AHCCCS Update
September 27, 2012

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

- 30 years of Medicaid Innovation – AHCCCS Anniversary

- Health Care Reform – Affordable Care Act
  - Medicaid Decisions
  - Health Insurance Exchange Decisions
  - I.H.S

- Option 1 & 2 payments
Reaching across Arizona to provide comprehensive quality health care for those in need.
What does this mean for Arizona?

It is complicated

- Proposition 204 voter mandate
- Current freeze due to limited resources
- Federal waivers that expire on January 1, 2014 that provided temporary assistance for uncompensated care
- Executive seeking input on important decisions re: Medicaid and Exchange
AHCCCS Coverage Solutions: Current Status of the AHCCCS Program

- Current Waivers that end Jan. 2014:
  - Freeze and coverage for Childless Adults
  - Safety Net Care Pool using local dollars to cover uncompensated hospitals costs ($332 M program - $150 M paid to date).
  - KidsCare II allowing coverage for 22,000 children using local dollars.
  - First-ever funding program to support uncompensated care costs for Indian Health Services and Tribally Operated facilities ($17 M paid to date).
Stakeholder Sessions

Tribal Consultation – ongoing

☐ Tribal Forum – Gila River 10-12 or 10-17

Community Forums

☐ Flagstaff – Phoenix – Yuma – Tucson

Stakeholder discussions

☐ Providers – plans – advocates – business groups - universities
Process and Timeline for Deliberations

- Ongoing: Submit clarifying questions to Federal Government and await further guidance on Federal interpretation of Supreme Court ruling for Medicaid.
- August 2012: Update fiscal estimates on State options.
- July – November 2012: Engage stakeholders and obtain public input.
- October – Submit 1115 waiver – continue Medicaid for Adults without dependent children – available resources
- November – December 2012: Incorporate final decisions into normal policy-making process.
Medicaid Policy Questions

- What is available in resources to restore Proposition 204?
- What flexibility will the federal government provide to the state going forward for this population?
- What match rate will the state receive for Prop 204 – standard or enhanced - $1.5 B difference (4 years)
- What should the state do regarding the adult population between 100-133% - Exchange or Medicaid?
State Match Costs (FY 14-17)
Comparison In Millions

- Current Match: 2500 millions
- Early Expansion (AZ): 750 millions
- Other States: 100 millions

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

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Health Insurance Exchange Timeframes

- September 2012: Essential Benefits decision
- **November 2012**: Submit State’s Intent regarding Exchange to HHS Secretary
- January 2013: HHS Secretary Certifies Exchange
- July 2013: Systems Readiness Testing
- October 2013: Exchange enrollment begins
- January 2014: Exchange coverage begins
- January 2015: Exchange must be self-sustaining through user fees, assessments or other funding sources
Exchange Tax Credits

- Law provides for refundable, advanceable Credits – Tribes can pay premiums
- Up to 133% FPL – 2% of income
- 133-150% FPL – 3-4% of income
- 150-200% FPL – 4-4.63% of income
- 200-250% FPL – 6.3-8.05% of income
- 250-300 FPL – 8.05-9.5%
- 300% + - 9.5%

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Health Insurance Exchange: Funding

- State v. Federal Exchange operation considerations:
  - Customer Support
  - Competition and Choice
  - AHCCCS eligibility determination
  - Start-up Funding
I.H.S & 638 facilities – Exchange Network

- Relationship with commercial plans critical to establishing viable network for American Indians
- Essential Community Providers
- AHCCCS facilitated discussion to identify issues
- See handout
- Next Steps – Model language
Care Coordination Strategies

- Care Management Coordinator
- AHCCCS working with 3 populations with Inpatient stay
- Long Term Care – contacting tribal case manager
- Newborns – contacting moms to coordinate pediatric visit
- Diabetic Patients – connecting member back to I.H.S & 638 system
I.H.S/638 Waiver Payment Update
Option 1 To Date

- **Option 1**
  - 22 facilities selected
  - $15.2 m paid to date
  - If option 2 – facilities paid $13.6 m (April-July)
  - 12 of 22 facilities would have received higher payment with Option 2
Option 2 – To Date

- 25 facilities selected Option 2
- Paid total of $7.7 million April through September
- 10 facilities no selection – if select Option 2 payments to date - $474,000

Note – facilities can change Option Election for 1-1-13 by notifying AHCCCS by 12-15-2012
Decrease in Population applied to Option 2 payment

![Bar chart showing decrease in population from April to September]

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