AHCCCS Update
AHCCCS Care Delivery System

Behavioral Health
(BH services for acute care members carved out service)
- ADHS/DBHS
  - Mercy Maricopa Integrated *
  - CPSA
  - NARBHA
  - Cenpatico
  - TRBHA IGA
  - Colorado River
  - Gila River
  - Navajo Nation
  - Pascua Yaqui
  - White Mtn Apache Tribe

Arizona Long Term Care System
(ALTCS – E/PD and DD (acute, behavioral health, long term care services))
- Mercy Care
  - Bridgeway
- United Healthcare Community Plan
  - ADES/DDD subcontract for acute (private) and BH (DBHS) services
  - Tribal IGA’s for Case Management

Acute Care
(acute services only)
- Mercy Care Plan
- United Healthcare Community Plan
  - Care 1st
  - Health Choice
  - UFC
  - Maricopa
  - Phoenix Health Plan
  - Health Net
  - Dept. of Child Safety (DCS)/CMRP (foster care, carved out population)

Fee for Service System
(AHCCCS Administered)
- AIHP
- FES

* Mercy Maricopa is fully integrated for acute and BH services for SMI effective 4/1/2014

Reaching across Arizona to provide comprehensive quality health care for those in need
## Medicaid Restoration

<table>
<thead>
<tr>
<th></th>
<th>12/1/2013</th>
<th>1/1/2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prop 204 Restoration</td>
<td>67,770</td>
<td>279,097</td>
<td>211,327</td>
</tr>
<tr>
<td>Adult Expansion</td>
<td>0</td>
<td>36,373</td>
<td>36,373</td>
</tr>
<tr>
<td>KidsCare</td>
<td>46,761</td>
<td>1,872</td>
<td>-44,889</td>
</tr>
<tr>
<td>Family Planning</td>
<td>5,105</td>
<td>0</td>
<td>-5,105</td>
</tr>
<tr>
<td>AHCCCS for Families &amp; Children (1931)</td>
<td>672,135</td>
<td>699,674</td>
<td>27,539</td>
</tr>
<tr>
<td>All Other</td>
<td>505,379</td>
<td>618,523</td>
<td>113,144</td>
</tr>
<tr>
<td>Total Enrollment</td>
<td>1,297,150</td>
<td>1,635,539</td>
<td>338,389</td>
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</tbody>
</table>
AHCCCS Enrollment Growth

Reaching across Arizona to provide comprehensive quality health care for those in need
Reaching across Arizona to provide comprehensive quality health care for those in need.
AIHP Childless Adult Population

Reach across Arizona to provide comprehensive quality health care for those in need.

Actual 07/13 Forecast 07/14 Forecast
AIHP Population

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

Renewal Received (Recipients)

Reaching across Arizona to provide comprehensive quality health care for those in need
Reaching across Arizona to provide comprehensive quality health care for those in need
Total FFM Approvals for AHCCCS

Reaching across Arizona to provide comprehensive quality health care for those in need
FY 15 & FY 16 Executive Budget

• How big is the problem?
  o FY 15 - $160 m
  o FY 16 - $533.7 m

• AHCCCS Recommendation
  o 3% Provider Rate Reduction – in FY 15
  o All Inclusive Rate is exempt
  o DD Provider rates exempt
  o Flexibility for AHCCCS in analysis
  o DSH Changes
  o Some funding included for ALTCS Dental
AHCCCS Budget Rec

- Governor’s Initiative for Administrative Simplification with BHS and AHCCCS fully effective July 1, 2016
- Current Structure is redundant – AHCCCS oversees BHS
- No services are cut and no change in how services are delivered
- All existing contracts (and new awards) remain in place – moves existing RBHA contracts to AHCCCS for oversight
- This transition will be seamless to those who need services and the family members that support them
- We will be thoughtful in transition and work to bring the best of both organizations together
- We will be reaching out to stakeholders for input as part of transparent process
## FY 2015 State Ongoing GF Expenditures

