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# AHCCCS Update

## June 15, 2012



Our first care is your health care  
Arizona Health Care Cost Containment System

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

# Topics to Cover

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- Enrollment Update
- I.H.S/638 Waiver Payment Update
- Budget Update
- AHCCCS Priorities
- Other Issues





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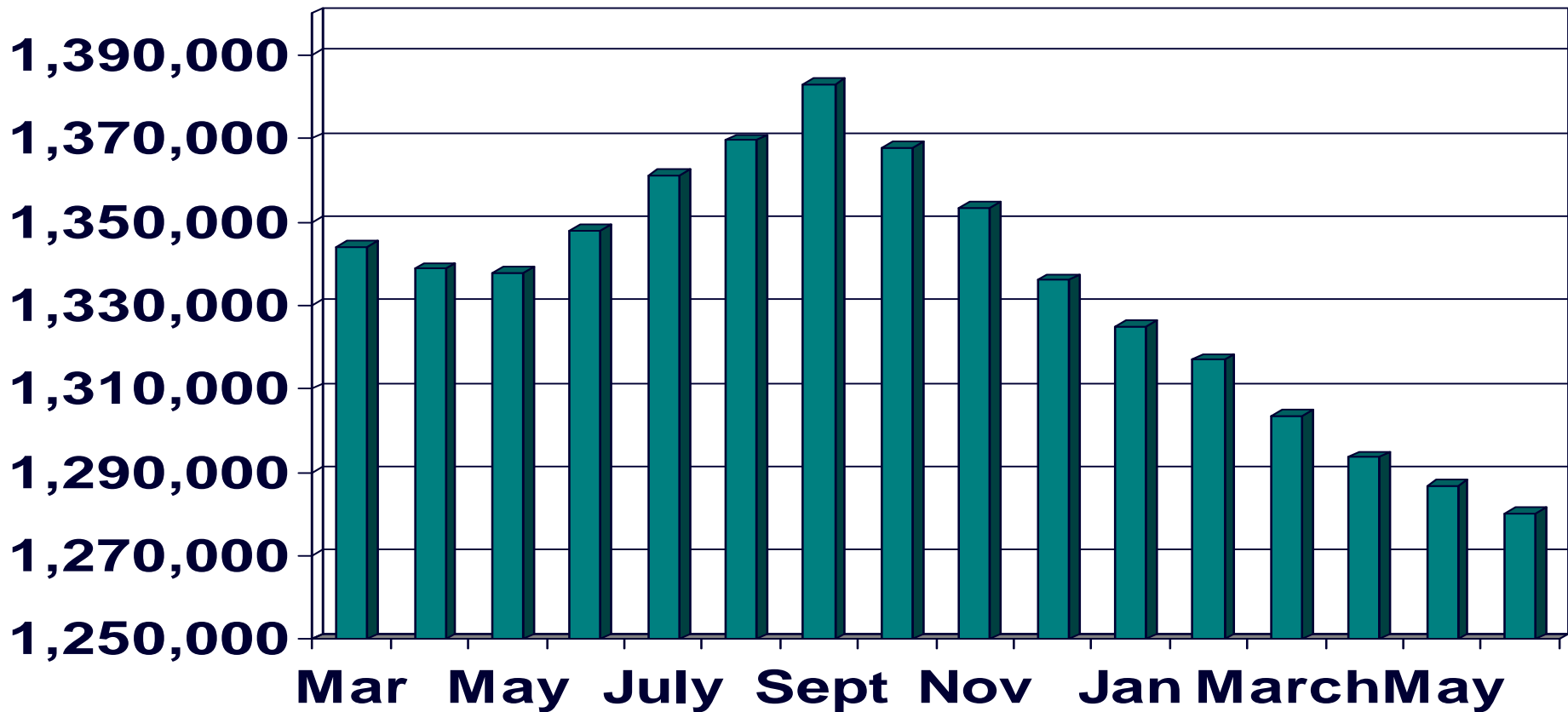
# Enrollment Update



