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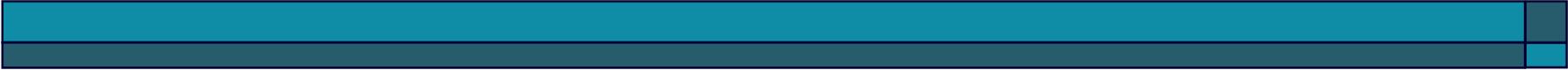
# AHCCCS Update

## February 6, 2013



**30 Years of Medicaid Innovation**  
*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”

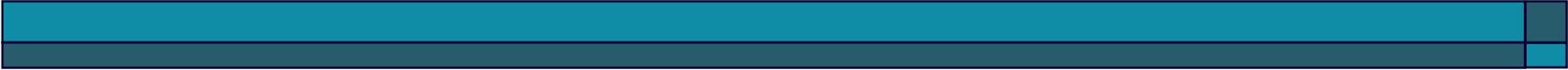


# Health Care Opportunities

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- ❑ AHCCCS Coverage policy decision is most important health policy for legislature in 3 decades
- ❑ Exchange opportunities presents affordable coverage opportunities for American Indians not eligible for AHCCCS
- ❑ Exchange coverage presents a fundamental shift and opportunity for Tribal facilities to leverage commercial payers
- ❑ Care Management Strategies present tremendous opportunity for AHCCCS and Tribal Providers to improve care





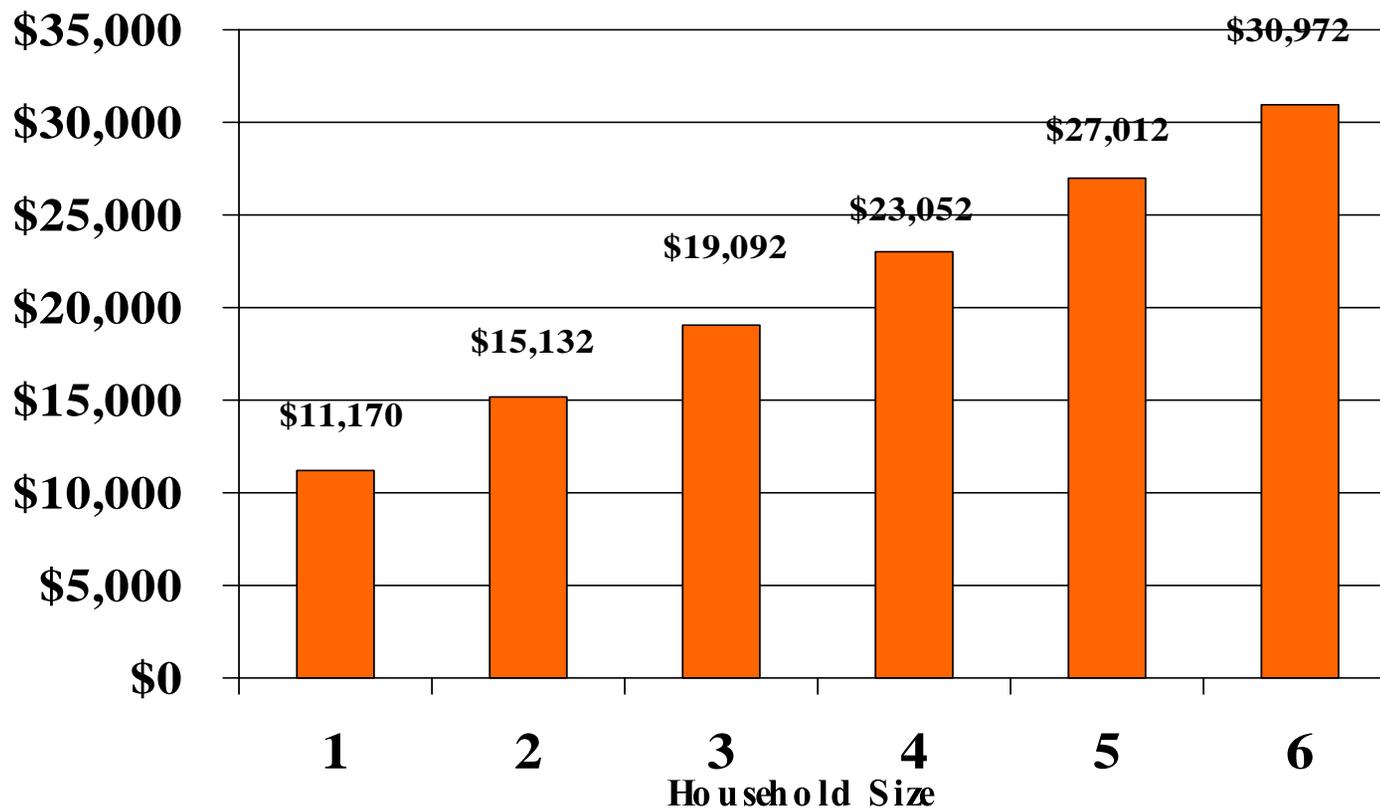
# AHCCCS Today

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- ❑ Largest Insurer in State
- ❑ \$9.0 billion Program and growing
- ❑ Covers over 50% of all births
- ❑ Covers two-thirds of nursing facility days
- ❑ American Indians only population with choice of Fee for Service (AIHP) or health plan
- ❑ 85,000 enrolled in American Indian Health Plan (AIHP)
- ❑ 30,000 American Indians enrolled with Health Plans

