides coverage up to 100% of the federal poverty limit based on tobacco dollars and legislative appropriation of “other available resources”.
- On Jan. 1, 2008, the Prop. 204 population was 238,000.
- Today’s Prop. 204 population is 380,000.
- AHCCCS must strike a balance to manage the program based on available resources and ensure coverage of Prop. 204 population.
- All areas of the AHCCCS program must contribute in order to strike that balance.

Policy Issues Impacting AHCCCS:

Federal Maintenance of Effort Requirements

- AHCCCS has attempted to equitably make reductions across the system, but there are limitations.
- The Affordable Care Act prohibited changes that would restrict eligibility, including imposing premiums.
- The ALTCS program does not count parents' income when determining a child's eligibility, which allows people of all incomes to participate in the ALTCS program.
- Thus, imposing premiums on ALTCS members whose incomes are above 400% FPL would not be permissible.



Proposed Respite Reduction

- Currently, AHCCCS covers 720 hours of respite care per year.
- AHCCCS is seeking input regarding its proposal to reduce the number of covered respite hours to 360 per year – that is 30 hours per month.
- After reviewing the data, this reduction would impact:
 - 60% of the ALTCS DDD population;
 - 7% of the BHS population; and
 - 5% of the ALTCS EPD population.
- AHCCCS has NOT made a final decision regarding the proposal to reduce the number of covered respite hours.
- AHCCCS wants to hear from families about how moving to 30 hours per month or 360 per year would impact them.
- Respectfully, AHCCCS also asks members to assess this impact against the few remaining options and in light of the impact overall reductions to the AHCCCS program have had to other members and their families.



Public Comment

- Thank you to the many individuals who have already sent in written comments.
- Thank you to those who have made the time to attend this meeting in person and listen to this overview presentation.
- Because of time constraints, if you are not able to provide verbal comments at this forum, you can still submit your comments in writing.

Written Comments

To submit written comments, visit the AHCCCS website at:

<http://www.azahcccs.gov/reporting/federal/commentform.aspx>

The screenshot shows a Windows Internet Explorer browser window displaying the AHCCCS Comment Form. The browser title is "Comment Form - Windows Internet Explorer provided by AHCCCS". The address bar shows the URL <http://ahcccsnew/reporting/federal/commentform.aspx>. The website header includes navigation tabs for Applicants, Members, American Indians, Plans/Providers, Community Partners, Oversight/Reporting, and OIG/Report Fraud. The AHCCCS logo and "Arizona's Medicaid Agency" are on the left, and the AZ.GOV logo and "Arizona's Official Web Site" are on the right. A search bar is located in the top right. A navigation menu on the left lists various categories under "Oversight & Reporting Menu". The main content area is titled "Comment Form" and contains a form with the following fields: *First Name (required), *Last Name (required), Title, Organization, *Address 1 (required), *City, State (dropdown menu set to Arizona), and *ZIP Code (required, with a note "(xxxx-xxxx, last four optional)"). A sidebar on the right contains links to the "Oversight & Reporting Resource Center" and "Common Resources". The Windows taskbar at the bottom shows the Start button, several open applications, and the system clock displaying 12:33 PM.

**Community Forum: Proposed Respite Reduction
Disability Empowerment Center
June 23, 2011**

Arizona Overview

- ❖ General Fund Revenues have decreased significantly even with the new Sales tax.
- ❖ AHCCCS caseload and costs have risen explosively during past decade.
- ❖ For Fiscal Year 2012, the State had to replace \$800 million in federal stimulus funding for Medicaid.

The AHCCCS Fiscal Year 2012 Budget

- ❖ Legislature enacted \$1.0 billion in reductions to the overall State Budget.
- ❖ Medicaid accounted for more than half of overall reductions (\$520 million, which is \$1.5 Billion with the loss of federal dollars).
- ❖ The Legislature delegated to AHCCCS the authority to make these reductions.
- ❖ AHCCCS has been asked to reduce the program by \$1.5 Billion in the coming year.
- ❖ These reductions are *in addition* to over \$1 Billion in reductions AHCCCS has already made to date.

