## Agenda

<table>
<thead>
<tr>
<th>I.</th>
<th>Welcome</th>
<th>Director Thomas Betlach</th>
</tr>
</thead>
<tbody>
<tr>
<td>II.</td>
<td>Introductions of Members</td>
<td>ALL</td>
</tr>
<tr>
<td>III.</td>
<td>Approval of October 11, 2017 meeting summary</td>
<td>ALL</td>
</tr>
</tbody>
</table>

### Agency Updates

| IV.  | Arizona’s 1115 waiver amendment request Legislative Updates | Liz Lorenz |
| V.   | AHCCCS Complete Care                                     | Director Tom Betlach    |
| VI.  | AHCCCS Update-Budget Kids Care Federal Level             | Director Tom Betlach    |
| VII. | Call to the Public                                       | Director Tom Betlach    |
| VIII.| Adjourn at 3:00 p.m.                                     | ALL                     |

### *2018 SMAC Meetings*

Per SMAC Bylaws, meetings are to be held the 2nd Wednesday of January, April, July and October. **Unfortunately due to scheduling conflicts the meeting dates have changed**

All meetings will be held from 1 p.m. - 3 p.m. unless otherwise announced at the AHCCCS Administration 701 E. Jefferson, Phoenix, AZ 85034, 3rd Floor in the Gold Room:

- **February 7, 2018**
- **May 9, 2018**
- **August 8, 2018**
- **October 17, 2018**

For more information or assistance, please contact Yisel Sanchez at (602) 364-4577 or yisel.sanchez@azahcccs.gov
October 2017 Meeting Summary
State Medicaid Advisory Committee (SMAC) Meeting Summary
Wednesday, October 11, 2017, AHCCCS, 701 E. Jefferson, Gold Room
1:00 p.m. – 3:00 p.m.

Members in attendance:
Tom Betlach
Sheila Sjolander for Cara Christ
Tara McCollum Plese
Kevin Earle
Kathleen Collins Pagels
Amanda Aguirre
Kim VanPelt

Marcus Johnson
Leonard Kirschner
Steve Jennings
Joyce Millard Hoie (phone)
Vernice Sampson
Gina Judy
Phil Pangrazio

Members Absent: Kathy Waite, Peggy Stemmler, Nic Danger, Daniel Haley, Greg Ensell, Frank Scarpati,

Staff and public in attendance:
Yisel Sanchez, HRC Coordinator, AHCCCS
Dana Hearn, Assistant Director, AHCCCS
Christine Farley, Progenity
James Kotusky, Gilead
Kim Sammon, Progenity
Ryan Ouimette, AZAHP
Joe Fu, FTF
Elena Rodriguez, RCFBH

Coleen Fong, Gilead
Pele Fisher, ARMA
Jakenna Lebsock, AHCCCS
Lindsey Irelan, AHCCCS
Camille Kerr, Amgen
Jane Stephen, Allergan
Shirley Gunther, Dignity Health
Jennifer Carusetta, HSAA
Bonnie Talakte, AHCCCS

AGENDA

I. Welcome & Introductions Tom Betlach

II. Introductions of Members All

III. Approval of July 12, 2017 Meeting Summary/Minutes Unanimous

AGENCY UPDATES

IV. RFP for AHCCCS Complete Care Update and SMI Determination Dana Hearn
   - Request for proposal to serve as statewide contractor to conduct eligibility determinations for those determined to have a SMI
     - Persons 18 or older who request or consent determination
     - For persons 17 and 6 months who are currently receiving BHS in preparation for BHS as an adult
     - Persons determined to undergo determination by a Superior Court in AZ
   - Requirement overview
   - Current contract ends 12-31-2018
   - Recent changes that impact current contractor
     - Administrative simplification
Service expansion
  - AHCCCS complete care RFP

- Anticipated procurement timeline
- RFP bidders’ library
- Stakeholder feedback
- Public comment

- AHCCCS complete care update
- Stakeholder engagement for RFP
- Major decisions
- AHCCCS complete care
- Affiliated organizations
- Expansion of non-affiliated RBHA services
- Member assignment and choice of RBHA
- Medicare advantage D-SNP plan requirements
- Delegated agreements
- Future integration efforts for foster children enrolled with CMDP
- ACC contractor provider transition req. for CRS and BH services
- CRS