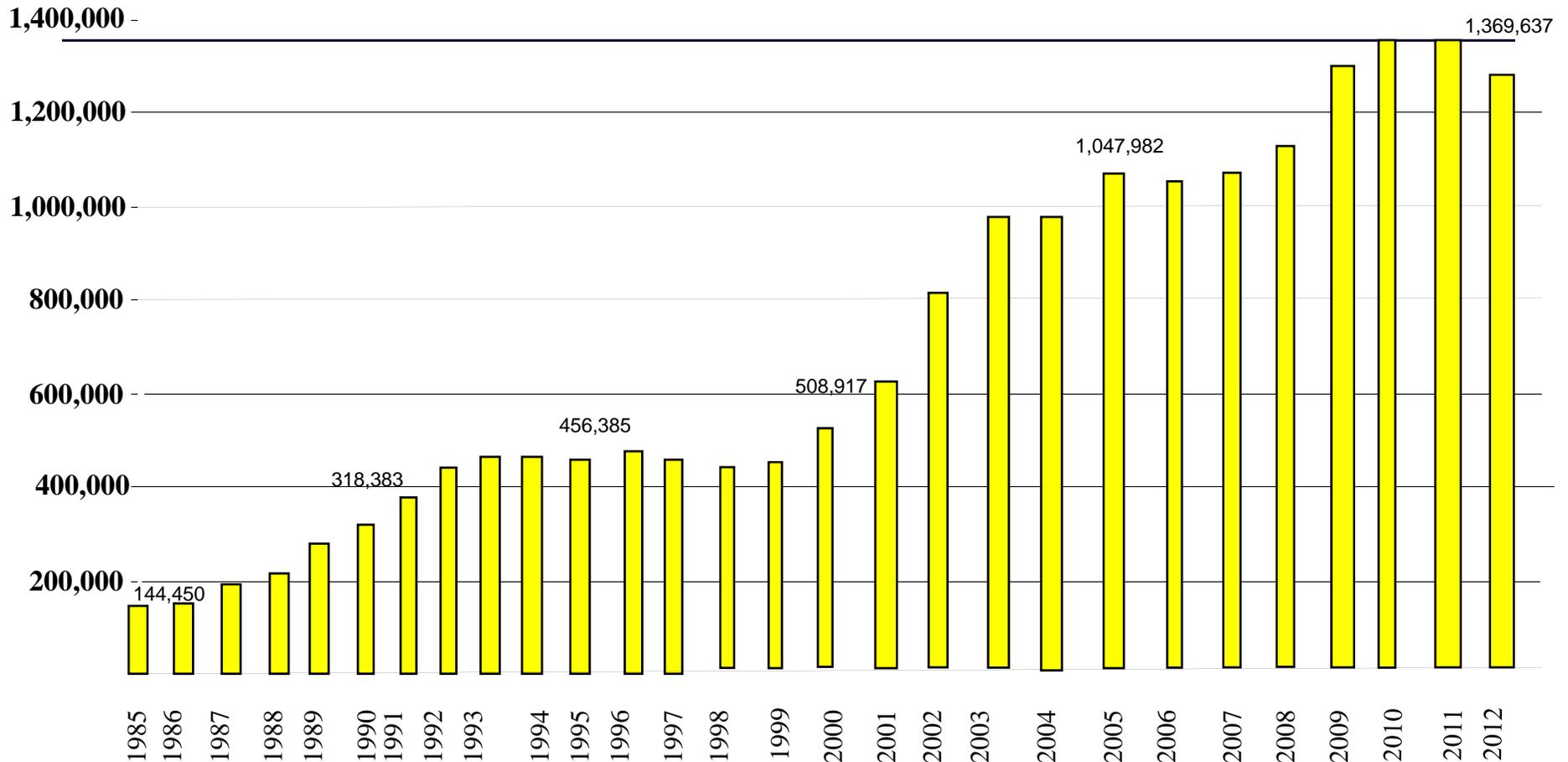


# 100% Federal Poverty Level (2012)



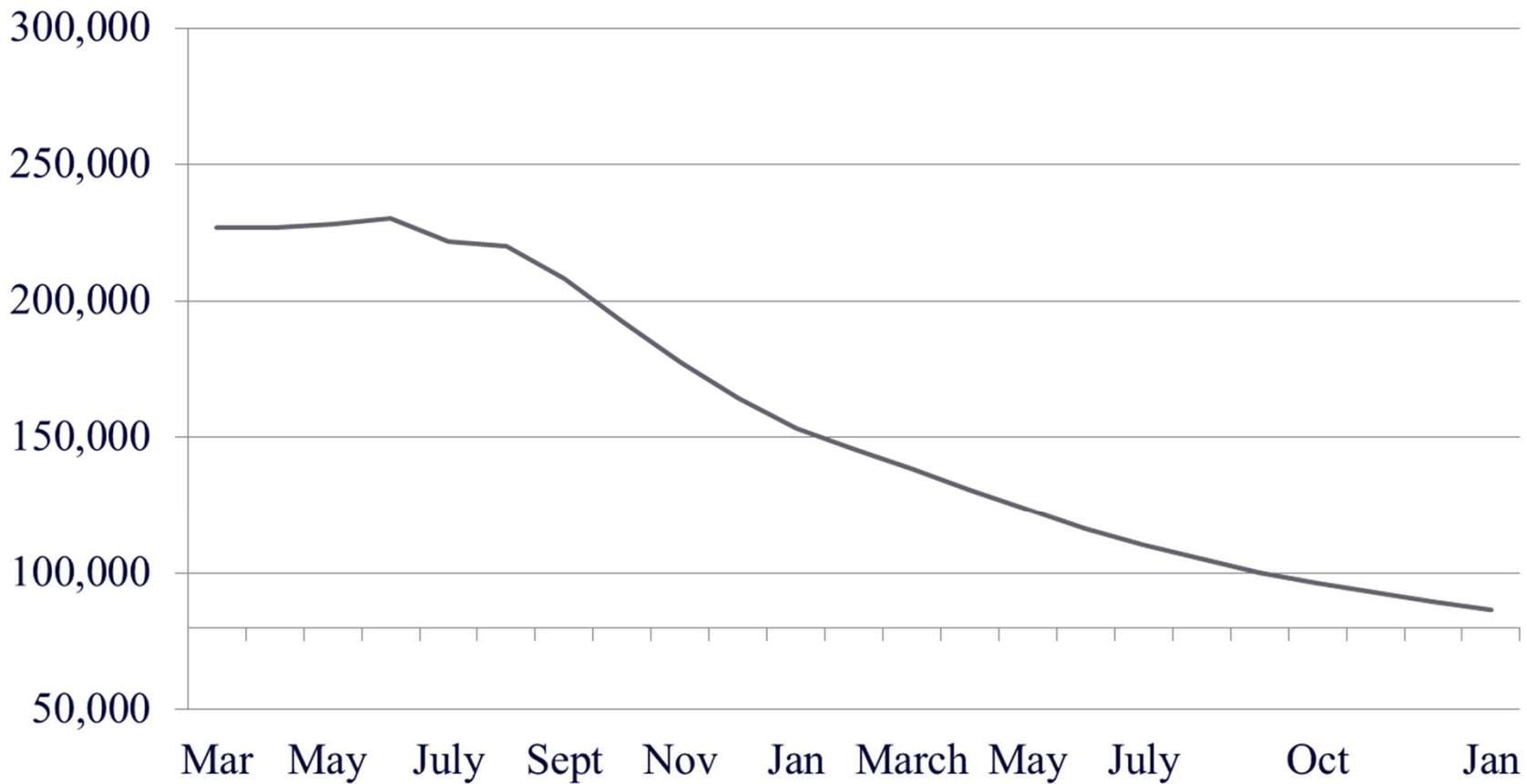
# AHCCCS Population as of July 