



ARIZONA

HEALTH CARE COST CONTAINMENT SYSTEM

AHCCCS MCO Update Meeting

April 30, 2025

Director Opening Remarks

Carmen Heredia
AHCCCS Director



Telehealth Dashboard Demo

Michael Lipscomb, Elizabeth Speigle (Contexture)



Comparison
Primary Diagnoses
Length of Stay

Hospital Inpatient Admissions

per 100,000 population, per month.

Hospital Inpatient Admissions
from October 2023 - September 2024
(for selected population)

\$1,674,535,319

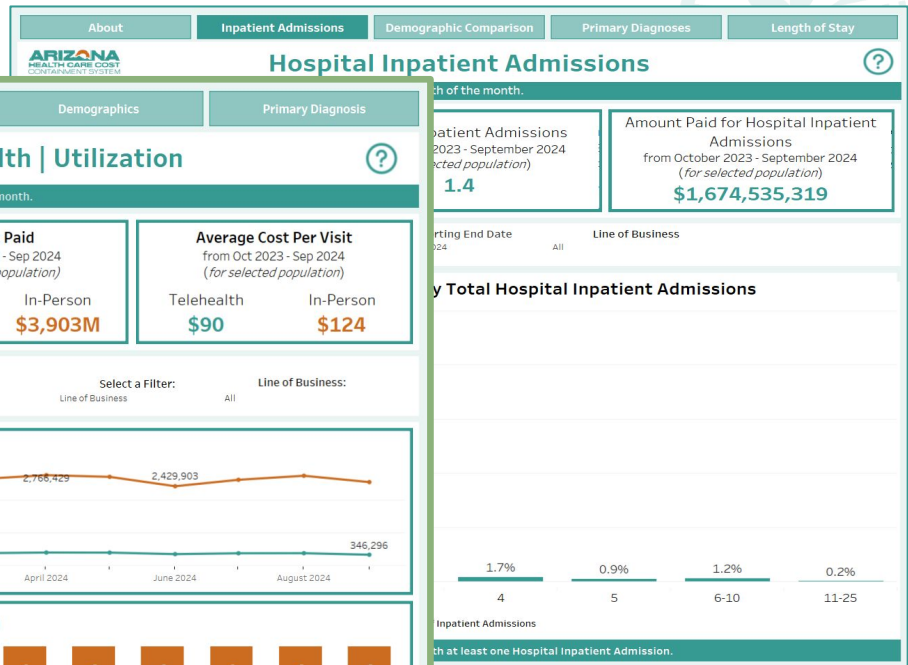
Amount Paid for Hospital Inpatient Admissions
from October 2023 - September 2024
(for selected population)

Date	Line of Business
All	

Hospital Inpatient Admissions

Line of Business	Admissions
All	1.7%
4	0.9%
5	1.2%
11-25	0.2%

One Hospital Inpatient Admission.



<https://www.azahcccs.gov/Resources/Reports/dashboards.html>

Telehealth Utilization Dashboard-Release Notes

Data Sources

- The Telehealth Utilization dashboard is built from AHCCCS claims and encounter data for telehealth and comparable in-person visits, as well as AHCCCS Member Months Enrollment data.
- Three full state fiscal years plus a six month lookback of data are included within the dashboard.
- AHCCCS claims and encounter data is joined together with the Member Months Enrollment data using the primary AHCCCS ID, month of service date/enrollment month, health plan ID, and contract type.
- Data is refreshed on the 15th of the month as new claims and encounter data is received by Contexture from AHCCCS.

Use Cases

- What was the average cost of visit for telehealth visits vs in-person visits?
- What was the total paid amount for telehealth visits for ACC members aged 45-54 years within calendar year 2023?
- What was the top diagnosis for physical health telehealth visits from July 2021 through June 2022?

Questions?