AHCCCS Program Is Over \$2.6 Billion Less Today

- ❖ **Payment:** 50% of all reductions have come through reductions in provider rates and health plan payments.
 - Most providers have seen a 15% reduction in their reimbursement rates.
- ❖ **Eligibility:** 44% of the reductions have come through changes in eligibility: the human impact must be acknowledged.
 - 105,000 children on the KidsCare waiting list since that program was frozen in January 2010.
 - Coverage for 9,000 KidsCare parents eliminated.
 - Spend Down program is being phased out Oct. 1, which provided catastrophic coverage to about 6,000 individuals.
 - AHCCCS enrollment freeze for childless adults program beginning July 1 will mean an enrollment drop of approximately 100,000 individuals who are between 0-100% FPL.
- ❖ **Benefits:** 6% of total reductions are related to benefit eliminations or limitations (*with* proposed respite reduction)
 - For the acute care program, almost all optional services have been eliminated or limited.
 - New benefit reductions include a 25-day inpatient limit, excluding Behavioral Health.
 - Certain transplant types were eliminated and subsequently restored.
 - Respite is an optional service provided *only* to individuals enrolled in ALTCS and Behavioral Health Services.
 - Other than respite, the only high-dollar optional services remaining are HCBS and pharmacy; eliminating those would drive up costs.
- ❖ **Maximized Cost Sharing:** 250,000 low-income adults now have mandatory copayments in order to receive services.
- ❖ **AHCCCS Administration:** Staffing is down over 30%; salary reductions and furlough days already implemented.

Policy Issues Impacting AHCCCS: Prop. 204

- ❖ Prop. 204 provides coverage up to 100% of the federal poverty limit based on tobacco dollars and legislative appropriation of "other available resources".
- ❖ On Jan. 1, 2008, the Prop. 204 population was 238,000.
- ❖ Today's Prop. 204 population is 380,000.
- ❖ AHCCCS must strike a balance to manage the program based on available resources and ensure continued coverage of Prop. 204 population.
- ❖ All areas of the AHCCCS program must contribute in order to strike that balance.