1, 2012

## 1985 – 2012

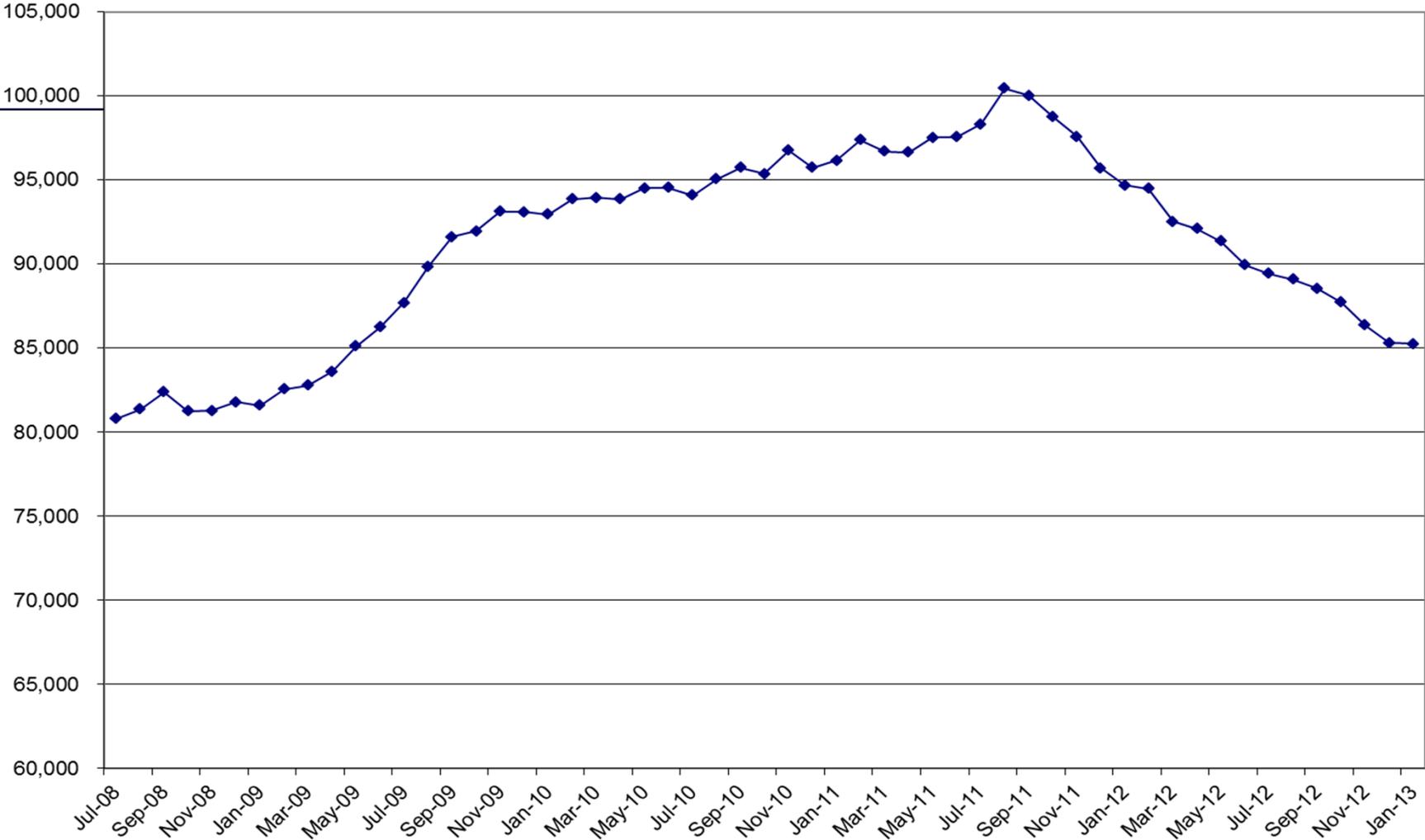


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# Childless Adult Population