Follow-up questions and comments are welcome:

Michael.Lipscomb@azahcccs.gov



Director Update

Carmen Heredia
AHCCCS Director



CONTRACT TIMELINE

Centers for Medicare and Medicaid Services (CMS) has added new requirements starting 7/1/2025 they now want to receive fully executed base contract(s) or contract amendment(s), which means we need all contracts signed and dated by all parties to allow submission by August 15.

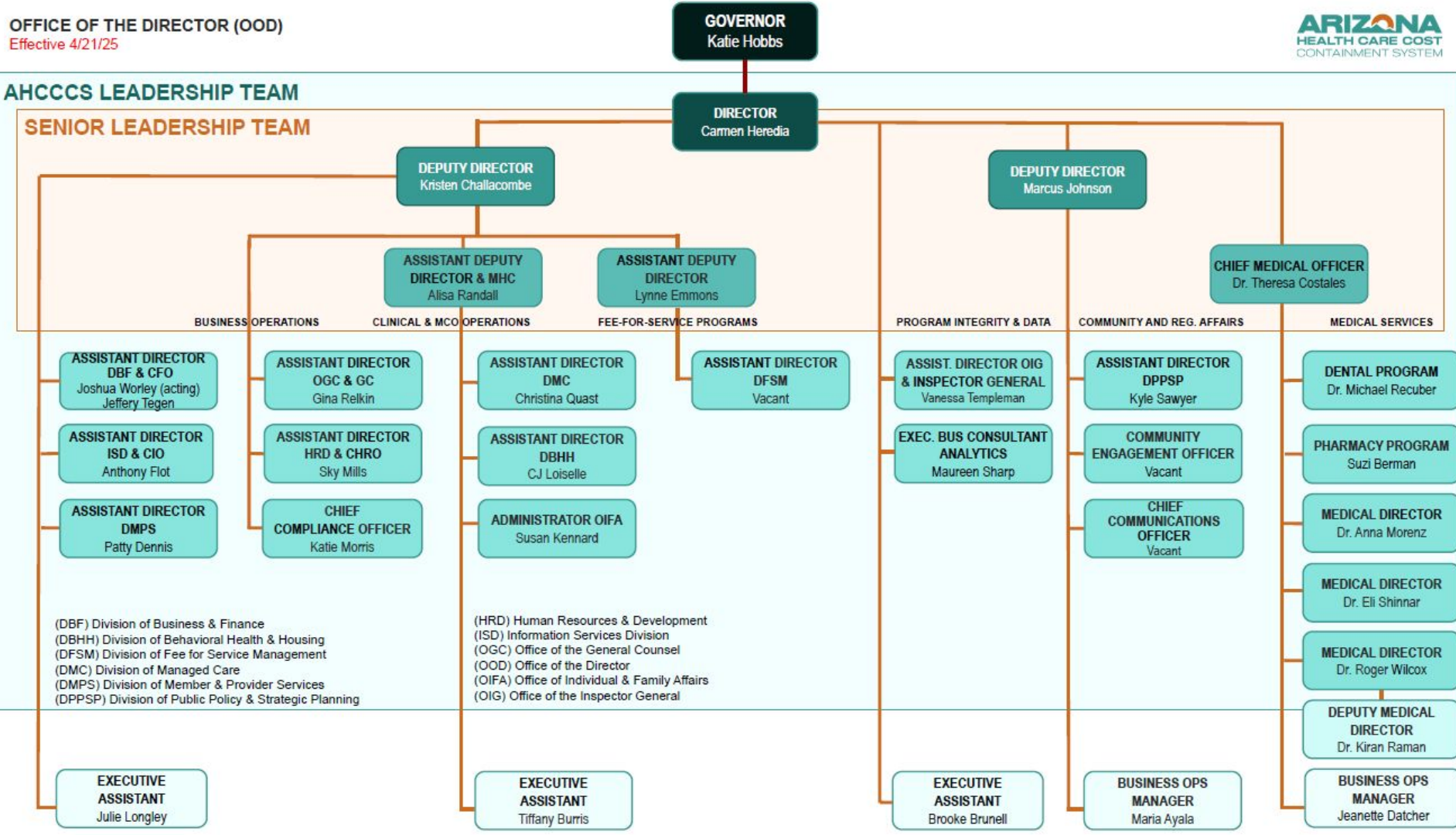
CONTRACT TIMELINE										
CONTRACTS OPEN	LOCK DOWN	Draft to MCOs	Comments Due FM MCOs	AHCCCS Responses Due	FINAL LOCK DOWN	Section B	Final Sent to MCOs	Signature pages due	Executed Contracts to	Contract Renewal
1/24/2025	5/16/2025	6/6/2025	6/27/2025	7/11/2025	7/18/2025	7/25/2025	7/29/2025	8/13/2025	8/15/2025	10/1/2025

