Director Update

Director Jami Snyder
AHCCCS Enrollment: March 2020- July 2021

Up 373,005 (20%)
# PHE Renewed - Effective July 20, 2021

<table>
<thead>
<tr>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
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**Continuous Enrollment**

**6.2% FMAP**

**PHE**

- **January 21**
  - HHS PHE Renewed
  - Flexibilities, enhanced match and MOE continue

- **April 21**
  - HHS PHE Renewed
  - Flexibilities, enhanced match and MOE continue

- **July 20**
  - HHS PHE Renewed
  - Flexibilities, enhanced match and MOE continue

- **Oct 17, 2021**
  - PHE Ends

- **Oct 31/Nov 1, 2021**
  - Expiration of the Maintenance of Effort Requirement/Initiation of Processing Redeterminations

- **Dec 31, 2021**
  - Expiration of the Enhanced Federal Match
Unwinding from the Public Health Emergency

• Centers for Medicare and Medicaid (CMS) to release revised guidance in the next month
• Anticipate changes to expectations regarding eligibility redeterminations
• AHCCCS on track to process all redeterminations within six months
• Will work in partnership with key stakeholders to connect individuals to alternate sources of coverage when needed
SFY22 Strategic Plan - Key Objectives

➔ School safety
  ◆ Co-location model, MSBC, uninsured/underinsured

➔ Reducing health disparities
  ◆ AIMH

➔ Ensuring seamless AHCCCS application/eligibility experience
  ◆ HEAplus up-time

➔ Facilitating member connectivity to social services
  ◆ Closed loop referral, H2O

➔ Access to SUD treatment and standardization of treatment planning and placement
  ◆ ASAM/EHR, treatment locator

➔ Core organizational capacity
  ◆ Remote work, succession planning

Link: SFY22 Strategic Plan
State Fiscal Year 2022 Budget

AHCCCS APPROPRIATION AND ENROLLMENT

- Budget
- Population

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Population</th>
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<tbody>
<tr>
<td>FY18 Actual</td>
<td>$11.5B</td>
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<tr>
<td>FY19 Actual</td>
<td>$12.1B</td>
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<td>FY20 Actual</td>
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<tr>
<td>FY21 Original</td>
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<td>FY21 Final</td>
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<td>FY22 Current</td>
<td>$18.3B</td>
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Major Budget Drivers

- **Caseloads/Enrollment**
  - 19.9% growth in enrollment from March 2020 to July 2021
  - Growth expected to increase until end of PHE followed by decline from January to June 2022

- **Cap Rate Growth**
  - FY22 Appropriation includes 3.0% growth for CY22 Cap Rates

- **FMAP**
  - 6.2% increase from FFCRA expected to end in December 2021 along with PHE
State Fiscal Year 2022 Budget

FY22 Policy Issues

- IT Project Funding - $12.7 million TF (MMIS Replacement, EVV, APEP, Asset Verification)
- Housing Staff - $200k from SMI Housing Trust Fund for 2 positions
- Housing Waiver - Housing and Health Opportunities (H2O) - $60.0 million Federal expenditure authority
- ALTCS Provider Rate Increase - EPD $89.6 million; DDD $122.9 million
- HCIF practitioner rate increase (exceed threshold) - $14.9 million TF (1 time)
- SUDS deposit - $6.0 million (1 time; PDRF)
State Fiscal Year 2022 Budget

FY22 Policy Issues
- Newborn Screening - $1.7 million
- PDRF for GF Shift - $16.7 million

FY22 Technical Adjustments
- CRS Admin Base Modification
- GME lag reduction

What’s Missing?
- ARPA HCBS Expenditure Authority and other potential ARPA spending opportunities
- Funding for Interoperability Project
System Update

- **HEAPlus**
  - Successful transition of maintenance and operations with no system or member disruption

- **AHCCCS Provider Enrollment Portal (APEP)**
  - Awaiting CMS certification of the system; successful demonstration of APEP’s performance to CMS/MITRE on June 10

- **Electronic Visit Verification (EVV)**
  - CMS/MITRE demonstration for system certification scheduled January 11, 2022
1115 Demonstration Waiver Renewal

• Current waiver due to expire on September 30, 2021
• Possible short term extension of existing allowances
• Possible termination of certain allowances (AHCCCS Works, AHCCCS Care)
• Further negotiation
  o Targeted Investments Program continuation
  o Verbal consent in lieu of written signature for up to 30 days for ALTCS members
  o Reimbursement for traditional healing services
  o Reimbursement for adult dental services provided by IHS and Tribal 638 facilities
  o Housing and Health Opportunities (H2O) Initiative
## American Rescue Plan Act of 2021

<table>
<thead>
<tr>
<th>Program</th>
<th>Image</th>
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<tbody>
<tr>
<td>Vaccine COVID-19 Administration</td>
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<tr>
<td>Mobile Crisis Services</td>
<td><img src="image2.png" alt="Mobile Crisis Services" /></td>
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<tr>
<td>Elimination of Medicaid Drug Rebate Cap</td>
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<td>100% FMAP for Urban Indian Health Program</td>
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<td>10% Increase to FMAP for HCBS</td>
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<td>Twelve Months Postpartum Coverage</td>
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<td>SAMHSA Block Grants to Address Addiction, Mental Health Crisis</td>
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ARPA HCBS Funding Timeline

- **April 1, 2021**: Time the state can take advantage of the 10% FMAP increase.
- **May 13 - July 12, 2021**: Amount of time the state has to submit the initial spending plan.
- **March 31, 2022**: Time the state has to spend ARPA HCBS reinvestment funds.
- **March 31, 2024**:
## Figure 1

Better Care Better Jobs Act Proposal for New $400 Billion in Federal Medicaid Home and Community-Based Services

**HCBS Infrastructure Improvement Program**
- Permanent 10 percentage point increase in federal Medicaid matching funds for HCBS for states with Secretary-approved plans to expand HCBS access and support direct care workforce
- Additional 2 percentage point increase in federal Medicaid matching funds for 1 year for states that adopt a program to support self-direction
- Increase in federal matching rate from 50% to 80% for HCBS administrative costs
- $100 million for state planning grants with opportunity for states to continue to receive ARPA 10 percentage point HCBS increase during planning period

**Money Follows the Person Program**
- Make program permanent with $450 million in funding per fiscal year

**HCBS Spousal Impoverishment Rules**
- Make ACA provision permanent, requiring states to treat HCBS and institutional care equally

On the Horizon: Better Care Better Jobs Act

Figure 2

Availability of 10 Percentage Point Medicaid HCBS Federal Funding Increase as Proposed in Better Care Better Jobs Act

ARPA: April 2021-March 2022
- States maintain HCBS eligibility, services, and spending
- States spend funds on activities to enhance HCBS

ARPA extension: Planning Period (3 years or until plan approved)
- States maintain HCBS eligibility and services
- States receive planning grant and develop HCBS infrastructure improvement plan

HCBS Infrastructure Improvement Program (no expiration)
- States maintain HCBS eligibility and services
- States implement Secretary-approved plans to enhance HCBS access and strengthen direct care workforce