AHCCCS Update
February 6, 2013
Health Care Opportunities

- AHCCCS Coverage policy decision is most important health policy for legislature in 3 decades
- Exchange opportunities present 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

- 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)

- $11,170 for 1 person
- $15,132 for 2 persons
- $19,092 for 3 persons
- $23,052 for 4 persons
- $27,012 for 5 persons
- $30,972 for 6 persons

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Arizona Health Care Cost Containment System

"Reaching across Arizona to provide comprehensive quality health care for those in need"
AHCCCS Population as of July 1, 2012
1985 – 2012

1,400,000 -
1,200,000 -
1,000,000 -
800,000 -
600,000 -
400,000 -
200,000 -


144,450 318,383 456,385 508,917 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,047,982 1,369,637

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FY 2013 Spending

- AHCCCS Admin
- DES Admin
- ALTCS
- DES DD
- BH
- Physical Health

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Waiver Overview

- 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

- Infants (0-1)
- Children (1-5)
- Children (6-19)
- Pregnant Women
- Parents
- Aged, Blind and Disabled
- Childless Adults*

- Exchange Subsidies
- Full Expansion
- Healthcare Reform Mandatory
- Prop 204 Expanded Coverage
- State Expanded Coverage (Non-Prop 204)

100-133% FPL Estimated 57,000 to enroll
Percentage of costs paid by federal government

*Currently frozen
## Population Fiscal Summary

<table>
<thead>
<tr>
<th>Population</th>
<th>FPL</th>
<th>Est. #</th>
<th>State Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children 6-18</td>
<td>100-133</td>
<td>44,000</td>
<td>$33 m</td>
<td>$124 m</td>
</tr>
<tr>
<td>Eligible not enrolled</td>
<td>0-133</td>
<td>137,000</td>
<td>$225 m</td>
<td>$656 m</td>
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<tr>
<td>Childless Adult Restoration</td>
<td>0-100</td>
<td>154,000</td>
<td>$170 m</td>
<td>$1.4 B</td>
</tr>
<tr>
<td>Childless Adult not previously enrolled</td>
<td>0-100</td>
<td>33,600</td>
<td>$37 m</td>
<td>$306 m</td>
</tr>
<tr>
<td>Optional Parent Expansion</td>
<td>100-133</td>
<td>42,000</td>
<td>$0</td>
<td>$289 m</td>
</tr>
<tr>
<td>Optional Childless Adult Expansion</td>
<td>100-133</td>
<td>18,000</td>
<td>$0</td>
<td>$165 m</td>
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</tbody>
</table>
Governor’s Medicaid Decision

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AHCCCS Coverage

- 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
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

If Arizona does not expand, it may have to eliminate coverage for remaining 50,000 Childless Adults on 1/1/14

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Medicaid Coverage Protections

- 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
Legislative Reaction
Exchange Timeframes

- 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

- 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)

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

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

- 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)

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DFSM Care Coordination Strategies

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

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
See Handout on Bid Submissions
RFP Milestone Dates

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

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

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

- 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

- 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
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