



State Medicaid Advisory Committee (SMAC)

Wednesday, August 17, 2016

AHCCCS

Gold Room - 3rd Floor

701 E. Jefferson Street

1 p.m. – 3 p.m.

Agenda

I. Welcome	Director Thomas Betlach
II. Introductions of Members	ALL
III. Approval of April 13, 2016 meeting summary	ALL

Agency Updates

IV. AHCCCS Update	Director Thomas Betlach
V. 10/1 Rates	Beth Kohler Deputy Director
VI. Delivery System Reform Incentive Payments	George Jacobson
VII. Merger Updates	Kari Price
VIII. Arizona Health Care Association	Kathleen Collins-Pagels
IX. Access to Care for FFS	Amy Upston

Discussion

X. Call to the Public	Director Thomas Betlach
XI. Adjourn at 3:00 p.m.	ALL

*2016 SMAC Meetings

Per SMAC Bylaws, meetings are to be held the 2nd Wednesday of January, April, July and October. 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:

~~January 13, 2016~~ – Rescheduled to February 3, 2016

April 13, 2016

~~July 13, 2016~~ – Rescheduled to August 17, 2016

October 12, 2016

For more information or assistance, please contact Yisel Sanchez at (602) 364-4577 or yisel.sanchez@azahcccs.gov

April 2016 Meeting Summary

<p>State Medicaid Advisory Committee (SMAC) Meeting Summary Wednesday, April 13, 2016, AHCCCS, 701 E. Jefferson, Gold Room 1:00 p.m. – 3:00 p.m.</p>	
<p>Members in attendance: Tom Betlach Tara McCollum Plese Kathleen Collins Pagels Amanda Aguirre Peggy Stemmler Kim VanPelt Leonard Kirschner</p>	<p>Phil Pangrazio Steve Jennings Barbara Fanning Gina Judy Joyce Millard Hoie Nic Danger Timothy Leffler Daniel Haley- via Telephone</p>
<p>Members Absent: Cara Christ, Kathy Waite, Kevin Earle, Vernice Sampson, Frank Scarpati,</p>	
<p>Staff and public in attendance: Theresa Gonzales, Exe Const. III, AHCCCS Yisel Sanchez, HRC Coordinator, DBHS Monica Coury, Assistant Director, AHCCCS Beth Kohler, Deputy Director, AHCCCS Paul Galdys, Assistant Director, AHCCCS Chris Vinyard, AHCCCS Diana Santiago, Otsuka Deb Gullett, AZAHP Amanda Aguirre, RCFBH Elena Rodriguez, RCFBH Kristin Pareja, Otsuka</p>	<p>Becky Gonzalez, ViiV Healthcare Stephen Jennings, AARP Camille Kerr, Amgen Jane Stephen, Allegran Ann Nelson, Vertex James Kotusky, Gilead Kyle Sawyer, AHCCCS John Logan, NAE, PCY Jennifer Carusetta, Exec Dir, Health System Alliance of AZ Gina Judy, PPEd Eddie Sissons, RAS</p>

AGENDA

- | | |
|--|--------------------|
| I. Welcome & Introductions | Tom Betlach |
| II. Introductions of Members | All |
| III. Approval of February 3 Meeting Summary/Minutes | Unanimous |

AGENCY UPDATES

- | | |
|---|--------------------|
| IV. AHCCCS Updates | Tom Betlach |
| <ul style="list-style-type: none"> • Access to Care • AZ State Hospital Briefs • Federal Regulatory Updates • Parity Requirements • Home and Community Based Requirements • DOL Overtime Requirements | |

AHCCCS Updates (Continued)

- Capitation Rate Reviews
- New Legislature in Managed Care to be Expected from CMS
- New Rules on Drug Patients and Privacy

V. Arnold vs. Sarn

Paul Galdys

- History
- Assertive Community Treatment
- Peer and Family Support
- Supported Employment
- Permanent Supportive Housing

VI. The Next Step Peer Mentoring and More Presentation

Nic Danger

- HAS Certification
- Group Atmosphere
- 5013-C Non-Profit Organization
- Kayaking for Members- (15 goal)
- Shooting Event Groups
- Goal- Add 2 Jet Skis
- Goal- Add Pontoon Boat
- Tri Dives Start This Summer

VII. Legislative Update

Christopher Vinyard

- HB 2309 Children's Health Insurance Program
- HB 2357 AHCCCS; Podiatry Services
- HB 2442 Behavioral Health; Urgent Need; Children
- SB 1283 Controlled Substances Prescription Monitoring Program
- SB 1305 AHCCCS; Covered Services
- SB1442 Mental Health Services; Information Disclosure
- SB 1507 ALTCS; Dental Services
- SCR 1005 Rights of Caregivers; Recognition

IX. Delivery System Reform Incentive Payment

Beth Kohler

- Arizona SIM Vision
- SIM Sustainability/DSRIP Projects
- AHCCCS Delivery System
- Integrations Efforts
- GAO Conditions of Members (%)
- Vision- Integration at All 3 Levels
- Social/Economic Determinant Efforts
- Value Based Purchasing and Alternative Payment Models/Goals
- Health Information Exchange- Growth All Participants

Delivery System Reform Incentive Payment (Continued)

- Overall Delivery System Limitations and Challenges
- Integration DSRIP Proposed Solution
- Adult Integration DSRIP
- Children Integration DSRIP
- Justice System Efforts to Date/Proposed Solution
- Current System Limitations and Challenges
- American Indian Efforts to Date/Proposed Solution-Care Mgmt. Collaborative
- American Indian Reservations and ITU Health Facilities
- Role of Managed Care Organizations
- DSRIP Timeline

X. Call to the Public

Tom Betlach

XI. Adjourn at 3:00 p.m.

All

AHCCCS UPDATE



AHCCCS Update

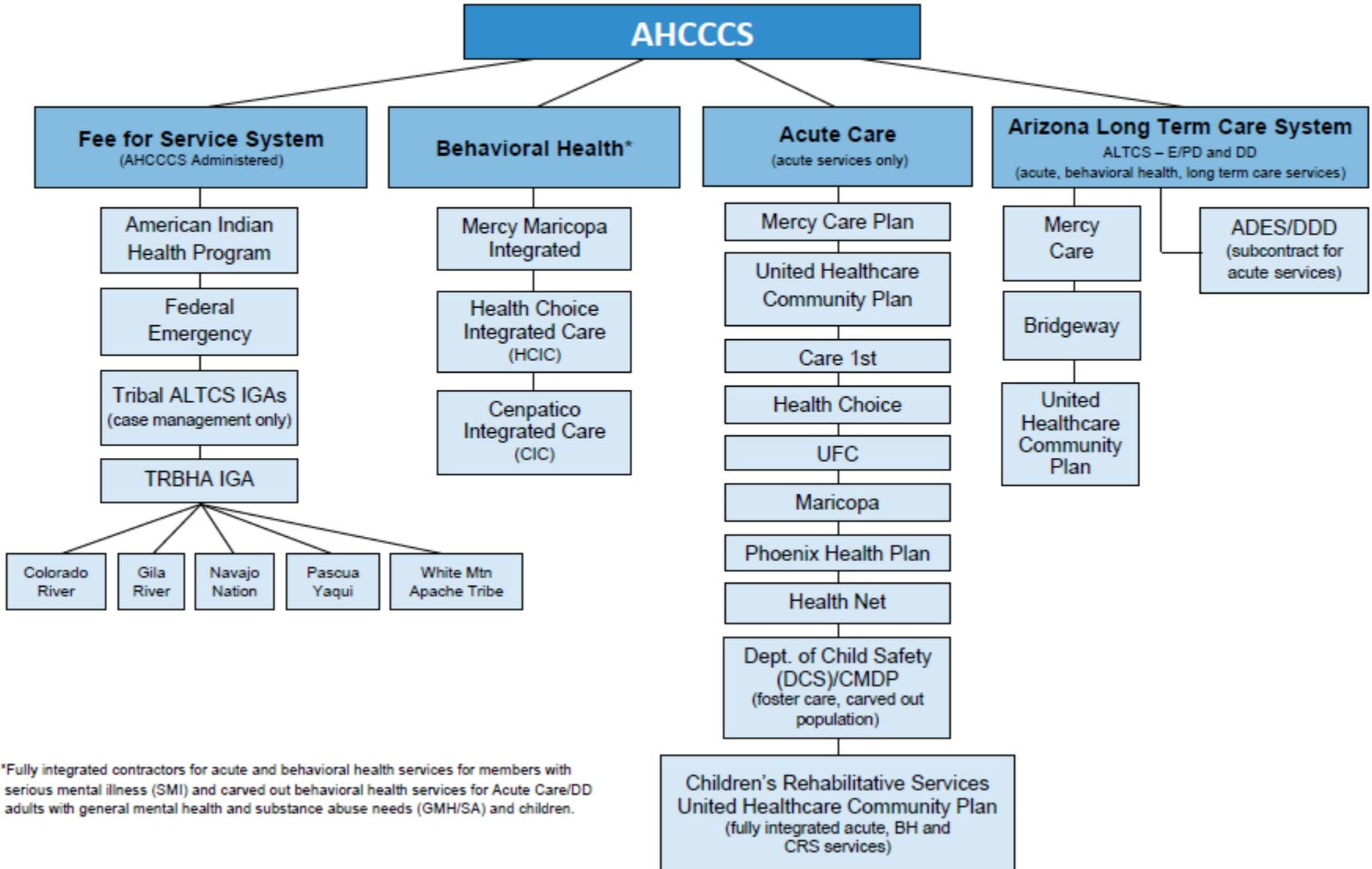
Beth Kohler

Deputy Director



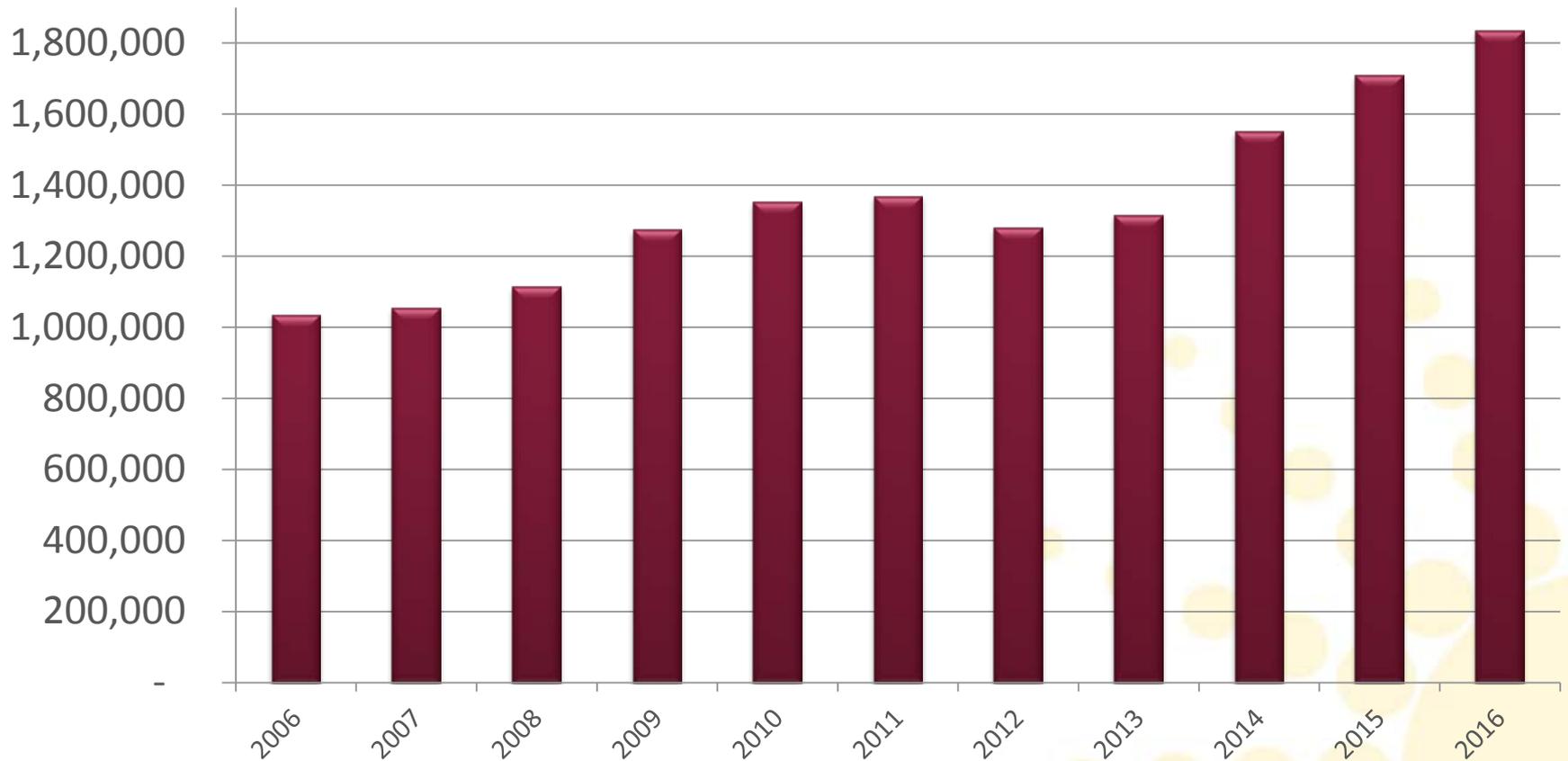


Care Delivery System

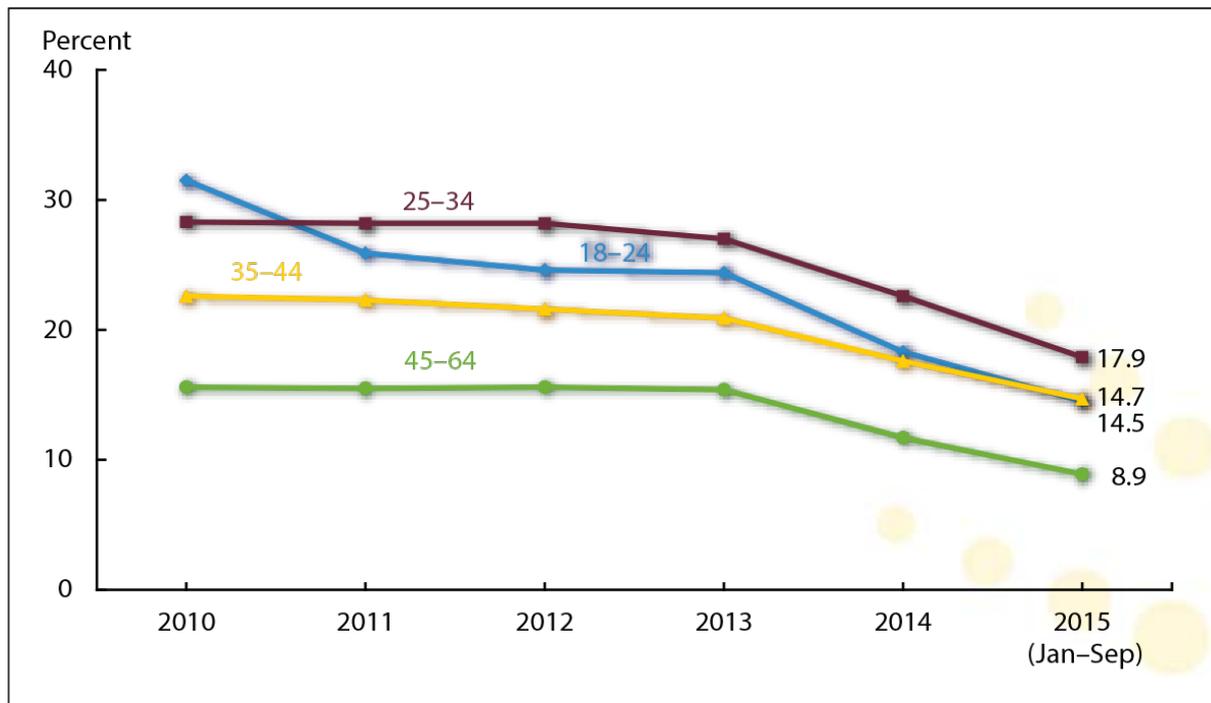


*Fully integrated contractors for acute and behavioral health services for members with serious mental illness (SMI) and carved out behavioral health services for Acute Care/DD adults with general mental health and substance abuse needs (GMH/SA) and children.

