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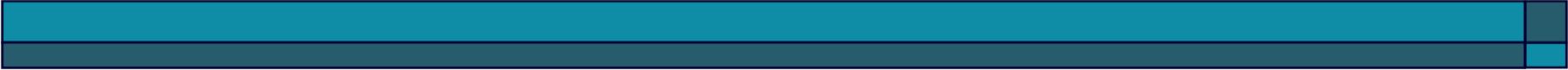
# AHCCCS Update

## September 27, 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”



# AHCCCS Update

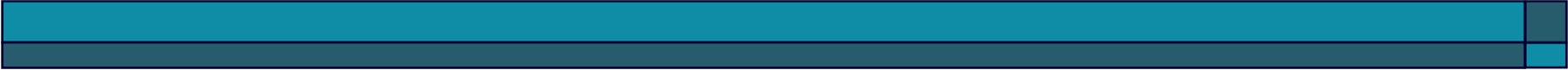
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- 30 years of Medicaid Innovation – AHCCCS Anniversary
  
- Health Care Reform – Affordable Care Act
  - Medicaid Decisions
  - Health Insurance Exchange Decisions
  - I.H.S
  
- Option 1 & 2 payments





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# What does this mean for Arizona?

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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

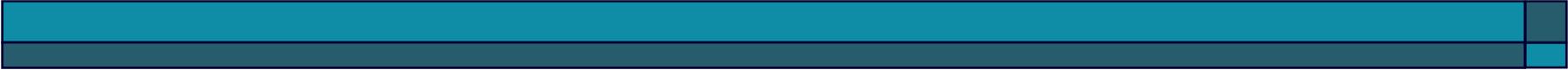


# AHCCCS Coverage Solutions: Current Status of the AHCCCS Program

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- 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

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Tribal Consultation – ongoing

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

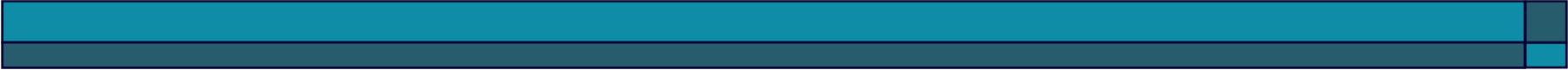
Community Forums

□ Flagstaff – Phoenix – Yuma – Tucson

Stakeholder discussions

□ Providers – plans – advocates – business groups - universities



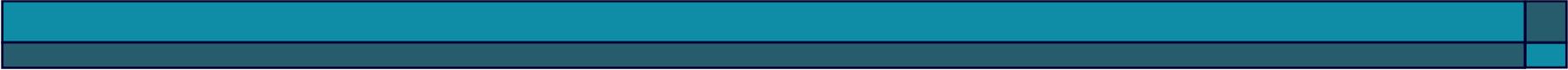


# Process and Timeline for Deliberations

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- 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