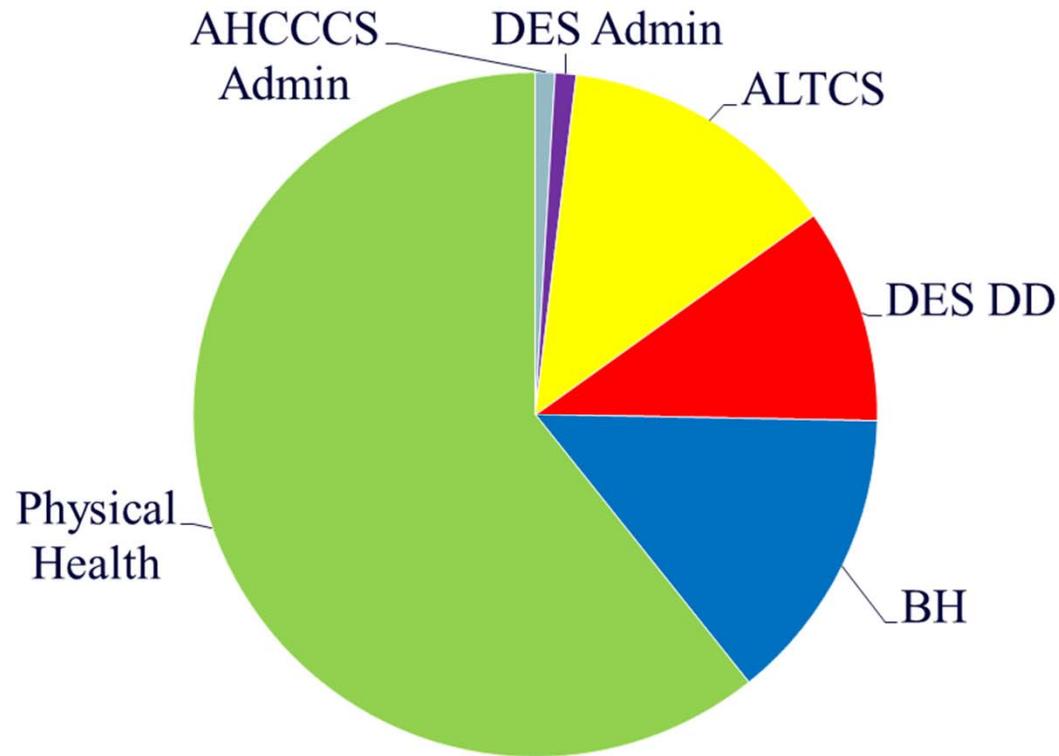
### AHCCCS AIHP Enrollment



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# FY 2013 Spending



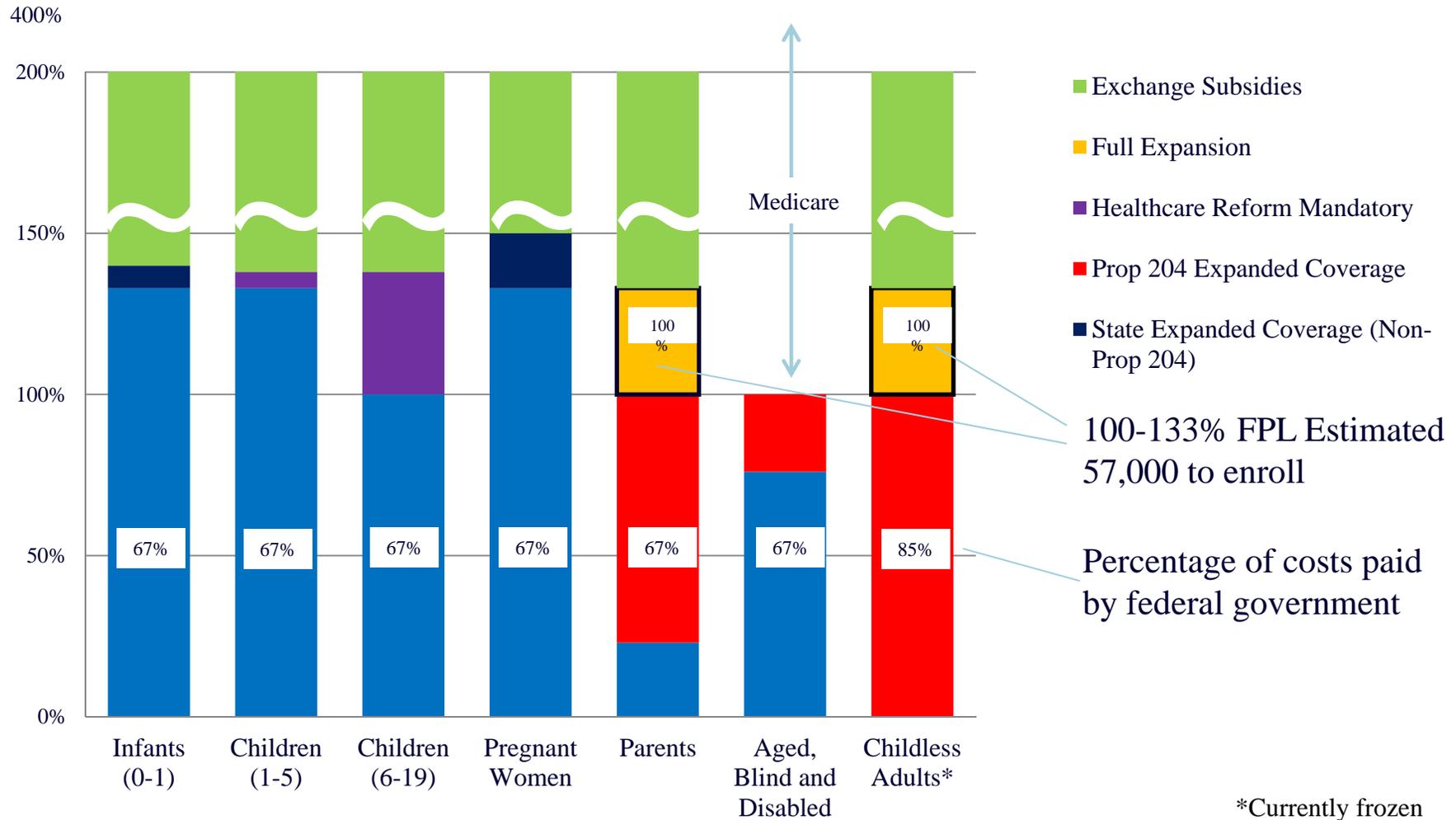
# Waiver Overview

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- ❑ First of its kind nationally
- ❑ Joint effort with Tribes, AHCCCS and CMS
- ❑ Provides significant federal funds (\$100 m) over 21 month period for uncompensated care
- ❑ 23,000 Childless Adults – now less than 7,000
- ❑ Provided I.H.S and 638 facilities with 2 options to receive funding
- ❑ Paid out over \$40 million to date statewide
- ❑ Waiver is set to expire on 1-1-14



# Medicaid and ACA Populations



# Population Fiscal Summary

Population	FPL	Est. #	State Cost	Total
Children 6-18	100-133	44,000	\$33 m	\$124 m
Eligible not enrolled	0-133	137,000	\$225 m	\$656 m
