



Janice K. Brewer, Governor
Thomas J. Betlach, Director

Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

801 East Jefferson, Phoenix, AZ 85034
PO Box 25520, Phoenix, AZ 85002
Phone: 602 417 4000
www.azahcccs.gov

December 6, 2011

Jessica L. Schubel, MPH
Project Officer, Division of State Demonstrations, Waivers & Managed Care
Center for Medicaid, CHIP and Survey & Certification
Centers for Medicare and Medicaid Services
Mailstop: S2-01-16
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Ms. Schubel:

In accordance with Special Term and Condition paragraph 26, enclosed please find the Quarterly Progress Report for July 1, 2011 through September 30, 2011, which also includes the Quarterly Budget Neutrality Tracking Schedule, the Quarterly Quality Initiative, and Arizona Medicaid Administrative Claiming Random Moment Time Study results.

If you have any questions about the enclosed report, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Cheryl Young
Hee Young Ansell
Susan Ruiz

**AHCCCS Quarterly Report
July 1, 2011 through September 30, 2011**

TITLE

Arizona Health Care Cost Containment System – AHCCCS
A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report

Demonstration Year: 29

Federal Fiscal Quarter: 4th /2011 (July 1, 2011 – September 30, 2011)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 26, the State submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the Demonstration.

ENROLLMENT INFORMATION

Population Groups (as hard-coded in the CMS 64)	Number Enrollees (to date)	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,164,212	1,673	435,768
Acute SSI	164,545	86	20,026
Acute AC/MED	255,157	392	83,448
Family Planning	5,328	4	2,386
LTC DD	24,259	33	1,858
LTC EPD	29,831	40	3,788
Non-Waiver	19,076	60	3,601
TOTAL	1,662,408	2,288	550,875

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan ¹	1,135,487
Title XXI funded State Plan ²	14,968
Title XIX funded Expansion ³	192,414
Title XXI funded Expansion ⁴	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only ⁵	4,351
Current Enrollment as of 10/01/11	1,347,220

Outreach/Innovative Activities:

AHCCCS continues to lack the resources to provide education and partnership activities in the community.

¹ SSI, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1

² KidsCare

³ MI/MN

⁴ AHCCCS for Parents

⁵ Represents point-in-time enrollment as of 10/1/11

Operational/Policy Developments/Issues:

Waiver Update

AHCCCS continued to work with CMS on the Section 1115 Research and Demonstration Waiver renewal during the July-September, 2011 reporting period. On March 31, 2011, AHCCCS submitted a revised waiver request to CMS seeking authority to implement new and innovative reimbursement strategies, improve program integrity procedures and implement additional administrative efficiencies.

On July 6, 2011, AHCCCS held public hearings regarding the final Childless Adult Phase-Out Plan.

On September 29, 2011, Arizona's 1115 Waiver was extended until October 14, 2011. All current authorities and terms of the existing 1115 Waiver were in place until the new 1115 Waiver was approved by CMS. AHCCCS will continue to work with CMS to transition to the new 1115 Waiver Demonstration.

State Plan Update

During this quarter, Arizona submitted the following State Plan Amendments for approval:

- SPA #11-016 updates the State Plan to include standards of payment for healthcare acquired conditions. This SPA was submitted on August 31, 2011.
- SPA #11-015 updates the State Plan to include standards of pricing and payment for 340 B drugs. This SPA was submitted on August 31, 2011.
- SPA #11-014 updates the State Plan to include Hospice Care as a provided service, effective July 20, 2011. This SPA was submitted on July 15, 2011.

In addition, the following 2010 State Plan Amendments were approved during this quarter:

- SPA #11-013 documents compliance with the Affordable Care Act, Section 2301, regarding Medicaid coverage and separate payments for freestanding birth center services. This SPA was approved on September 22, 2011.
- SPA #11-010 updates the outpatient hospital fee schedule using the most current available Medicare cost data. This SPA was approved on September 22, 2011.
- SPA #11-008 clarifies the list of state-licensed behavioral health practitioners. This SPA was approved on September 9, 2011.
- SPA #11-005 updates Arizona's State Plan to restore transplants previously covered by AHCCCS, and clarifies that transplants are covered as of April 1, 2010. This SPA was submitted on April 21, 2011 and was approved on July 14, 2011.

The following SPAs are pending as CMS and Arizona continues to work on them:

- SPA #11-001B updates GME funding for hospital payments made after June 30, 2011. This SPA was submitted on May 31, 2011 and is still pending.
- SPA #11-006 clarifies the services of home health, private duty nursing and therapies in the State Plan. This SPA was submitted on June 3, 2011 and is still pending.

- SPA #11-007 updates the reimbursement methodology for School Based Claiming. This SPA was submitted on June 20, 2011 and is still pending.
- SPA #11-009A updates reimbursement rates for inpatient hospital services to reflect a 5% reduction from October 1, 2011 to September 30, 2012. This SPA was submitted on June 23, 2011 and is still pending.
- SPA #11-009B updates reimbursement rates for outpatient hospital services to reflect a 5% reduction from October 1, 2011 to September 30, 2012. This SPA was submitted on June 23, 2011 and is still pending.
- SPA #11-009C updates reimbursement rates for various services to reflect a 5% reduction from October 1, 2011 to September 30, 2012. This SPA was submitted on June 23, 2011 and is still pending.
- SPA #11-009D updates reimbursement rates for nursing facilities to reflect a 5% reduction from October 1, 2011 to September 30, 2012. This SPA was submitted on June 23, 2011 and is still pending.
- SPA #11-011 updates the methodology for qualifying and paying claims for inpatient hospital services with extraordinary costs per day. This SPA was submitted on June 24, 2011 and is still pending.
- SPA #11-012 limits the number of inpatient hospital days for adult members. This SPA was submitted on June 24, 2011 and is still pending.
- SPA #10-009 updates Arizona’s State Plan to describe behavioral health services provided under rehabilitative services. This SPA was submitted on July 14, 2010 and is still pending.

Legislative Update

The Legislature was not in session during this reporting period.

Consumer Issues:

In support of the quarterly report to CMS, presented below is a summary of complaint issues received in MSU/Client Advocate for the quarter July 1, 2011 – September 30, 2011.

Tables summarizing July 1, 2011–September 30, 2011 MSU/Client Advocate Complaints:

All Complaints and Their Frequency

Table 1 Complaint Issue	Jul	Aug	Sep	Total
ALTCS	4	7	16	27
Can’t get coverage (eligibility issues)	101	125	102	328
Caregiver issues	1	0	0	1
Credentialing	0	0	0	0
DES	47	54	61	162
Equipment	2	0	4	6
Fraud	1	0	1	2
Good customer service	0	0	4	4

Information	114	113	156	383
Lack of documentation	0	0	1	1
Lack of providers	3	2	5	10
Malfunctioning equipment	0	0	0	0
Medicare	3	1	4	8
Medicare Part D	10	4	2	16
Member reimbursement	25	14	11	50
Misconduct	0	0	0	0
No notification	0	0	0	0
No Payment	1	0	1	2
Nursing home POS	0	0	0	0
Optical coverage	0	0	0	0
Over income	7	6	7	20
Paying bills	2	5	4	11
Policy	16	6	4	26
Poor customer service	0	0	0	0
Prescription	50	41	27	118
Prescription denial	1	0	2	3
Process	0	0	0	0
Surgical procedures	1	0	1	2
Termination of Coverage	27	21	26	74

Complaints regarding health plans: July = 11, Aug = 13, Sept = 4
Complaints regarding services: July = 239, Aug = 207, Sept = 171

Note: With the exception of calls to report “good customer service” or calls requesting “information only,” this report considers all calls to be complaints.

Quality Assurance/Monitoring Activity:

Attached is a description of AHCCCS’ Quality Assurance/Monitoring Activities during the quarter. The attachment also includes updates on implementation of the AHCCCS Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

HIFA Issues:

Below is enrollment information for the quarter: July 1, 2011 through September 30, 2011.

HIFA Parents ever enrolled: 0

HIFA Parents enrolled at any time between 7/01/2011 and 09/30/2011: 0

HIFA Parent enrollment:

07/01/11: 0
08/01/11: 0
09/01/11: 0

Employer Sponsored Insurance Issues:

AHCCCS received CMS approval on October 2, 2008, to implement the ESI program. AHCCCS implemented the program on December 1, 2008 and began sending out information to families with children approved for KidsCare who have access to employer sponsored health insurance. As of 9/30/2011, there were four households enrolled in the ESI program.

Family Planning Extension Program (FPEP):

Family Planning Update:

AHCCCS monitors utilization of family planning services by women who are covered under the Family Planning Extension Program (FPEP) and enrolled with Acute-care health plans on a quarterly as well as annual basis. Quarterly data are reported to allow at least three months lag time for collection of encounters for the quarter being reported; thus, data reported below are for the quarter ending June 30, 2011. It should be noted that Contractors have up to eight months to submit encounters to AHCCCS, and the actual rate of utilization may be higher.

AHCCCS enrollment data show that 7,600 unduplicated recipients were enrolled with Acute-care Contractors under the FPEP (contract type Q) during the quarter, compared with 7,453 unduplicated Acute-care recipients in the previous quarter⁶. This is the fourth consecutive quarter that enrollment in the FPEP has increased, after several quarters of declining enrollment. The increase may reflect a modest increase in the number of SOBRA deliveries over the past year, as these women are now enrolled in the FPEP after their postpartum periods ended.

Service data show that 783 women, or 10.3 percent of those enrolled in the FPEP, utilized a family planning service during the quarter based on encounters for services received. This compares with 739 women, or 9.9 percent utilizing a service in the previous quarter. The percent of women utilizing a service in the most recent quarter appears to have increased with the increase in enrollment.

Women utilizing services under the FPEP used an average of 2.4 services during the quarter. As expected, the majority of utilizers, 78.5 percent, were in the age range of 21 to 39 years old, with another 17.7 percent in the 18- to 20-year-old age range. These results are similar to results of the previous quarter.

