Federal Reform Discussions

Reaching across Arizona to provide comprehensive quality health care for those in need
Current Status of Medicaid Expansion Decisions

NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.


Reaching across Arizona to provide comprehensive quality health care for those in need
### AHCCCS by the numbers

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>400,000 Expansion Adults</td>
<td>400,000</td>
</tr>
<tr>
<td>82,000 MH Service</td>
<td>82,000</td>
</tr>
<tr>
<td>47,000 Substance Use Disorder</td>
<td>47,000</td>
</tr>
<tr>
<td>26,700 Cancer Treatment</td>
<td>26,700</td>
</tr>
<tr>
<td>11,563 Individuals with SMI</td>
<td>11,563</td>
</tr>
<tr>
<td>31% each 20-29 years old - &gt;50</td>
<td>31%</td>
</tr>
<tr>
<td>17.3% to 11.1% Uninsured rate</td>
<td>17.3% to 11.1%</td>
</tr>
</tbody>
</table>

Reaching across Arizona to provide comprehensive quality health care for those in need.
Age Distribution of ACA members

Reaching across Arizona to provide comprehensive quality health care for those in need
## AHCA Impact Snapshot

<table>
<thead>
<tr>
<th></th>
<th>FY 18</th>
<th>FY 19</th>
<th>FY 20</th>
<th>FY 21</th>
<th>FY 22</th>
<th>FY 23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freeze coverage losses (June)</td>
<td></td>
<td></td>
<td>134,000</td>
<td>274,000</td>
<td>319,000</td>
<td>383,000</td>
</tr>
<tr>
<td>Decrease in Healthcare spending with Freeze</td>
<td></td>
<td></td>
<td>$118 m</td>
<td>$1.5 B</td>
<td>$2.0 B</td>
<td>$2.5 B</td>
</tr>
<tr>
<td>New State Costs + Restore Freeze at 100%</td>
<td>$30 m</td>
<td>$92 m</td>
<td>$148 m</td>
<td>$319 m</td>
<td>$408 m</td>
<td>$478 m</td>
</tr>
<tr>
<td>State Costs Patient State Stability Fund</td>
<td></td>
<td></td>
<td>$9.8 m</td>
<td>$29.4 m</td>
<td>$49 m</td>
<td>$68.6 m</td>
</tr>
</tbody>
</table>

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

Reaching across Arizona to provide comprehensive quality health care for those in need
Marketplace Insurers 2014-2017

2016

<table>
<thead>
<tr>
<th>Counties</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apache</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Cochise</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Coconino</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Gila</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Graham</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Greenlee</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>La Paz</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Maricopa</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>Mohave</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Navajo</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Pima</td>
<td>8</td>
<td>9</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Pinal</td>
<td>7</td>
<td>8</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Santa Cruz</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Yavapai</td>
<td>7</td>
<td>7</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Yuma</td>
<td>6</td>
<td>7</td>
<td>2</td>
<td>1</td>
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</tbody>
</table>
Secretary Tom Price & Administrator Seema Verma’s Letter to Governors

“We commit to ushering in a new era for the federal and state Medicaid partnership where states have more freedom to design programs that meet the spectrum of diverse needs of their Medicaid population.”

Examples of Flexibility – McCarthy Letter

1. Freeze or cap certain eligibility group—ability to eliminate TMA
2. States should not have to cover all FDA approved drugs
3. Change FQHC reimbursements and statutes
4. Eliminate NEMT for certain populations
5. Increased cost sharing flexibility
6. Eliminate comparability and state-wideness
7. Eliminate Essential Health Benefits requirement
8. Allow more frequent eligibility redeterminations
9. Eliminate and reduce CMS regulatory burden
10. 1115 path to permanency
Percentage Change in Federal Funding (2008-2014)
Medicaid Portion of General Fund

Reaching across Arizona to provide comprehensive quality health care for those in need
Integration – System Design Matters

CURRENT CONFIGURATION

PROVIDERS

Health Plan (physical health)

ADHS/DBHS (behavioral health)

RBHA

STREAMLINED CONFIGURATION

PROVIDERS

Health Plan/RBHA (physical & behavioral health)

AHCCCS

Reaching across Arizona to provide comprehensive quality health care for those in need
## GAO - Conditions of Members (%)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Asthma</th>
<th>Diabetes</th>
<th>HIV/AIDS</th>
<th>MH</th>
<th>SUD</th>
<th>Delivery</th>
<th>LTC</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asthma</td>
<td>24.5</td>
<td>3.9</td>
<td>65.1</td>
<td>29.1</td>
<td>6.5</td>
<td>7.3</td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Diabetes</td>
<td>18.5</td>
<td>2.6</td>
<td>52.4</td>
<td>23.9</td>
<td>3.1</td>
<td>12.7</td>
<td>29.7</td>
<td></td>
</tr>
<tr>
<td>HIV/AIDS</td>
<td>17.9</td>
<td>15.6</td>
<td>48.1</td>
<td>39.4</td>
<td>2.1</td>
<td>7.2</td>
<td>29</td>
<td></td>
</tr>
<tr>
<td>MH</td>
<td>17.6</td>
<td>18.7</td>
<td>2.8</td>
<td>26.7</td>
<td>4.0</td>
<td>11.9</td>
<td>42.9</td>
<td></td>
</tr>
<tr>
<td>SUD</td>
<td>20.8</td>
<td>22.6</td>
<td>6.0</td>
<td>70.8</td>
<td>4.5</td>
<td>10.2</td>
<td>15.6</td>
<td></td>
</tr>
<tr>
<td>Delivery</td>
<td>9.3</td>
<td>5.9</td>
<td>0.7</td>
<td>21.3</td>
<td>9.0</td>
<td>0.5</td>
<td>66</td>
<td></td>
</tr>
<tr>
<td>LTC</td>
<td>12.5</td>
<td>28.6</td>
<td>2.8</td>
<td>74.7</td>
<td>24.4</td>
<td>0.6</td>
<td>14.1</td>
<td></td>
</tr>
</tbody>
</table>

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

- BH PH Integration
- Managed BH
- DSNP Alignment
- Duals Demo
- MLTSS

Planning
Implementing
Implemented

Reaching across Arizona to provide comprehensive quality health care for those in need
American Indian Medical Home

- Submitted to CMS 4/12: https://www.azahcccs.gov/Resources/StatePlans/stateplanamendments.html
- Establishing PMPM for care coordination
- Multiple consultations, most recently Feb 9, 2017.
- Will schedule implementation meetings for interested facilities

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

<table>
<thead>
<tr>
<th>Focus Areas</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Adults with behavioral health needs</td>
<td>• Integrated care at the ambulatory care site for adults and children with behavioral health needs</td>
</tr>
<tr>
<td>• Adults transitioning from the justice system</td>
<td>• Care coordination during and after hospital stay for a mental health diagnosis</td>
</tr>
<tr>
<td>• Children with behavioral health needs, including care for children with ASD and care for children in the child welfare system</td>
<td>• Integrated care delivered in settings co-located at select county probation &amp; DOC parole offices</td>
</tr>
</tbody>
</table>
Tentative TI Timeline

Feb - Mar 2017
- Finalize core components, milestones, & clinical outcome list
- Financial modeling re: provider payments

April 2017
- Develop application materials
- Plan for analytics & MCO payment process

June/July 2017
- Review TI materials in a public meeting
- Release provider application

August 2017
- Provider participants notified

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