Childless Adult Restoration	0-100	154,000	\$170 m	\$1.4 B
Childless Adult not previously enrolled	0-100	33,600	\$37 m	\$306 m
Optional Parent Expansion	100-133	42,000	\$0	\$289 m
Optional Childless Adult Expansion	100-133	18,000	\$0	\$165 m





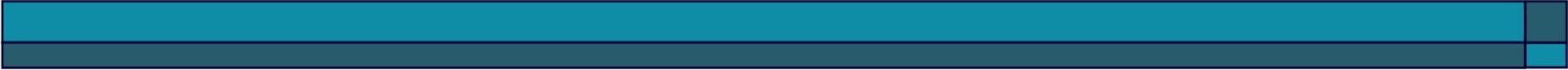
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# Governor's Medicaid Decision



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# AHCCCS Coverage

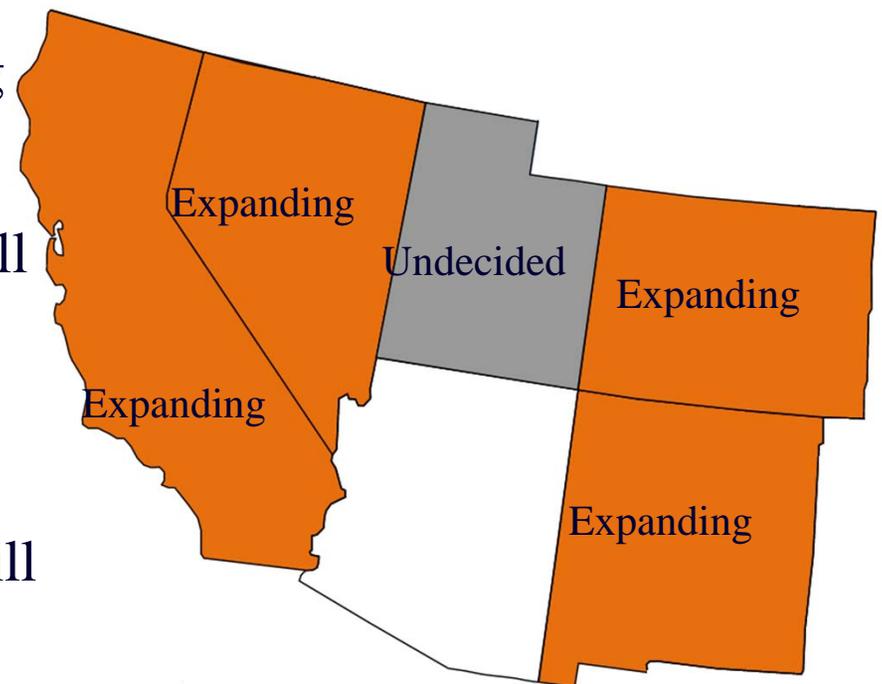
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- In her State of the State Governor Brewer called for the legislature to restore Proposition 204 coverage and provide coverage up to 133%
- This would provide coverage for about 300,000 statewide (about 30,000 American Indians)
- Proposal would provide about \$1.7 billion in federal funds to support healthcare in AZ