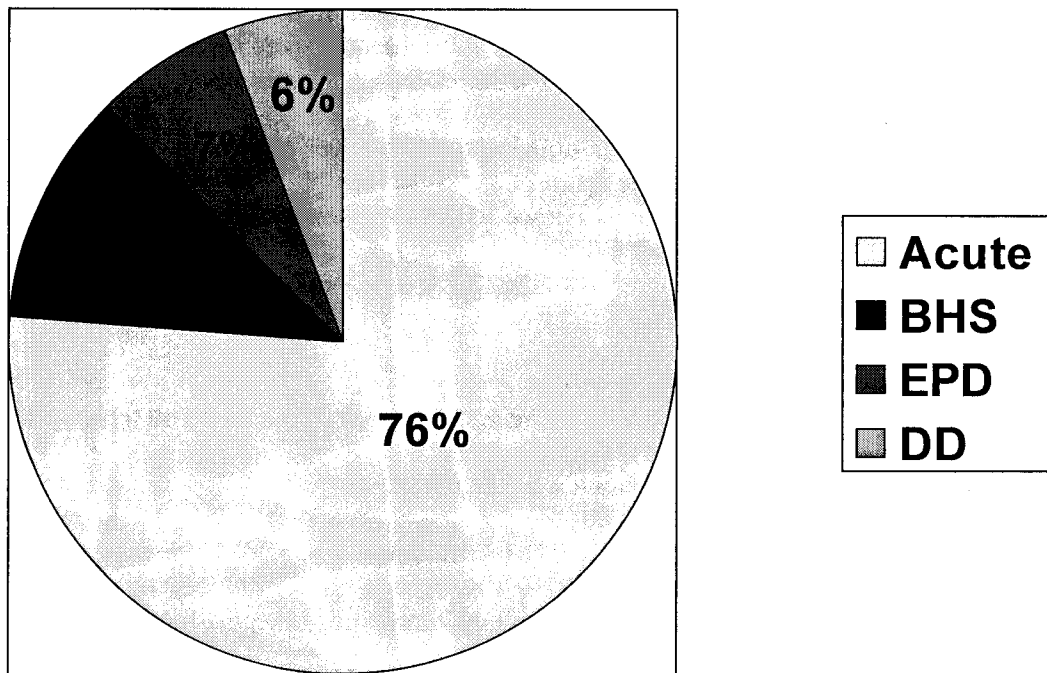
Proposed Respite Reduction

- ❖ Currently, AHCCCS covers 720 hours of respite care per year.
- ❖ AHCCCS is seeking input regarding the proposal to reduce the number of covered respite hours to 360 per year – that is 30 hours per month.
- ❖ After reviewing the data, this reduction would impact:
 - 60% of the ALTCS DDD population;
 - 7% of the BHS population; and
 - 5% of the ALTCS EPD population.
- ❖ The total cost of the ALTCS DDD program is about \$1 Billion; proposed respite reduction is about \$20 million.
- ❖ The Respite Reduction of \$20 million is less than 1% of overall reductions made to date.
- ❖ Families *are* permitted to privately pay for respite care that exceeds the proposed 360 hour limit.
- ❖ Providers should have members/families sign a notice acknowledging that they will be billed for respite services that exceed 360 hours.

Public Comment

- ❖ AHCCCS has NOT made a final decision regarding the proposal to reduce the number of covered respite hours.
- ❖ AHCCCS wants to hear from families about how moving to 30 hours per month or 360 per year would impact them.
- ❖ Respectfully, AHCCCS also asks members to assess this impact the few remaining options and in light of the impact overall reductions to the AHCCCS program have had to other members and their families.
- ❖ Thank you to the many individuals who have already sent in written comments.
- ❖ Thank you to those who have made the time to attend the Community Forum on June 23.
- ❖ You can still submit your comments in writing via the AHCCCS website at:
<http://www.azahcccs.gov/reporting/federal/commentform.aspx>

Total AHCCCS Reductions by Program (With Respite)



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 \[71KB\]](#)
[Handouts](#)
- [June 1, 2011 - Childless Adult Transition Plan and Community Resources \[28KB\]](#)
[Handouts](#)
[Summary](#)
- **June 23, 2011 - Proposed Respite Changes [35KB]**
(Session 1 from 2 - 4 PM has reached capacity.) *
(Session 2 from 4 - 5:30 PM same topic as Session 1; has reached capacity.) *
- [July 6, 2011 - Childless Adult Transition Plan and Community Resources \[Coming soon.\]](#)

* **IMPORTANT:** BOTH sessions have reached Fire Code maximum occupancy levels and we are no longer accepting RSVPs for either session. Because of space limitations and out of respect for those who have RSVP'd, we can not accommodate additional guests. Handouts will be available on the AHCCCS website following the Community Forum.

Written comments can be submitted at the following link and will be posted to the AHCCCS website:
<http://www.azahcccs.gov/reporting/federal/commentform.aspx>.

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](#)


AHCCCS News & Updates Subscribe

- [ALTCS RFP Award Announcement](#)
- [Governor Brewer's Medicaid Reform Package](#)
- [Outpatient Rebase](#)
- [Change in ALTCS Transfer Policies](#)
- [AHCCCS Update Regarding Health Care Reform](#)
- [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.

ALTCS RFP Award Announcement

Tues June 14, 2011 

On June 14, 2011, Mercy Care plan was awarded a contract for Pima county. Please see the link below for updated information:

[Updated ALTCS Award Announcement \[34KB\]](#)

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](#)

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 was approved by the Legislature as part of the FY 2012 budget adoption and is subject to federal approval.