V. Easter Seals | Gina Judy
- Leadership
- History
- Current behavioral health evidence-based models in 10 counties
- Stepping up to the value based purchasing challenge
- Ensuring sustainability of behavioral health throughout Southern Arizona
- Residential and rehabilitative services
- Community inclusion
- Job training and support for teens and adults with intellectual or physical disabilities in Pima Graham, and Greenlee counties
- Funding partners
- Arizona tax credit
- Estate planning
- In-kind donations
- Payroll and company matching donations
- Signature events
- Volunteering opportunities

VI. AHCCCS Quality Strategy | Jakenna Lebsock
- Purpose and overview
- Purpose of quality strategy
- Quality strategy regulations
- Federal regulation requirements
- Stakeholder engagement requirements
- Major quality strategy highlights
- Agency introduction
- Agency initiatives
- Agency efforts
Major areas of focus
• Quality metrics
• Performance improvement projects
• External quality review process
• QS review and implementation process
• Stake holder engagement
• Stake holder review process

VII. First Things First                                      Joe Fu
• Agency goals
• Oral health
• Care coordination
• Developmental, sensory screening
• Home visitation
• First things first strategic plan
• Outcomes
• Screening
• Statewide strategic plan 2018-2022
• Overview fact sheet

VII. AHCCCS Update                                         Tom Betlach
• AHCCCS population 7/1/2000-2017
• AHCCCS cap rate history
• FY 2019 Budget request
• Repeal and replace
• Graham Cassidy proposal
• Graham Cassidy 2020-2026 Impact in billions
• CHIP/KidsCare funding
• AHCCCS leadership academy
• Waiver update
• HB 2442
• Analysis for CMDP integration
• Hospital assessment
• Publish parity analysis
• SECC giving
• Staffing transitions

IX. Call to the Public                                      Tom Betlach

X. Adjourn at 3:00 p.m.                                    All
Arizona’s 1115 Waiver
Legislative Updates
IMD Waiver Request: Focus on Substance Use Disorders

• On April 12, AHCCCS submitted a waiver requesting that Arizona be exempt from the 15 day limit on federal funding for IMD stays, both for managed care and FFS populations.

• CMS has indicated a path forward to exempt stays in IMDs that are related to the treatment of a *substance use disorder* from the 15 day limit.

• We are in the midst of negotiations with CMS and expect to receive approval in the near future.
AHCCCS Works Waiver

• On December 19, 2017, AHCCCS submitted a request to CMS to implement AHCCCS Works Waiver.

• To qualify for AHCCCS coverage, certain able-bodied adults 19-55 who do not qualify for an exemption must, for a total of at least 20 hours per week:
  o Be employed or actively seek employment;
  o Attend school; or
  o Participate in the Employment Support and Development Program.
AHCCCS Works Exemptions, part 1

- Individuals determined to be medically frail
- American Indians
- Pregnant and post-partum women (through the month in which 90th day post partum occurs)
- Individuals receiving temporary or permanent long-term disability benefits (private or government)
- Individuals determined to have a Serious Mental Illness
- Parents, caretakers relatives, and foster parents
- Caregivers of a family member who is enrolled in ALTCS
AHCCCS Works Exemptions, part 2

- Individuals who are homeless
- Individuals who have recently been directly impacted by a catastrophic event (natural disaster or death of a family member living in same household)
- Full time high school, college or graduate students
- Victims of domestic violence
- Former Arizona foster youths up to 26
AHCCCS Works Details

• AHCCCS will work with DES to leverage its existing workforce development programs

• Employment Support & Development programs to include: disease management education; health insurance competency courses; healthy living classes; parenting classes; ESL courses

• Community service counts for those transitioning from justice system, living in an area of high unemployment, or facing a significant barrier to employment
AHCCCS Works Compliance

• Members subject to requirement who do not qualify for an exemption and fail to meet the requirements will receive a 6-month grace period.