# Expanding will Maintain Arizona's Economic Competitiveness

- Almost all of Arizona's neighboring states are expanding
- Not expanding will expose Arizona to uncompensated care costs that will impact the cost and quality of care
- This cost will hurt Arizona in economic competition with other states
- Taxes from non-expanding states will fund Medicaid growth in expanding states creating a wealth shift

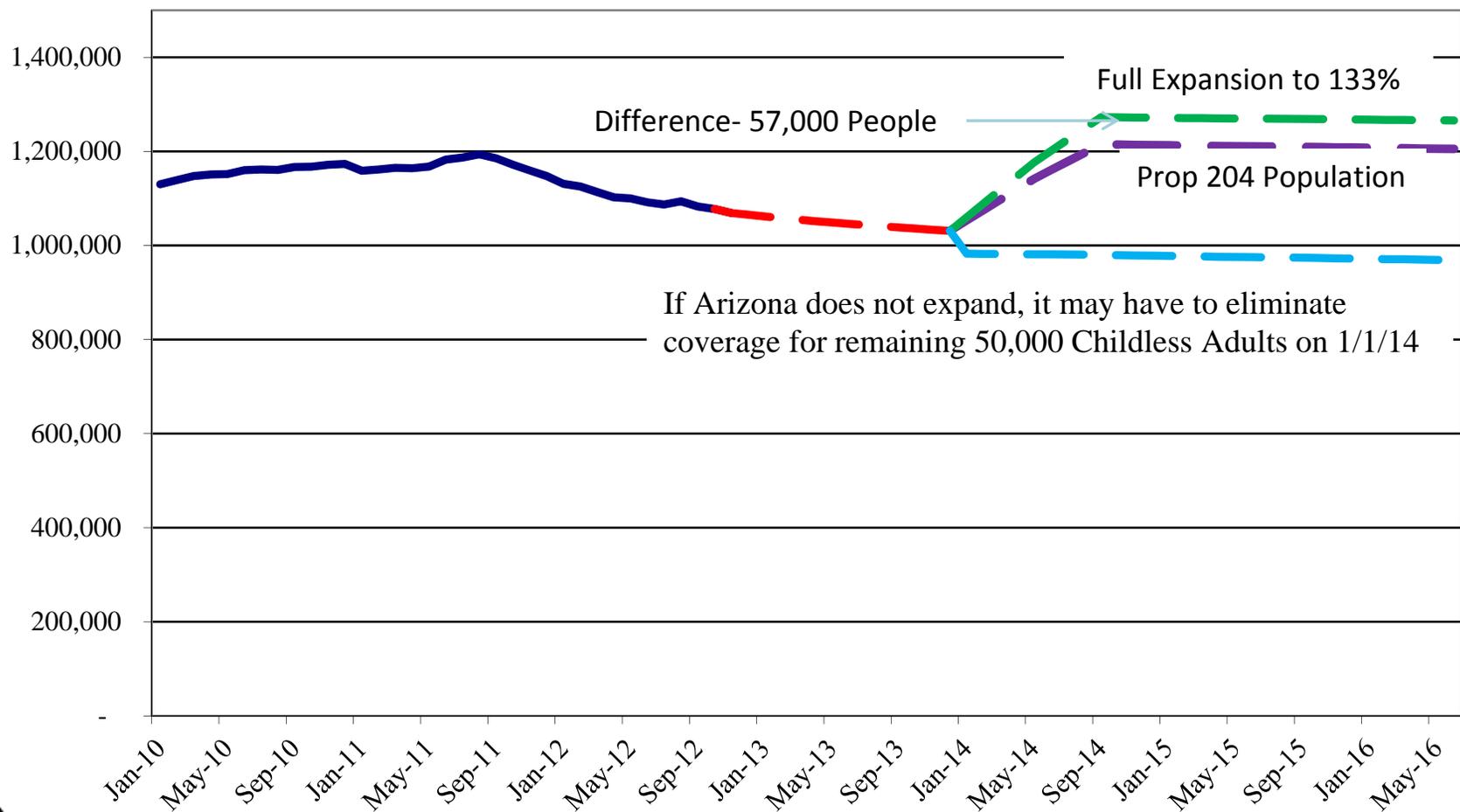


# AHCCCS Prop 204 Restoration and Medicaid Coverage

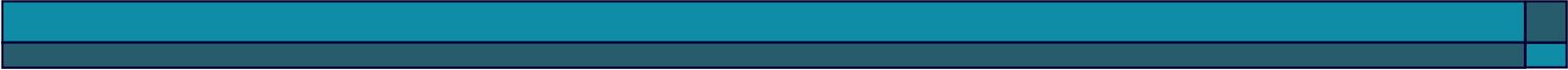
- ***Honor the will of the Voters*** – twice have approved coverage for low income Arizonans – up to 100%
- ***Keeps Arizona Economically competitive*** – Arizona families and businesses have to support uncompensated care – states that expand Medicaid have competitive advantage
- ***Protect rural, safety net and healthcare infrastructure*** - AHCCCS is an integrated system and the impact of a continued freeze will be dramatic on the delivery system all Arizonans enjoy
- ***AHCCCS part of sustainability solution*** – Healthcare financing is a national policy dilemma that requires a federal solution – AHCCCS is nationally recognized system and similar efficiency levels should be achieved elsewhere
- ***Achieve healthier Arizona*** – New England Journal of Medicine found AHCCCS expansion saved lives and coverage also supports lower costs of care for patients