Organizational Chart Update

Meeting the Moment Together

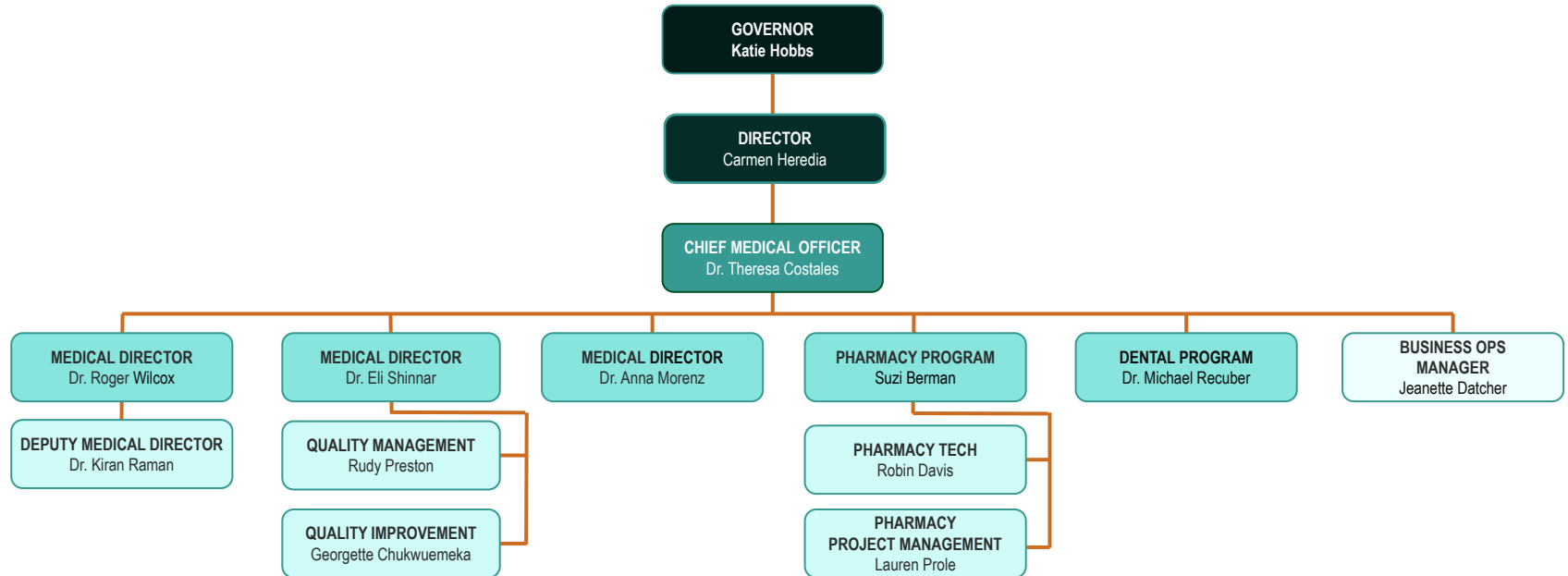
AHCCCS LEADERSHIP TEAM

SENIOR LEADERSHIP TEAM



OFFICE OF THE DIRECTOR (OOD) - MEDICAL SERVICES TEAM

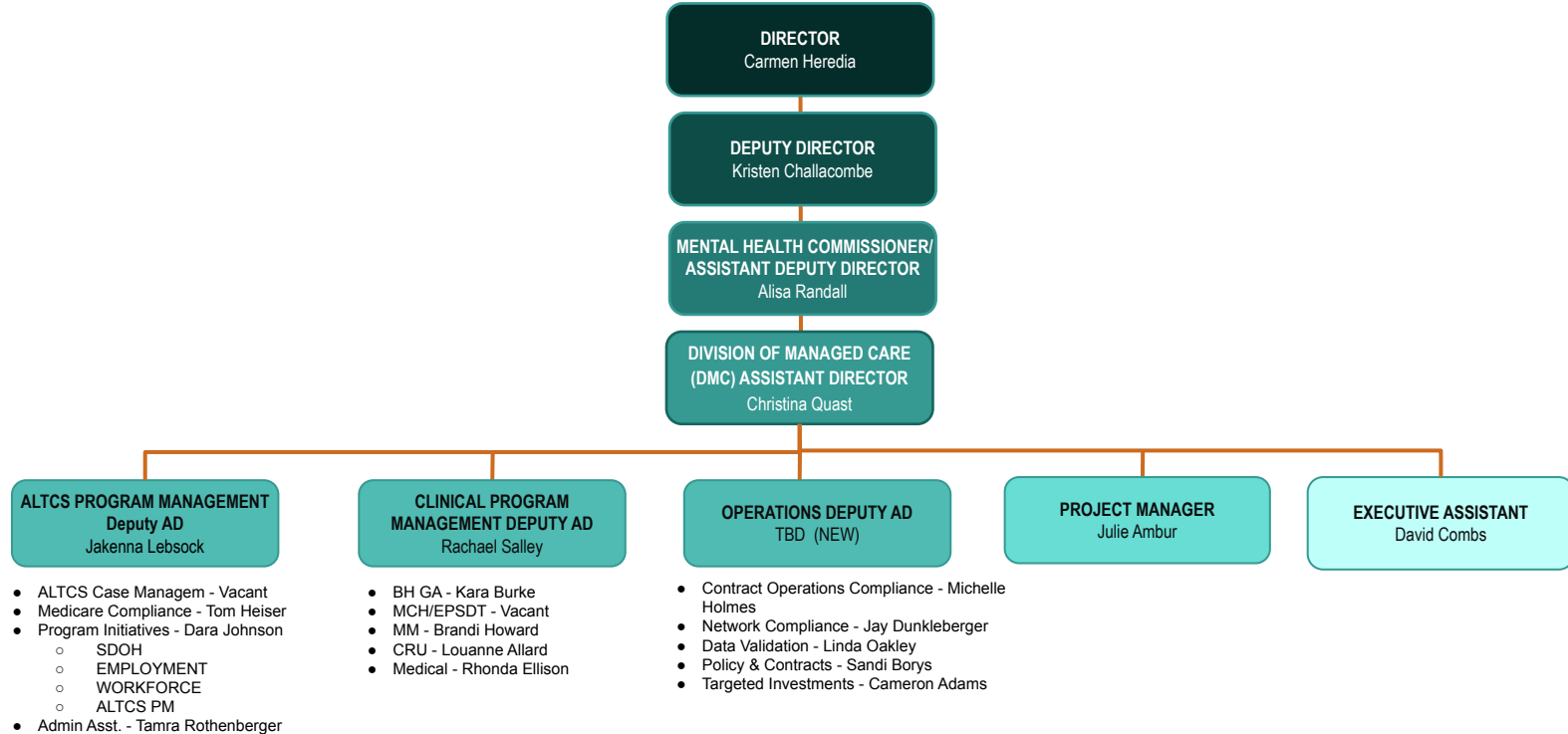
Effective 3/1/25



DIVISION OF MANAGED CARE