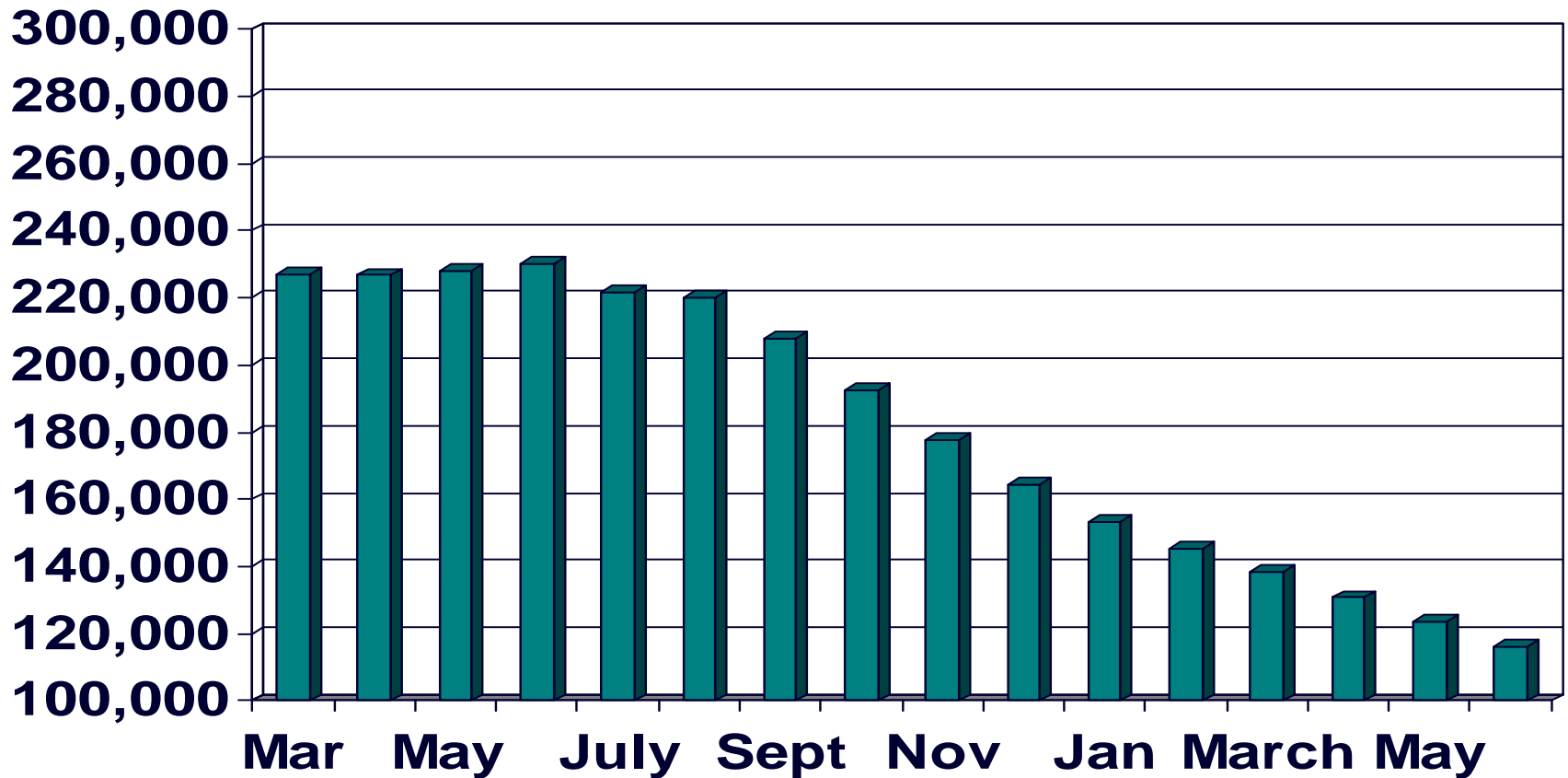
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