Family Planning Enrollment by Month⁷:

07/11: 4,337
08/11: 4,263
09/11: 4,391

⁶ Represents unduplicated recipients enrolled over the course of a quarter

⁷ Represents point-in-time enrollment from 7/11-9/11

Innovative Activities:

Since implementation of the public online application screens for Medicaid and CHIP, as well as Food Stamps and Cash Assistance, public use of Arizona's web-based application for enrollment-Health-e-Arizona, has steadily grown. Increased use of this online application improves efficiency and reduces customer traffic in eligibility offices.

There were 140,783 total Health-e-Arizona applications submitted during the reporting period, including renewal and initial applications. Of this, 30,117 applications were submitted by Community Partners and 110,666 by public users.

AHCCCS also has a member website, www.myahcccs.com, which provides information regarding current and past eligibility and enrollment information. Myahcccs.com offers services like changing an address, paying monthly premiums and changing health plans annually. As of September 30, 2011, there were 290,549 members registered to the website.

Enclosures/Attachments:

Attached you will find the Budget Neutrality Tracking Schedule and the Quality Assurance/Monitoring Activities, including the CRS update for the quarter. Beginning during the October- December, 2010 quarter, AHCCCS will submit quarterly summary reports for the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results as part of the ongoing quarterly reporting by AHCCCS to CMS.

State Contact(s):

Monica Coury
801 E. Jefferson St., MD- 4200
Phoenix, AZ 85034
(602) 417-4534

Date Submitted to CMS:

December 6, 2011



Arizona Health Care Cost Containment System

Attachment II to the
SECTION 1115 QUARTERLY REPORT

QUALITY ASSURANCE/MONITORING ACTIVITY

Demonstration/Quarter Reporting Period

Demonstration Year: 28

Federal Fiscal Quarter: 4/2011 (7/11 – 9/11)

*Prepared by the Division of Health Care Management
October 2011*

INTRODUCTION

This report describes Quality Assurance/Monitoring Activities of AHCCCS during the quarter, as required in STC 26 of the State's Section 1115 Waiver. The report also includes updates on implementation of the Arizona Health Care Cost Containment System (AHCCCS) Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

The AHCCCS Division of Health Care Management (DHCM) is responsible for directly overseeing the quality of health care services provided to members enrolled with managed care organizations and receiving services from the Arizona Department of Health Services (ADHS) through benefit carve outs as well as the administrative and financial functions of these contracted health plans (Contractors). The Division works collaboratively and in conjunction with other AHCCCS divisions and external organizations to fulfill the AHCCCS mission of: Reaching across Arizona to provide comprehensive, quality health care for those in need.

The following sections provide an update on the State's progress and activities under each of the components of the 1115 Waiver and the AHCCCS Quality Strategy.

QUALITY ASSESSMENT ACTIVITIES

Receiving stakeholder input

The success of AHCCCS can be attributed, in part, to concerted efforts by the Agency to foster partnerships with its sister agencies, contracted managed care organizations/programs (Contractors), providers, and the community. During the quarter, AHCCCS continued these ongoing collaborations to improve the delivery of health care and related services to Medicaid recipients and KidsCare members, including those with special needs, and to facilitate networking to address common issues and solve problems. Feedback obtained from sister agencies, providers and community organizations, also is included in the agency's process for identifying priority areas for quality improvement and development of new initiatives.

Arizona and Maricopa County Asthma Coalitions

AHCCCS participates in regular meetings of these coalitions to identify and provide to Contractors quality improvement resources that can be used to support optimal health outcomes among members with asthma and other respiratory diseases. AHCCCS Clinical Quality Management (CQM) staff attended an Arizona Asthma Coalition meeting during the quarter and a Maricopa County Asthma Coalition meeting.

Arizona Department of Economic Security (DES) Division of Developmental Disabilities

Periodic meetings covering quality improvement topics continue between AHCCCS and the Arizona Department of Economic Security Division of Developmental Disabilities (DES/DDD). Topics discussed during joint meetings include Notices of Action, Early and Periodic Screening Diagnostic and Treatment (EPSDT) services, behavioral health services, and Performance Measure results. Other discussion topics included Arizona Early Intervention Program, therapy wait lists, and monitoring and oversight of acute care and behavioral health services.

AHCCCS also continued a work group with DDD to develop strategies related to quality of care and culture change within Intermediate Care Facilities (ICFs). A final report on this year long activity was received this quarter and resulted in closure of the Directed Plan of Correction. The results of implementation of the Directed Plan of Correction, as reviewed and reported by an external expert ICF consultant determined the following:

- The ICF had an adequate, qualified, staffing and staffing structure
- Staff re-allocated to work areas during the day (do not stay in nursing station/building)
- Care planning process is comprehensive and guided by the medical and functional assessments of each person
- Medical/social model of care provides creative programs and accommodates individuals' specialized needs
- Very low rate of skin breakdown/pressure wounds which is a positive indicator of quality
- Medication procedures were clearly written and staff appropriately trained
- A member rights/dignity process has been implemented
- Active treatment – services and programs were individualized and include specific goals with appropriate staff interventions
- Dietary services meet or exceed ICF regulations
- Adequate management and supervisory systems are in place
- Institutionalization of changes resulting from the Directed Plan of Correction have occurred

Arizona Department of Health Services Bureau of Tobacco and Chronic Disease

In collaboration with ADHS, AHCCCS continued monitoring the smoking cessation drugs and nicotine replacement therapy program. Members are being encouraged to participate in ADHS' Tobacco Education and Prevention Program (TEPP) smoking cessation support programs such as the "QUIT Line" and/or counseling, in addition to seeking assistance from their Primary Care Physician. AHCCCS continues to work with Contractors and ADHS to streamline processes to improve availability and accessibility to nicotine replacement/smoking cessation products. In this quarter discussions were initiated regarding opportunities available under the Affordable Care Act to fund QuitLine telephonic counseling sessions and a portion of the administrative functions of the QuitLine. A methodology for funding is anticipated to be received from ADHS during the next quarter, which will be reviewed with CMS to ensure appropriate funding occurs.

Arizona Department of Health Services' Bureau of USDA Nutrition Programs

AHCCCS continues to work with the ADHS Bureau of USDA Nutrition Programs, which has the lead on a statewide initiative to reduce childhood obesity. AHCCCS adapted the Chronic Care Model for planning and development of a comprehensive approach to reduce or prevent childhood obesity. AHCCCS is currently reviewing opportunities to link the Chronic Care Model with the Stanford Chronic Disease Self Management Program to further improve outcomes related to obesity. Current program components include medical guidelines for better screening and treatment of children who are or are at risk of becoming obese and implementation of data systems to evaluate outcomes. The AHCCCS health plans educate providers to utilize EPSDT services such as well visits, lab services, physical activity counseling, nutritional counseling and behavioral health services to assist and support children who are overweight to become more

active and to choose healthy foods. Twice a year, every October and April, a representative of ADHS provides updates on its nutrition programs, which also include the Women, Infants and Children (WIC) Supplemental Nutrition Program, during AHCCCS' Biannual Quality Management/Maternal and Child Health Contractor meeting. During this quarter AHCCCS was not awarded a prevention grant under the Affordable Care Act that would have provided incentives related to both obesity and smoking cessation utilizing the Stanford Chronic Disease Self Management Program as a foundation for developing self-management techniques in these populations.

Arizona Department of Health Services Immunization Program

Ongoing collaboration with the Arizona Department of Health Services (ADHS) helps ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) Program. This includes closely monitoring vaccine supplies and ensuring that Contractors have up-to-date information on availability of these vaccines, as well as assisting Contractors and providers as necessary to ensure that members are immunized. In addition, when ADHS takes actions regarding VFC providers (e.g., placing a provider on probation for failing to comply with vaccine management requirements), AHCCCS works with Contractors to ensure that members assigned to that provider continue to receive necessary immunizations. In this quarter, AHCCCS worked with Contractors to assist members in selecting new primary care physicians when theirs made the decision to no longer participate in the VFC program. Twice a year, every October and April, Arizona VFC and Arizona state Immunization Information System (ASIIS) staff gave vaccine and registry program updates at the Biannual Quality Management/Maternal and Child Health meeting with Contractors.

During this quarter, AHCCCS participated in discussions with ADHS related to changes in its allocation methodology for vaccines purchased by ADHS from the Centers for Disease Control (CDC) through its national immunization purchasing program, for the CHIP population. The CDC has been working with states to develop and implement a more uniform pricing methodology for the CHIP population. These discussions will continue next quarter.

During the last legislative session, legislation passed allowing Pharmacists to administer vaccines to children ages six years and older. AHCCCS, ADHS, the Pharmacy Board and the Pharmacist Association have been meeting regularly to determine opportunities for Pharmacists to register as VFC providers. AHCCCS will remain involved in these discussions to ensure that consideration is given to the need for all children to have a medical home to ensure receipt of not only vaccinations but also recommended well child care. These discussions will continue next quarter.

Arizona Department of Health Services Office of Environmental Health

Ongoing collaboration with ADHS also supports efforts to eliminate childhood lead poisoning in Arizona. AHCCCS and several Contractors participated in the Arizona Childhood Lead Poisoning Elimination Coalition to develop strategies to increase testing of children who are enrolled in AHCCCS or who live in areas with the highest risk of lead poisoning due to the prevalence of older housing, industries that use/produce lead, and the use of lead-containing pottery or folk medicines. AHCCCS supports ongoing education by Contractors of providers and members about potential sources of childhood lead poisoning and the need for testing at specific ages according to Medicaid requirements. The ADHS Office of Environmental Health (OEH) notifies Maternal and Child

Health (MCH) staff in the Clinical Quality Management (CQM) unit when AHCCCS members have laboratory tests indicating elevated blood-lead levels. CQM then notifies the appropriate Contractor with this information for timely follow up and coordination of care.

Arizona Early Intervention Program

The Arizona Early Intervention Program (AzEIP), Arizona's IDEA Part C program, is administered by the Department of Economic Security (DES). MCH staff in the CQM unit works with AzEIP to facilitate early intervention services for children under 3 years of age who are enrolled with AHCCCS Contractors. During the quarter, AHCCCS CQM/MCH staff attended meetings of the AzEIP Interagency Coordinating Council. AzEIP and AHCCCS MCH staff work together to ensure early intervention services are provided without delay and covered by Medicaid when appropriate. Acute Care contracts require AHCCCS-contracted health plans to pay for services provided by AzEIP providers who provide medically necessary therapy to members. AzEIP providers do not have to be contracted with health plans, but must be registered as AHCCCS providers. AHCCCS also closely monitors the access and availability of early intervention services to ensure timely service provision to members.