AHCCCS Population 2006 – 2016

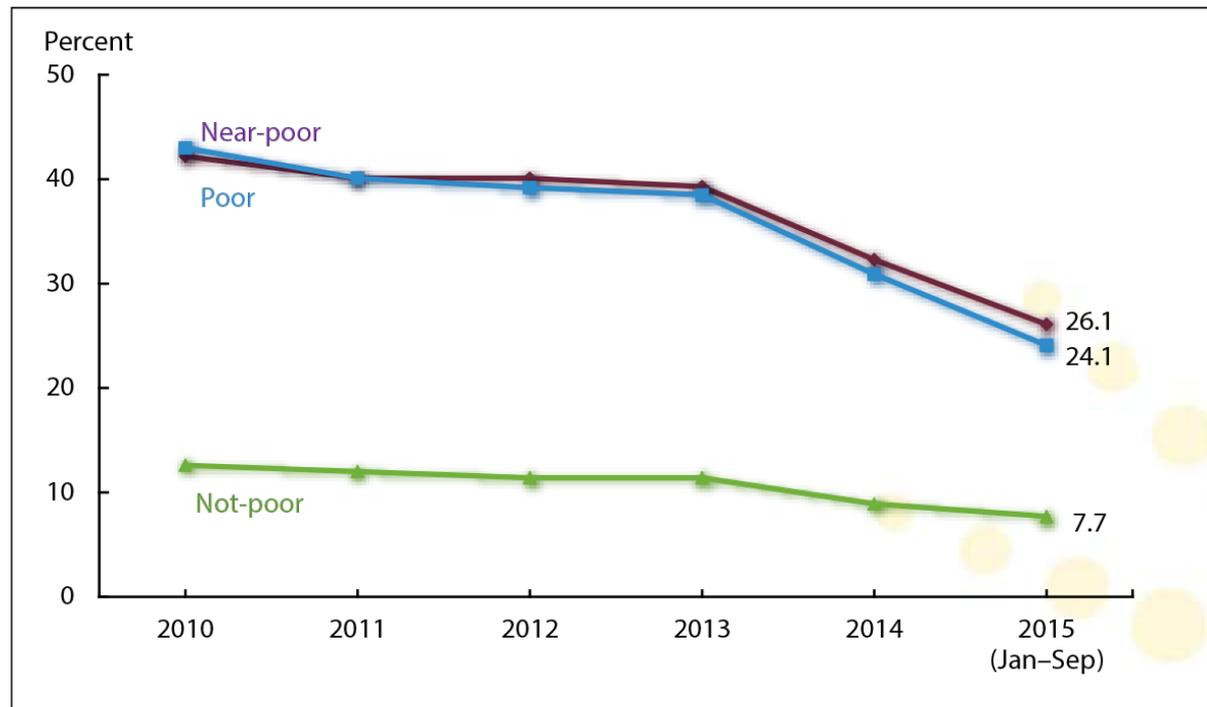


18-64 Uninsured Nationally



NOTE: Data are based on household interviews of a sample of the civilian noninstitutionalized population.
SOURCE: CDC/NCHS, National Health Interview Survey, 2010–2015, Family Core component.

Insurance coverage by Economic Status

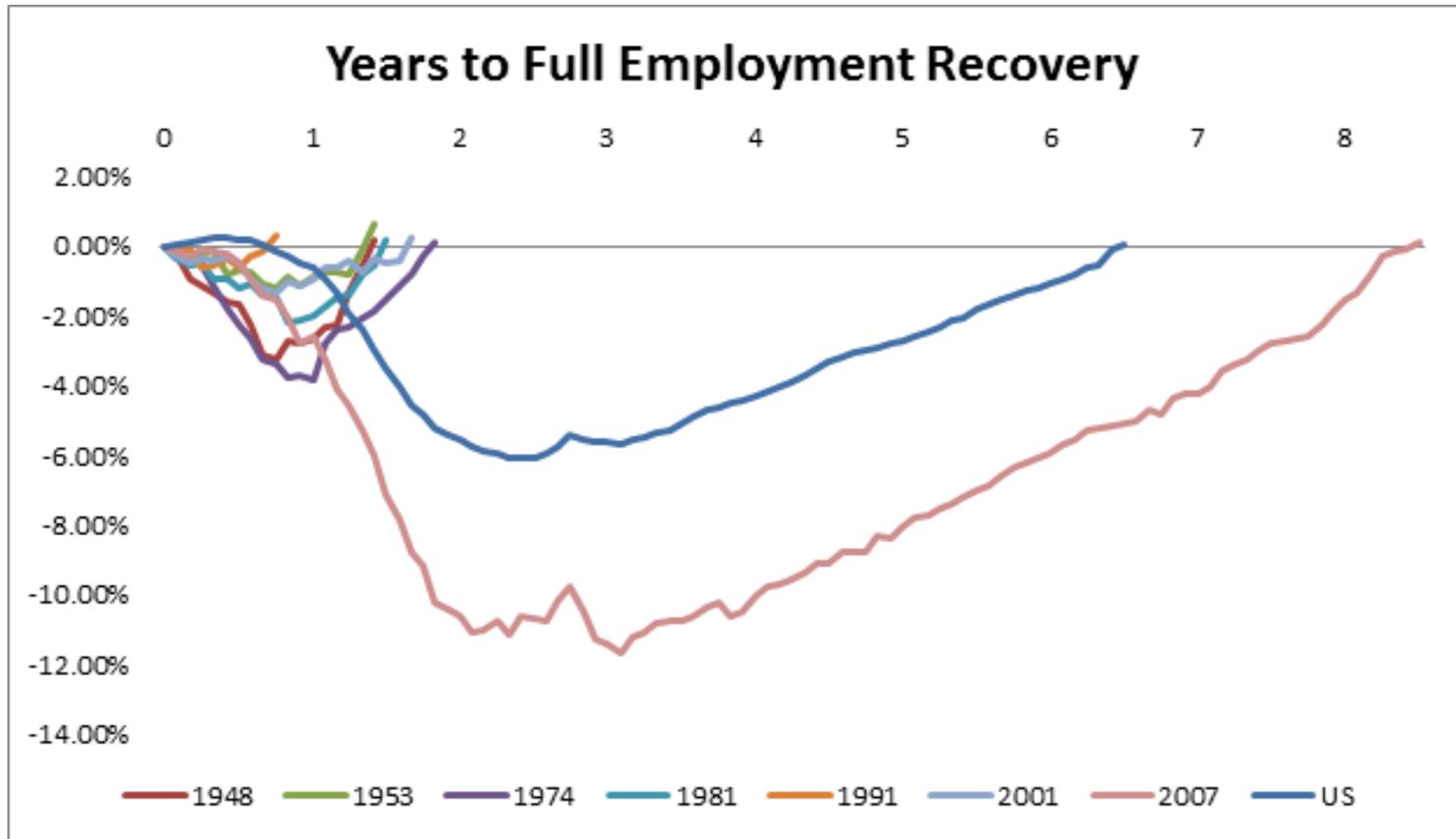


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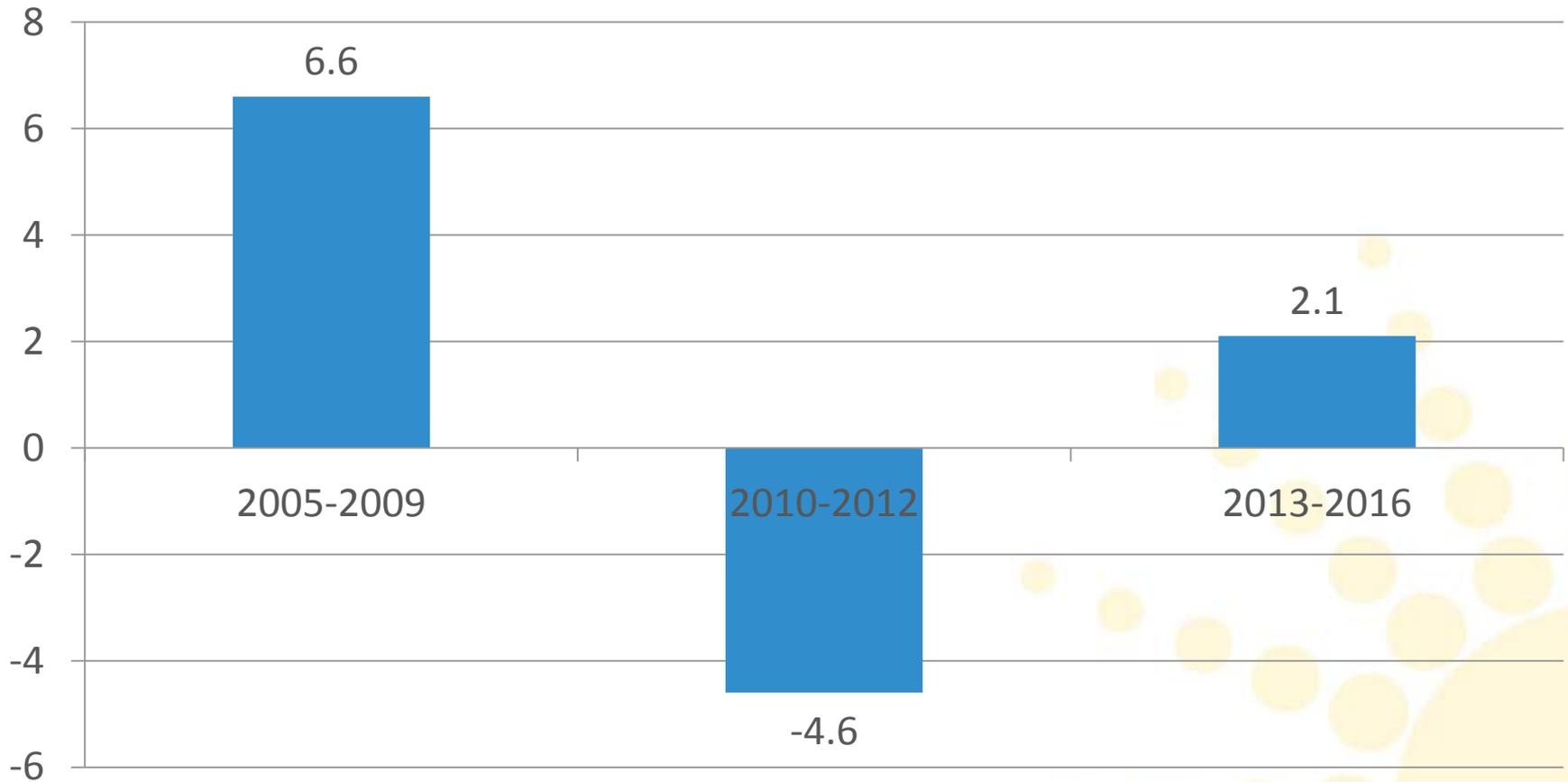
FY 17 Budget

- Prop 123
- KidsCare – July 26th
- ALTCS Dental
- Podiatry
- HB 2442
- 1.5% cap rate funding