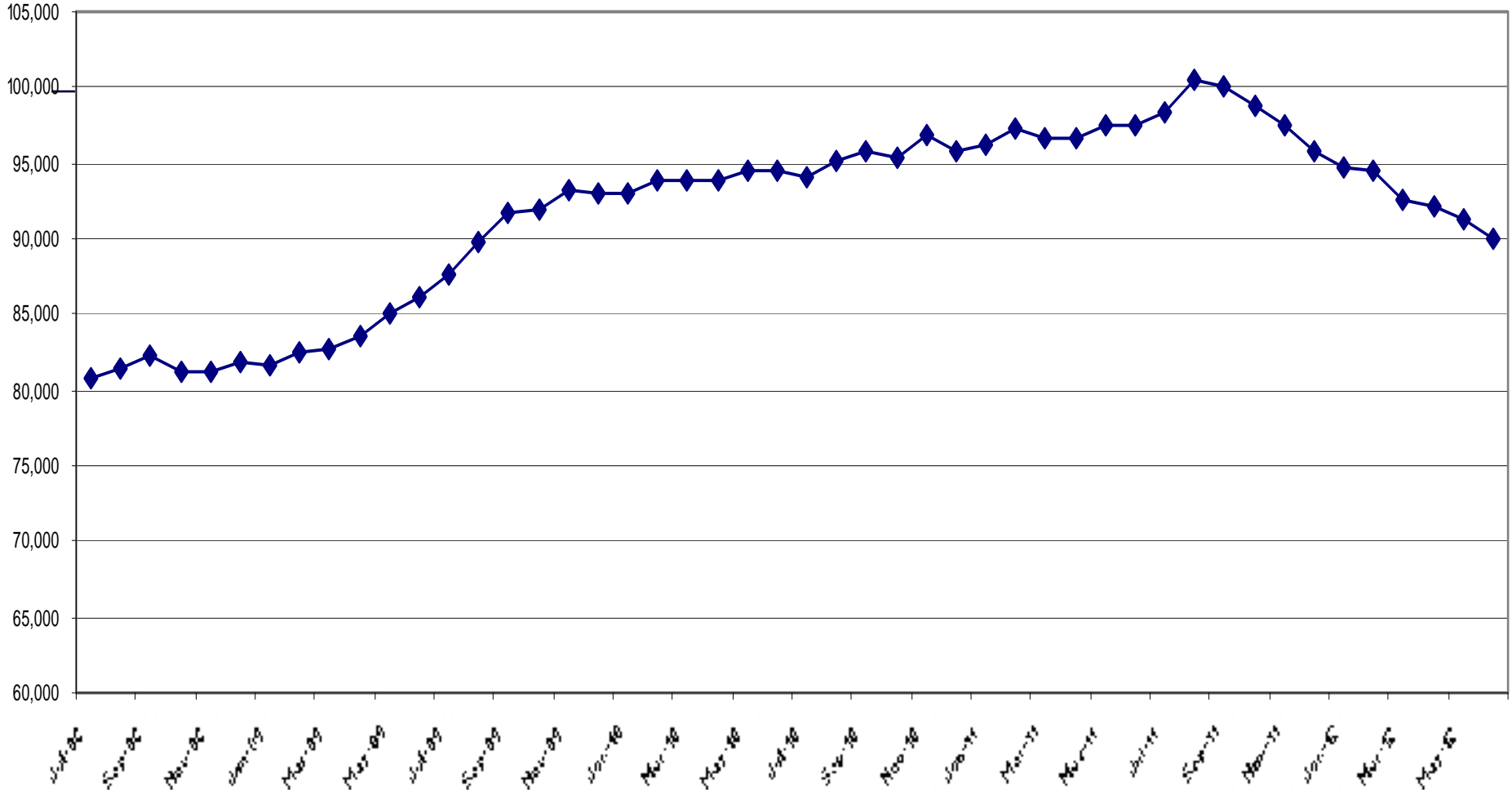
# Total AHCCCS Population



