

Thank you for attending the Tribal Consultation meeting held at the AHCCCS offices on September 19, 2013. We greatly appreciated seeing so many tribal leaders and representatives. At that meeting, we discussed many critical issues, including the current waiver authority that allows AHCCCS to make supplemental payments to IHS and tribally operated 638 facilities, which expires at the end of this calendar year. The handout that was provided is attached in the Word document.

Because of the important concerns you raised, AHCCCS has agreed to:

1. **Seek Authority to Continue Childless Adult Coverage Payments as a Contingency if Legal Challenges Halt or Delay Implementation of Childless Adult Restoration or Expansion.**

This would allow AHCCCS to continue the waiver payments if the lawsuit filed by the Goldwater Institute, or any other challenge that would halt implementation of restoration and expansion, is successful. The majority of the payments made under this special waiver authority related to the childless adult enrollment freeze. With the Governor's Plan signed into law and moving forward, these adults will now be eligible for AHCCCS coverage beginning January 1, 2014. However, we understand the concern related to legal challenges. While we do not want to give credence to these challenges, we want to plan in the event these challenges halt implementation of restoration and expansion.

Currently, the authority for the State to make payments related to childless adults coverage resides in the following language – Costs Not Otherwise Matchable (CNOM), Paragraph #22 – that expires December 31, 2013.

**22. Expenditures for payments to participating IHS and tribal facilities reflecting uncompensated care, limited to categories of care that were previously covered under the State Medicaid Plan, furnished in or by such facilities to Medicaid-eligible individuals, and other individuals, with family income at or below 100 percent of the FPL.**

The agency would ask that this provision no longer be set to expire December 31 and would propose to make the following change to that language:

**22. Expenditures for payments to participating IHS and tribal facilities reflecting uncompensated care, limited to: (1) categories of care that were previously covered under the State Medicaid plan, furnished in or by such facilities to Medicaid-eligible individuals; and (2) services provided to individuals that would have been eligible in the new adult category should legal or other challenges halt or delay implementation of restoration of childless adult coverage and expansion to new adults.**

The agency will also have to make corresponding changes to **Attachment K: IHS and 638 Facilities Uncompensated Care Payment Methodologies**. This is the claiming protocol for this waiver. Attachment K would be amended to reflect that claiming for care provided to childless adults and new adults would only be compensated if implementation of restoration and expansion is halted or delayed and that payments will ***only be made under Option 2.***

2. **Continue Benefits Payments.**

AHCCCS has agreed to submit a request to continue making payments related to benefits. No language needs to change to the paragraph 22 cited above. Only changes to Attachment K would need to be made to reflect that benefits payments will ***only be made under Option 2.***

To address your requests regarding how Option 2 would be applied going forward into 2014, the attached updated spreadsheet summarizes projections that have been put together by AHCCCS for uncompensated benefits as was discussed in Tribal Consultation this week. The model takes the number of American Indian adults currently enrolled in the AHCCCS program (currently 53,080) and multiplies this times the per member per month (PM/PM) amount associated with the benefits that were eliminated by AHCCCS back in 2010. The enrollment number will be updated quarterly. For example, the model also includes an estimate of what would be paid on a monthly basis if 30,000 American Indians were added to the program as a result of restoration and expansion. These monthly amounts are then allocated by IHS and 638 facilities based on the percentage of payments received in FY State Fiscal Year 2012 for services provided to American Indian adults enrolled in AHCCCS.

As can be seen in the spreadsheet, the initial projection is that roughly \$742,000 will be paid *monthly* but if the population grows by 30,000, this *monthly* payment would grow to **\$1.162 million**.

Please review and send your comments to me by the end of this week as the agency needs to submit something to CMS for their review by the end of this week.

Thank you