Effective 3/1/25

*Major changes shown; not full org charts



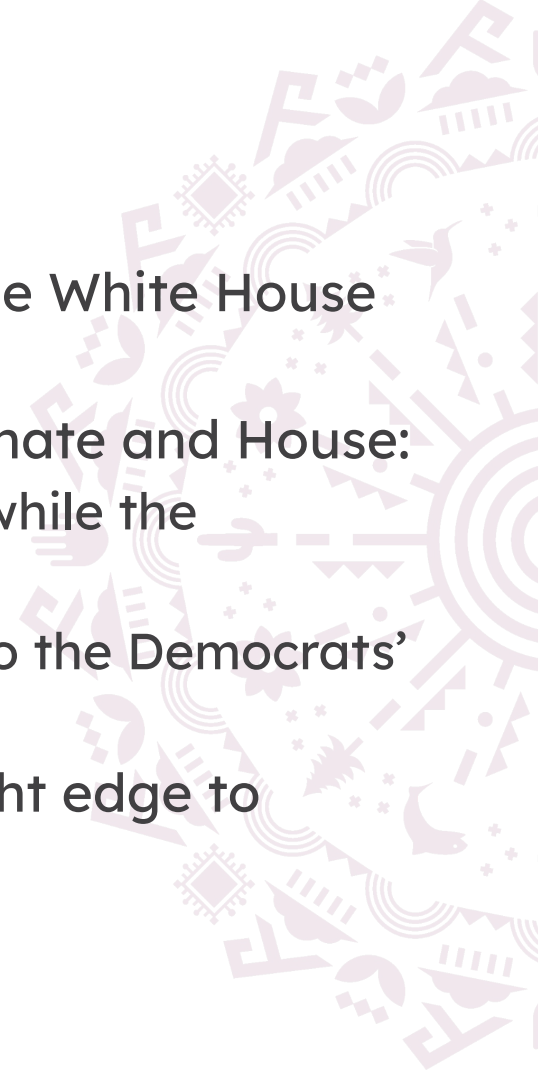
Federal Update

Kyle Sawyer



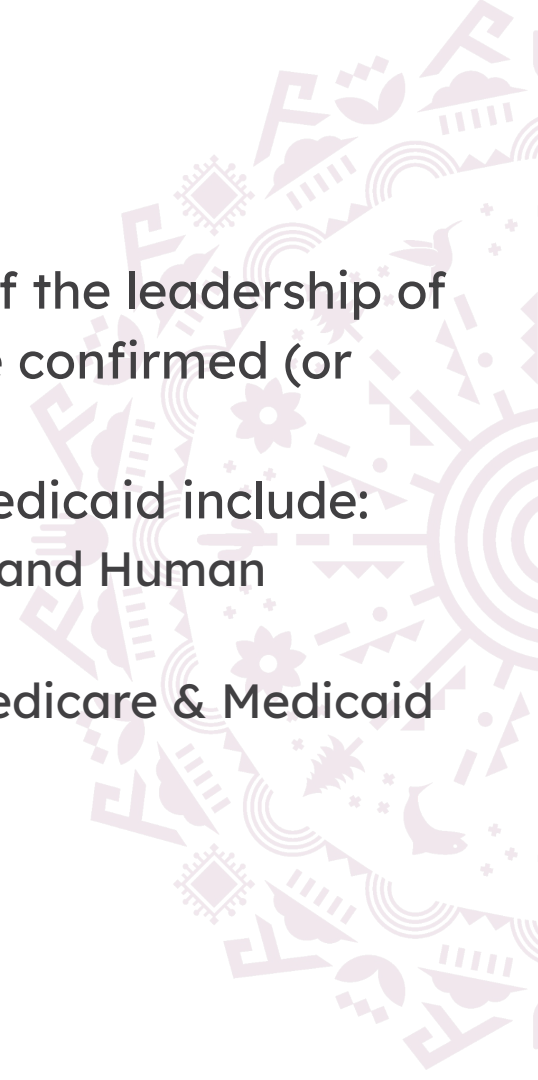
Federal Agency Transition

- On January 20, President Trump returned to the White House for his second term.
- President Trump is joining a Republican led Senate and House:
 - In the House, Republicans control 218 seats while the Democrats have 215 seats
 - In the Senate, Republicans control 53 seats to the Democrats' 47 seats.
- This majority gives the Republican party a slight edge to shaping budgetary and policy changes.