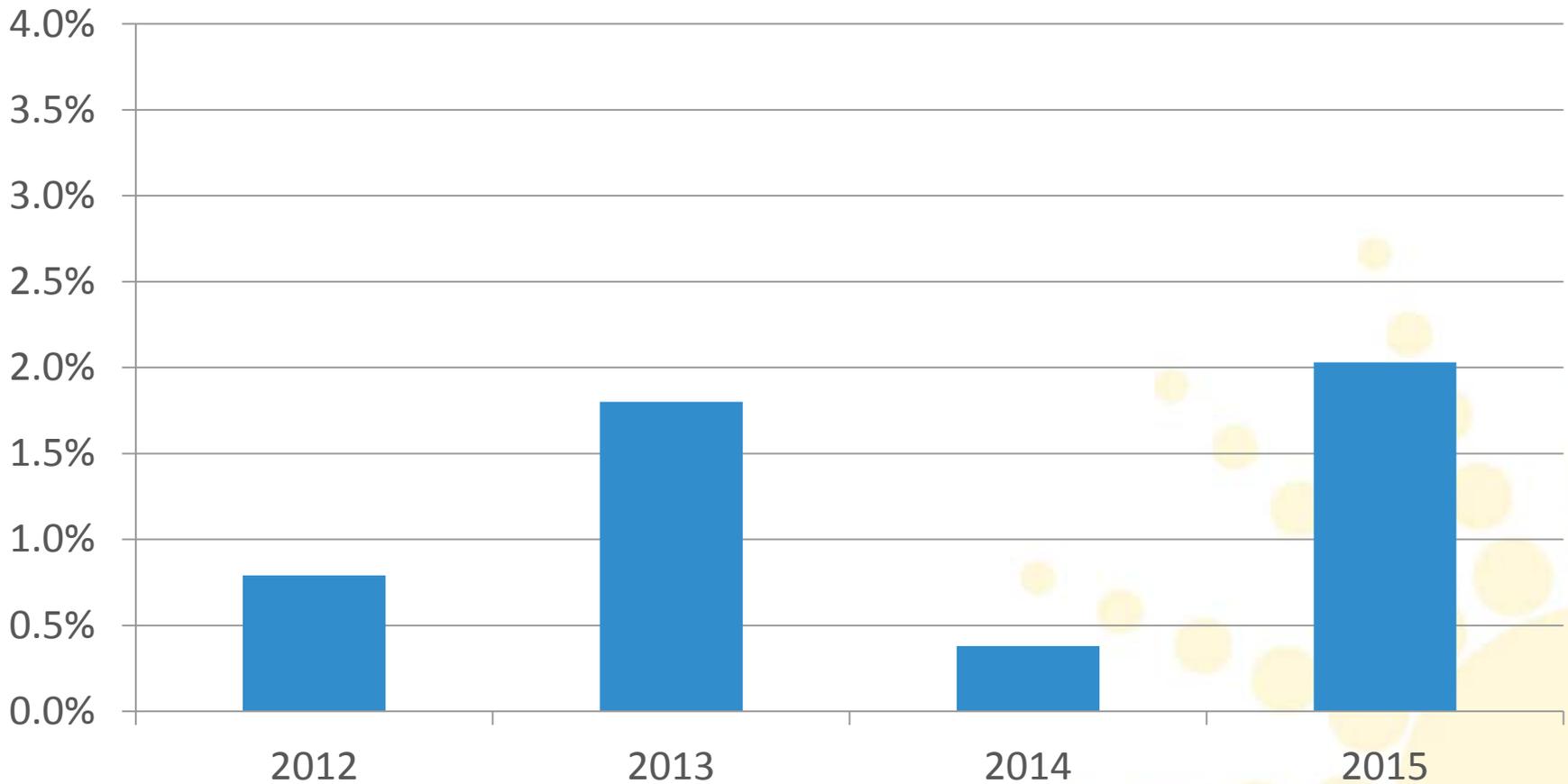
Employment and Recessions



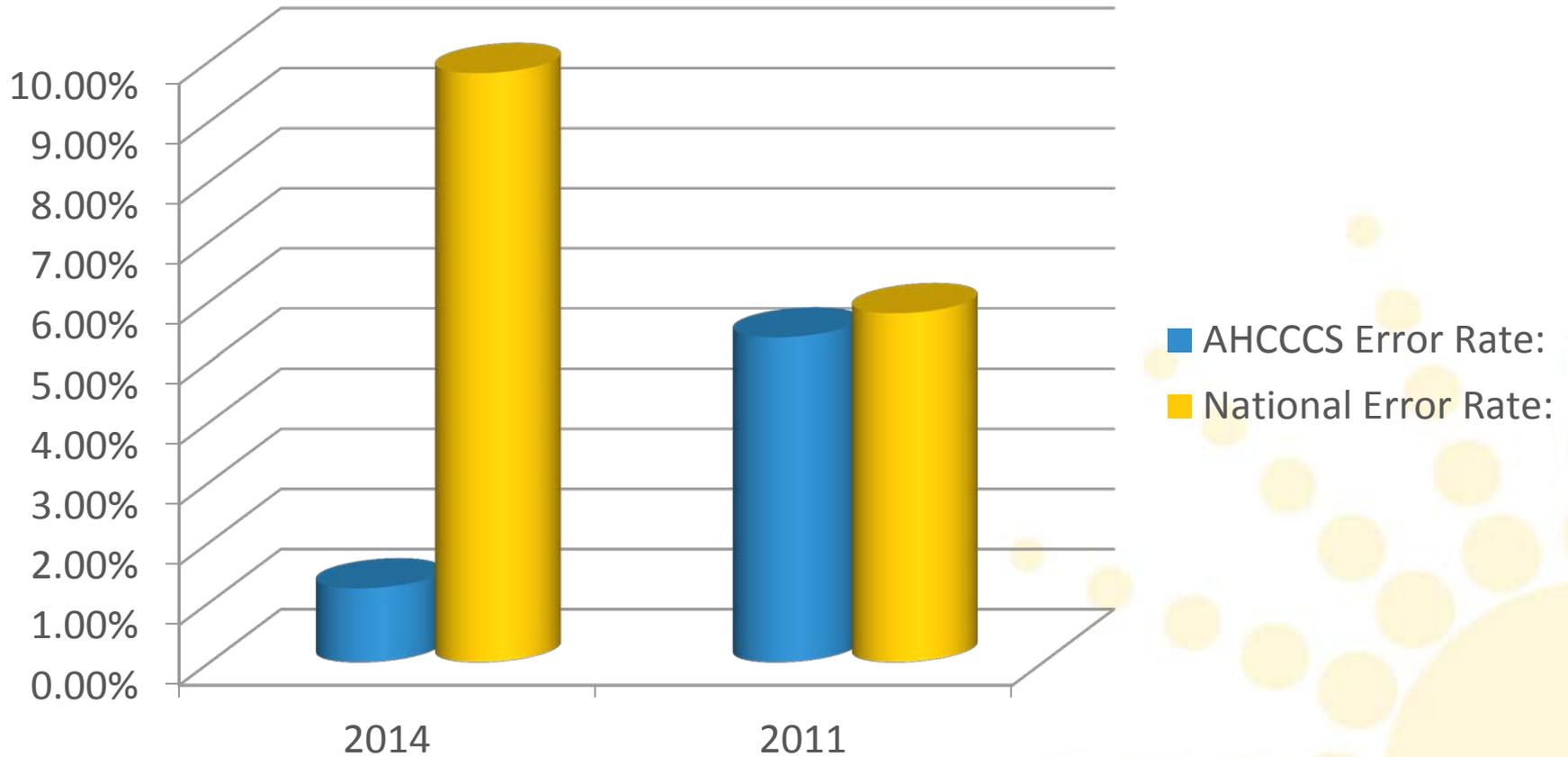
AHCCCS Cap Rate History



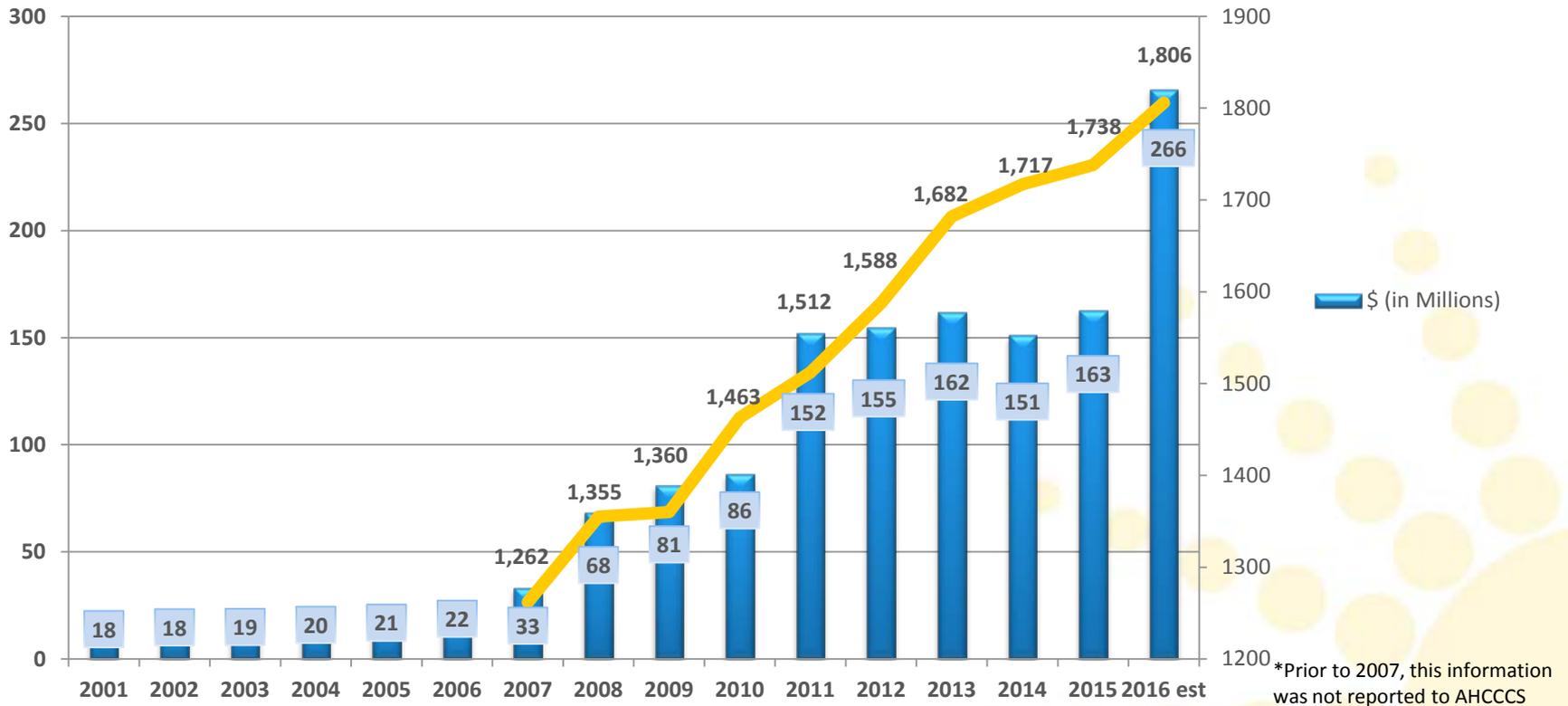
Total AHCCCS System Health Plan Profits



Eligibility and Payment Error Rate



AHCCCS GME Funding



Select HEDIS Measures

Measure	AZ	NCQA Mean
Access to PCP: 12-24 Months	97.72%	96.1
Access to PCP: 25 Months-6 Years of Age	89.98%	88.3
Access to PCP: 7-11 Years of Age	91.91%	90
Access to PCP: 12-19 Years of Age	89.77%	88.5
Well-Child, 15 Months (6+ visits)	69.96%	61.6
Well-Child, 3-6 Years	66.68%	71.5
Adolescent Well Care	40.49%	50

FY 2016 Accomplishments

- BHS/AHCCCS Merger
- Transitions:
 - Greater AZ RBHAs
 - Duals BH Integration
- Initiative Expansions
 - CRN – SMI Determination statewide
 - DES Medicaid in HEAPlus
 - Over 80 AIHP members in care coordination
- Avoided 5% provider rate reductions
- System Improvement Activities – Reports on:
 - Children with or at risk of ASD
 - CMDP
- Federal Submissions:
 - 1115 Waiver Proposal
 - AHCCCS Care
 - DSRIP
 - HCBS Plan

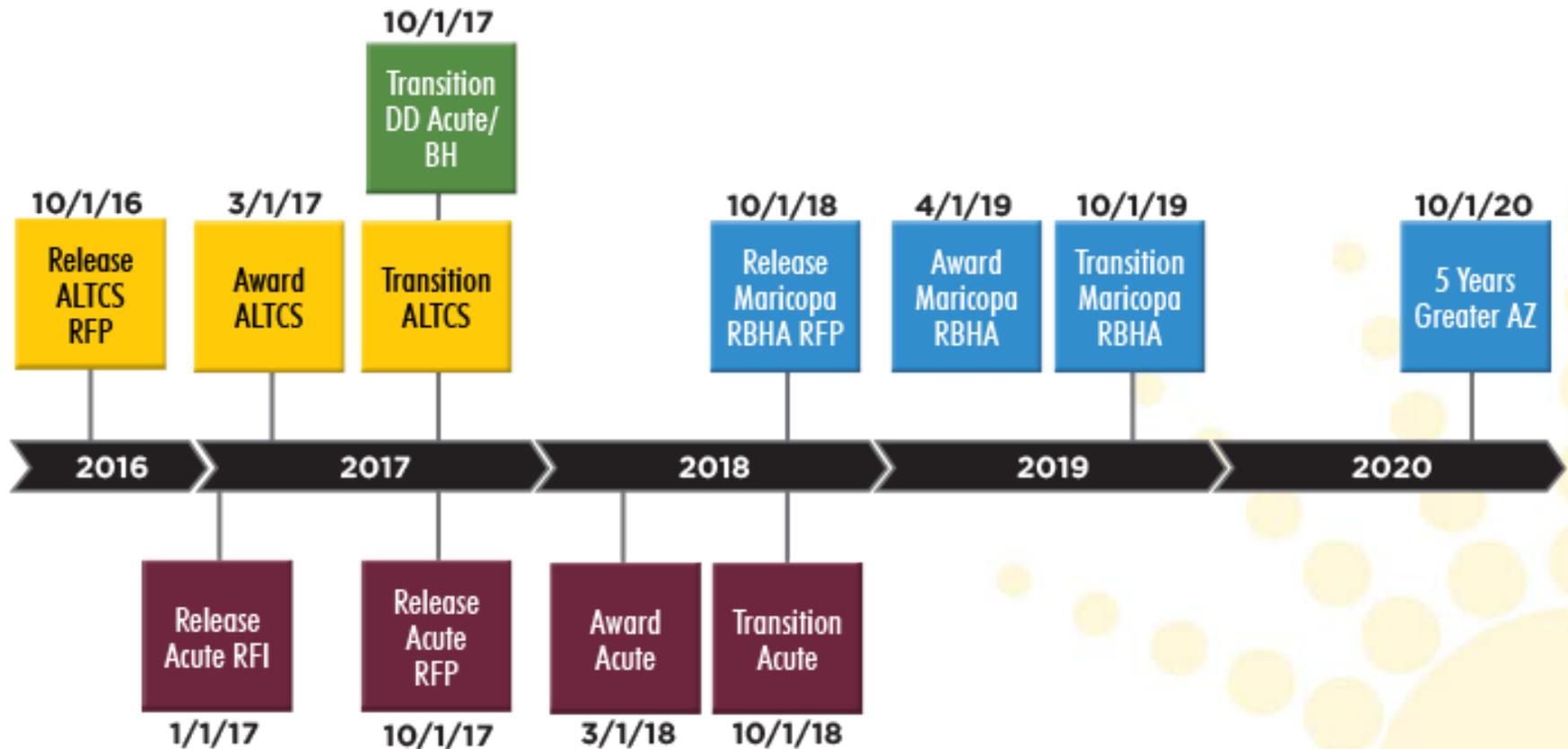
FY 2017 Opportunities

- Merger:
 - 7-1-16 – Complete Formal Transition
 - Ongoing activities
- 10-1-16 – New 1115 Waiver
- Procurements:
 - ALTCS EPD
 - DD Subcontractors
 - Begin work on Acute
- Integration 2.0 Planning – Stakeholder Engagement
- Value Based Purchasing
- Health Information Exchange
- Justice System Initiatives
- Clinical initiatives:
 - ASD
 - Substance Use Disorder
- New Federal MCO Regulations – Access Requirements
- Mental Health First Aid Training