• Failure to comply after the grace period will result in a termination of AHCCCS enrollment.

• Members may re-enroll once they can demonstrate compliance for at least the past 30 days.
AHCCCS Works Population

- AHCCCS has 1.9 million members
- Approximately 400,000 are in the eligibility group that waiver pertains to.
  - 43,719 are American Indians
  - 12,912 are determined to have SMI
  - 81,124 are age 55 and over
- Fewer than 269,507 individuals remaining who could be subject to requirements (prior to applying other exemptions)
5 Year Lifetime Limit

• SB 1092: AHCCCS must request approval for a five-year lifetime limit on AHCCCS coverage

• Lifetime limit would apply to able-bodied adult members with same exemptions as for AHCCCS Works

• If approved, it would become effective on waiver approval date

• The following time would not count toward the lifetime limit:
  o Time during which a person received Medicaid benefits prior to waiver approval
  o Time during which an individual is enrolled in AHCCCS and
    ▪ an AHCCCS Works exemption applies; or
    ▪ the individual is complying with the AHCCCS Works requirements

AHCCCS
Reaching across Arizona to provide comprehensive quality health care for those in need
Current Landscape

- CMS recently issued guidance to states on work requirement waivers
- CMS approved Kentucky’s work requirement waiver proposal; litigation pending in US District Court
- CMS also approved Indiana’s proposal
- Approx. 9 other states have similar waivers in the queue
- Beginning discussions with CMS on AHCCCS Works
- Evaluating necessary AHCCCS operational changes
Currently, Arizona covers enrollees three months prior to the month of application if the enrollee would have been eligible at any point during those months.

AHCCCS proposes limiting retroactive coverage to the month of application, consistent with AHCCCS policy prior to the Affordable Care Act.

All comments must be received by February 25, 2018.
Prior Quarter Coverage Proposal

Objectives

• Would promote objectives of the Medicaid program by:

  o Aligning Medicaid policies with pre-ACA policy and commercial health insurance coverage;

  o Encouraging members to obtain and maintain health coverage, even when healthy;

  o Encouraging members to apply for Medicaid expeditiously when they believe they meet the criteria for eligibility; and

  o Creating efficiencies that ensure Medicaid’s sustainability for members over the long term.
Other Waiver Flexibilities

• NEMT limits in urban areas for able-bodied adults over 100% of federal poverty level who are not medically frail

• Modernize and stabilize FQHC payments (potentially including a SPA as well for VBP APM)

• More leverage on prescription drugs:
  o Exclude drugs until market prices are reasonable and cost effectiveness data exists
  o Establish formulary with at least 2 drugs per class/category (with exceptions)
Rough Timeline

- Prior Quarter Coverage Waiver
  - Gathering public comment through February 25
  - Submit in March

- NEMT and FQHC Waivers
  - Public comment process in April/May
  - Submit in June

- Prescription Drugs Waiver: TBD
Legislative Update
Arizona’s Legislative Session Timeline

• 1/8/18 – First Day of Session
• 1/29/18 – Senate Bill Introduction Deadline
• 2/5/18 – House Bill Introduction Deadline
• 2/16/18 – Final day for bills in originating chamber
• 2/19/18 – 2/23/18 – Crossover week
• 3/23/18 – Final Day for Committee Hearings
• 4/17/18 – 100th Day of Session
Governor Ducey called the special session with the following intent:

“To attack the opioid issue from all angles, while protecting individuals who suffer from chronic pain, and maintaining compassion for those struggling with addiction.”
Arizona Opioid Epidemic Act

• Legislature unanimously passed the Arizona Opioid Epidemic Act
• Governor Ducey signed into law on January 26, 2018
• Generally effective 90 days post sine die, which is April 26, 2018.
Arizona Opioid Epidemic Act

- 5-day limit on first fill of most opioid prescriptions
- 90 Morphine Milligram Equivalent limit for most new opioid prescriptions
- Good Samaritan law to encourage 911 calls in overdose situations
- Expands Arizona Angel Initiative, requiring counties to designate one location where citizens can seek treatment without fear of arrest/prosecution
- Increases DHS oversight and licensing requirements for pain management clinics
Arizona Opioid Epidemic Act