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

1. [AHCCCS October 1, 2011 Rate Reductions](#)

Tues. May 24, 2011

Laws 2011, Chapter 31, gives AHCCCS authority to reduce rates for all providers up to 5%. Effective October 1, 2011, AHCCCS will reduce all provider reimbursements by 5%, including all payment ratios utilized for provider reimbursement (e.g., all Cost-to-Charge Ratios (CCRs), By Report Percentages (BR), etc.). The only exceptions are for:


- Drugs administered in a physician's office

- Hospice rates - AHCCCS matches Medicare rates as required by Federal law.
- Payments for services provided by the Indian Health Service or Tribal 638 facilities claimed at 100% FMAP.

For more detail regarding the Provider Rate Reductions, please click on the links provided below:

[Outlier Proposed Rule \[68KB\]](#)

[State Plan Amendments \(coming soon\)](#)

[Access to Care Studies, Memos and Additional Information](#) 

Additional information, such as the Notice of Exempt Proposed Rulemaking and State Plan Amendment to CMS will be posted on the web as it becomes available.


2. [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](#)

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

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 and the final version was approved by CMS on April 29, 2011. More information is provided below.

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

4. [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](#)

5. [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 public hearings about the proposal.

[Waiver Information](#)

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

[Public Meeting Notice](#)

Tues Mar 15, 2011

In response to a number of requests, AHCCCS is providing details related to the medical utilization and costs of the expansion groups- including Waiver and Proposition 204 populations.

[Summary](#)

[Data Narrative and Detail](#)

6. [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\[81KB\]](#)

Outpatient Rebase

Mon June 06, 2011

Every five years, the fee schedule and the state-wide cost-to-charge ratio are "rebased" using more current Medicare cost data. A number of other refinements are needed to ensure proper cost containment and provide more equitable compensation among hospitals. More information can be found here:

[Proposed Rule \[41KB\]](#)

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 \[8KB\]](#)

AHCCCS Update Regarding Health Care Reform

1. AHCCCS Activities

Fri Dec 16, 2010

Information regarding AHCCCS implementation of some of the Medicaid provisions of the Patient Protection and Affordable Care Act (ACA) is provided below. This document will be updated regularly as information becomes available.

[AHCCCS Activities- 5/13/11 \[45KB\]](#) 

For additional information about the ACA, please visit the [Federal Activities page](#).

2. Incentives for Prevention of Chronic Disease

Fri May 13, 2011

On May 11, 2011, AHCCCS submitted its proposal for the Medicaid Incentives Prevention of Chronic Diseases grant opportunity.

[Proposal](#)

Thurs Mar 31, 2011

AHCCCS is reviewing and accepting comments for the Medicaid Incentives for Prevention of Chronic Diseases Program grant opportunity as part of an overall effort to reform the Medicaid program for Arizona.

3. Health Homes for Enrollees with Chronic Conditions

Wed March 23, 2011

On March 29, 2011, CMS approved Arizona's planning request for the funding opportunity provided under Section 2703 of the Affordable Care Act- "Health Homes for Enrollees with Chronic Conditions."

[AZ Planning Request](#)

KidsCare Wait List

Wed June 22, 2011

There were 105,126 applicants on the KidsCare waiting list as of June 15, 2011. Please note, this number does not mean all individuals on the waiting list are actually eligible for KidsCare. AHCCCS has recently updated the list to remove duplicate applications, children who have turned 19 and would no longer qualify for KidsCare, and individuals currently eligible under other AHCCCS programs. Typically, 30% of all applicants are denied for the KidsCare program. However, this percentage will become less precise as more time goes by, since the applications on the waiting list will be older and circumstances for those applicants change. Thus, there is no good way to predict how many of the applicants on the waiting list might be eligible for KidsCare. Regardless, AHCCCS will continue to update the waiting list number at the end of each month.

Fri Dec 29, 2010

AHCCCS continues to work with CMS on issues related to the KidsCare program, including the impact of the Enrollment freeze. For additional information about the Enrollment cap, visit:

KidsCare Enrollment Cap

Information about denial and discontinuance activity in the KidsCare program can be found at:
[KidsCare Activity](#)

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