Ongoing Opportunities

- Sustainability – including VBP
- Employee Support
- DCS System
- Behavioral Health–Physical Health Integration
- Social and Economic Determinants
- Opioid Crisis

AHCCCS Contract Timeline



ALCTS RFP Issues

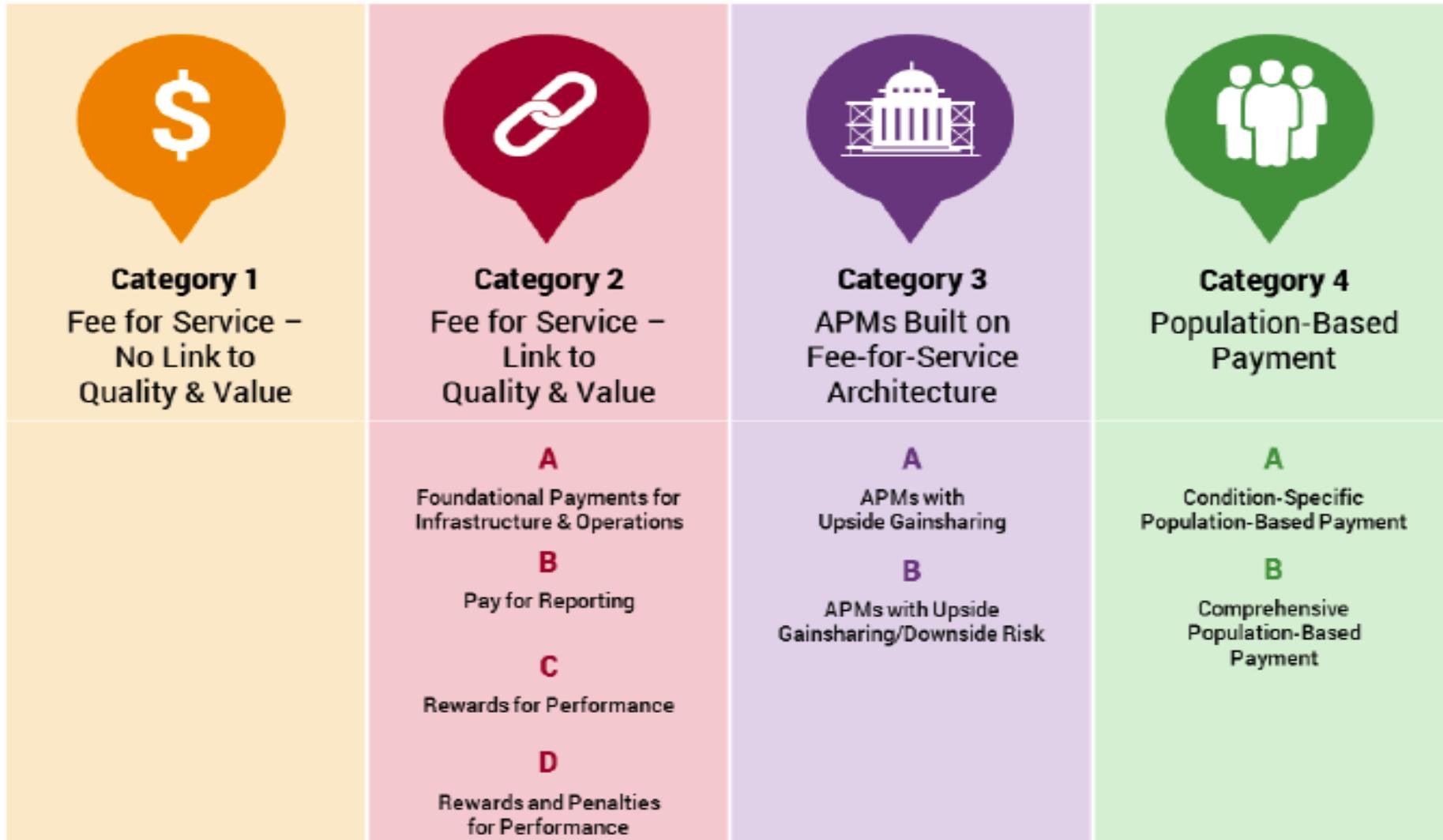
- ALTCS Programmatic Discussion
 - End of Life Care
 - Electronic Visit Verification
 - Remote Health Monitoring
 - Value-Based Purchasing
- ALTCS E/PD RFP Discussion
 - Geographic Service Area Composition

Value Based Purchasing and Alternative Payment Models - Efforts to Date

1. AHCCCS role – establish broad goals for system
2. Overall progress is incremental
3. System Design Matters - True VBP requires integration to align incentives
4. Pursuing VBP requires resources and leadership
5. Creating a culture of learning is critical
6. Commitment to keep VBP \$ in system
7. Requires improved access to actionable data
8. Defining measures is challenging

LAN Payment Reform Framework

Figure 1. APM Framework (At-A-Glance)



Integration Efforts to Date

1. Ongoing – Duals – >40% alignment DSNP
2. 2013 – 17,000 Kids with special needs
3. 2014 – 20,000 Individuals with SMI – Maricopa
4. 2015 – 19,000 Individuals with SMI – Greater AZ
5. 2015 – 80,000 dual eligible members – Integrate BH
6. 2016 – Administrative Merger
7. Future Possibilities
 1. 2017 – 29,000 members with DD – BH & PH
 2. 2018 – 34,000 Children with Autism or at risk
 3. 2018 or future date – Non-SMI adults – BH

CMS Regulations Tsunami

- Access Requirements
- New Outpatient Drug
- Proposed MCO requirements
- Parity Requirements
- Home and Community Based Requirements
- DOL – Overtime Requirements
- Capitation Rate Reviews

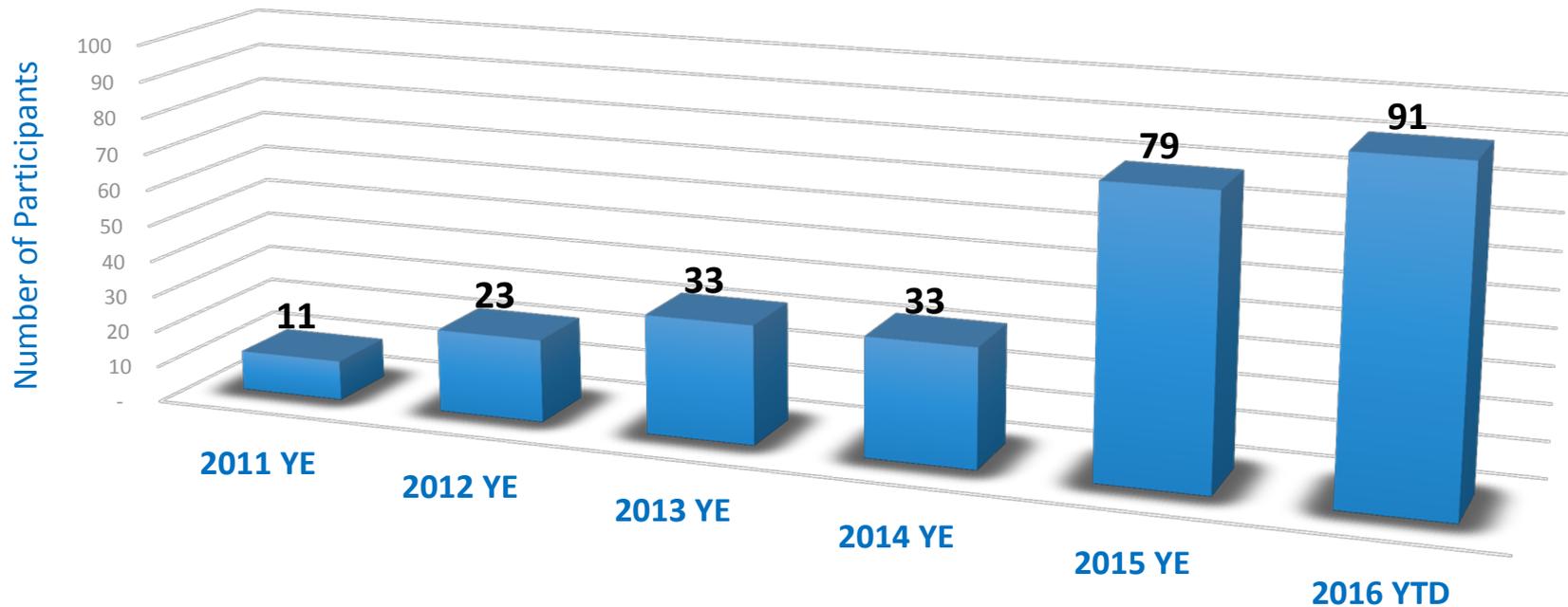
MCO Regs

- Finance Cap Rates – MLR –
- State Plan – enrollment – State Monitoring
- Enrollee Rights and Protections
- MCO Standards –
- Quality Management
- Program Integrity
- Sanctions

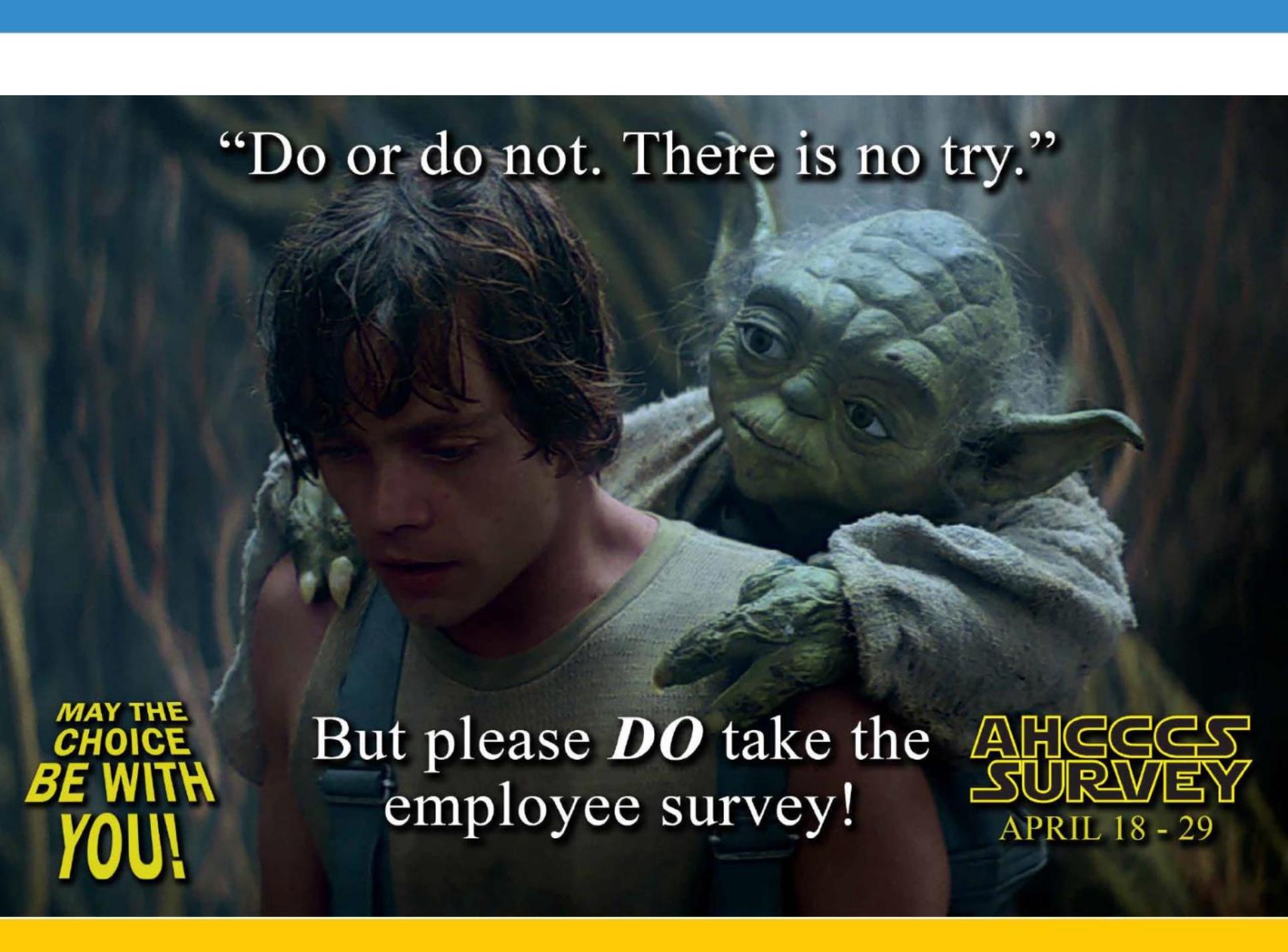
Health Information Technology

- All MCOs must contract with a non-profit organization that operates statewide health information exchange
- State looking to leverage state only dollars to connect BH providers to HIE through MCOs
- State supports having federal government revisit Part 2 requirements
- Blind Spot data – mandates MCOs leverage info
- Have contractual requirements to increase use of e-prescribing

The Network – Growth All Participants



88% of the 2015/2016 growth occurred after the implementation of the new HIE Infrastructure.

A still from Star Wars: The Clone Wars showing Anakin Skywalker with a somber expression, looking down. Yoda is perched on his back, looking towards the camera with a slight smile. The background is a dark, forested area.