Federal Agency Transition

- The president holds the power to appoint much of the leadership of Federal Agencies. These individuals must then be confirmed (or approved) by the Senate.
- Key appointed leaders whose agency impacts Medicaid include:
 - Robert F. Kennedy Jr. confirmed to lead Health and Human Services
 - Dr. Mehmet Oz confirmed to lead Centers for Medicare & Medicaid Services
 - Drew Snyder selected to be Medicaid Director



Congressional Budget Process

- President Trump and the Republican party are seeking to significantly reduce federal spending.
- One way Congress may “fast track” legislative change that impacts the federal budget is through a process called budget reconciliation.
- Reconciliation can only be used to make changes to the debt limit, federal revenues, or to direct mandatory federal spending (including Medicaid)
- This process typically follows the following simplified steps:
 1. The budget resolution and instructions are proposed
 2. Committees develop policies and changes to meet these targets
 3. Any differences between the House and Senate are worked to be resolved
 4. Voting is held and a simple majority is needed to pass the consolidated bill

Federal Congressional Budget Update

- In early April, the U.S. House and Senate both passed a budget resolution completing the first step of the process.
 - Senate passed by a vote of 51 to 48
 - House passed by a vote of 216 to 214
- The budget resolution provides an outline of how much money each congressional committee is responsible for spending or cutting.
 - One key aspect of this resolution includes directing the House Energy & Commerce Committee (the committee with jurisdiction over Medicaid, Medicare, FDA, and more) to find \$880 billion in spending reductions.
- House leadership has continually indicated there will be “no cuts to Medicaid benefits” however reforms to the program such as work requirements have been discussed.

Federal Congressional Budget Update

- Federal reforms continue to be debated. To date, no structural changes at the state level.
- Federal Grants Cancellation - ARPA Mental Health, Substance Abuse, and Community Health Worker Grants
 - ~\$50M impact
- [AHCCCS Insights: New Data Reports to Inform Decision-Making](#) - Intended to help inform stakeholders and policymakers as Medicaid changes are being contemplated
 - Enrollment and Spend by County, Enrollment and Spend by Congressional District, Proposal specific information

Other Federal Administration Changes

- **CMS Rescission of HRSN Guidance**
 - This guidance rescinds two previously issued CIBs that documented HRSN supports covered under 1115 waivers
 - CMS will consider state's applications to cover these services on a "case-by-case" basis.
- **CMS Rescission of DSHP Funding**
 - CMS is no longer approving or renewing Section 1115 demonstration expenditure authority for DSHP/DSIP funding.
 - AHCCCS utilizes DSHP funds for the TI 2.0 and H2O programs
- **CMS Letter on Clinic Services to treat Gender Dysphoria**
 - CMS reminds states of their responsibility to ensure that payments and provision of covered services are consistent with quality of care in the best interest of recipients.

Legislative Update

Damien Carpenter



Legislative Updates

DDD supplemental appropriation:

[HB 2945](#) (“developmental disabilities; appropriations; waivers”)- signed into law!

- New Parents as Paid Caregivers (PPCG) requirements
- New AHCCCS Waivers requirements
- New OSPB/ AHCCCS DBF reporting requirements on federal funds

Upcoming Budget Negotiations

- JLBC- 4/17/25 Finance Advisory Committee (FAC) meeting (materials [here](#)).

