AHCCCS Update
June 15, 2012
Topics to Cover

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

Our first care is your health care
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“Reaching across Arizona to provide comprehensive quality
health care for those in need”
I.H.S/638 Waiver Payment Update
Option 1 To Date

- 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

- 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

<table>
<thead>
<tr>
<th>Month</th>
<th>Decrease</th>
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<tr>
<td>April</td>
<td>9000</td>
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<tr>
<td>May</td>
<td>9500</td>
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<tr>
<td>June</td>
<td>10000</td>
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"Reaching across Arizona to provide comprehensive quality health care for those in need"

Option 1 and Option 2 payments

In Millions

<table>
<thead>
<tr>
<th>Month</th>
<th>Option 2</th>
<th>Option 1</th>
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<tr>
<td>April</td>
<td>1.2</td>
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<td>May</td>
<td>1.1</td>
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<tr>
<td>June</td>
<td>1.0</td>
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Budget Update
State Budget

- 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

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

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

- 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 Timeframes

- 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

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%
- 32,816 39%
Dual Eligible Members

- 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

- **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

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Arizona Dual Eligible Demonstration Proposal

- 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

<table>
<thead>
<tr>
<th>Program Type</th>
<th>Acute Care Service Costs</th>
<th>Long Term Care Service Costs</th>
<th>CRS Service Costs</th>
<th>Total Service Costs</th>
<th>MMs</th>
<th>*Enrollment</th>
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<tbody>
<tr>
<td>Acute</td>
<td>$53,154,900</td>
<td>$46,622,200</td>
<td>$6,656,400</td>
<td>$106,433,500</td>
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<td>DDD</td>
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<td>EPD</td>
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<td>CMDP</td>
<td>$1,302,800</td>
<td>$2,328,300</td>
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<td>Total</td>
<td>$118,890,700</td>
<td>$86,368,600</td>
<td>$13,197,700</td>
<td>$263,660</td>
<td>21,972</td>
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*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

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

<table>
<thead>
<tr>
<th></th>
<th>CRS Services</th>
<th>Acute Care Services</th>
<th>Behavioral Health Services</th>
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<tbody>
<tr>
<td>Acute Care Members</td>
<td>X</td>
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<td>ALTCS EPD Members</td>
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<tr>
<td>CMDP Members</td>
<td>?</td>
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American Indian children will have multiple options
Major Decisions To Date

- AHCCCS intends to contract with one statewide Contractor – pending CMS approval
- CRS children will have option to remain enrolled with Integrated CRS Contractor after 21st 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
Handout on American Indian CRS Options
Triple Crown Timeline

- 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

- 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
Questions????