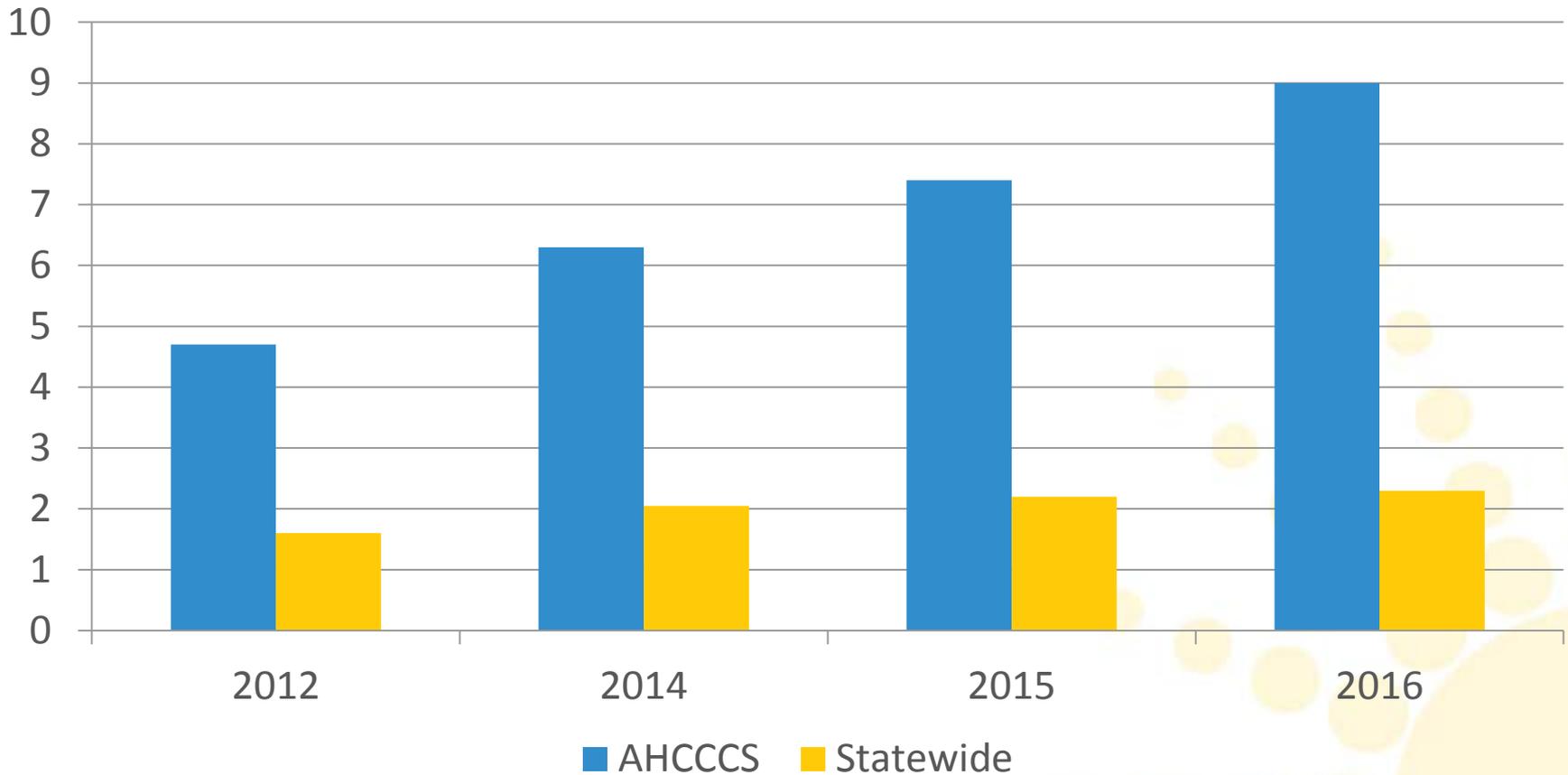
“Do or do not. There is no try.”

**MAY THE
CHOICE
BE WITH
YOU!**

But please *DO* take the
employee survey!

**AHCCCS
SURVEY**
APRIL 18 - 29

Employee Engagement



Being Mortal – Atul Gawande

- Medical advances have turned aging and dying into a medical experience doctors not ready for
- Geriatrics – good outcomes – poor finances
- 97% of all Med students do not take a course in geriatrics
- 1954 legislation created to establish NFs in response to rapid growth in hospitals – originally built for transitions
- 1983 First Assisted Living Facility
- We want autonomy for ourselves – safety for parents

Being Mortal – Atul Gawande

- *Medical profession concentrates on repair of health not sustenance of soul*
- *Making lives meaningful in old age is new and requires imagination*
- *Job is not to confine choices in name of safety but to expand as part of worthwhile life*
- *Pre 1945 – majority of deaths at home – Late 80s – 17% - 2010 45% died in hospice – half at home*
- *Questions – what are your biggest concerns/fears? What goals are most important? What tradeoffs willing to make? Not make?*

Dreamland by Sam Quinones

- 1980 - Porter and Jick – 1 paragraph
- 1990 Scientific American called it “an extensive study”
- Paper for Institute for Clinical System Improvement “a landmark report”
- 2001 Time Magazine “landmark study” that addiction concerns “basically unwarranted”
- 1998 over 1,000 multi-disciplinary pain clinics – 7 years later 85
- Purdue marketed OxyContin as having less than 1% addiction

Dreamland

- 1997 – 670 k Oxy scripts – 2002 – 6.2 m
- US consumes 83% of world's oxycodone and 99% of world's hydrocodone (Vicodin and Lortab)
- Overdose deaths rose from 10 per day in 1999 to 48 in 2012
- Book describes how Heroin distribution evolved and changed during this same time

Questions?



AHCCCS RATE UPDATE



AHCCCS Rates Update



VBP Differential Adjusted Rates

- Effective for dates of service 10/1/16 - 9/30/17
 - Inpatient/outpatient hospital services increased by 0.5%
 - Nursing facility services increased by 1%
 - Select physical health services for Integrated Clinics increased by 10%
- IC: List of proposed procedure codes on web is still under discussion – more information to be provided ASAP

VBP Differential Adjusted Rates, cont.

- Qualifying hospitals and NFs will be determined prior to 10/1/16
- ICs can qualify throughout CYE 2017 for dates of service that coincide with IC registration
- MCOs will be mandated to pass-through differential adjustments on MCOs' rates

Free-Standing Emergency Departments (FrEDs)

- New Provider Type 10/1/16 – effective 1/1/17
- Rate methodology (dates of service on and after) effective 1/1/17
- Reimbursement based on a percentage of OFPS
 - 60% for a level 1 emergency department visit
 - 80% for a level 2 emergency department visit
 - 90% for a level 3 emergency department visit
 - 100% for a level 4 or 5 emergency department visit

FrEDs, cont.

- No PGM except unique circumstance:
 - City or town in county less than 500,000 residents
 - Only hospital in the city or town operating an emergency department closed on or after January 1, 2015
- THEN
- PGM associated with nearest hospital with which the FrED shares an ownership interest

Treat and Refer

- New Provider Type effective 10/1/16
- A0988 – Ambulance Response, No Transport
- Modifiers:
 - UA – Treat at home, refer to PCP/specialist
 - UB – Treat at home, refer to Crisis Response
 - UC – Treat at home, refer to BH Provider
 - UD – Treat at home, refer to Urgent Care
- Will require CMS approval prior to implementation

Long-Acting Reversible Contraception

- Effective 10/1/16 AHCCCS will pay hospitals for LARC device in addition to DRG
 - Will be eliminated in future, if and when ICD-10 PCS code is established and DRG Grouper updated
- Billing requirements will direct hospitals to bill the device on Form 1500
- Codes/rates utilized from Physician Fee Schedule for device

Behavioral Health Outpatient Rates

- Identified a sustainable methodology for computing and updating rates
- Setting 10/1/16 rates at median of RBHAs FFS rates utilizing this methodology – 13.8% increase to FFS rate
- Will review for potential impacts to cap rates

AzEIP Speech Therapy Rates

- Procedure code 92507
Treatment of Speech, Language, Voice, Communication, and/or Auditory Processing
 - Place of Service differentiation
 - Clinic setting
 - Natural setting
 - Group Size Modifier – 1 to 3 clients
 - Unique rate by County
- AzEIP flagged children only

340B

- Drugs dispensed by 340B covered entities or administered by 340B providers (including physicians) shall be billed and reimbursed the lesser of: 1) the actual acquisition cost of the drug or 2) the 340B ceiling price
- Does not apply to licensed hospitals and outpatient facilities that are owned or operated by a licensed hospital at this time

340B, cont.

- MCOs will be mandated to comply with all changes to reimbursement methodology for 340B entities
- 1/1/17 effective date for roll-out
- IHS/638 facilities receive AIR for service so 340B provisions do not apply

Other 10/1/16 Rate Issues

- HCBS rates – 2% increase proposed (EPD)
- NF rates – 1% increase proposed
- Hospice – updated to Medicare
- DRG – 3rd year of phase-in
 - Outlier CCRs will be updated to 9/1 CMS
- FQHC PPS rates rebased
- Stakeholder-driven realignment
 - Air Ambulance realignment
 - Dental realignment
 - LTAC and Rehab

Other 10/1/16 Rate Issues, cont.

- Physician Drug Schedule update for pricing
 - 3.3% aggregate increase
- Ground Ambulance –
 - ADHS - aggregate 0%
 - Non-ADHS FFS – 15% including rural differential
- Other 0% aggregate updates:
 - ASC, Outpatient Hosp., Physician, Lab, DMEPOS

Other 10/1/16 Rate Issues, cont.

- ALTCS Adult Dental of \$1000 per member begins – dates of service 10/1/16 forward
- Services provided by a licensed podiatrist covered – dates of service 10/1/16 forward
- BCBA Provider Type – BC – begins effective 10/1/16

Nursing Facility Supplemental Payments

- Increase in FFS NF Supplemental payments by \$3,235,000
- Assessment increases from:
- \$10.50/non-Medicare day to **\$15.63**.
- For certain high-Medicaid facilities, \$1.40/non-Medicare day to **\$1.80**.
- IHS/638 facilities continue to be exempt from assessment

Public Notice

- See the Public Notice regarding all 10/1/16 FFS rates at:

https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/rates/NOPI_FFS_RateChange07182016.pdf

- See all proposed 10/1/16 rates at:

<https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/AHCCCSProviderRateAnalysis2016.html>

Questions?



Delivery System Reform

Incentive Payments



Delivery System Reform
Incentive Payment (DSRIP)
Update
SMAC Meeting
August 17, 2016

What is DSRIP?

- Federal funds administered by the Centers for Medicare & Medicaid Services (CMS)
- DSRIP initiatives provide states with funding that can be used to support providers in changing how they provide care to Medicaid beneficiaries
- DSRIP initiatives are part of broader Section 1115 Waiver programs

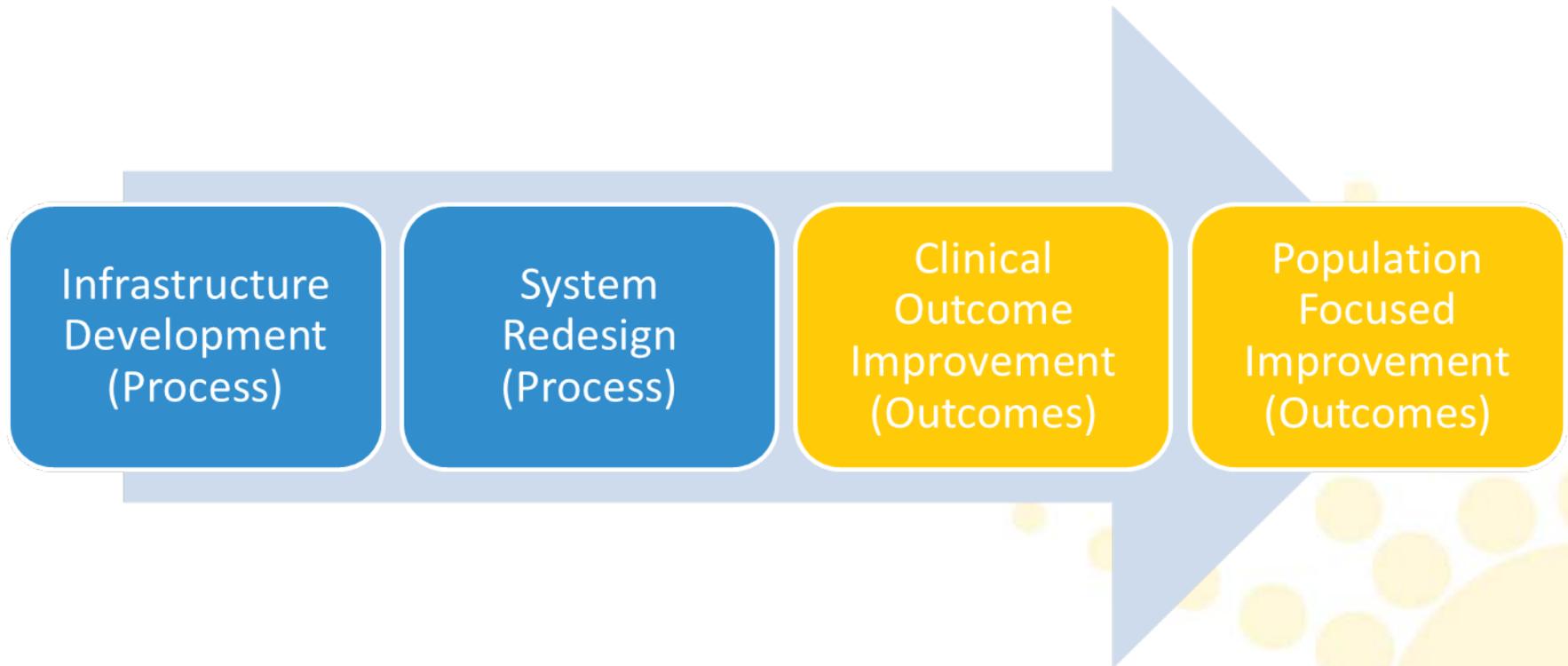
DSRIP Initiatives

- Five years long
- There is no official federal criteria for DSRIP program qualification
- States have taken varying approaches
- Federal funds are matched to state funding for certain qualifying health programs

DSRIP Initiatives (cont')

- DSRIP is an incentive program where payment incentives are distributed for meeting performance outcome requirements
- Providers can use funds to develop systems, infrastructure, and/or processes

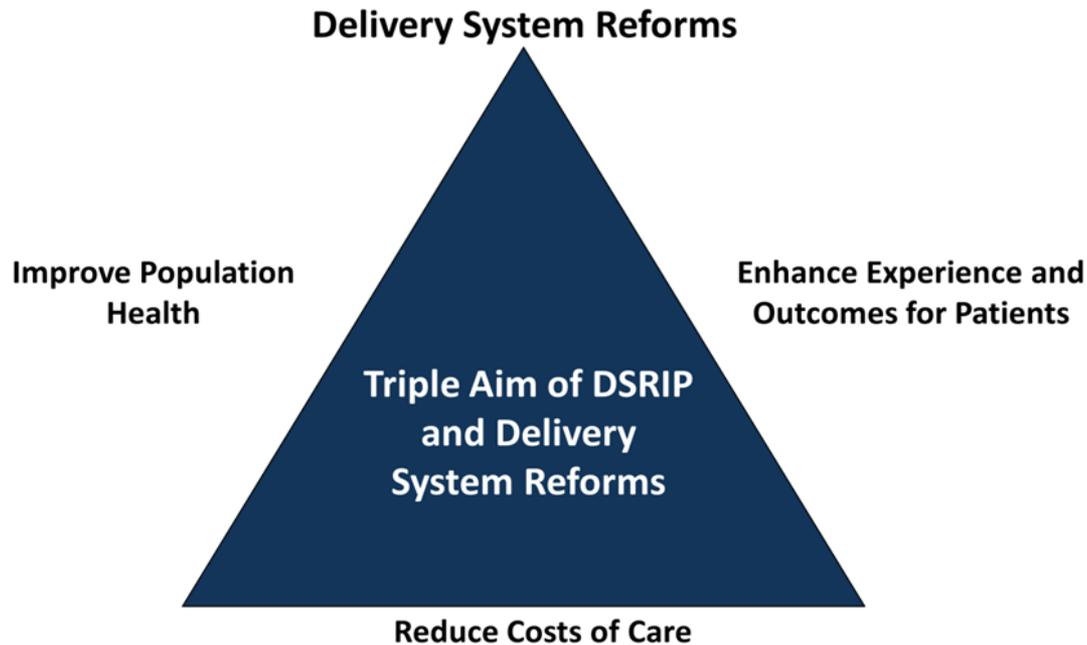
DSRIP Emphasis over 5 Year Period



"Triple Aim"

Figure 2

States are using DSRIP waivers to help achieve larger health system and Medicaid goals for delivery system reforms.