- 3 hours of education on risks associated with opioids for all professions that prescribe them
- Requires e-prescribing for opioids (delayed effective date of 1/1/19 for urban providers and 7/1/19 for rural)
- Red prescription container cap to alert health consumers that opioids have risks
- Directs counties and cities to require structured sober living homes to allow individuals to continue receiving medication-assisted treatment while living in the home
Substance Use Disorder Services Fund

- $10 million to provide access to SUD treatment for uninsured or underinsured Arizonans (non-Title XIX)
- Medicaid-covered, direct services (e.g., treatment, outreach, identification, navigation)
- Fund administered by AHCCCS
- Plans will pay providers based on contracts, or in the absence of a contract, at the capped fee schedule
- Currently, $2M of the $10M has been allocated to RBHAs
- AHCCCS will conduct a gap analysis and community forums to inform the dissemination of the remaining $8M
Fifty-third Legislature, Second Regular Session – Bill Tracking

- HB 2135 & SB 1086: adds chiropractic services to the list of covered services
- SB 1445: adds dental services up to $1000 per person annually for individuals who are at least 21 years of age and in any stage of pregnancy
- HB 2127: eliminates “trigger” that AHCCCSS automatically stop processing new KidsCare applications if FMAP goes below 100%
Questions and Comments?

Thank you
AHCCCS Complete Care
Post-Award Timeline for ACC Contractors
ACC Timeline

• On or before March 8th - Award
• March - Initial Kick-Off Readiness/Transition Meeting
• April – Provider Utilization file (network)
• April – Initial Readiness Assessment Tool (RAT) submission due
  ○ 6 total submissions

*Dates subject to change

Reaching across Arizona to provide comprehensive quality health care for those in need
Readiness (cont.)

• Monthly Update Meetings with Exec and DHCM Management
  o Present on a set agenda – network – staffing – complex members – risk issues

• June – ACC Contractor Websites in place
Member Transition

• April – Calls begin with all plans to discuss Data Elements File (DEF), and what supplemental files may be needed
  o Ongoing until final formats agreed upon
• June – Initial member assignment
• June – Member letters with choice options
• July – 30-day member choice period
  o Member choice portal

*Dates subject to change

Reaching across Arizona to provide comprehensive quality health care for those in need
Member Transition (cont.)

• August – Final member assignment
• August – Begin transmitting DEF and Supplemental files (test files in July)
  o Calls between transmission dates to discuss any issues
  o 5 total files
• October 1, 2018 Go Live – 236 Days

*Dates subject to change*
Questions?

Reaching across Arizona to provide comprehensive quality health care for those in need
AHCCCS Update
Enrollment Data

• 2014-2016 – increased 32 of 36 months
• Overall increase of 618,000 members
• Non-KidsCare Enrollment in 2017 down (33,000)
• KidsCare growth of 11,000
• Growth decreased 4 of past 5 months
Budget Update

FY 2019 Budget

- Exec - $35 m higher hospital assessment
- Exec includes savings for prior quarter and non-contracted IP psych rates
- Modest differences on cap rate assumptions
- More savings from Health Ins. Fee

CHIP/KidsCare will be a 2019 Legislative Issue
Length of US Economic Expansions

Expansion: time period without 2 consecutive quarters of GDP decline
Opioid Epidemic Special Session

- Working with RBHAs on allocation of $10m
- $10 m targeted for Non TXI X population – TXI X services
- Two Phases
  - First Phase looking to get dollars out quickly
  - Second phase will include stakeholder input

Reaching across Arizona to provide comprehensive quality health care for those in need
Targeted Investments

Year 1 payments

• Thanks for quick turnaround on Payments
• BH – 210 sites - $9.9 m
• PH – 270 sites - $5.4 m
• Hospitals – 27 sites - $1.0 m
• Justice – 9 co-located integrated clinics - $2.7 m
ACC Actuarial Timeline

**June** – Member letters go out late in month with assignments - Actuarial team notified late in month of passive assignments - Actuarial team preliminary rates ready