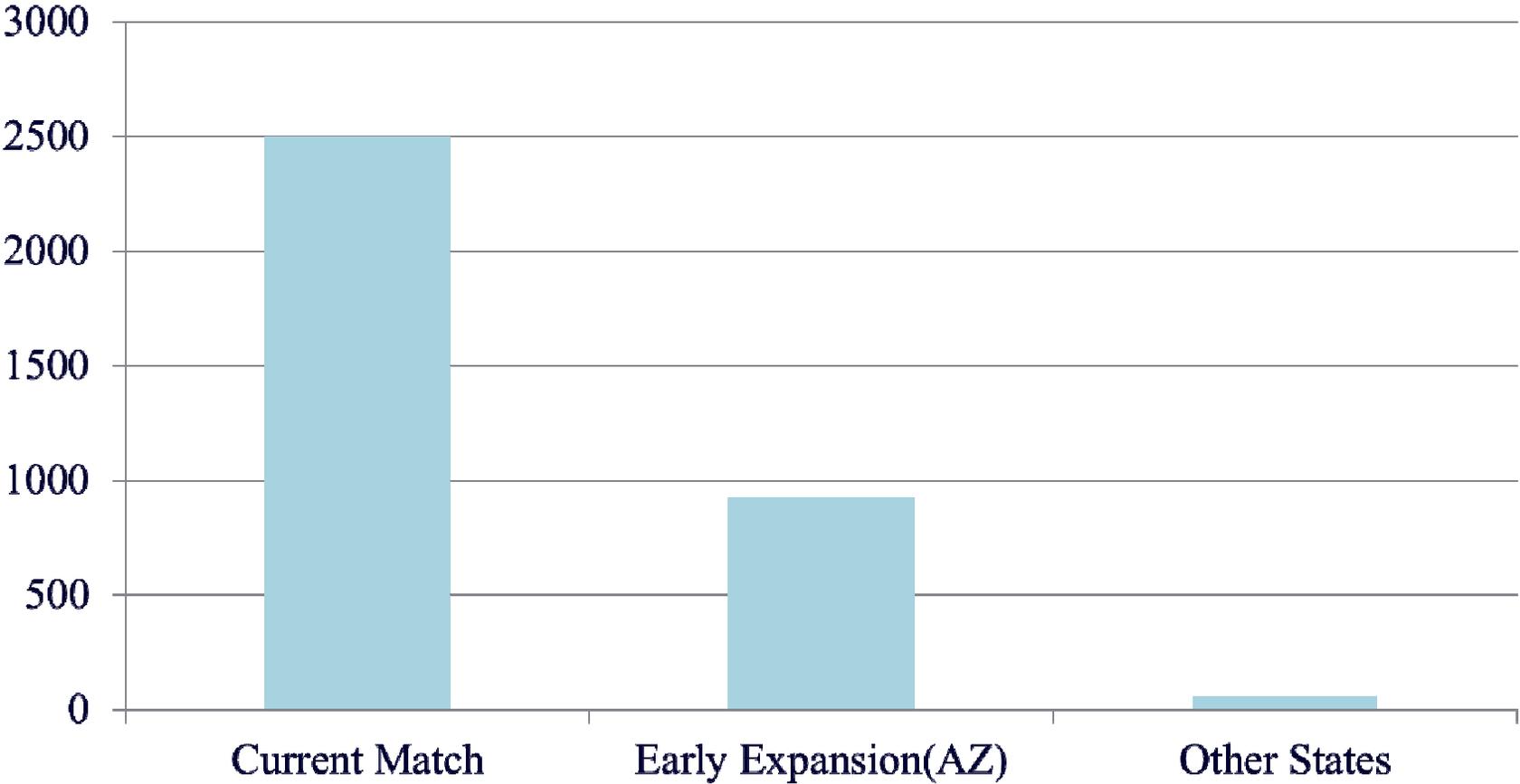
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- ❑ What is available in resources to restore Proposition 204?
- ❑ What flexibility will the federal government provide to the state going forward for this population?
- ❑ What match rate will the state receive for Prop 204 – standard or enhanced - \$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



# Health Insurance Exchange

## Timeframes

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- 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

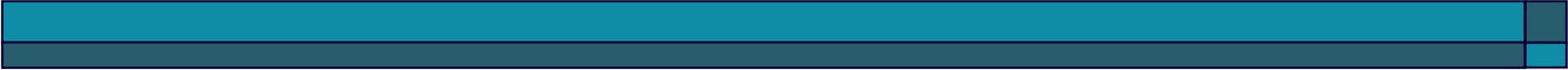


# Exchange Tax Credits

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- ❑ 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%



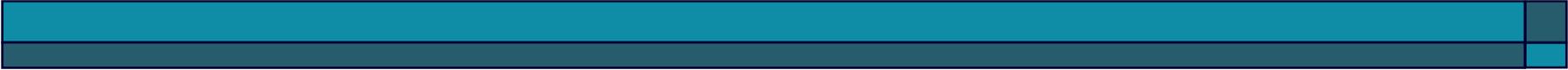


# Health Insurance Exchange: Funding

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- State v. Federal Exchange operation considerations:
  - Customer Support
  - Competition and Choice
  - AHCCCS eligibility determination
  - Start-up Funding



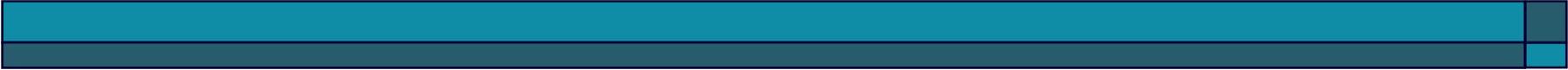


## I.H.S & 638 facilities – Exchange Network

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- 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



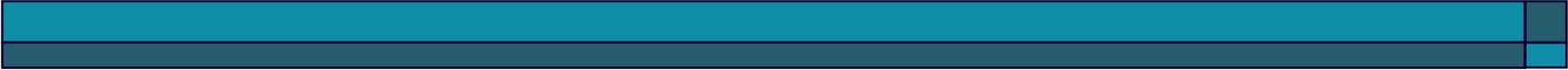


# Care Coordination Strategies

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- ❑ 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





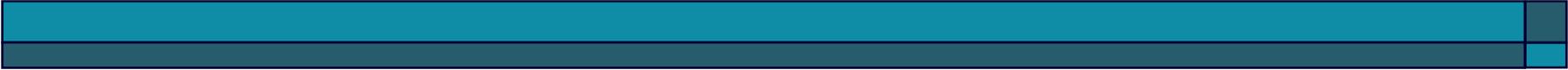
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# I.H.S/638 Waiver Payment Update



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# Option 1 To Date

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- Option 1
  - 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

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- 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