# Waiver Population



# AHCCCS AIHP Enrollment





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# I.H.S/638 Waiver Payment Update



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# Option 1 To Date

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- Option 1
  - 21 facilities selected
  - 8 have submitted for April – \$1.475 m
  - If option 2 – 8 facilities paid \$1.6 m (April)
  - 13 not submitted
  - If option 2 – 13 facilities paid





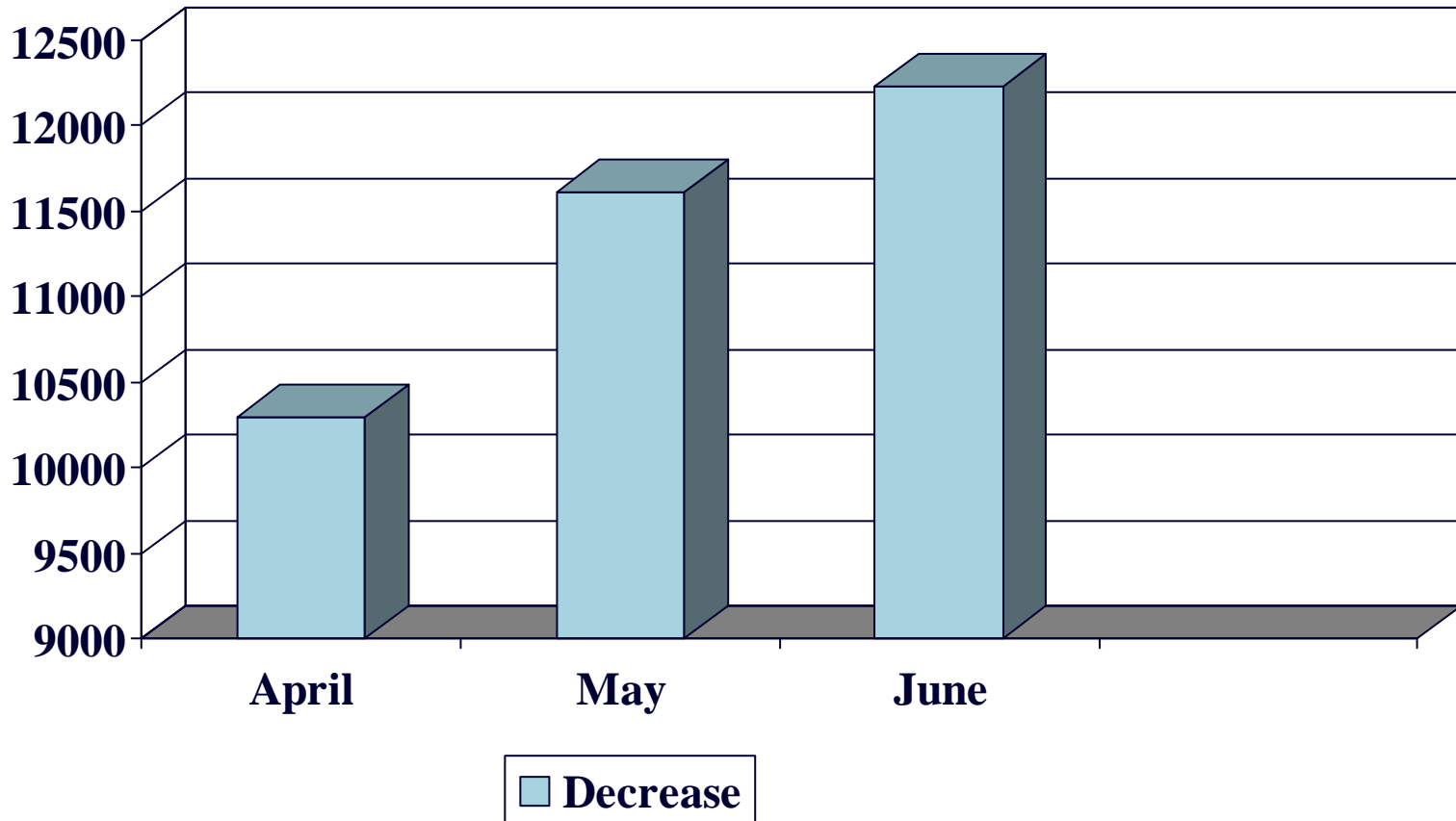
# Option 2 – To Date

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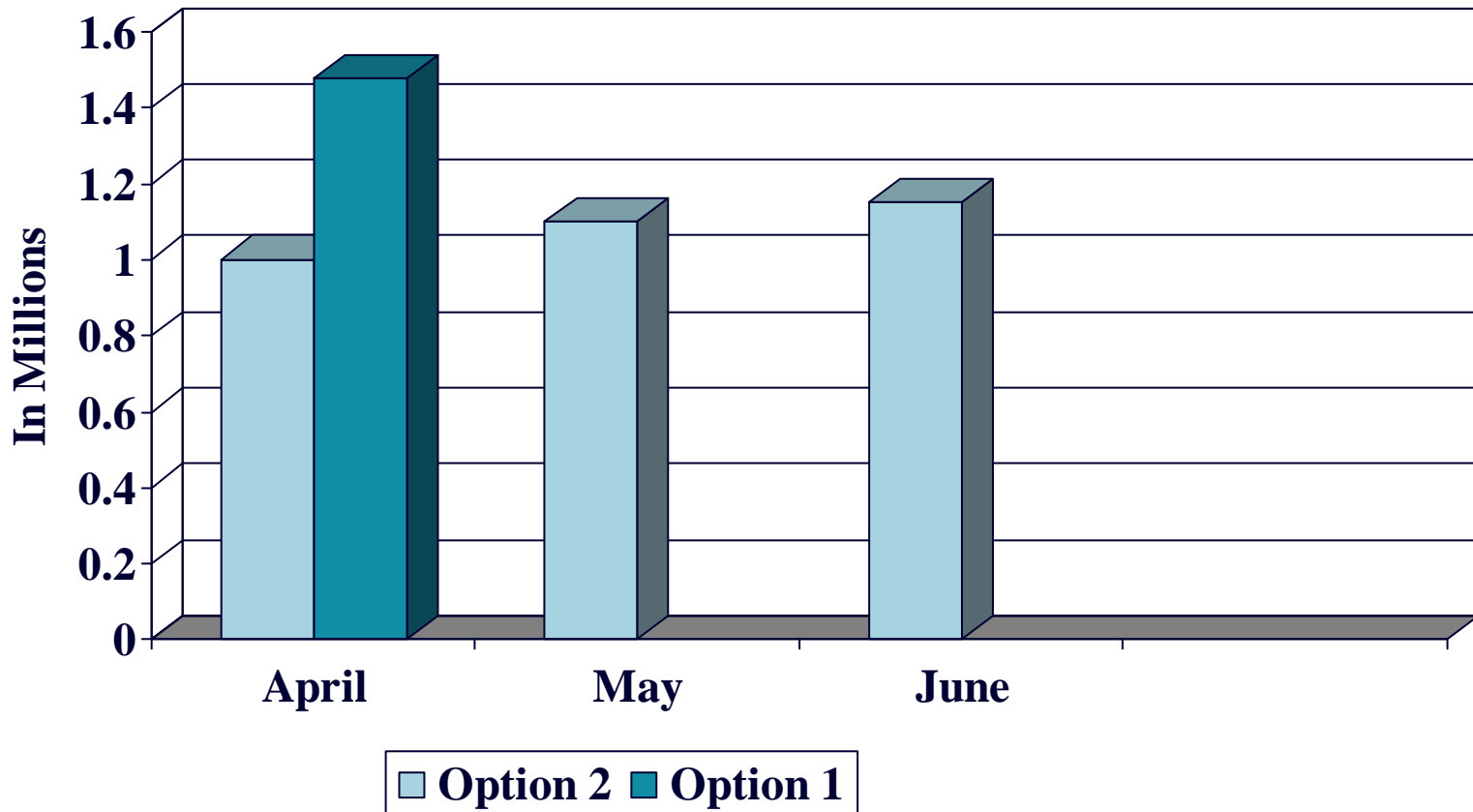
- 24 facilities selected Option 2
- Paid \$1.0 m for April
- Paid \$1.1 m for May
- Payment of \$1.15 m for June in process