**July** – 30 days member choice through end of month

**July** – Preliminary rates sent to MCOs based ONLY on passive assignment

**August (early)** – Actuarial team notified of choice decisions and member movement; adjust MCO rates for revised placement including acuity adjustment

**September 1st-ish** – Final rates sent to MCOs based on passive assignment and choice decisions
## American Indian Enrollment for GMH/SA and Children Populations

<table>
<thead>
<tr>
<th>Current Health Plan Enrollment/Assignment</th>
<th>Enrollment on 10/1/2018 with Choice</th>
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<tbody>
<tr>
<td>CRS (acute and CRS services), TRBHA</td>
<td>ACC Plan</td>
</tr>
<tr>
<td>AIHP, CRS (CRS services only) and TRBHA</td>
<td>AIHP and TRBHA</td>
</tr>
<tr>
<td>AIHP, CRS and RBHA</td>
<td>AIHP</td>
</tr>
<tr>
<td>AIHP and TRBHA</td>
<td>AIHP and TRBHA – No Change</td>
</tr>
<tr>
<td>AIHP and RBHA</td>
<td>AIHP</td>
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<tr>
<td>Acute MCO and TRBHA</td>
<td>ACC Plan</td>
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<tr>
<td>Acute MCO and RBHA</td>
<td>ACC Plan</td>
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<tr>
<td>CMDP and TRBHA</td>
<td>CMDP and TRBHA- No Change</td>
</tr>
<tr>
<td>DDD and TRBHA</td>
<td>DDD and TRBHA-No Change</td>
</tr>
</tbody>
</table>
AHCCCS Contract Timeline

- **2016**
  - 10/16: Release ALTCS RFP
  - 3/17: Award ALTCS
  - 10/1/17: Transition ALTCS

- **2017**
  - 1/17: Release Acute RFI
  - 10/17: Release ACC RFP
  - 3/18: Award ACC

- **2018**
  - 10/1/18: Award DDD Acute/BH

- **2019**
  - 10/1/19: Transition ACC
  - 10/1/19: DDD Acute/BH

- **2020**
  - 10/1/20: CMDP Integrated Core

- **2021**
  - 10/1/20: 5 Years Greater AZ MMIC Contract Expires

- **2022**
  - 10/1/20: AHCCCS Arizona Health Care Cost Containment System
Other RFPs

• Hemophilia – award any day
• TPL RFP – award 6-1-18
• FFS PBM – award 4-1-18
• Electronic Visit Verification – award 5-31-18
• SMI Eligibility Determination – award 7-2-18
• Provider Management System – award 5-30-18
• Asset Verification - ?
Prop 206 Study Findings

• There was already variation in network adequacy prior to Prop 206. Limited access was found for just a few services impacting less than 5% of ALTCS members.
  o Among services where provider owns the residence (NFs, assisted living, DDD group homes), only 9 of 48 geographic locations studied had no residential offering.
  o Among in-home or community-based services, when examining county/service combinations, 5 of 104 had “very limited” access; another 5 had “limited” access; 92 had “sufficient” access.
Findings (continued)

• Prop 206 and the Flagstaff Prop have added fiscal stress to providers.
  o Respondents from both the EPD and DDD surveys stated that they had to raise their starting salaries for paraprofessionals to meet the minimum wage floor on Jan 1, 2017.
    ▪ HCBS providers for EPD services increased on average 9.4%
    ▪ Assisted living providers increased on average 12.4%
    ▪ Nursing facilities increased nurse aide wages 5.2%
    ▪ Providers for I/DD services increased wages 6.1% to 8.6% depending upon the labor category
  o Respondents stated that they have leveraged all available options to cover the minimum wage increases.
    ▪ Reduce other staff benefits (to minimum wage and non-minimum wage staff)
    ▪ Reduce overall staffing
Prop 206 Impact Study

Turnover Rate Among I/DD Agency Providers, First Half of CY 2017, Based on Agency Size

Turnover Rate = \# Departures in First 6 Months of CY 2017 divided by Number of Staff on 7/1/17