Arizona Medical Association and American Academy of Pediatrics

AHCCCS collaborates with the Arizona Medical Association (ArMA) and the Arizona chapter of the American Academy of Pediatrics (AAP) in a number of ways. The AAP has been instrumental in the implementation of the Parental Evaluation of Developmental Status (PEDS). Consult Online training via the AzAAP website is also available to physicians who wish to use the tool, as well as dates and times for training sessions. Discussions were also held with the AzAAP related to concerns about the pediatric practice appropriateness of the developing certified electronic health record tools. During the quarter, CQM staff attended ArMA Maternal and Child Health Committee and Adolescent Health Subcommittee meetings.

The Arizona Partnership for Immunization

CQM staff attended The Arizona Partnership for Immunization (TAPI) steering committee meetings and subcommittee meetings for community awareness, provider issues and adult immunization during the quarter. AHCCCS continues to collaborate with TAPI and contracted health plans to disseminate up-to-date information including but not limited to influenza, pertussis, meningitis, local and national news related to vaccines, outbreaks and other information to promote increased levels of vaccination and awareness. AHCCCS monitors the latest recommendations and updates related to influenza vaccine in order to share information with its partners.

Arizona Perinatal Trust

The Arizona Perinatal Trust (APT) oversees voluntary certification of hospitals for the appropriate level of perinatal care according to established guidelines, and conducts site visits for initial certification and recertification. CQM staff participates in site reviews of hospitals. AHCCCS covers approximately half the births in Arizona. The site reviews give the agency a better look at the hospitals that provide care, from normal labor and delivery to neonatal intensive care. In collaboration with the APT and its members, which include perinatal providers and the ADHS Bureau of Women's and Children's Health, AHCCCS reviews processes to ensure quality of care and culturally appropriate care, as well as quality improvement initiatives and collaboration with community resources to promote good birth outcomes. During this

quarter, AHCCCS participated in hospital site visits and delivered a presentation for the annual Perinatal Trust Conference.

Arizona Quality Counts Partnership (AQCP)

This partnership is coordinated by the Arizona Quality Improvement Organization, Health Services Advisory Group (HSAG). In addition to HSAG and AHCCCS, the meetings are attended by representatives of AHCCCS health plans, Medicare health plans, providers, health care associations and the Arizona Department of Health Services. AQCP serves as a forum to coordinate partners' efforts to improve quality across the continuum of health care services. Through this collaborative, AHCCCS was approached by the nursing home industry to apply for a type of pay-for-performance CMS grant. AHCCCS continues to participate in and support quality improvement initiatives with HSAG.

Baby Arizona

CQM staff coordinates this streamlined eligibility process to ensure Medicaid-eligible women have access to early prenatal care. A network of community-based organizations continues to support the project by informing women of this avenue to service and referring them to care. AHCCCS has developed a stand-alone website for Baby Arizona that educates providers and potential enrollees about the Baby Arizona program, as well as lists the most current participating Baby Arizona providers. The website also includes a Baby Arizona training module for practitioners and their staff who wish to participate in the Baby Arizona application process. The three state agencies collaborating on the Baby Arizona Program — AHCCCS, DES and ADHS — continue to work closely to support pregnant women and Baby Arizona participating providers. During this quarter, the collaborating Agencies completed renewing the Intergovernmental Agreement for this program.

Children's Rehabilitative Services

AHCCCS has continued to work with the Children's Rehabilitative Services (CRS) program to ensure timely referral and care coordination with Acute-care Contractors for children with special health care needs. AHCCCS developed a contract amendment with APIPA, which also has an Acute-care Contract, to assume administration of CRS services from ADHS that was effective January 1, 2011. During this quarter discussions continued regarding the possibility of developing an integrated plan for children qualified for the CRS program. AHCCCS continues to work with APIPA to ensure timely and appropriate care is delivered to Arizona children enrolled in the CRS program.

Healthy Mothers, Healthy Babies

CQM staff supports the Maricopa County Healthy Mothers, Healthy Babies (HMHB) Coalition, as well as the related project in the Maryvale area of west-central Phoenix, designed to promote early prenatal care and good birth outcomes. CQM staff continues to work with the state HMHB organization to assist in educating communities about AHCCCS-covered services for women and children and the Baby Arizona process for AHCCCS application and initiation of prenatal care. CQM staff also attended a coalition meeting during this quarter.

Developmental Pediatrician Workgroup

AHCCCS and the Arizona Department of Health Services/Division of Behavioral Health Services have completed a work group that includes behavioral health providers and developmental pediatricians designed to identify and address barriers related to prescribing for children diagnosed with autism and related conditions. Recommendations from this work group were completed during this quarter and approved by Agencies and are in the process of being implemented. The Behavioral Health System is in the process of contracting with Developmental Pediatricians to provide consultative services which would also allow prescribing of medications available through the behavioral health system. It is anticipated that this program will be fully operational during the next quarter. .

Developing and assessing the quality and appropriateness of care/services for members

AHCCCS develops measures and assesses the quality and appropriateness of care/services for its members, including those with special health care needs, using a variety of processes.

- **Identifying priority areas for improvement**

AHCCCS has established an objective, systematic process for identifying priority areas for improvement and selecting new Performance Measures and Performance Improvement Projects (PIPs). This process involves a review of data from both internal and external sources. Preliminary recommendations for measures or PIP topics are developed and scored by an interdepartmental AHCCCS team that takes into account such factors as the prevalence of a particular condition and population affected, the resources required by both AHCCCS and Contractors to conduct studies and effect improvement, and whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives. Contractor input also is sought in prioritizing areas for improvement. The following PIPs were implemented in CYE 2011:

- **Coordination of Care for Acute Members Receiving Services through the ADHS Division of Behavioral Health Services.** AHCCCS worked with ADHS and Acute-care Contractors to develop a PIP across the Behavioral Health and Acute-care programs to improve coordination of care for members receiving prescriptions for benzodiazepines and opiates for conditions such as chronic pain, substance abuse, anxiety and/or depression. The purpose of the PIP is to coordinate management of these members to avoid mortality and morbidity as a result of prescription overdose. During the quarter, the work group with the ADHS Division of Behavioral Health Services (DBHS) and Acute-care Contractors met and identified specific interventions for improvement of coordination of care for the targeted population. Work group meetings will continue in the next quarter.
- **Inpatient Readmission among ALTCS Elderly and Physically Disabled Members.** AHCCCS has developed a PIP to reduce hospital readmission rates within 30 days among ALTCS elderly and disabled (E/PD) members. During the quarter, AHCCCS used an existing report process in the AHCCCS data warehouse to begin collecting data for the PIP.
- **Electronic Health Records for CRS Members.** During the quarter, AHCCCS incorporated into the Children's Rehabilitative Services contract awarded to United HealthCare

Arizona Physicians IPA effective Jan. 1, 2011, the methodology for a PIP to improve the use of electronic health records to store and access laboratory data.

Establishing realistic outcome-based Performance Measures

ALTCS Contractor Performance Measures

AHCCCS incorporated two new measures — influenza vaccination and prevalence of pressure ulcers — into ALTCS contracts beginning with CYE 2009. AHCCCS will collect data for the new measures in 2011 for the measurement period of CYE 2010. Methodologies developed by AHCCCS with Contractor input have been provided to Contractors and posted to the AHCCCS website. Contractors have implemented processes to internally monitor and improve performance in these areas. AHCCCS has begun receiving Minimum Data Set data, which will augment data collected through encounters and by Contractors from medical and/or case management records.

Acute-care Contractor Performance Measures

AHCCCS also incorporated new Acute-care Performance Measures into CYE 2009 contracts. These include three measures that are modeled on measures that are part of the Healthcare Effectiveness Data and Information Set (HEDIS) Comprehensive Diabetes Care measures – hemoglobin A1c tests, lipid screening and eye exams – and a HEDIS like measure of Use of Appropriate Medications for People with Asthma. AHCCCS had planned to collect data for the diabetes measures using a hybrid methodology, but suspended data collection in CYE 2010 for budgetary reasons. As noted below, AHCCCS has implemented a Performance Improvement Project (PIP) among Acute-care Contractors to improve use of appropriate asthma medications, using HEDIS-like specifications for measuring performance. AHCCCS will collect data for the asthma and diabetes measures in 2011 for the measurement period of CYE 2010. Contractors have implemented processes to internally monitor and improve performance in these areas.

During the quarter, staff of the CQM unit continued working with Data Analysis and Research (DAR) and Information Services Division (ISD) staff to update programming to be close to but not exactly replicate HEDIS 2011 specifications for collection of data.

Children’s Rehabilitative Services Administration (CRSA) Performance Measures

The AHCCCS Clinical Quality Management staff worked closely with CRS to develop and incorporate into contract Performance Measures that reflect improvements in the process for enrolling AHCCCS members into CRS services and which should provide more meaningful and valid data for monitoring access and availability of services. These measures were incorporated into the APIPA contract amendment for CRS services. The methodology should provide continued monitoring of performance in a consistent manner and allow for the identification of opportunities for improvement. Measurement methodologies and performance standards were included in the contract.

Division of Behavioral Health Services (DBHS) Performance Measures

In 2009, AHCCCS completed a major overhaul of DBHS Performance Measures, in conjunction with the Division, developing and refining several measures. These measures are designed to collect more meaningful data on access, availability and the quality of behavioral health services received

by AHCCCS members, as well as to improve data validity. The measures were incorporated into the CYE 2010 contract, which was effective July 1, 2009.

Performance Measure methodologies are specified as part of the contract with DBHS. AHCCCS also set Minimum Performance Standards and Goals for DBHS to achieve for each of these measures, which are included in the contract. Preliminary data from DBHS show improvement in the continuing measures, and AHCCCS continues to work with the agency to ensure that its data are complete, valid and reliable.