Arizona's DSRIP Proposal

Focuses on populations of vulnerable Medicaid members where care integration, coordination of care, and data exchange will likely have an immediate positive impact for enrollees and providers.

Arizona's 4 DSRIP Focus Areas

- Adults with Behavioral Health Needs
- Children with Behavioral Health Needs, Children with and At-Risk for Autism Spectrum Disorder, and Children Engaged in the Child Welfare System
- Members Transitioning from the Justice System
- * Individuals enrolled in the American Indian Health Program (AIHP)

Integrated Care for Adults

DSRIP proposed projects include:

- A. Integration of behavioral health services within primary care sites
- B. Integration of primary care within community behavioral health sites
- C. Integration of primary care & behavioral health services within co-located sites
- D. Care coordination for adults with behavioral health needs following hospital discharge

Integrated Care for Children

DSRIP proposed projects include:

- A. Integration of behavioral health services within primary care sites
- B. Integration of primary care within community behavioral health sites
- C. Improving treatment for the care of children with and at-risk for Autism Spectrum Disorder
- D. Improving treatment for the care of children engaged in the child welfare system (at both primary care and behavioral health sites)

Members Transitioning from Justice

DSRIP proposed projects include:

- A. Development of an integrated health care setting within county probation offices or Dept. of Corrections parole offices to address beneficiary health care needs upon release and throughout the term of probation/parole for individuals transitioning out of incarceration
- B. An integrated care project (TBD) for youth transitioning from the juvenile justice system

American Indian Health Program

*DSRIP proposed projects include:

- A. Shared care management strategy development via regional collaboratives
- B. Improvement of care management systems via protocols and structured care plans
- C. Development of data infrastructure and analytics capability for care management
- D. Transformation to PCMHs of primary care sites serving AIHP members

Medical Home Waiver Proposal

- The AZ 1115 waiver renewal application includes an American Indian Medical Home waiver proposal which would pay a PMPM to qualifying facilities
- IHS/Tribal 638 workgroup finalized the American Indian Medical Home waiver proposal in early June

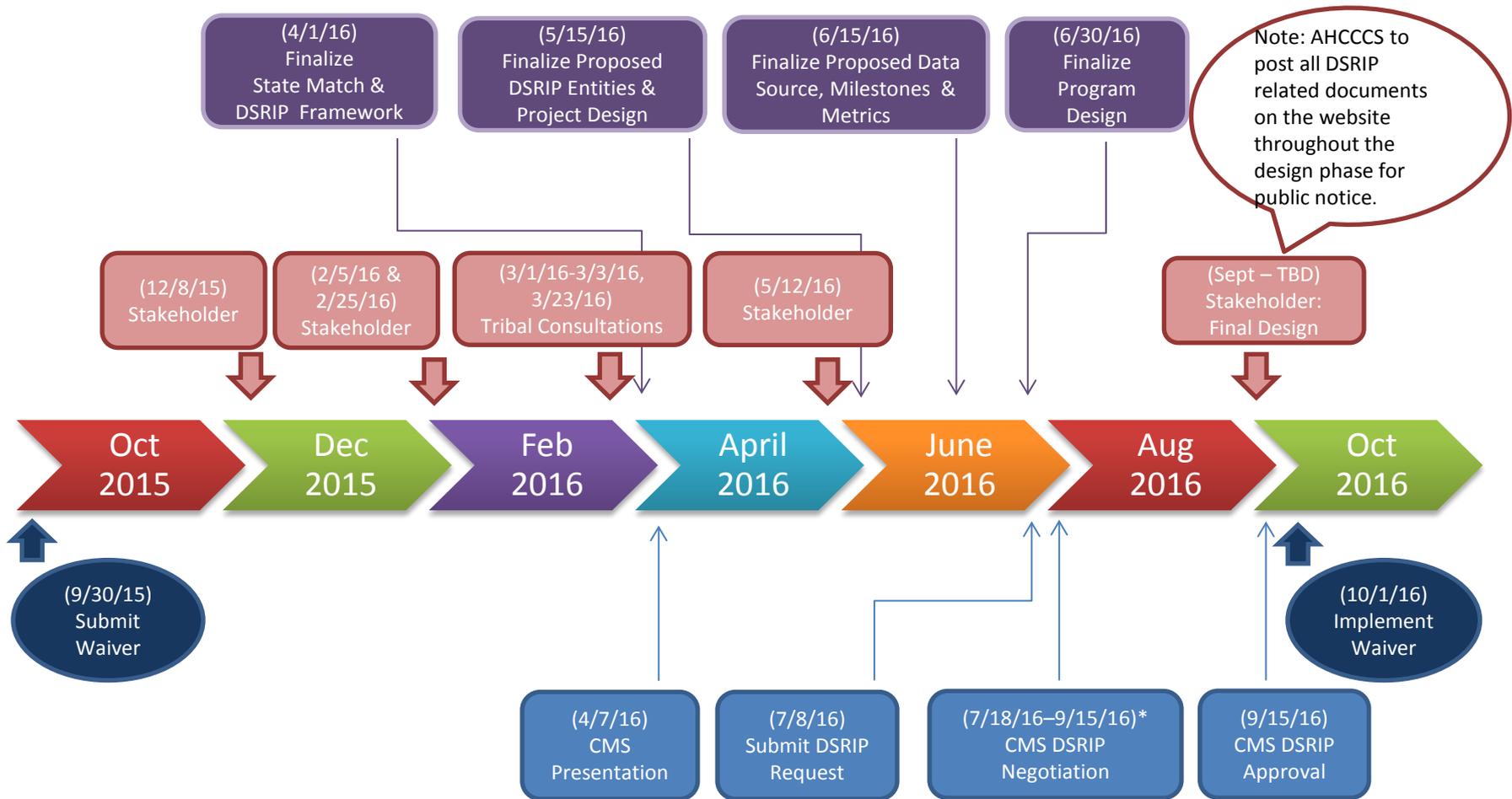
Preliminary Feedback from CMS

- CMS indicated that support for collaborative care management of AIHP members should be structured as payments for services rather than payments for projects
 - **Note:** If DSRIP is authorized by CMS, other DSRIP focus areas (i.e. justice transitions, adult and pediatric behavioral health integration) will remain structured as projects

Potential New Service Payments

- For the care of AIHP members, provider organizations will be potentially eligible for new care management service payments:
 - Such service payments would be separate from & in addition to services currently eligible for reimbursement and at current rates (i.e. all-inclusive rate for IHS/Tribal 638 providers)
 - New care management service payments for AIHP members will need to be approved by CMS
 - The care management service payment methodology will need to be coordinated with:
 - Proposed American Indian medical home waiver payments
 - CMS guidance related to care coordination agreements

DSRIP Design Timeline



*Need to coordinate with the 1115 waiver negotiation.

Timeline

- The AZ DSRIP proposal was submitted to CMS on July 15
 - Comments and suggestions received during the stakeholder process guided the proposal development
 - Continued refinement of proposed projects and their core components will occur, based on CMS feedback and stakeholder input
- Based on approval authority from CMS:
 - DSRIP projects will begin after October 1, 2016
 - Care management service/AI medical home payments will begin following CMS review and finalization of a new methodology via a non-DSRIP waiver and/or state plan amendment

Arizona DSRIP-Additional Information

- <https://www.azahcccs.gov/AHCCCS/Initiatives/DSRIP/>
- <http://kff.org/report-section/an-overview-of-delivery-system-reform-incentive-payment-waivers-issue-brief/>
- <https://www.azahcccs.gov/shared/fiveyear.html>

Questions?



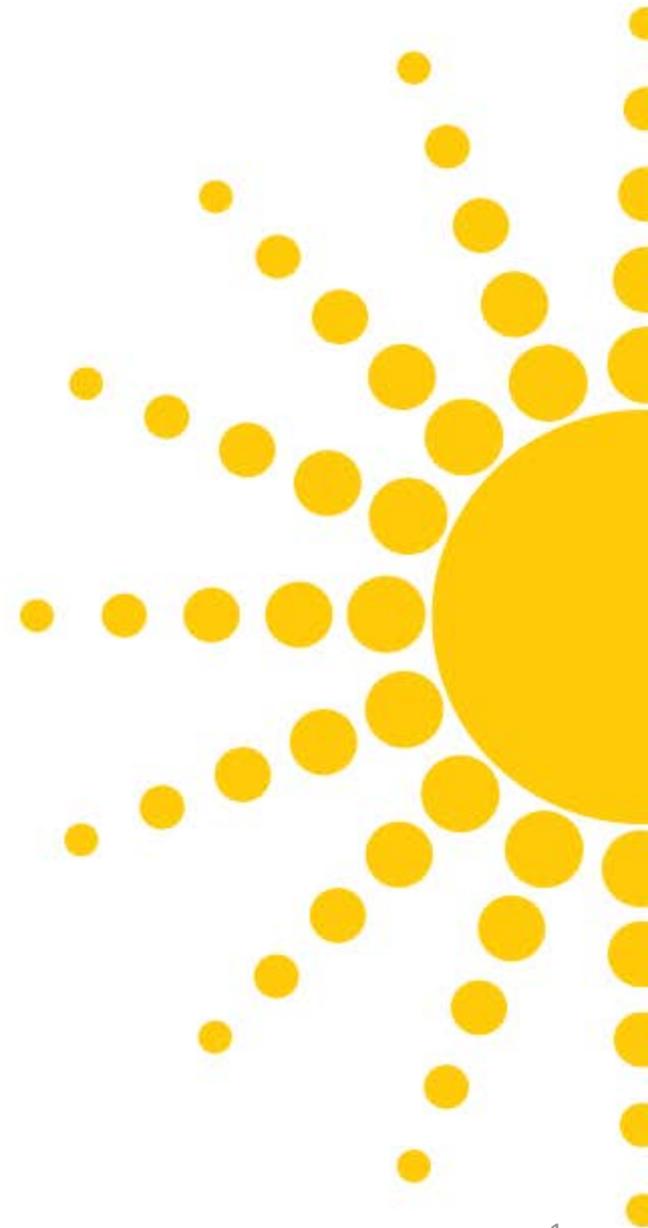
Thank You



Merger Updates

DBHS/AHCCCS Merger Update

State Medicaid Advisory Committee
August 17, 2016



AHCCCS Strategic Plan

Reaching Across Arizona to Provide Comprehensive, Quality Health Care for Those in Need

Bend the cost curve while improving the member's health outcomes

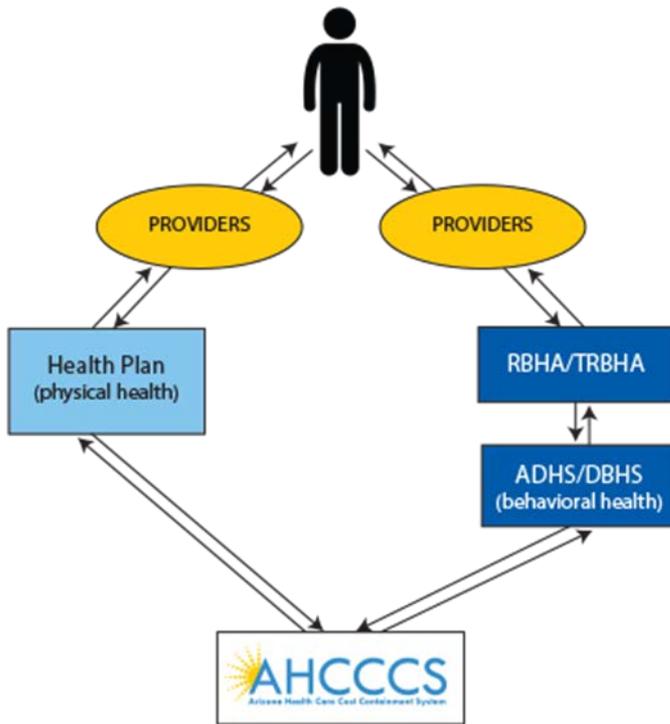
Pursue continuous quality improvement

Reduce fragmentation in healthcare delivery to develop an integrated system of healthcare

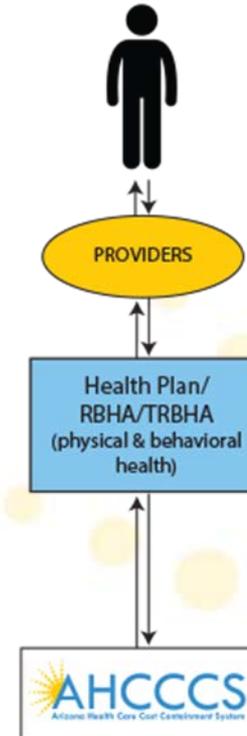
Maintain core organizational capacity, infrastructure and workforce.

Administrative Simplification

Prior Configuration



Current Streamlined Administrative Configuration



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

Guiding Principles

A seamless transition.

- This merger **will not impact** what **services** are offered or how services are delivered.
- This merger does not change the delivery system – i.e. how members access care.
- This change will be *seamless* for the members and families we serve.
- Look for opportunities to improve the system.