<table>
<thead>
<tr>
<th>Budget Unit</th>
<th>(Millions)</th>
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<tbody>
<tr>
<td>Education (K-12)</td>
<td>$3,808.4</td>
</tr>
<tr>
<td>Medicaid</td>
<td>2,026.5</td>
</tr>
<tr>
<td>Universities</td>
<td>733.8</td>
</tr>
<tr>
<td>Child Safety</td>
<td>361.0</td>
</tr>
<tr>
<td>Prisons</td>
<td>996.8</td>
</tr>
<tr>
<td>Debt Service</td>
<td>342.0</td>
</tr>
<tr>
<td>Other</td>
<td>1,002.9</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>9,271.4</strong></td>
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</tbody>
</table>

![Pie chart showing expenditures](chart.png)

- **Education** 41%
- **Medicaid** 22%
- **Universities** 8%
- **Corrections** 11%
- **Child Safety** 4%
- **Debt Service** 3%
- **Other** 11%

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[Source: Arizona Health Care Cost Containment System (AHCCCS)]
FY 2016 Funding Distribution

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

- Federal: 74%
- General Fund: 16%
- County: 3%
- GF-PIT: 2%
- Tobacco: 2%
- Assessments: 2%
- Drug Rebate: 1%
AHCCCS Total Spending

Reaching across Arizona to provide comprehensive quality health care for those in need
## Impact of Enhanced Match (Millions)

<table>
<thead>
<tr>
<th>Funding Source for Adults 0-100%</th>
<th>FY 16 Current Law – 90% match</th>
<th>FY 16 – Traditional Match</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tobacco Funds</td>
<td>156.4</td>
<td>156.4</td>
</tr>
<tr>
<td>Hospital Assessment</td>
<td>245.9</td>
<td>0.0</td>
</tr>
<tr>
<td>General Fund</td>
<td>114.3</td>
<td>746.8</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>2,630.6</td>
<td>2,244.1</td>
</tr>
<tr>
<td>Total Funds</td>
<td>3,147.3</td>
<td>3,147.3</td>
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</table>

Reaching across Arizona to provide comprehensive quality health care for those in need.
Reaching across Arizona to provide comprehensive quality health care for those in need
ED Utilization: % of TotalPaid Amount

Reaching across Arizona to provide comprehensive quality health care for those in need
Growth in National Health Expenditures and Gross Domestic Product (GDP), 1985-2013

AHCCCS Staffing Levels

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

AHCCCS Employees (930) Retirement Eligibles

<table>
<thead>
<tr>
<th>OOD</th>
<th>HRD</th>
<th>OIG</th>
<th>DHCM</th>
<th>ISD</th>
<th>DBF</th>
<th>DFSM</th>
<th>OALS</th>
<th>DMS</th>
<th>AGENCY TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CYE 2015</td>
<td>11.4%</td>
<td>7.7%</td>
<td>11.5%</td>
<td>11.1%</td>
<td>13.9%</td>
<td>22.8%</td>
<td>12.3%</td>
<td>21.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td>CYE 2018</td>
<td>14.3%</td>
<td>23.1%</td>
<td>21.3%</td>
<td>17.3%</td>
<td>30.4%</td>
<td>40.4%</td>
<td>21.9%</td>
<td>30.4%</td>
<td>23.3%</td>
</tr>
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</table>

Reaching across Arizona to provide comprehensive quality health care for those in need
Delivery System Transformation Initiatives

1. Members with Serious Mental Illness
2. High Need High Cost - Super Utilizers
3. Dual Eligible Members
4. American Indian Health Program
5. Justice System Transitions
6. Health Information Technology
7. Blind Spot Data Sharing
8. Children with Special Needs

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Other Items

- Hospital Assessment
- Greater AZ RBHA
- NDC Data on I.H.S/638 Claims
- PCP Rate Bump – expiration 12-31-14
- SIM Update - $2.5 m Design
- Marketplace Changes – UAHN/Banner – Care 1st/California Blue Shield
- CMS Staffing Changes
AHCCCS Procurements

- 10-1-15 Greater AZ RBHA Transition
- 10-1-16 DD Acute Contracts
- 10-1-17 ALTCS Contracts
- 10-1-18 Acute Care
- 10-1-? RBHA

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