During the quarter, AHCCCS received the DBHS submitted data for the Access to Care Performance Measure for the measurement period of CYE 2010. This data was valid and was compliant with the AHCCCS contract requirements. Additional DBHS Performance Measures for Follow-Up after Hospitalization for Mental Illness (using HEDIS like specifications) and Treatment of Depression will be collected and reported by AHCCCS later this year.

AHCCCS and DBHS are working together on implementing a Directed Plan of Correction focused on both quality management and medical management system improvements. As part of the quality management requirements of the plan, DBHS will utilize an external consultant to review its health information system and data sources to ensure complete, accurate and timely information is available for performance monitoring and measurement. It is anticipated that results of the external review will be available for review during the first quarter of CYE 2012.

Identifying, collecting and assessing relevant data

ALTCS Performance Measures

During the quarter, AHCCCS validated the data on the annual measurement of Initiation of Home and Community Based Services (HCBS) among ALTCS E/PD members. The result was 97.1 percent of members received services within 30 days of enrollment. This did not represent a statistically significant difference from the previous rate of 96.0 percent. There was no significant difference in rates of initiation of services between rural and urban counties, or by members' race or ethnicity.

The full report can be found at:

<http://www.azahcccs.gov/reporting/quality/performanceasures.aspx>

Acute-care Performance Measures

As previously noted, AHCCCS also began work on its annual measurement of Acute-care Performance Measures during the quarter. All but one of the Acute-care Contractor Performance Measures, EPSDT Participation, are modeled on HEDIS specifications and are considered HEDIS-like methodologies. Seven HEDIS-like measures applicable to the child and adolescent population also are used to evaluate performance by DES/DDD. The measurement period for this measurement is CYE 2010.

Some adult measures related to preventive services were removed from the CYE 2011 contract in light of the benefit redesign. AHCCCS has replaced these measures with chronic disease measures and will begin publicly reporting results of asthma and diabetes measures for Acute-care

Contractors under the current contract, with an initial measurement period of CYE 2010. Reporting and holding Contractors accountable for performance standards for these measures will support improved or sustained quality in chronic disease management.

During the quarter, CQM and DAR staff continued reviewing HEDIS 2011 specifications in efforts to update AHCCCS' HEDIS-like measures including documenting changes in programming for the next measurement period. CQM and DAR staff continue to work with the ISD programming staff to ensure implementation of updates to methodologies to maintain a close alignment with HEDIS specifications for better comparability with national means. Final results will be generated in the first quarter of CYE 2012 to include data loaded into the data warehouse for encounters submitted by Contractors by July 2011.

Performance Improvement Projects (PIPs)

AHCCCS has a number of Performance Improvement Projects under way with Contractors, which are designed to improve enrollee health outcomes and/or satisfaction. Recent activity related to data collection and analysis for these projects includes:

Asthma Medication Management (Acute Contractors). This PIP is designed to improve the percent of children and adults who receive maintenance medications for the management of persistent asthma. This measure utilizes a HEDIS-like methodology, of Use of Appropriate Medications for People with Asthma. Contractors must show that rates were maintained or further improved from the first remeasurement to complete the PIP. A second remeasurement will be conducted later this year.

National Clinical Quality Measures

During the quarter, AHCCCS continued major initiatives related to health information technology (HIT) that are expected to have a significant impact on quality improvement efforts. These include activities as outlined in the CMS-approved Planning-Advance Planning Document (P-APD) and Implementation- Advance Planning Document (I-APD). Significant work has been accomplished in reviewing proposed outcomes measures and AHCCCS has provided extensive feedback during public comment periods on EHR Meaningful Use Measures, as well as proposed NCQA Comprehensive Well Child Measures and the CHIPRA Core Measure Set. Using this analysis, AHCCCS continued evaluating initiatives to enhance or develop new processes to implement these measures and use results for quality improvement. An Agency HIT Steering Committee comprised of top management meets regularly to ensure progress according to P-IAPD timelines. During the quarter, AHCCCS convened an internal work group that is implementing processes to collect and validate data and report results for the Meaningful Use, CHIPRA and Adult Core Measure sets.

During this quarter, AHCCCS CQM developed a plan to shift Agency quality measures away from a HEDIS-like measurement program and towards an alignment with the CMS Core Measure sets including CHIPRA, Well Child, Adult, Dual Eligible, Behavioral Health, Community First Choice and Meaningful Use. Implementing a shift in performance measures will allow AHCCCS to expand its ability to further align with measures recognized as important to CMS as well as increase comparability with other Medicaid populations. AHCCCS is continuing internal discussions on options for freezing current measure bases, potential optimal

data sources, resource needs related to developing the new measure sets and implementation plans. It is anticipated that a high level work plan and timeline will be developed during the next quarter.

Other National Quality Initiatives

During the quarter, AHCCCS worked on the CMS Community First Choice initiative related to quality improvement:

- o ***Community First Choice.*** Section 1915(k)(2) of the Affordable Care Act provides that States offering this option to eligible individuals during a fiscal year quarter occurring on or after October 1, 2011, will be eligible for a 6 percentage point increase in the Federal medical assistance percentage (FMAP). Participation in this option includes new monitoring and reporting requirements related to quality outcomes, both on a program and individual member level. During the quarter, DHCM staff began processes to implement the Community First Choice program beginning October 1, 2012. A staff person to develop and implement quality measures for this program was hired and will begin working with Community First Choice ALTCS staff and community stakeholders.
- Providing incentives for excellence and imposing sanctions for poor performance

In 2010, Notices to Cure (NTC) were issued to Acute-care Contractors that did not meet Minimum Performance Standards (MPSs) for Performance Measures. These NTCs built on previous actions that AHCCCS has taken over the past few years to drive Contractor improvement. Contractors have been required to develop Corrective Actions Plans (CAPs) to bring their performance up to the AHCCCS minimum standards and/or evaluate each activity under CAPs currently in place to determine their effectiveness. AHCCCS also advised Contractors of potential sanction amounts if they did not improve performance. Contractors were encouraged to put resources toward improvement rather than absorbing financial sanctions for poor performance. AHCCCS also continued providing technical assistance to Contractors to help them improve their ability to effectively monitor their performance from internal data and reinforced strategies to improve rates for these measures.

This approach to performance improvement has been successful. In the past two measurements, Contractors were able to effect improvements in their rates at a level not previously seen. The most recent measurement of Contractor performance was completed during the first quarter of CYE 2011, and Clinical Quality Management staff re-evaluated each Contractor's status in relation to its Notice to Cure and CAPs during the second quarter. Recommendations for regulatory action and supporting data were forwarded to DHCM Management for review. During this quarter, AHCCCS applied Performance Measure sanctions as follows:

United Healthcare Arizona Physicians IPA - \$200,000

- Childrens' and Adolescents' Access to PCPs
- Well Child Visits at 15 Months

Health Choice Arizona - \$100,000

- Adolescent Well Care Visits

Phoenix Health Plan - \$100,000

- Timeliness of Prenatal Care
- University Family Care - \$300,000
- Childrens' and Adolescents' Access to PCPs at 24 Months
 - Childrens' and Adolescents' Access to PCPs at 25 Months to 6 Years
 - Well Child Visits at 15 Months
 - Well Child Visits at 3, 4, 5 and 6 years
 - Adolescent Well Care Visits
 - Timeliness of Prenatal Care

During 2010, AHCCCS incorporated language into the CYE 2011 Acute-care contract to incentivize improvements in Performance Measure results by linking performance to each Contractor's placement in the auto-assignment algorithm, based on two factors, which are weighted as follows:

#	Factor	Weighting
1	The Contractor's final awarded capitation rate from AHCCCS.	50%
2	The Contractor's percent of all Clinical Quality Performance Measures for which the Contractor meets the Minimum Performance Standard (MPS). Only those Contractors that meet at least 75% of the Minimum Standards for the measurement period of CYE 2011 receive points.	50%

The new weighting will be effective for the auto-assignment algorithm for CYE 2013, giving Contractors time to improve results for the CYE 2011 measurement period (AHCCCS will collect and report these data in CYE 2012).

Including medical quality assessment and performance improvement requirements in the AHCCCS contracts

Contracts with health plans are reviewed to ensure that they include all federally required elements prior to renewal. As noted above, revisions were incorporated into contracts to continue incentivizing improvement in performance.

Regular monitoring and evaluating of Contractor compliance and performance

AHCCCS monitors and evaluates access to care, organizational structure and operations, clinical and non-clinical quality measurement and performance improvement outcomes through the following methods:

- Annual on-site Operational and Financial Reviews

Operational and Financial Reviews (OFRs) are used by AHCCCS to evaluate Contractor compliance related to access/availability and quality of services, including implementation of policies and procedures and progress toward plans of correction to improve quality of care and service for members. AHCCCS did not conduct reviews during this quarter.

During the quarter, AHCCCS reviewed and responded on CAPs from Contractors submitted for OFR standards that were scored at less than full compliance. These CAPs were received from Health Choice Arizona, Maricopa Health Plan, Phoenix Health Plan and University Family Care. AHCCCS also provided technical assistance to ADHS/DBHS regarding the data and information

contained in the DBHS quality of care database, research and analysis and trending of quality of care data.

- Review and analysis of periodic reports

A number of contract deliverables are used to monitor and evaluate Contractor compliance and performance. AHCCCS reviews, provides feedback and approves these reports as appropriate.

During the most recent quarter, AHCCCS Clinical Quality Management and Medical Management staff reviewed the plans using standardized checklists and responded to Contractors with approvals or recommendations for meeting AHCCCS and federal Medicaid Managed Care requirements.

- ***Quarterly EPSDT and Adult Monitoring Reports.*** AHCCCS requires Acute and ALTCS Contractors to submit quarterly EPSDT and Adult Monitoring Reports demonstrating their efforts to inform families/caregivers of EPSDT services and ensure that members receive these services according to the AHCCCS Periodicity Schedule. AHCCCS has developed a template for Contractors to report data on member and provider outreach, as well as Contractor rates for various EPSDT services. The template prompts Contractors to evaluate the effectiveness of activities, including care coordination, follow up and new or revised interventions to improve quality and access to care. These reports were received and reviewed during the quarter. CQM staff responded to Contractors with requests for clarification or additional information.