Termination of ARPA Grants

Alisa Randall



ARPA Block Grant Termination

- March 24th, AHCCCS received notice of grant termination for SUPTRS, MHBG, and Testing and Mitigation ARPA awards
- Funding was close to \$50 million
- Stop work orders initiated
- Multi-State lawsuit resulting in a TRO (temporary restraining order)
- Funding is flowing
- Stop work orders still in place
- AHCCCS team is reviewing all options for services
- Stakeholder meetings



Stakeholder Engagement Session

Alisa Randall

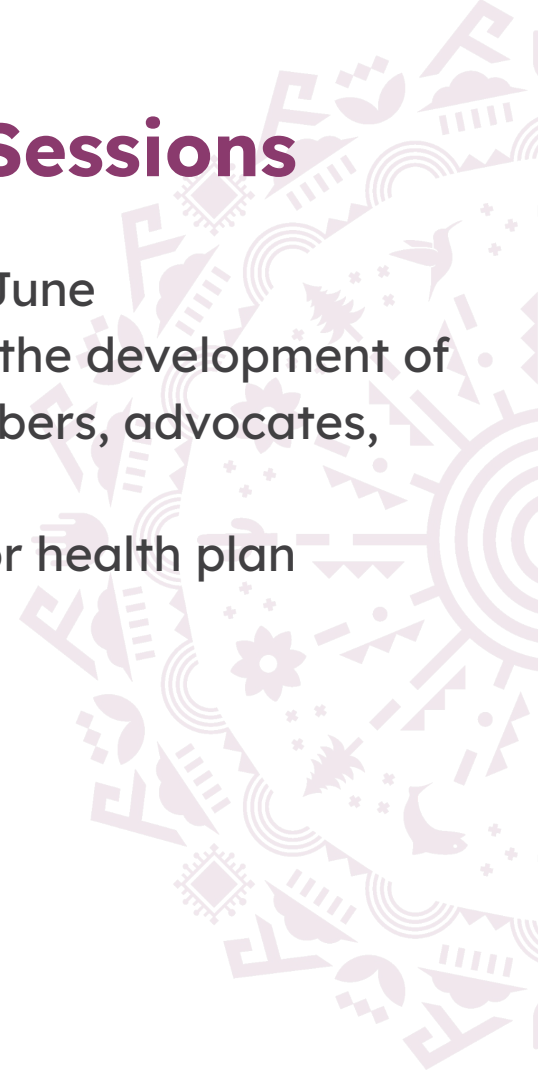


Statewide Stakeholder Feedback Sessions

- Stakeholder outreach and engagement on potential future health plan contracting.
- The feedback collected shall be from a combination of members/families, advocacy groups, providers, and health plans.
- Data collection will be through surveys, virtual meetings, and in-person meetings will be held for members/families in the three regions.
- Contracted provider will be used to support this initiative

Statewide Stakeholder Feedback Sessions

- Stakeholder feedback will be gathered in May and June
- Focused questions will be designed to help support the development of the next ACC contract from the perspective of members, advocates, members, and health plans
- Look for information soon on session information for health plan feedback



QI Performance Measure Validation (PMV) Updates

Georgette Chukwuemeka



QI Performance Measure Validation (PMV) Updates

- The following Calendar Year (CY) 2024 Performance Measure Validation (PMV) updates were shared during the April 15 AHCCCS MCO QI Workgroup meeting:
 - The timeline for CY 2024 PMV kickoff activities are anticipated to begin Summer 2025 (additional details will be provided as soon as possible).
 - Of note, for CY 2024 PMV activities, AHCCCS intends to pursue administrative actions, inclusive of monetary sanctions as needed, based on Contractor performance for CY 2024 and/or if Contractors do not adhere to AHCCCS' performance measure calculation and reporting requirements.

QI Performance Measure Validation (PMV) Updates

- Rationale for pursuing administrative actions :
 - AHCCCS' Quality Strategy goal to improve the health of AHCCCS members by promoting improvement in the quality of care and services,
 - Instances of noncompliance identified with the CY 2023 PMV calculation and reporting requirements, and
 - AHCCCS' ongoing commitment to meeting its reporting obligations to CMS, including mandatory state-level annual reporting requirements for the Adult and Child Core Sets.
- Note: An official communication will be shared with Contractors related to this update.



Thank you