# Decrease in Population applied to Option 2 payment



# Option 1 and Option 2 payments





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# Budget Update



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# State Budget

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- ❑ Budget made spending assumptions for FY 2014 and FY 2015
- ❑ Near balanced over term WITH loss of one-cent sales tax starting in FY 2014
- ❑ Assumed \$210 m GF cost for ACA Medicaid Coverage in FY 2015
- ❑ Included intent language that per member per month costs not exceed 3% increase in FY 14 & 15



# Program Budget Status

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## **FY 2012 Estimate**

- ❑ Medicaid System balanced
- ❑ Risk of Litigation (Prop 204 and Hospital)-Eliminated

## **FY 2013 Request**

- ❑ No NEW Cuts Anticipated –
- ❑ Population freezes remain

## **Longer Term**

- ❑ Medicaid Expansion on 1-1-14 will add hundreds of millions in state costs



# AHCCCS Priorities

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- ACA Planning
- Triple Crown and Integration
  - CRS
  - Dual eligible members
- Quality & HIT



# ACA & Supreme Court

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- Court evaluating Constitutionality of
  - Individual Mandate – Severability - Medicaid Expansion
- What will be the outcome of the Supreme Court Ruling?
  - Constitutional
  - Individual Mandate Unconstitutional – Non-severable –
  - Individual Mandate Unconstitutional – Severable
  - Medicaid
- Experts opine - outcome rests with 2 justices – Kennedy & Roberts





# Health Care Reform Timelines

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- ❑ June 2012 – Supreme Court Ruling
- ❑ July 2012 – If law upheld award RFP for Exchange System
- ❑ September 2012 – Essential Benefits Decision
- ❑ November 2012 – Level II Est. Grant
- ❑ January 2013 – Secretary HHS Exchange Certification
- ❑ July 2013 – Systems Readiness Testing
- ❑ October 2013 – Exchange Enrollment begins
- ❑ January 2014 – Exchange “Go Live” coverage



# Triple Crown and Integration

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## Leverage Triple Crown Opportunities

- Maricopa RBHA – Statewide Acute - CRS
- Transparent and Engage Stakeholders
- Integration – Care Management for frail populations
  - CRS – Duals – Members with SMI
- Manage/Leverage Unprecedented Competition



AHCCCS Dual Enrollment as of January 2012

Dual Enrollment  
119,832

FFS American Indian  
9,414

ALTCS – DD  
5,280

ALTCS – EPD  
21,090

Acute  
84,048

Alignment  
6,466  
31%

Alignment  
32,816  
39%



# Dual Eligible Members

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- Goal – 1-1-14 have 100,000 members aligned in same plan for Medicare and Medicaid
- Goal – continue to provide American Indians with choice of FFS or demonstration participation
- Opportunity to reduce
  - Member confusion
  - Improve Care Management/Coordination
  - Establish accountability – Align incentives



# American Indian Community Outreach

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## □ Background

- 10,000 American Indian Dual Eligible's in AZ

## □ Planning

- Develop outreach plan

## □ Process

- Two Phases

## □ Challenges

- Tribal barriers
- Time limitations

## □ Outcome

- Input from American Indian Dual Eligible's
- Limited participation



# Arizona Dual Eligible Demonstration Proposal

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- ❑ Submitted to CMS on May 31, 2012
- ❑ 3 Year Demonstration
- ❑ January 1, 2014 – Statewide
- ❑ 3 way contract – CMS – State – Plans
- ❑ 3 populations
  - ALTCS E/PD – Existing Plan
  - Acute Members with SMI – Maricopa 10-1-13 RFP
  - Acute – 10-1-13 RFP
- ❑ Still unanswered questions –requires flexibility