- Review and analysis of program-specific Performance Measures and Performance Improvement Projects

AHCCCS considers a Performance Improvement Project (PIP) as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years. While Contractors may select and implement their own PIPs to address problems specific to their plans, AHCCCS mandates other program-wide PIPs in which Contractors must participate, and monitors performance until each health plan meet requirements for demonstrable and sustained improvement.

Another method by which AHCCCS monitors the quality and appropriateness of care provided to members is through Performance Measures. Contractors submit encounter data to AHCCCS, which measures each plan's performance and evaluates its compliance in meeting contractual performance standards for specific health care services. Under their contracts with AHCCCS, Contractors are required to improve their rates for Performance Measures and achieve specific goals for each. AHCCCS requires corrective action plans from Contractors that do not meet the Minimum Performance Standard, or that show a statistically significant decline in their rates. Contractors also could face significant financial sanctions if they do not improve performance to a level that meets or exceeds the minimum standard.

As noted earlier in this report, AHCCCS collected, analyzed or reported to Contractors their results for some Performance Measures during the quarter. The agency also closely monitored and participated in activities for the development of processes to collect and report nationally

standardized measure sets, including Meaningful Use Clinical Quality Measures and Core Measures for children and adults.

Maintaining an information system that supports initial and ongoing operations and review of the established Quality Strategy

The AHCCCS Data Decision Support (ADDS) system provides greater flexibility and timeliness in monitoring a broad spectrum of data, including information that supports ongoing operations and review of quality management and performance improvement activities. Enhancements have been made to the ADDS function that generates Performance Measure data. The system is used to support performance monitoring, as well as provide data through specific queries to guide new quality initiatives.

In addition, AHCCCS has an ongoing process of reviewing and updating its programming for collecting and analyzing Performance Measures according to HEDIS-like specifications through the ADDS data warehouse. Measures are validated against historical data, as well as individual recipient and service records in PMMIS, to ensure accuracy and reliability of data. In 2009, AHCCCS completed an extensive review of Performance Measure specifications and programming, in conjunction with one of its Contractors to more closely align its HEDIS-like performance measures with HEDIS certified systems. DHCM makes revisions to its programming of HEDIS-like measures to continue aligning specifications and document processes in a crosswalk of NCQA HEDIS specifications, which it shares with Contractors, to ensure continued comparability with national means and percentiles, while supporting their internal monitoring activities. AHCCCS completes rigorous reviews of data and programming annually. The reviews demonstrate that the AHCCCS health information system is providing valid and reliable results, based on administrative data (recipient and encounter data). When opportunities for improvements are identified, actions are taken to ensure the most reliable and valid data are utilized for performance measure reporting. This quarter AHCCCS continued to conduct quality checks on the data to ensure validity and reliability.

As noted earlier, DHCM and ISD staff continued working to update programming for several HEDIS-like measures during the most recent quarter to continue providing measurement data that allows comparability with national means and percentiles. These updates are mostly routine changes based on changes made by NCQA to HEDIS specifications.

Reviewing, revising and beginning new projects in any given area of the Quality Strategy

Review and revision of the components of the Quality Strategy is an ongoing process for AHCCCS. The quality Strategy is aligned with federal Medicaid Managed Care requirements, including the CMS toolkit, and links to other significant documents, including annual External Quality Review reports, the AHCCCS Five Year Strategic Plan, AHCCCS E-Health Initiative, managed care contracts and reports by the Agency. The Quality Strategy was last revised in March 2010 to incorporate substantive changes; including ensuring that it aligns with relevant provisions of the Child Health Insurance Program Reauthorization Act (CHIPRA), as recommended by CMS.

The Quality Strategy was reviewed again during the quarter, and it was determined that no substantive changes were required. The Agency expects to make substantive changes when the strategy is reviewed again next year to reflect work on CMS quality initiatives that are under way in 2011; many of which have been discussed in this report.

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:

Medicaid Enrollment Group	FFY 1999 PM/PM (Base Year)	Trend Rate	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months			Total	Federal Share Budget Neutrality Limit
						QE 6/01	QE 9/01			FFY 2001

AFDC/SOBRA	\$208.71	1.09495	250.23	67.93%	169.99	1,173,983	1,308,826	2,482,809	\$ 422,051,081	
SSI	\$414.28	1.0688	473.25	67.31%	318.55	266,244	275,435	541,679	172,553,367	
									\$ 594,604,448	MAP Subtotal
									75,946,612	Add DSH Allotment
									<u>\$ 670,551,060</u>	Total BN Limit

Medicaid Enrollment Group	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit	
				QE 12/01	QE 3/02	QE 6/02	QE 9/02		FFY 2002	

AFDC/SOBRA	273.98	67.93%	186.13	1,435,142	1,525,532	1,595,456	1,684,862	6,240,992	\$ 1,161,634,816	
SSI	505.81	67.31%	340.47	284,733	291,401	297,899	304,535	1,178,568	401,266,153	
									\$ 1,562,900,970	MAP Subtotal
									86,014,710	Add DSH Allotment
									<u>\$ 1,648,915,680</u>	Total BN Limit

Medicaid Enrollment Group	DY 02 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit	
				QE 12/02	QE 3/03	QE 6/03	QE 9/03		FFY 2003	

AFDC/SOBRA	300.00	71.11%	213.32	1,774,471	1,844,377	1,939,267	2,028,387	7,586,502	\$ 1,618,372,329	
SSI	540.60	70.58%	381.58	310,940	317,975	325,766	333,568	1,288,249	491,576,005	
									\$ 2,109,948,334	MAP Subtotal
									82,215,000	Add DSH Allotment
									<u>\$ 2,192,163,334</u>	Total BN Limit

Medicaid Enrollment Group	DY 03 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit	
				QE 12/03	QE 3/04	QE 6/04	QE 9/04		FFY 2004	

AFDC/SOBRA	328.48	71.42%	234.59	2,041,313	2,016,767	2,014,971	2,094,495	8,167,546	\$ 1,916,063,089	
SSI	577.80	70.72%	408.60	343,771	347,633	354,608	361,523	1,407,535	575,118,431	
									\$ 2,491,181,519	MAP Subtotal
									95,369,400	Add DSH Allotment
									<u>\$ 2,586,550,919</u>	Total BN Limit

Medicaid Enrollment Group	DY 04 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit	
				QE 12/04	QE 3/05	QE 6/05	QE 9/05		FFY 2005	

AFDC/SOBRA	359.67	69.52%	250.04	2,199,728	2,179,394	2,207,137	2,209,948	8,796,207	\$ 2,199,431,863	
SSI	617.55	68.74%	424.49	371,448	377,453	382,387	384,227	1,515,515	643,327,235	
									\$ 2,842,759,098	MAP Subtotal
									95,369,400	Add DSH Allotment
									<u>\$ 2,938,128,498</u>	Total BN Limit

Medicaid Enrollment Group	DY 05 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit		
				QE 12/05	QE 3/06	QE 6/06	QE 9/06		FFY 2006		

AFDC/SOBRA	393.82	69.13%	272.26	2,207,069				2,207,069	\$ 600,906,312		
SSI	660.04	68.42%	451.62	385,834				385,834	174,251,939		
AFDC/SOBRA	} Post MMA Adj	392.97	69.13%	271.68		2,169,788	2,163,948	2,151,471	6,485,207	1,761,880,054	
SSI		590.02	68.42%	403.71		385,938	383,037	383,092	1,152,067	465,105,206	
									\$ 3,002,143,512	MAP Subtotal	
									95,369,400	Add DSH Allotment	
									<u>\$ 3,097,512,912</u>	Total BN Limit	

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2011:

	FFY 2006 PM/PM	Trend Rate	DY 06 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit
						QE 12/06	QE 3/07	QE 6/07	QE 9/07		FFY 2007
AFDC/SOBRA	392.97	1.072	421.27	68.80%	289.82	2,149,474	2,143,115	2,170,195	2,215,428	8,678,212	\$ 2,515,106,819
SSI	590.02	1.072	632.50	68.10%	430.72	383,324	383,922	387,847	390,674	1,545,767	665,786,412
ALTCS-DD		1.072	3516.33	66.58%	2341.04	55,517	56,312	57,250	58,197	227,276	532,062,454
ALTCS-EPD		1.072	3409.91	66.64%	2272.25	74,678	74,323	74,748	75,753	299,502	680,541,972
											\$ 4,393,497,657
											95,369,400
											<u>\$ 4,488,867,057</u>

MAP Subtotal
Add DSH Allotment
Total BN Limit

	DY 07 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit
				QE 12/07	QE 3/08	QE 6/08	QE 9/08		FFY 2008
AFDC/SOBRA	451.60	68.65%	310.04	2,253,042	2,263,592	2,299,307	2,343,626	9,159,567	2,839,799,519
SSI	678.04	67.95%	460.74	393,434	395,657	396,832	398,740	1,584,663	730,110,563
ALTCS-DD	3769.51	66.33%	2500.26	59,157	60,069	61,094	62,024	242,344	605,921,833
ALTCS-EPD	3655.42	66.51%	2431.21	76,715	77,309	78,230	79,797	312,051	758,661,086
									\$ 4,934,493,001
									95,369,400
									<u>\$ 5,029,862,401</u>

MAP Subtotal
Add DSH Allotment
Total BN Limit

	DY 08 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit
				QE 12/08	QE 3/09	QE 6/09	QE 9/09		FFY 2009
AFDC/SOBRA	484.12	77.13%	373.38	2,405,140	2,485,011	2,625,824	2,778,114	10,294,089	3,843,606,090
SSI	726.86	76.68%	557.37	401,309	405,246	407,449	412,074	1,626,078	906,331,364
ALTCS-DD	4040.91	75.55%	3053.06	62,979	64,124	65,331	66,212	258,646	789,660,679
ALTCS-EPD	3918.61	75.65%	2964.32	80,864	81,847	82,391	83,222	328,324	973,257,745
									\$ 6,512,855,878
									102,054,795
									<u>\$ 6,614,910,673</u>