Achieving a Successful Transition

Many workgroups to deal with the myriad of operational issues associated with this transition

• Facilities	• Budget and Finance
• Information Technology	• Operations
• Legal	• Communications
• Contracts	• Grants
• Policies	• Human Resources

DBHS/AHCCCS Merger Update

- 114 BHS staff or their established positions came to AHCCCS into 7 AHCCCS divisions

Division	New Staff
Division of Health Care Management	64
Division of Health Care Advocacy and Advancement	24
Office of Administrative Legal Services	9
Information Services Division	6
Division of Fee-For-Service Management	5
Division of Business and Finance	5
Office of Inspector General	1

New to AHCCCS

- Division of Health Care Advocacy and Advancement
 - New division of 28 staff managed by AD Paul Galdys
 - Interfacing with members, families and other stakeholders in community to ensure they are heard
 - Office of Individual and Family Affairs (OIFA)
 - Focus on building partnerships to promote recovery, resiliency and wellness by increasing voice and participation of the member.
 - Office of Human Rights
 - Required by statute, provides advocacy services to individuals with SMI who are need special assistance with the system of care.
 - Oversight of special committees/councils
 - Human Rights Committees, SMAC, ALTCS Advisory and Behavioral Health Planning Council

New to AHCCCS

- Behavioral Health Customer Service
 - Part of Division of Health Care Management
 - Point of contact for BH system, navigation, challenges
 - Member issues requiring immediate resolution
 - Coordination with other operational and clinical areas in DHCM
 - Facilitate decertification/opt out process for individuals with SMI

New to AHCCCS

- Grants/System of Care
 - 12 positions
 - Part of Division of Health Care Management
 - Oversight of system of care plans developed by RBHAs
 - Special focus on system operation and best practices for substance use disorder, children's and adults system of care
 - Oversight of grants management related to prevention and treatment
 - SABG/MHBG – Approx \$50M
 - Unit to be expanded to also focus on broader medical system of care

Favorite things from the Merger!

- Getting to know so many great people!
- The amazing effort and dedication shown to become one new and improved team
- Opportunities for learning, embracing and improving what we all do
- No more Operational Reviews or deliverables from one state agency to another!
- Our new division, DHCAA keeping AHCCCS informed and improving
- Babies at work!!

Questions?



Arizona Health Care Association

Long Term Care in Arizona

State Medicaid Advisory Council
Kathleen Collins Pagels
Arizona Health Care Association
August 2016

Today's presentation...

- ▶ Hope to draw a picture of demographic changes
 - ▶ Will inventory our infrastructure of service providers– focusing on residential or institutional – SNF and AL
 - ▶ Offer some of our challenges and opportunities
 - ▶ Impact on Medicaid
 - ▶ The future
- 

AGING... AREN'T WE ALL?

10,000 people will turn 65 today, and about 10,000 more will cross that threshold every day for the next 19 years.

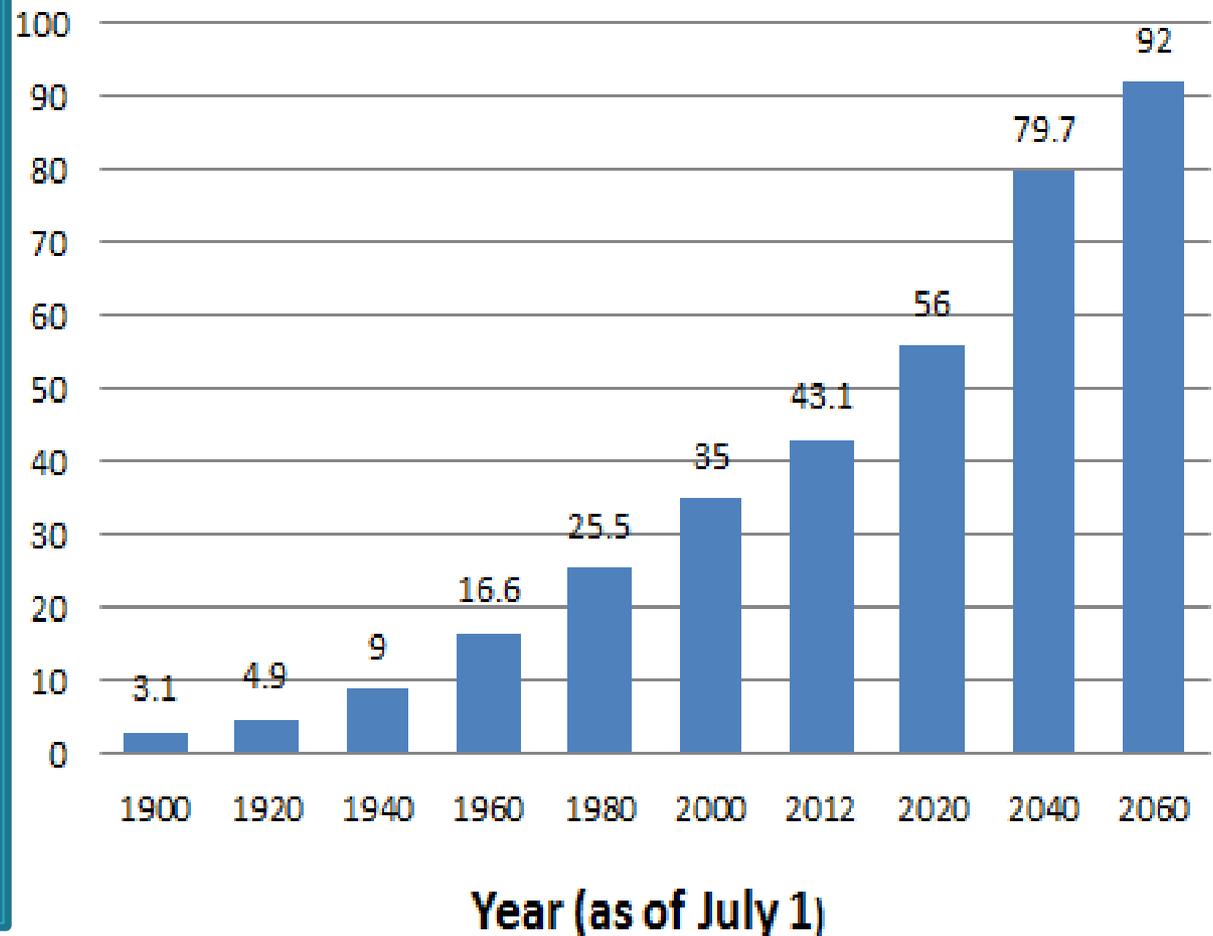
Currently, just 13% of Americans are ages 65 and older. By 2030, when all members of the Baby Boom generation have reached 65, fully 18% of the nation will be at least that age



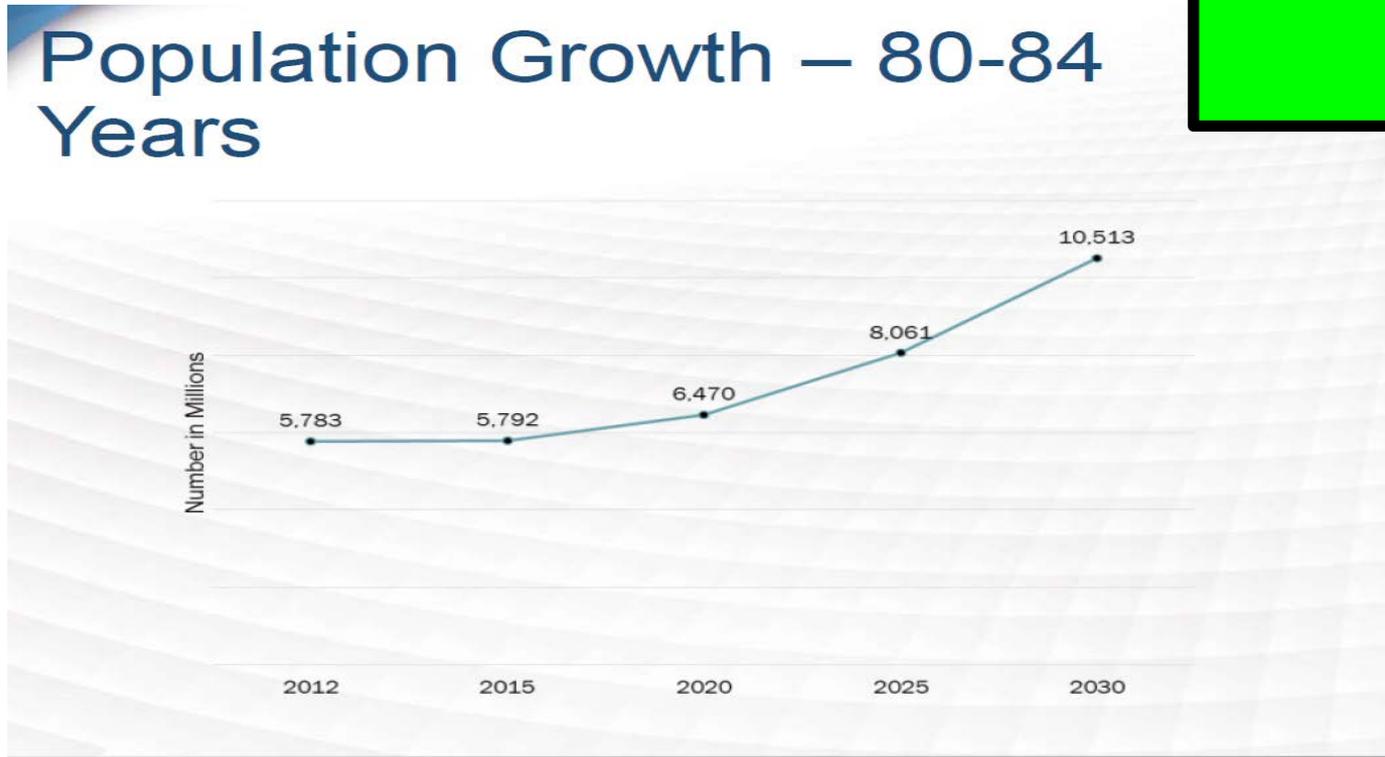
U.S. life expectancy is 78.7 years. For U.S. men, the average life expectancy is 76, while it is 81 for U.S. women.

In 1900 the average life expectancy was 47 years of age

Figure 1: Number of Persons 65+, 1900 to 2060 (numbers in millions)



The Real Story...



According to the Census Bureau, about one in seven people ages 65 and older (15%) have incomes below the SPM poverty thresholds, compared to one in ten (10%) under the official measure.

Licensed Facilities in Arizona

Skilled Nursing Facilities: 147 facilities /
16,029 beds

Assisted Living Homes (10 beds or less):
1,706 Homes

Assisted Living Centers (more than 10 beds):
267 Centers

Where do ALTCS members live? “Least Restrictive Setting” Rules the Day

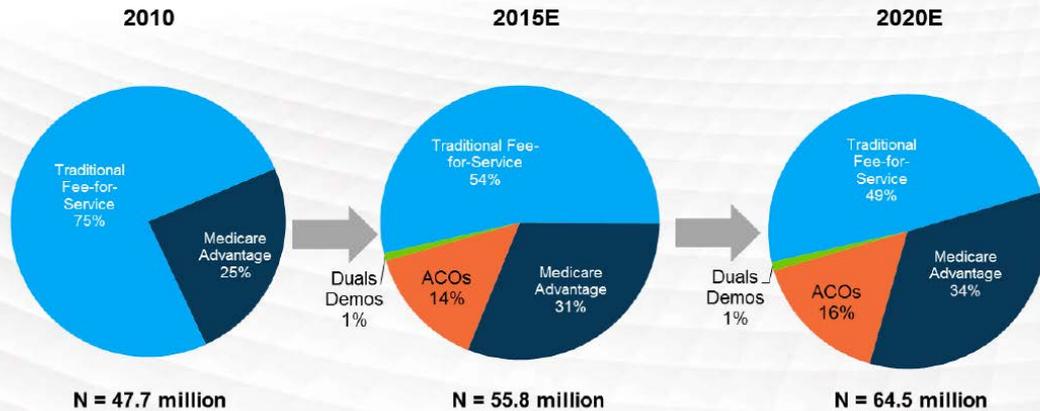
Statewide Placement Percentage by Setting							
	Sep-09	Sep-10	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15
Own Home	49%	50%	65%	65%	66%	66%	68%
Alternative ⁴ Residential	20%	21%	20%	20%	20%	20%	18%
Institutional	31%	29%	16%	15%	14%	14%	14%
Total	100%	100%	100%	100%	100%	100%	100%

AHCCCS HCBS 2015 Report

In 2013, half of all people on Medicare had incomes less than \$23,500, which is equivalent to 200 percent of poverty in 2015. kff.org

Change is the New Black

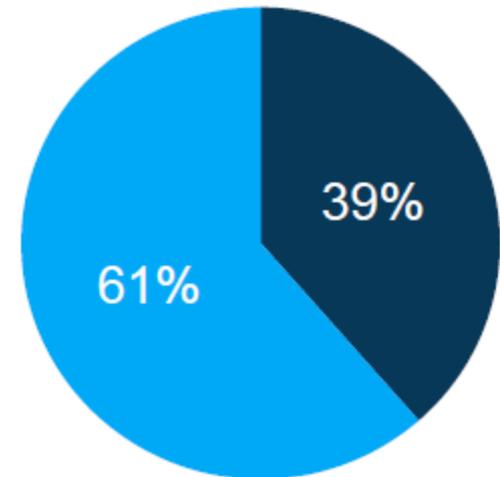
Changing Payment Models



Sources: CMS Office of the Actuary for spending and enrollment.
Avalere analysis for alternative payment model projections.