<table>
<thead>
<tr>
<th>Agency Size</th>
<th>Turnover Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Respondents (n=211)</td>
<td>0%</td>
</tr>
<tr>
<td>Agencies with up to 10 Staff (n=31)</td>
<td>10%</td>
</tr>
<tr>
<td>Agencies with 11-25 Staff (n=40)</td>
<td>20%</td>
</tr>
<tr>
<td>Agencies with 26-50 Staff (n=42)</td>
<td>30%</td>
</tr>
<tr>
<td>Agencies with &gt; 50 Staff (n=98)</td>
<td>40%</td>
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</table>
Uninsured Rate, 2012-2016

Reaching across Arizona to provide comprehensive quality health care for those in need
## Percent of Spend in Managed Care

<table>
<thead>
<tr>
<th>State</th>
<th>FFY2016 Medicaid Spending</th>
<th>FFY2016 Capitated Spending</th>
<th>Percent of Medicaid Spending Paid by Capitation, FFY2016</th>
<th>State Rank in Percentage of Medicaid Expenditures Paid via Capitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kansas</td>
<td>$3,252,725,194</td>
<td>$3,029,662,373</td>
<td>93.1%</td>
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<tr>
<td>Hawaii</td>
<td>$2,156,012,061</td>
<td>$1,938,658,711</td>
<td>89.9%</td>
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<td>Arizona</td>
<td>$11,118,985,133</td>
<td>$9,683,119,933</td>
<td>87.1%</td>
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<tr>
<td>Delaware</td>
<td>$1,883,220,982</td>
<td>$1,616,107,823</td>
<td>85.8%</td>
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<td>New Mexico</td>
<td>$5,339,766,195</td>
<td>$4,461,697,022</td>
<td>83.6%</td>
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<td>Florida</td>
<td>$21,689,957,388</td>
<td>$15,706,906,241</td>
<td>72.4%</td>
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<td>Kentucky</td>
<td>$9,609,364,927</td>
<td>$6,878,104,559</td>
<td>71.6%</td>
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<td>Michigan</td>
<td>$16,714,754,874</td>
<td>$10,963,275,584</td>
<td>65.6%</td>
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<td>Tennessee</td>
<td>$9,463,742,287</td>
<td>$6,119,439,351</td>
<td>64.7%</td>
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<td>Washington</td>
<td>$10,787,810,275</td>
<td>$6,516,952,134</td>
<td>60.4%</td>
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<td>Oregon</td>
<td>$8,316,707,109</td>
<td>$5,005,544,493</td>
<td>60.2%</td>
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<td>New Jersey</td>
<td>$14,319,021,372</td>
<td>$8,528,400,366</td>
<td>59.6%</td>
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<td>Pennsylvania</td>
<td>$27,350,279,117</td>
<td>$16,108,824,996</td>
<td>58.9%</td>
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<td>Rhode Island</td>
<td>$2,411,382,026</td>
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<td>57.5%</td>
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<td>Ohio</td>
<td>$21,571,025,591</td>
<td>$11,895,433,176</td>
<td>55.1%</td>
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<td>New York</td>
<td>$60,995,857,591</td>
<td>$32,171,587,918</td>
<td>52.7%</td>
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<td>Louisiana</td>
<td>$8,536,666,882</td>
<td>$4,450,521,745</td>
<td>52.1%</td>
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Source: The Menges Group

Reaching across Arizona to provide comprehensive quality health care for those in need
National Dual Alignment Efforts

**D-SNP and MMP Enrollment Growth**

MACStats Data

• Medicaid National per enrollee spend
  o $7,248
• Arizona
  o $5,867 – second lowest for expansion states
• National Generic Rate - 82.7%
• Arizona – 86.1% - second highest to RI
• Rebates – TN and MA spend about the same on drugs before rebates - $100 m more in rebates

Reaching across Arizona to provide comprehensive quality health care for those in need
AHCCCS Generations in workplace (2013)

- **1.6% Traditionalists**
- **50.7% Boomers**
- **30.0% Gen X**
- **17.6% Gen Y**

- **Total # of employees: 936**

Reaching across Arizona to provide comprehensive quality health care for those in need
AHCCCS Generations in the Workplace 2017

Reaching across Arizona to provide comprehensive quality health care for those in need