MAP Subtotal
Add DSH Allotment
Total BN Limit

	DY 09 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit
				QE 12/09	QE 3/10	QE 6/10	QE 9/10		FFY 2010
AFDC/SOBRA	518.97	77.58%	402.60	2,881,481	2,871,037	2,860,625	2,842,655	11,455,798	4,612,142,426
SSI	779.19	77.10%	600.77	417,253	421,440	426,259	431,656	1,696,608	1,019,278,015
ALTCS-DD	4331.86	76.00%	3292.25	66,796	67,436	68,291	69,048	271,571	894,078,463
ALTCS-EPD	4200.75	76.07%	3195.54	83,874	84,006	84,496	85,065	337,441	1,078,305,921
									\$ 7,603,804,825
									104,606,165
									<u>\$ 7,708,410,990</u>

MAP Subtotal
Add DSH Allotment
Total BN Limit

	DY 10 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months				Total	Federal Share Budget Neutrality Limit
				QE 12/10	QE 3/11	QE 6/11	QE 9/11		FFY 2011
AFDC/SOBRA	556.34	73.47%	408.72	2,830,271	2,796,603	2,817,017	2,901,535	11,345,426	4,637,087,237
SSI	835.29	72.69%	607.17	436,804	441,390	445,522	471,058	1,794,774	1,089,739,256
ALTCS-DD	4643.75	71.59%	3324.68	69,706	70,378	71,126	71,697	282,907	940,575,213
ALTCS-EPD	4503.21	71.55%	3222.01	85,149	84,983	85,061	84,078	339,271	1,093,135,181
									\$ 7,760,536,887
									101,258,270
									<u>\$ 7,861,795,157</u>

MAP Subtotal
Add DSH Allotment
Total BN Limit

Based on CMS-64 certification date of 10/28/11

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

Budget Neutrality Limit - Federal Share				Expenditures from CMS-64, Schedule B - Federal Share								
WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:												
	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED		DSH	Total	VARIANCE		
QE 6/01	\$ 284,377,378	\$ -	\$ 284,377,378	\$ 141,986,847	\$ 59,681,038	\$ 31,346,872	\$ -	\$ -	\$ -	\$ 49,741,851	\$ 294,745,993	\$ (10,368,615)
QE 9/01	310,227,070	75,946,612	386,173,682	190,394,084	89,174,119	35,440,263	-	-	-	9,964,155	319,071,317	67,102,365
QE 12/01	364,065,573	-	364,065,573	212,600,041	91,278,326	54,069,757	-	-	-	-	357,948,124	6,117,449
QE 3/02	383,160,098	-	383,160,098	279,700,520	129,324,172	69,531,395	-	-	(59,706,006)	-	412,762,000	(29,601,902)
QE 6/02	398,387,410	-	398,387,410	251,569,392	119,396,617	69,516,073	-	-	-	-	440,482,082	(42,094,672)
QE 9/02	417,287,888	86,014,710	503,302,598	254,526,472	100,795,403	72,123,681	-	-	-	-	427,445,556	75,857,042
QE 12/02	497,184,688	-	497,184,688	283,042,237	112,605,459	81,611,127	-	-	-	-	477,258,823	19,925,865
QE 3/03	514,781,666	-	514,781,666	307,833,501	124,015,853	83,135,076	-	-	-	-	514,984,430	(202,764)
QE 6/03	537,996,773	-	537,996,773	335,897,265	153,636,989	103,921,589	-	-	-	-	593,455,843	(55,459,070)
QE 9/03	559,985,206	82,215,000	642,200,206	326,904,740	130,779,492	99,910,965	-	-	-	-	557,595,197	84,605,009
QE 12/03	619,345,972	-	619,345,972	342,194,130	141,669,588	117,472,377	-	-	-	-	601,336,095	18,009,877
QE 3/04	615,165,623	-	615,165,623	356,575,718	144,541,374	121,487,252	-	-	-	-	622,604,344	(7,438,721)
QE 6/04	617,594,274	-	617,594,274	378,397,587	178,126,369	119,699,074	-	-	-	-	676,223,030	(58,628,756)
QE 9/04	639,075,651	95,369,400	734,445,051	357,025,418	145,285,954	127,097,490	-	-	-	-	629,408,862	105,036,189
QE 12/04	707,704,556	-	707,704,556	374,496,706	153,711,596	134,379,346	-	-	-	-	662,587,648	45,116,908
QE 3/05	705,169,265	-	705,169,265	389,097,040	171,977,149	152,130,280	-	-	-	-	713,204,469	(13,948,341)
QE 6/05	714,200,668	-	714,200,668	400,547,496	165,585,571	167,446,873	-	-	-	-	733,579,940	(19,379,272)
QE 9/05	715,684,609	95,369,400	811,054,009	413,657,520	174,077,443	162,560,598	-	-	-	-	750,295,561	60,758,448
QE 12/05	775,158,252	-	775,158,252	404,061,498	191,370,840	160,614,226	-	-	-	-	756,046,564	19,111,688
QE 3/06	745,289,433	-	745,289,433	405,005,129	235,354,779	118,877,866	-	-	-	-	759,237,774	(13,948,341)
QE 6/06	742,531,667	-	742,531,667	411,514,299	(35,409,090)	184,960,886	-	-	-	509,691,703	800,757,798	(58,226,131)
QE 9/06	739,164,160	95,369,400	834,533,560	400,869,032	166,963,246	193,842,243	-	-	-	17,513,729	779,188,250	55,345,310
WAIVER PERIOD OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2011:												
	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	Total	VARIANCE
QE 12/06	1,087,715,479	-	1,087,715,479	433,715,853	176,371,015	190,249,157	124,180,959	154,103,335	270,452	-	1,078,890,771	8,824,708
QE 3/07	1,087,184,572	-	1,087,184,572	420,960,087	175,385,343	175,652,301	128,103,178	160,067,805	265,323	15,570,598	1,076,004,635	11,179,937
QE 6/07	1,099,885,019	-	1,099,885,019	430,645,025	181,860,134	160,414,980	109,129,722	164,184,289	267,338	63,265,880	1,109,767,368	(9,882,349)
QE 9/07	1,118,712,587	95,369,400	1,214,081,987	451,362,225	183,298,829	206,505,026	131,045,943	172,571,072	251,682	17,380,376	1,162,415,153	51,666,834
QE 12/07	1,214,211,905	-	1,214,211,905	441,087,082	158,955,002	172,368,837	141,711,614	179,249,253	217,152	281,350	1,093,870,290	120,341,615
QE 3/08	1,222,231,375	-	1,222,231,375	474,365,681	187,556,226	209,641,419	141,151,012	180,491,321	897,152	281,350	1,194,384,161	27,847,214
QE 6/08	1,238,647,596	-	1,238,647,596	482,388,876	199,304,269	212,059,299	155,838,638	182,521,867	280,379	76,673,242	1,309,066,570	(70,418,974)
QE 9/08	1,259,402,125	95,369,400	1,354,771,525	541,335,374	211,292,752	261,662,599	152,639,539	195,919,083	229,663	281,350	1,363,360,360	(8,588,835)
QE 12/08	1,553,694,884	-	1,553,694,884	525,677,827	202,250,698	274,725,051	148,096,235	196,824,526	226,470	17,589,300	1,365,390,107	188,304,777
QE 3/09	1,592,121,164	-	1,592,121,164	524,965,413	200,642,044	282,940,670	163,216,095	195,589,822	215,314	279,523	1,367,848,881	224,272,283
QE 6/09	1,651,223,431	-	1,651,223,431	751,742,559	275,925,200	420,276,136	183,857,956	277,501,770	205,805	72,613,790	1,982,123,216	(330,899,785)
QE 9/09	1,715,816,400	102,054,795	1,817,871,195	739,870,928	264,570,277	353,050,273	228,393,380	239,839,814	219,000	17,084,907	1,843,028,579	(25,157,384)
QE 12/09	1,898,700,105	-	1,898,700,105	697,955,153	247,041,712	415,432,097	186,043,975	232,351,612	172,615	-	1,778,997,164	119,702,941
QE 3/10	1,899,539,605	-	1,899,539,605	682,440,767	244,483,923	423,983,433	166,666,907	230,817,483	170,172	645,405	1,749,208,090	150,331,515
QE 6/10	1,902,623,514	-	1,902,623,514	562,367,036	212,083,758	352,829,405	102,570,911	233,568,310	124,938	18,722,247	1,482,266,605	420,356,909
QE 9/10	1,902,941,601	104,606,165	2,007,547,766	825,091,140	293,963,090	557,588,599	263,426,740	237,238,816	208,188	645,405	2,178,161,978	(170,614,212)
QE 12/10	1,928,101,599	-	1,928,101,599	718,021,505	276,629,615	389,922,965	185,596,533	238,247,373	149,281	31,674,069	1,840,241,341	87,860,258
QE 3/11	1,918,824,688	-	1,918,824,688	664,664,680	253,247,588	414,558,807	180,628,980	221,407,808	170,739	7,265,167	1,741,943,769	176,880,919
QE 6/11	1,932,415,289	-	1,932,415,289	653,163,269	258,027,233	256,585,680	104,541,836	208,706,299	188,661	65,239,948	1,546,452,926	385,962,363
QE 9/11	1,981,195,310	101,258,270	2,082,453,580	517,306,787	205,906,835	242,726,010	226,753,441	188,288,945	151,050	6,114,041	1,387,247,109	695,206,471
\$ 43,808,726,129 \$ 1,028,942,552 \$ 44,837,668,681 \$ 18,487,023,939 \$ 7,352,737,830 \$ 8,434,348,053 \$ 3,223,593,594 \$ 4,089,490,603 \$ 4,881,374 \$ 938,813,380 \$ 42,530,888,773 \$ 2,306,779,908												