# CRS Expenditures & Enrollment

## FFY 10

| Program Type | Acute Care Service Costs | Long Term Care Service Costs | CRS Service Costs    | RBHA/BHS             | Total Service Costs   | MMs            | *Enrollment   |
|--------------|--------------------------|------------------------------|----------------------|----------------------|-----------------------|----------------|---------------|
|              |                          |                              |                      | Service Costs        |                       |                |               |
| Acute        | \$ 53,154,900            | \$ -                         | \$ 46,622,200        | \$ 6,656,400         | \$ 106,433,500        | 182,530        | 15,211        |
| DDD          | \$ 50,210,300            | \$ 96,033,700                | \$ 22,882,800        | \$ 4,099,200         | \$ 173,226,000        | 61,940         | 5,162         |
| EPD          | \$ 8,246,400             | \$ 6,483,600                 | \$ 4,191,000         | \$ -                 | \$ 18,921,000         | 4,850          | 404           |
| AIHP         | \$ 5,976,300             | \$ -                         | \$ 2,006,400         | \$ 113,800           | \$ 8,096,500          | 11,390         | 949           |
| CMDP         | \$ 1,302,800             | \$ -                         | \$ 666,200           | \$ 2,328,300         | \$ 4,297,300          | 2,950          | 246           |
| <b>Total</b> | <b>\$ 118,890,700</b>    | <b>\$ 102,517,300</b>        | <b>\$ 76,368,600</b> | <b>\$ 13,197,700</b> | <b>\$ 310,974,300</b> | <b>263,660</b> | <b>21,972</b> |

\*Enrollment is a proxy using MMs/12

Above data is not intended to be used for rate setting purposes. RFP data could differ from above due to timing of data extract



# Major Decisions To Date

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- Populations/services to be included under Integrated CRS contract:

|                    | CRS Services | Acute Care Services | Behavioral Health Services |
|--------------------|--------------|---------------------|----------------------------|
| Acute Care Members | X            | X                   | X                          |
| ALTCS EPD Members  |              |                     |                            |
| ALTCS DDD Members  | X            |                     | X                          |
| CMDP Members       | ?            |                     |                            |

American Indian children will have multiple options





# Major Decisions To Date

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- AHCCCS intends to contract with one statewide Contractor – pending CMS approval  
(See Waiver Amendment Request on AHCCCS website at: [http://www.azahcccs.gov/reporting/Downloads/Integration/CRS\\_WaiverProposal\\_4-18-12.pdf](http://www.azahcccs.gov/reporting/Downloads/Integration/CRS_WaiverProposal_4-18-12.pdf))
- CRS children will have option to remain enrolled with Integrated CRS Contractor after 21<sup>st</sup> birthday
- AHCCCS will be responsible for medical determinations for CRS eligibility
- American Indians will continue to have choice
- Preserve MSIC model and expand provider choice





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# Handout on American Indian CRS Options



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# Triple Crown Timeline

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- July 2012 – Release Maricopa RBHA RFP
- Oct 2012 – Maricopa RBHA Response Due
- Nov 2012 – Release Acute/CRS RFP
- Nov 2012 – Dual Demo/SNP Intent Notice (plans)
- Jan 2013 – Award Maricopa RBHA
- Jan 2013 – Acute/CRS RFP Responses Due
- Feb 2013 – Dual Demo App Due (Plans)
- March 2013 – Acute/CRS Award
- October 2013 – Start Date



# Other Issues

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- Numerous federal efforts around updating and improving quality measures
  - CHIPRA Core – Comprehensive Well Child Core – Adult Core - Dual Eligible – Multiple Chronic Disease – Meaningful Use – CMS Access Measures
- HIT – looking to leverage ARRA investment
  - 643 EP - \$13.5 m – 44 Hospitals - \$54.5 m
  - Challenges with I.H.S & 638 Eligible Providers
- KidsCare II Update





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# Questions????



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