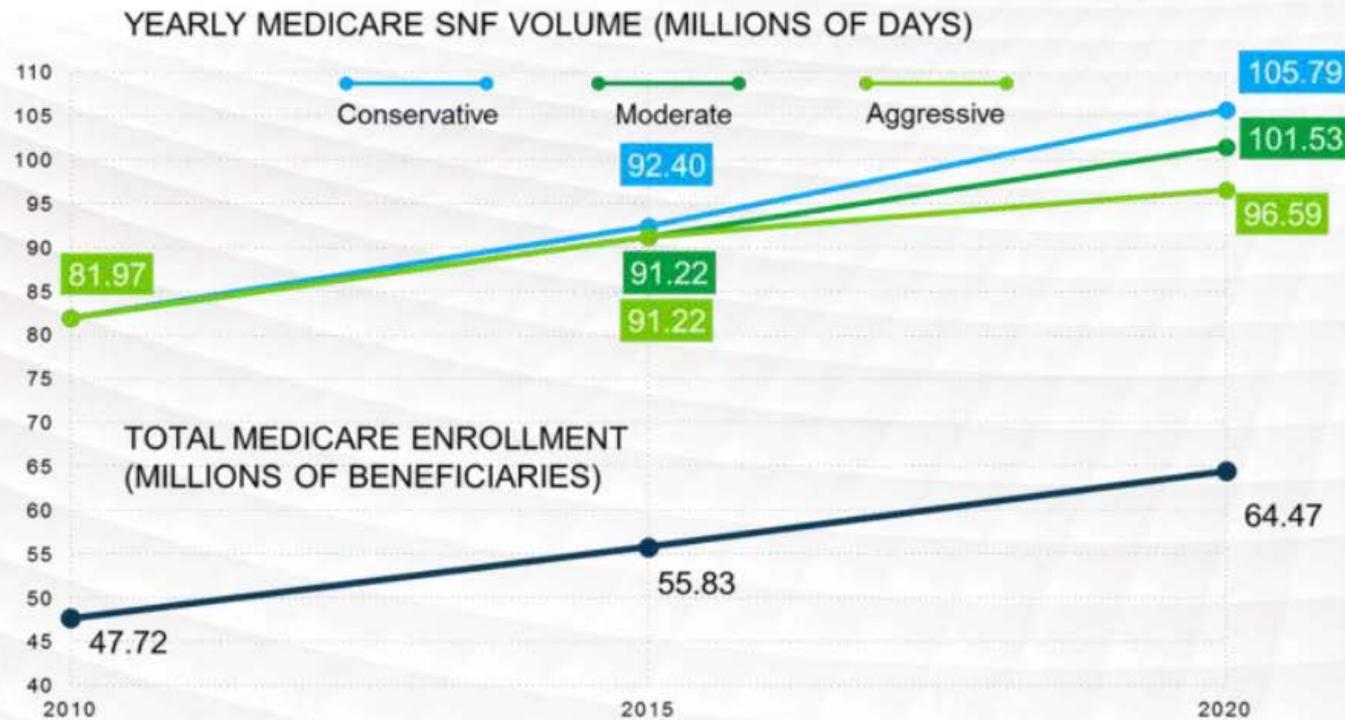
MA Penetration, October 2015

Arizona



- Medicare Advantage
- Traditional FFS

More People Will Need Our Post-Acute Services



F Volume from Avalere projection model; Medicare enrollment from 2015 Trustees' Report

Many of these are Dual Eligibles! -- Medicare and Medicaid

What are some key implications for AHCCCS

- ▶ **Increased acuity**– need for changes in the caliber and type of workforce, culture of operations
- ▶ **Specialty care** is on the rise: Dialysis, Bariatric, Ventilator, Behavioral
- ▶ **Infrastructure** is fragile – network adequacy at risk for the Plans– 27 ownership changes this year!
- ▶ **Unfunded mandates** are the norm and new ones appear every day– new managed care rules, new conditions of participation to name a few
- ▶ Enhancing quality / lowering cost in **Value Based Purchasing** arrangements and bundled payment initiatives
- ▶ New pressures in **preferred provider** arrangements
- ▶ Increased penetration of **Medicare Advantage**
- ▶ Continued **political pressure to cut rates**– Medicaid and Medicaid– while we are still underfunded by \$8 per day– rates are below 2011 and average SNF margin is 1%
- ▶ **Capital Needs** – average building age is 67 years plus
- ▶ **Predatory Litigation** is rampant– using \$10 PPD to fight often unwarranted lawsuits
- ▶ **Technology challenged** – left out of meaningful use initiatives, need to move forward with HIE

Workforce is the watchword of the future



Fig. 5: Workforce shortages among paraprofessionals are expected

Number of Additional Aides Needed In 2025 to Maintain 2000 State Ratios

STATE	POPULATION 85+			HOME HEALTH AIDES (HHAs)			
	2000 Actual Population	2025 Projected Population	Percent change In Population:	Total HHAs, 2001	Ratio(# of HHAs per Current State 1,000 People 85+	Projections of # of HHAs Needed In 2025	Total # of New HHAs Needed to Maintain Current State Ratio
Arizona	68,525	138,138	102%	10,200	149	20,562	10,362

Source: National Governors Association, 2004

So what is the good news?— it is QUALITY!

State and
federal
surveys

11 quality
measures and 7
just added

Lots of
transparency
and rich in
data on
staffing,
inspections
and more

Star
Rating
system

MCO Plan
quality
assessments

https://www.medicare.gov/nursinghomecompare/About/What-Is-NHC.html

Medicare.gov | Nursing Home Compare
The Official U.S. Government Site for Medicare

About Nursing Home Compare

What is Nursing Home Compare?

What information can I get about nursing homes?

Five star quality ratings

Inspections and complaints

Staffing

Quality measures

Penalties

About the data

Resources

Help

Back to top

What is Nursing Home Compare?

Nursing Home Compare allows consumers to compare information about nursing homes. It contains quality of care and staffing information for all 15,000 plus Medicare- and Medicaid-participating nursing homes.

Note: Nursing homes aren't included on Nursing Home Compare if they aren't Medicare- or Medicaid-certified. These Nursing Homes can be licensed by the state. For information about nursing homes not on Nursing Home Compare, contact your [State Survey Agency](#).

Information on Nursing Home Compare isn't an endorsement or advertisement for any nursing home and should be considered carefully. Use it with other information you gather about nursing homes facilities. Talk to your doctor or other health care provider about the information on Nursing Home Compare. [Read more about finding a nursing home.](#)

More Good News

SNF provider assessment in 2010 brought \$68 million in resources to care for Arizona's residents- Renewed in 2015

3:46 PM
azleg.granicu
health WiFi Access - Southwest Airli... Arizona Capitol Tel

SB1138 SPONSOR BARTO
NURSING FACILITY ASSIGNMENT: CONTINUATION

	Ayes	Nays	Not Voting	Vacant
ABLESER	Y			
ALLEN	N			
BARTO	Y			
BEGAY	Y			
BRADLEY	Y			
BURGESS	N			
CAJERO BEDFORD	NV			
CONTRERAS	Y			
DIALESSANDRO	Y			
DIAL	Y			
DRIGGS	Y			
FARLEY	Y			
FARNSWORTH D	N			
GRIFFIN	N			
HOBBS	Y			
KAVANAGH	Y			
LESKO	Y			
MCGUIRE	Y			
MEZA	Y			
MIRANDA	Y			
PANCRAZI	Y			
PRICE	Y			
QUEZADA	Y			
SHOOTER	Y			
SMITH	N			
WARD	Y			
WORSLEY	Y			
YARBROUGH	Y			
YEE	Y			
PRESIDENT BIGGS	N			

THIRD READING

2015 - Senate Third Reading #1

Hearing Room 1	Senate Hearing Room 1
Hearing Room 2 & House	Senate Hearing Room 2 & Senate Floor
Hearing Room 3	Senate Hearing Room 3
Hearing Room 4	Senate Hearing Room 100



Our AHCA Focus... state and national



The future?

Time for "Aging 2040"?

Aging 2020 - Arizona Plan for an Aging Population (SECURED) - Adobe Acrobat Reader DC

File Edit View Window Help

Home Tools Aging 2020 - Arizo... x Sign In

Bookmarks

- Cover and Title Page
- Table of Contents
- A Message from the Governor
- Acknowledgments
- Executive Summary
- Introduction
- Arizona Is Changing
- Aging 2020 Goals
 - Future Directions and Updates
 - References
- Arizona's Aging 2020 State Plan

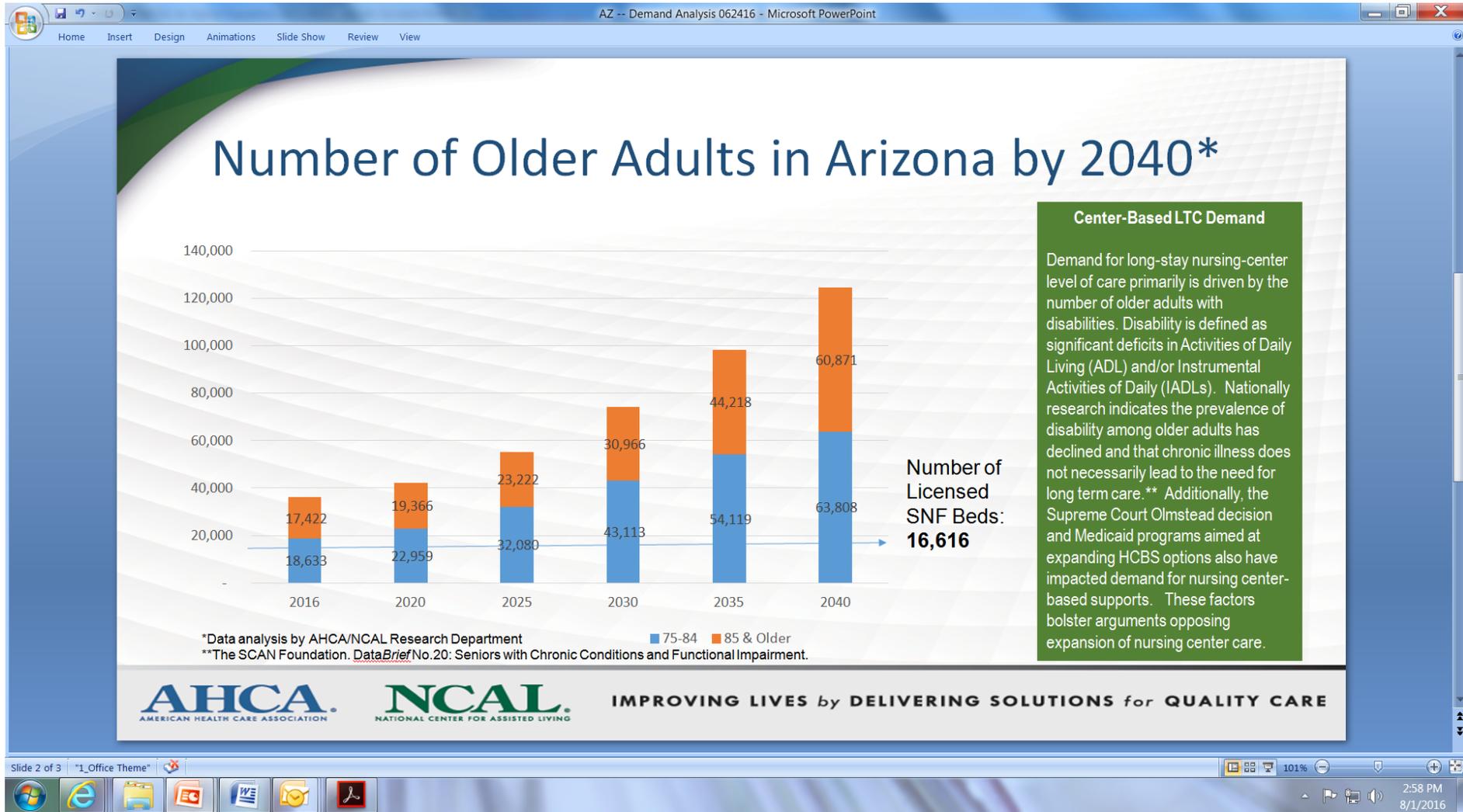
Aging 2020
Arizona's Plan for an Aging Population



Governor Janet Napolitano
August 2005

Dillards
New dresses just arrived!
For issues viewing this email, open in a browser
<<http://www.dillards.com/images/mkt/gray-arrow.png>>

The future?

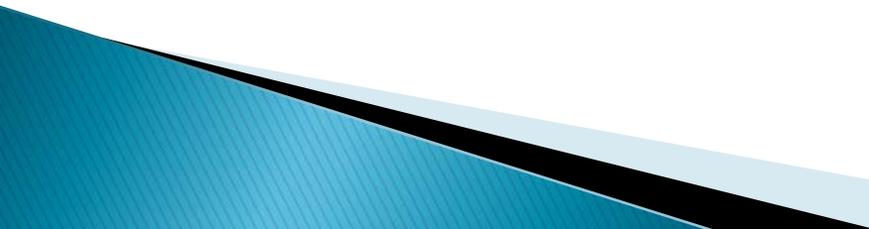


Capacity to meet the growing need is both the challenge and opportunity of the future...

The future?

- ▶ *Deserving competition for limited resources is the order of the day*
- ▶ *Companies are not building for Medicaid, so will need to create incentives to address growth and adequacy needs*
- ▶ *We are the low cost solution to acute care and have to paint that picture for policy makers– and work across the continuum with our home care partners*
- ▶ *Winners and losers are a given, but we must help “all boats to rise” in the provider network to best serve the frail, impoverished and vulnerable in Arizona–especially rural*
- ▶ *We are only as strong as the hands that deliver our care -- workforce development may be the pivotal issue of the future*

Aging is personal, you'll see



Access to Care for FFS



Access Monitoring Review Plan

Monitoring Access to Care for Fee-for-Service
Populations



Overview

CMS amended 42 CFR Part 447

- Requires Medicaid agencies to establish an Access Monitoring Review Plan to ensure adequate access to care for FFS population
- Plan must be updated at least annually and is subject to 30-day public comment period
- Must complete analysis of services included in review plan at least once every three years
- Provide mechanisms for ongoing beneficiary and provider input

Services Categories to Evaluate

- Primary care services
- Physician specialist services
- Behavioral health services
- Pre- and post- natal obstetric services (including labor and delivery)
- Home health services

Services Categories to Evaluate (con't)

- Additional types of services with a higher than usual volume of access complaints
- Additional types of services selected by the state

Provider Rate Reductions/Restructuring

When a state proposes to reduce or restructure provider payments in circumstances where the changes could result in diminished access:

- Must submit access monitoring analysis for each service potentially effected and show that currently has sufficient access
- Must review access for those services at least annually for at least three years

Measures to Analyze Access to Care

For each of the service categories AHCCCS will:

- Discuss fee schedules and recent changes
- Evaluate number of AHCCCS-enrolled providers trended over time, broken out by urban & rural areas
- Compare AHCCCS enrolled providers to cumulative changes in AHCCCS fee schedules
- Analyze number of AHCCCS claims trended over time
- When available, compare to Medicare rates, Medicaid rates of western states, and AHCCCS MCOs

FFS Access to Care Input

States must have ongoing mechanisms for beneficiary and provider input on access to care for FFS population

- Have begun developing a page on the AHCCCS website for reporting access to care issues
 - Will allow beneficiaries, providers, and stakeholders the opportunity to submit access to care concerns
 - Page will be available by October 1
- Will provide mailing address and phone number to submit access to care concerns

Final comments

- Limitations: available data
- Evolving document which will develop greater sophistication over time
- The Access Monitoring Plan was published on our website soon and is open to 30-day public comment period, ending August 29th
<https://www.azahcccs.gov/AHCCCS/PublicNotices/>
- Final report due to CMS on October 1

Questions?



Thank You.