# Relatively Minor Tweak to Populations Already Covered by Arizona Voters



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



# Medicaid Coverage Protections

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- ❑ Circuit Breaker – proposal includes requirement that if federal funding decrease below 80% for childless adults coverage terminates
- ❑ Funding Source – Executive proposal includes hospital assessment to cover state costs associated with Prop 204 – Replace City of Phoenix assessment
- ❑ Pursue payment modernization opportunities





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# Legislative Reaction



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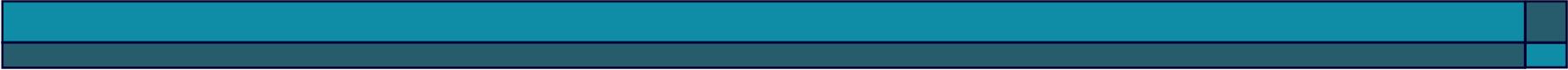
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# Exchange Timeframes

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- September 2012: Essential Benefits decision
- **December 2012: Governor deferred to Federal Exchange – 25 states in this model**
- 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



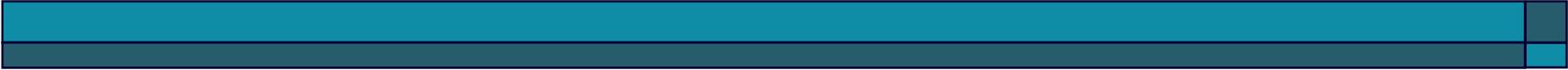


# American Indian Exchange Provisions

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- ❑ American Indians enrolled in Qualified Health Plan below 300 percent FPL will not have to pay any cost sharing
- ❑ There is no cost sharing for services received from I.H.S, tribal facilities or urban clinics
- ❑ Exchanges are to provide special monthly enrollment period for American Indians
- ❑ Tribal members exempt from individual responsibility payment





## Tribal Exchange Issues (Continued)

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- ❑ Exchanges may permit Tribes or Tribal organizations to pay premiums
- ❑ Governor's Office has entered into an agreement with ITCa to provide support with education and consultation discussions
- ❑ State continues to raise issues with regards to Exchange and Medicaid as part of AHCCCS consultations



FPL Level	2009 Single	Premium as Percent of Income	Annual
Up to 133%	\$14,844	2%	\$297
133%	\$14,845	3%	\$445
150%	\$16,742	4%	\$670
200%	\$22,322	6.3%	\$1,406
250%	\$27,902	8.05%	\$2,246
300%	\$33,483	9.5%	\$3,181
350%	\$39,063	9.5%	\$3,711
400%	\$44,644	9.5%	\$4,241



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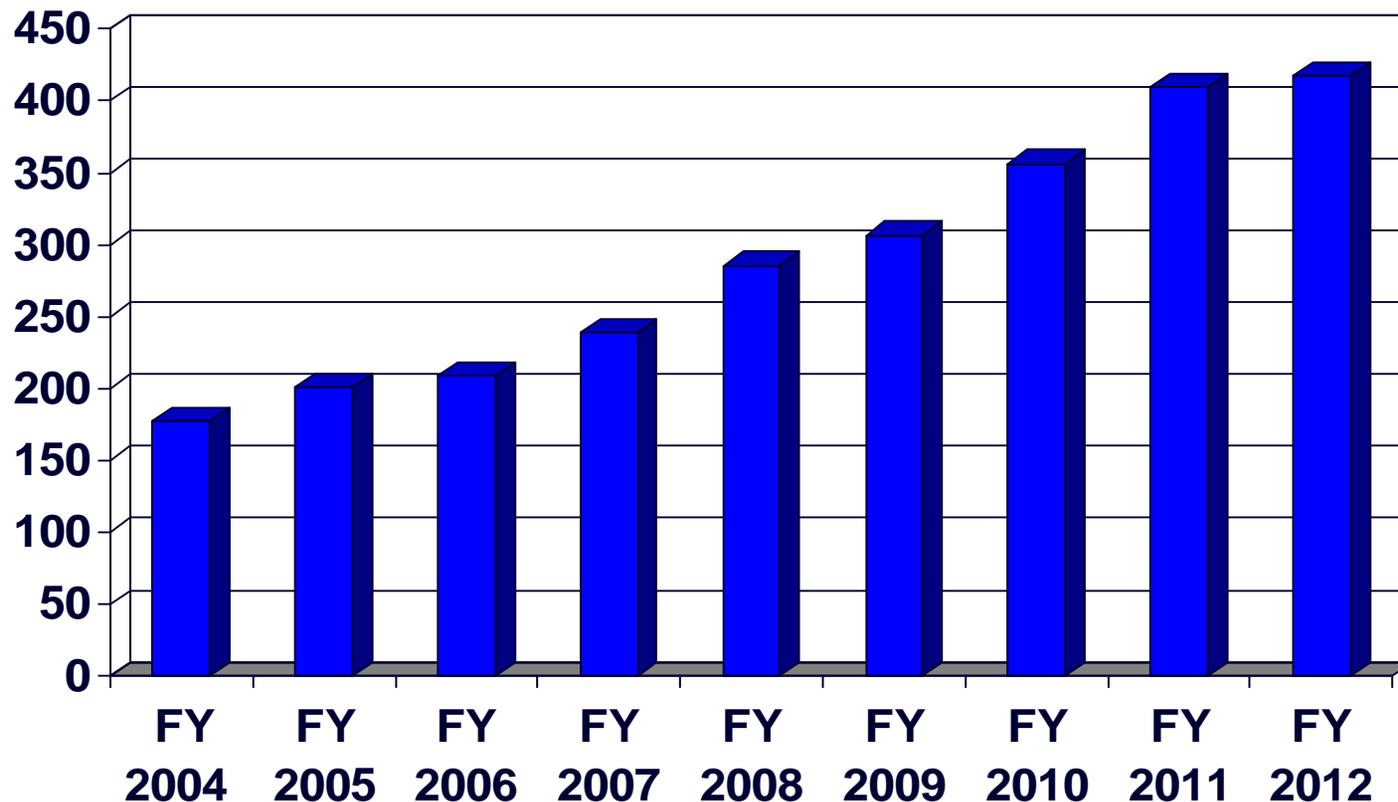
# Other ACA Updates