Last Updated: 11/2/2011

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

III. SUMMARY BY DEMONSTRATION YEAR AND WAIVER PERIOD

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
DY 01	\$ 2,319,466,740	\$ 2,409,331,262	\$ (89,864,522)	-3.87%				
DY 02	2,192,163,334	2,107,894,847	84,268,487	3.84%				
DY 03	2,586,550,919	2,480,575,019	105,975,900	4.10%				
DY 04	2,938,128,498	2,854,401,901	83,726,597	2.85%				
DY 05	3,097,512,912	3,134,980,854	(37,467,942)	-1.21%	\$ 13,133,822,402	\$ 12,987,183,883	\$ 146,638,519	1.12%
DY 06	4,488,867,057	4,513,609,896	(24,742,839)	-0.55%				
DY 07	5,029,862,401	5,089,144,651	(59,282,250)	-1.18%				
DY08	6,614,910,673	6,382,892,710	232,017,963	3.51%				
DY09	7,708,410,990	7,199,962,063	508,448,927	6.60%				
DY10	7,861,795,157	6,358,095,570	1,503,699,587	19.13%	31,703,846,279	29,543,704,890	2,160,141,389	6.81%
	<u>\$ 44,837,668,681</u>	<u>\$ 42,530,888,773</u>	<u>\$ 2,306,779,908</u>		<u>\$ 44,837,668,681</u>	<u>\$ 42,530,888,773</u>	<u>\$ 2,306,779,908</u>	5.14%

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,827,471	543,412,972	622,374,134	834,263,692	1,060,159,028	1,096,367,511	1,337,260,845	1,598,078,172	2,149,523,536	1,929,350,636	11,696,617,997
AFDC/SOBRA	1,940,270,264	1,651,555,024	1,898,308,200	2,183,740,019	2,360,565,601	2,539,701,914	2,885,565,173	3,259,717,996	3,616,341,995	3,323,848,098	25,659,614,284
SSI	853,831,706	659,614,287	830,514,898	968,009,258	1,002,177,555	1,053,816,263	1,163,752,826	1,230,733,998	1,311,274,283	1,252,964,134	10,326,689,208
ALTCS-DD	-	-	-	-	-	784,982,863	874,093,202	930,704,030	953,691,177	968,248,145	4,511,719,417
ALTCS-EPD	-	-	-	-	-	1,022,284,745	1,108,255,185	1,201,767,179	1,232,719,529	1,152,128,205	5,717,154,843
Family Planning Extension	-	-	-	-	-	1,746,613	-	936,282	745,852	710,825	5,348,158
DSH/CAHP	-	-	-	-	-	145,177,300	135,042,088	131,573,904	96,707,494	114,285,993	622,786,779
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-	-	-	-	789,015,636
Total	3,565,162,835	2,976,825,241	3,492,989,382	4,127,405,704	4,561,256,583	6,644,077,209	7,505,177,905	8,353,511,561	9,361,003,866	8,741,536,036	59,328,946,322

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,897,486	385,716,791	442,172,276	575,515,770	724,643,763	747,206,925	910,335,174	1,225,313,495	1,656,543,298	1,412,003,075	8,434,348,053
AFDC/SOBRA	1,318,111,352	1,174,382,322	1,355,720,745	1,518,123,205	1,631,938,003	1,746,855,350	1,980,765,855	2,513,977,506	2,805,371,072	2,441,778,529	18,487,023,939
SSI	574,733,958	465,587,345	587,312,598	665,393,526	685,729,311	717,627,383	790,787,430	943,761,143	1,011,026,250	910,778,886	7,352,737,830
ALTCS-DD	-	-	-	-	-	522,612,250	579,772,566	703,181,027	724,813,085	693,214,666	3,223,593,594
ALTCS-EPD	-	-	-	-	-	681,214,921	737,096,416	909,102,998	937,737,199	824,339,069	4,089,490,603
Family Planning Extension	-	-	-	-	-	1,594,863	1,101,783	855,483	681,684	647,561	4,881,374
DSH/CAHP	-	-	-	-	-	96,498,204	89,285,427	86,701,058	63,789,475	75,333,784	411,607,948
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-	-	-	-	527,205,432
Total	2,409,331,262	2,107,894,847	2,480,575,019	2,854,401,901	3,134,980,854	4,513,609,896	5,089,144,651	6,382,892,710	7,199,962,063	6,358,095,570	42,530,888,773

Adjustments to Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	446,293	358,997	554,800	796,963	454,959	2,612,012
AFDC/SOBRA	-	-	-	-	-	2,666,908	1,886,717	1,797,428	1,763,505	1,327,070	9,441,628
SSI	-	-	-	-	-	333,412	237,872	284,054	310,384	203,785	1,369,507
ALTCS-DD (Cost Sharing) ¹	-	-	-	-	-	-	-	-	-	-	-
Family Planning Extension ²	-	-	-	-	-	(1,746,613)	(1,208,586)	(936,282)	(745,852)	(710,825)	(5,348,158)
CAHP ³	-	-	-	-	-	(1,700,000)	(1,275,000)	(1,700,000)	(2,125,000)	(1,274,989)	(8,074,989)
Total	-	-	-	-	-	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	296,345	237,656	421,131	600,482	326,932	1,882,546
AFDC/SOBRA	-	-	-	-	-	2,205,962	1,550,706	1,503,951	1,448,740	1,090,290	7,799,649
SSI	-	-	-	-	-	221,399	157,471	213,392	233,947	146,376	972,585
ALTCS-DD (Cost Sharing) ¹	-	-	-	-	-	-	-	-	-	-	-
Family Planning Extension ²	-	-	-	-	-	(1,594,863)	(1,101,783)	(855,483)	(681,684)	(647,561)	(4,881,374)
CAHP ³	-	-	-	-	-	(1,128,843)	(844,050)	(1,282,991)	(1,601,485)	(916,037)	(5,773,406)
Total	-	-	-	-	-	-	-	-	-	-	-

¹ The CMS 1115 Waiver, Special Term and Condition 46,e requires that premiums collected by the State shall be reported on Form CMS-64 Summary Sheet line 9,D. The State should include these premium collections as a manual adjustment (decrease) to the Demonstration's actual expenditures on a quarterly basis.

² The Family Planning Extension (FPE) waiver expenditures are included in the AFDC/SOBRA rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the FPE expenditures to the AFDC/SOBRA waiver category for budget neutrality comparison purposes.

³ The Critical Access Hospital Payment (CAHP) waiver expenditures are included in the AFDC/SOBRA and SSI rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the CAHP expenditures to the AFDC/SOBRA, SSI and AC/MED waiver categories for budget neutrality comparison purposes. The CAHP expenditures are allocated to the waiver categories in the same proportion as the capitation payments made for the CAHP service period.

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Revised Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,827,471	543,412,972	622,374,134	834,263,692	1,060,159,028	1,096,813,804	1,337,619,842	1,598,632,972	2,150,320,499	1,929,805,595	11,699,230,009
AFDC/SOBRA	1,940,270,264	1,651,555,024	1,898,308,200	2,183,740,019	2,360,565,601	2,542,368,822	2,887,451,890	3,261,515,424	3,618,105,500	3,325,175,168	25,669,055,912
SSI	853,831,706	659,614,287	830,514,898	968,009,258	1,002,177,555	1,054,149,675	1,163,990,698	1,231,018,052	1,311,584,667	1,253,167,919	10,328,058,715
ALTCS-DD	-	-	-	-	-	784,982,863	874,093,202	930,704,030	953,691,177	968,248,145	4,511,719,417
ALTCS-EPD	-	-	-	-	-	1,022,284,745	1,108,255,185	1,201,767,179	1,232,719,529	1,152,128,205	5,717,154,843
Family Planning Extension	-	-	-	-	-	-	-	-	-	-	-
DSH/CAHP	-	-	-	-	-	143,477,300	133,767,088	129,873,904	94,582,494	113,011,004	614,711,790
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-	-	-	-	789,015,636
Total	3,565,162,835	2,976,825,241	3,492,989,382	4,127,405,704	4,561,256,583	6,644,077,209	7,505,177,905	8,353,511,561	9,361,003,866	8,741,536,036	59,328,946,322

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,897,486	385,716,791	442,172,276	575,515,770	724,643,763	747,503,270	910,572,830	1,225,734,626	1,657,143,780	1,412,330,007	8,436,230,599
AFDC/SOBRA	1,318,111,352	1,174,382,322	1,355,720,745	1,518,123,205	1,631,938,003	1,749,061,312	1,982,316,561	2,515,481,457	2,806,819,812	2,442,868,819	18,494,823,588
SSI	574,733,958	465,587,345	587,312,598	665,393,526	685,729,311	717,848,782	790,944,901	943,974,535	1,011,260,197	910,925,262	7,353,710,415
ALTCS-DD	-	-	-	-	-	522,612,250	579,772,566	703,181,027	724,813,085	693,214,666	3,223,593,594
ALTCS-EPD	-	-	-	-	-	681,214,921	737,096,416	909,102,998	937,737,199	824,339,069	4,089,490,603
Family Planning Extension	-	-	-	-	-	-	-	-	-	-	-
DSH/CAHP	-	-	-	-	-	95,369,361	88,441,377	85,418,067	62,187,990	74,417,747	405,834,542
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-	-	-	-	527,205,432
Total	2,409,331,262	2,107,894,847	2,480,575,019	2,854,401,901	3,134,980,854	4,513,609,896	5,089,144,651	6,382,892,710	7,199,962,063	6,358,095,570	42,530,888,773

Calculation of Effective FMAP:

AFDC/SOBRA

Federal	1,318,111,352	1,174,382,322	1,355,720,745	1,518,123,205	1,631,938,003	1,749,061,312	1,982,316,561	2,515,481,457	2,806,819,812	2,442,868,819	
Total	1,940,270,264	1,651,555,024	1,898,308,200	2,183,740,019	2,360,565,601	2,542,368,822	2,887,451,890	3,261,515,424	3,618,105,500	3,325,175,168	
Effective FMAP	0.679344201	0.711076716	0.714173149	0.695194113	0.691333468	0.687965215	0.686527996	0.771261555	0.775770583	0.734658686	

SSI

Federal	574,733,958	465,587,345	587,312,598	665,393,526	685,729,311	717,848,782	790,944,901	943,974,535	1,011,260,197	910,925,262	
Total	853,831,706	659,614,287	830,514,898	968,009,258	1,002,177,555	1,054,149,675	1,163,990,698	1,231,018,052	1,311,584,667	1,253,167,919	
Effective FMAP	0.673123233	0.705847878	0.707166842	0.687383432	0.684239342	0.680974248	0.679511359	0.766824283	0.771021667	0.726898006	