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- Recent Eligibility Rule released – comments due soon
- Work on Health E-Arizona continues
- Working to determine interface requirements and costs with FFE
- Working with DES on staff and consumer training for post 1-1-14 world
- Working to implement primary care increase



# 100% Federal Indian Health Services & Tribal Facility Payments (In Millions)



# DFSM Care Coordination Strategies

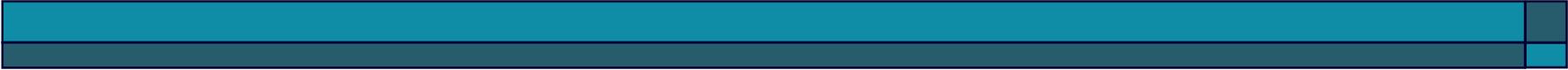
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Care Management Coordinator Goal - *Improve health outcomes by reducing readmissions and increase use of primary care services*

AHCCCS working with 3 populations Post IP stay

- Long Term Care – contacting tribal case manager (1,053 in non I.H.S/638 facility last year)
- Newborns – contacting moms to coordinate pediatric visit (1,213 born in 9 non I.H.S/638 facilities last year)
- Diabetic Patients – connecting member back to I.H.S & 638 system





# Triple Crown Procurements

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October 1, 2013 start date for potentially 5 years

- ❑ Maricopa RBHA – \$5 billion plus
- ❑ Statewide Acute Care – roughly \$33 billion (with expansion)
- ❑ CRS Program - \$1.0 billion





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# See Handout on Bid Submissions



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# RFP Milestone Dates

<b>Activity</b>	<b>Date</b>
<b>RFP Issued</b>	<b>November 1, 2012</b>
<b>Prospective Offerors' Conference and Technical Interface Meeting</b>	<b>November 9, 2012</b>
<b>First Set of Technical Assistance and RFP Questions Due</b>	<b>November 14, 2012</b>
<b>RFP Amendment Including Responses to RFP Questions Issued On or Before</b>	<b>November 27, 2012</b>
<b>Second Set of Technical Assistance and RFP Questions Due</b>	<b>December 10, 2012</b>
<b>Second Amendment Including Responses to RFP Questions Issued On or Before</b>	<b>December 19, 2012</b>
<b>Proposals Due by 3:00 p.m. Arizona time</b>	<b>January 28, 2013</b>
<b>Contracts Awarded On or Before</b>	<b>March 22, 2013</b>
<b>Readiness Reviews Begin On or After</b>	<b>April 1, 2013</b>
<b>New Contracts Effective</b>	<b>October 1, 2013</b>



# Contracts to be Awarded

<b>GSA #</b>	<b>County or Counties</b>	<b>Number of Awards</b>
<b>2</b>	<b>Yuma, La Paz</b>	<b>Maximum of 2</b>
<b>4</b>	<b>Apache, Coconino, Mohave, and Navajo</b>	<b>Maximum of 2</b>
<b>6</b>	<b>Yavapai</b>	<b>Maximum of 2</b>
<b>8</b>	<b>Gila, Pinal</b>	<b>Maximum of 2</b>
<b>10</b>	<b>Pima, Santa Cruz*</b>	<b>Maximum of 5</b>
<b>12</b>	<b>Maricopa</b>	<b>Maximum of 7</b>
<b>14</b>	<b>Graham, Greenlee, Cochise</b>	<b>Maximum of 2</b>

\*Two contracts will be awarded in Santa Cruz County from the five Pima contract awardees.

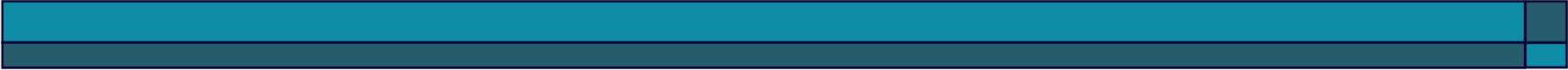


# AHCCCS Payment Modernization

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- Plan Integration –
- ALTCS Shared Savings Proposals
- Acute Plans – Shared Savings RFP Requirements
- Inpatient APR DRG
- Start seeking more stakeholder input
- Asked specific questions as part of RFP on payment strategies





# Other Issues

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- NF Assessment – In progress
- HIT payment – Exceed \$100 m to date
- KidsCare II > 25,000
- State Trainings
  - 7 State Training through NAMD – another session early summer
    - Maine – NE – NM – DC – Utah – IN - VI
  - California – CMS –
  - SC – PN – FL - AL