ALTCS-DD

Federal						522,612,250	579,772,566	703,181,027	724,813,085	693,214,666	
Total						784,982,863	874,093,202	930,704,030	953,691,177	968,248,145	
Effective FMAP						0.665762623	0.663284607	0.755536674	0.760008169	0.715947322	

ALTCS-EPD

Federal						681,214,921	737,096,416	909,102,998	937,737,199	824,339,069	
Total						1,022,284,745	1,108,255,185	1,201,767,179	1,232,719,529	1,152,128,205	
Effective FMAP						0.666365144	0.665096294	0.756471814	0.760706046	0.715492482	

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

V. Budget Neutrality Member Months and Cost Sharing Premium Collections

Budget Neutrality Member Months:	AFDC/SOBRA	SSI	ALTCS-DD	ALTCS-EPD	AC/MED
Quarter Ended June 30, 2001	1,173,983	266,244			57,192
Quarter Ended September 30, 2001	1,308,826	275,435			64,780
Quarter Ended December 31, 2001	1,435,142	284,733			125,540
Quarter Ended March 31, 2002	1,525,532	291,401			192,001
Quarter Ended June 30, 2002	1,595,456	297,899			230,474
Quarter Ended September 30, 2002	1,684,862	304,535			258,087
Quarter Ended December 31, 2002	1,774,471	310,940			284,811
Quarter Ended March 31, 2003	1,844,377	317,975			304,123
Quarter Ended June 30, 2003	1,939,267	325,766			320,618
Quarter Ended September 30, 2003	2,028,387	333,568			333,935
Quarter Ended December 31, 2003	2,041,313	343,771			334,942
Quarter Ended March 31, 2004	2,016,767	347,633			328,917
Quarter Ended June 30, 2004	2,014,971	354,608			316,279
Quarter Ended September 30, 2004	2,094,495	361,523			325,663
Quarter Ended December 31, 2004	2,199,728	371,448			363,035
Quarter Ended March 31, 2005	2,179,394	377,453			367,452
Quarter Ended June 30, 2005	2,207,137	382,387			374,836
Quarter Ended September 30, 2005	2,209,948	384,227			369,299
Quarter Ended December 31, 2005	2,207,069	385,834			370,681
Quarter Ended March 31, 2006	2,169,788	385,938			364,201
Quarter Ended June 30, 2006	2,163,948	383,037			359,958
Quarter Ended September 30, 2006	2,151,471	383,092			348,794
Quarter Ended December 31, 2006	2,149,474	383,324	55,517	74,678	339,570
Quarter Ended March 31, 2007	2,143,115	383,922	56,312	74,323	336,236
Quarter Ended June 30, 2007	2,170,195	387,847	57,250	74,748	342,061
Quarter Ended September 30, 2007	2,215,428	390,674	58,197	75,753	354,148
Quarter Ended December 31, 2007	2,253,042	393,434	59,157	76,715	372,869
Quarter Ended March 31, 2008	2,263,592	395,657	60,069	77,309	386,144
Quarter Ended June 30, 2008	2,299,307	396,832	61,094	78,230	400,968
Quarter Ended September 30, 2008	2,343,626	398,740	62,024	79,797	416,062
Quarter Ended December 31, 2008	2,405,140	401,309	62,979	80,864	424,237
Quarter Ended March 31, 2009	2,485,011	405,246	64,124	81,847	438,421
Quarter Ended June 30, 2009	2,625,824	407,449	65,331	82,391	484,567
Quarter Ended September 30, 2009	2,778,114	412,074	66,212	83,222	562,651
Quarter Ended December 31, 2009	2,881,481	417,253	66,796	83,874	624,951
Quarter Ended March 31, 2010	2,871,037	421,440	67,436	84,006	654,078
Quarter Ended June 30, 2010	2,860,625	426,259	68,291	84,496	674,857
Quarter Ended September 30, 2010	2,842,655	431,656	69,048	85,065	698,009
Quarter Ended December 31, 2010	2,830,271	436,804	69,706	85,149	714,939
Quarter Ended March 31, 2011	2,796,603	441,390	70,378	84,983	711,344
Quarter Ended June 30, 2011	2,817,017	445,522	71,126	85,061	716,297
Quarter Ended September 30, 2011	2,901,535	471,058	71,697	84,078	662,929

Cost Sharing Premium Collections:	ALTCS Developmentally Disabled	
	Total Computable	Federal Share
Quarter Ended December 31, 2006	\$ -	\$ -
Quarter Ended March 31, 2007	-	-
Quarter Ended June 30, 2007	-	-
Quarter Ended September 30, 2007	-	-
Quarter Ended December 31, 2007	-	-
Quarter Ended March 31, 2008	-	-
Quarter Ended June 30, 2008	-	-
Quarter Ended September 30, 2008	-	-
Quarter Ended December 31, 2008	-	-
Quarter Ended March 31, 2009	-	-
Quarter Ended June 30, 2009	-	-
Quarter Ended September 30, 2009	-	-
Quarter Ended December 31, 2009	-	-
Quarter Ended March 31, 2010	-	-
Quarter Ended June 30, 2010	-	-
Quarter Ended September 30, 2010	-	-
Quarter Ended December 31, 2010	-	-
Quarter Ended March 31, 2011	-	-
Quarter Ended June 30, 2011	-	-
Quarter Ended September 30, 2011	-	-

**Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended September 30, 2011**

VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2001 *	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	
Regular Allotment	75,946,612	86,014,710	82,215,000	95,369,400	95,369,400	95,369,400	95,369,400	95,369,400	99,565,654	99,565,654	101,258,270	
ARRA Allotment	-	-	-	-	-	-	-	-	2,489,141	5,040,511	-	
Total Allotment	75,946,612	86,014,710	82,215,000	95,369,400	95,369,400	95,369,400	95,369,400	95,369,400	102,054,795	104,606,165	101,258,270	1,028,942,552
Reported in QE												
Jun-01	49,741,851	-	-	-	-	-	-	-	-	-	-	49,741,851
Sep-01	9,964,155	-	-	-	-	-	-	-	-	-	-	9,964,155
Dec-01	-	-	-	-	-	-	-	-	-	-	-	-
Mar-02	-	31,742,730	-	-	-	-	-	-	-	-	-	31,742,730
Jun-02	-	25,195,280	-	-	-	-	-	-	-	-	-	25,195,280
Sep-02	-	-	-	-	-	-	-	-	-	-	-	-
Dec-02	6,706,135	6,911,991	-	-	-	-	-	-	-	-	-	13,618,126
Mar-03	-	-	30,321,680	-	-	-	-	-	-	-	-	30,321,680
Jun-03	7,391,794	10,860,127	45,641,513	-	-	-	-	-	-	-	-	63,893,434
Sep-03	2,142,676	70,751	6,248,559	-	-	-	-	-	-	-	-	8,461,986
Dec-03	-	-	-	-	-	-	-	-	-	-	-	-
Mar-04	-	-	-	29,594,400	-	-	-	-	-	-	-	29,594,400
Jun-04	-	10,760,702	-	63,177,451	-	-	-	-	-	-	-	73,938,153
Sep-04	-	100,274	-	2,597,548	-	-	-	-	-	-	-	2,697,822
Dec-04	-	-	-	-	-	-	-	-	-	-	-	-
Mar-05	-	-	-	-	32,038,750	-	-	-	-	-	-	32,038,750
Jun-05	-	-	-	-	46,343,073	-	-	-	-	-	-	46,343,073
Sep-05	-	-	-	-	16,987,577	-	-	-	-	-	-	16,987,577
Dec-05	-	-	-	-	-	-	-	-	-	-	-	-
Mar-06	-	-	-	-	-	34,829,600	-	-	-	-	-	34,829,600
Jun-06	-	-	(3,363)	-	-	40,326,448	-	-	-	-	-	40,323,085
Sep-06	-	-	-	-	-	17,513,729	-	-	-	-	-	17,513,729
Dec-06	-	-	-	-	-	-	-	-	-	-	-	-
Mar-07	-	-	-	-	-	-	15,288,100	-	-	-	-	15,288,100
Jun-07	-	-	-	-	-	-	62,700,885	-	-	-	-	62,700,885
Sep-07	-	-	-	-	-	-	17,380,376	-	-	-	-	17,380,376
Dec-07	-	-	-	-	-	-	-	-	-	-	-	-
Mar-08	-	-	-	-	-	-	-	-	-	-	-	-
Jun-08	-	-	-	-	-	-	-	76,391,892	-	-	-	76,391,892
Sep-08	-	-	-	-	-	-	-	-	-	-	-	-
Dec-08	-	-	-	-	-	-	-	17,309,777	-	-	-	17,309,777
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-
Jun-09	-	-	-	-	-	-	-	-	71,889,845	-	-	71,889,845
Sep-09	-	-	-	-	-	-	-	(112,435)	17,197,342	-	-	17,084,907
Dec-09	-	-	-	-	-	-	-	-	-	-	-	-
Mar-10	-	-	-	-	-	-	-	-	-	-	-	-
Jun-10	-	-	-	-	-	-	-	-	-	18,722,247	-	18,722,247
Sep-10	-	-	-	-	-	-	-	-	-	-	-	-
Dec-10	-	-	-	-	-	-	-	(5,147,857)	-	36,821,926	-	31,674,069
Mar-11	-	-	-	-	-	-	-	-	-	6,643,817	-	6,643,817
Jun-11	-	-	-	-	-	-	-	-	(3,669,120)	-	68,303,706	64,634,586
Sep-11	-	-	-	-	-	-	-	-	-	-	6,114,041	6,114,041
Total Reported to Date	75,946,611	85,641,855	82,208,389	95,369,399	95,369,400	92,669,777	95,369,361	88,441,377	85,418,067	62,187,990	74,417,747	933,039,973
Unused Allotment	1	372,855	6,611	1	-	2,699,623	39	6,928,023	16,636,728	42,418,175	26,840,523	95,902,579

* Total Allotment FFY 2001 83,835,000
 Reported in QE 3/31/01 7,888,388
 Balance of Allotment
 Limit Calculation 75,946,612