

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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Date: November 15, 2012

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meetings re “The Future of Arizona’s Medicaid Program” and “The Childless Adult DRAFT Waiver Amendment”

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Over the last few months, AHCCCS has been involved in a variety of ongoing stakeholder efforts to inform the public and accept input on the topics of the “Childless Adult DRAFT Waiver Amendment” (Childless Adults) and “The Future of Arizona’s Medicaid Program” (AZ Future). Efforts include creating a page dedicated to these topics on the AHCCCS website, hosting a number of public meetings across the State and accepting public comments. Additional information about Childless Adults, including the written comments received, can be found at the following link: <http://www.azahcccs.gov/reporting/federal/childlessAdults.aspx>.

This document includes summaries from a total of 7 public meetings held across the State from September 5<sup>th</sup> through October 18<sup>th</sup>. Comments originated from a variety of sources including individuals, healthcare organizations, healthcare providers and advocacy groups. More information about “AZ Future” can be found at the following link:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

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Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona; **Flagstaff**

On September 5, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Flagstaff, where over 20 people attended, regarding the Future of Medicaid in Arizona. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

The briefing began at approximately 1:00 p.m. Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies.

The meeting was open for public comment and questions. A total of 11 comments and questions were offered and everyone who requested to speak was provided the opportunity. Below is a summary of questions and comments from the public and the Agency's responses provided during the meeting.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	How would a State-based Exchange be funded?	Funding sources for a State-based Exchange are still being reviewed, but some options include per policy assessments, marketing fees and assessing health insurance carriers.
2.	Is the Governor leaning in a certain direction for having a State-based Exchange?	The Governor is weighing all of the State's options and will announce a decision in mid-November, when states are required to submit their blueprint.
3.	Can states partner with nearby states to operate the Exchange and share of costs between each other?	Potentially. However, Arizona is uniquely positioned using its Health-e-Arizona product as a platform. It also has very different eligibility groups that would make it difficult to use the same Exchange as another state. And because each state has unique needs and different policy concerns, attempting to partner with other states is challenging.
4.	Who will be liable for the care of uninsured and/or those who choose minimal coverage under the Exchange? Is there anything to address catastrophic care?	There are no coverage options for childless adults between 0-100% FPL if states do not cover them in their Medicaid programs. So if the enrollment freeze is not lifted, providers, like hospitals, will continue to face the challenges of providing care to childless adults in that income range. The ACA provides federal subsidies of 98% through the Exchange for those between 100-133% FPL. Options for catastrophic care coverage are limited and with the individual mandate in place, most all groups will be insured.
5.	Much training in technology will be needed for people to navigate the Exchange.	It is expected Navigators or community assistants and brokers will be in place to offer support to the community.
<b>Essential Health Benefits</b>		
6.	What are the options for states selecting a benchmark plan for Essential Health Benefits (EHB)?	The ACA provides for 10 options from which to choose: 1) 3 of the largest small group (50 or less) plans in the state; 2) 3 of the largest state employee plans; 3) the largest commercial HMO in the State; 4) 3 of the largest federal employee plans.
7.	Who determines the EHB for Arizona if it is federally operated?	The Federal Government would determine the EHB for Arizona and early guidance indicates that the federal government will default to the largest commercial small group plan, which is the Aetna PPO for Arizona.
8.	All current benefits should be maintained for general anesthesia for oral rehabilitation for children. Need the ability to refer to ENT for oral airway evaluation; not always seen by current requirements (3 strep infections in 1 year)	Noted.
9.	Any expansion of services should include parity for all participants and quality care, unbiased by personal or professional financial incentives.	Noted.
10.	What will happen with Dental Care?	Dental care is one of the required pediatric services under the Essential Health Benefits plan and has been identified by Mercer as an area that may need to be enhanced to meet federal requirements. There is no dental care for adults.
<b>Medicaid Eligibility and Funding</b>		

#	Question	Response
11.	Is Prop 204 related to Education?	No. Prop 204 represents an initiative passed by Arizona voters in 2001 mandating Medicaid coverage (within available resources) for individuals with incomes below 100% FPL.  There is a current Proposition 204- The Quality and Jobs initiative which will appear in the November elections. However, it does not provide for any additional funding for the Medicaid program; it only addresses KidsCare.
12.	Does the drop in KidsCare enrollment (re slide #18), mean that those children are left without health care resources?	The drop can be due to a number of factors, such as changes in income resulting in Medicaid eligibility or private insurance coverage, moving out of the state, or aging out of KidsCare. Some of these children may be uninsured.
13.	What is the Medicaid “donut hole”?	For AZ, this means that if the state does not lift the enrollment freeze for childless adults, this group will not have access to any coverage. The ACA provides federal subsidies through the Exchange for those between 100-400% FPL. The ACA does not allow subsidies for those individuals below 100% FPL. Also, AZ’s current authority to cover CA’s is part of the 1115 waiver. That authority expires 12-31-13 So unless the state takes action, it will have to drop any childless adults from coverage on AHCCCS on 1-1-14.
14.	How is the state currently covering childless adults without health insurance?	There is a freeze on healthcare coverage for childless adults. This means many providers are providing their care as a charity. Supplemental funding opportunities, such as the Safety Net Care Pool (SNCP), are available for hospitals with a significant increase in uncompensated care. Additional info re SNCP can be found on the AHCCCS website: <a href="http://www.azahcccs.gov/reporting/federal/waiver.aspx">http://www.azahcccs.gov/reporting/federal/waiver.aspx</a>
15.	Who is involved in SNCP?	Agreements for SNCP are between local political subdivisions and AHCCCS. Political subdivisions then provide selected eligible hospitals with funding to cover their costs of uncompensated care.
16.	How will coverage for Childless Adults be funded as part of the ACA?	Clarification from the federal government is pending, but AHCCCS is hopeful opportunities and flexibilities will be available for enhanced federal funding. Obtaining enhanced federal match rate is critical in the decision-making process for considering restoration of Prop. 204.
17.	Is the FPL for Medicaid under the ACA at 138% or 133%?	The ACA established the Medicaid expansion to extend to individuals up to 133% FPL but then added a 5% income disregard. 138% FPL is accurate.
16.	Is it true that AHCCCS is making it more difficult to be eligible for the Arizona Long Term Care Services (ALTCS) program?	No. There have been no policy changes to eligibility for ALTCS.
18.	What will happen to other eligibility groups, such as Freedom to Work, ALTCS and SSI-MAO when the Exchange and provisions of the ACA are implemented?	There will be no impact to those eligibility groups as a result of the ACA. The ACA does not mandate any changes to those programs and AHCCCS has no plans to change those programs.
19.	Suggestion to consider “sin taxes”, for example, on alcohol to fund expansion. Currently beer is less expensive than soda. It makes no sense for taxpayers (who buy soda)	Noted.

#	Question	Response
	to support the ills created by alcohol misuse. Sin taxes should be examined as a funding source for healthcare.	
<b>Other</b>		
20.	Is there anything Arizona does to limit health insurance companies from significantly increasing premiums?	The Department of Insurance is putting together a rate review process. More information will be provided in the near future.
21.	What is being done to improve coordination between ACOs and Medicaid providers?	AHCCCS is reviewing how to improve current processes already in place with contracted Health Plans. The ACO model is not as necessary in a heavy managed care state like Arizona where managed care plans play the role of ACOs. However, AHCCCS health plans are engaged in accountable care initiatives. In addition, other initiatives are underway to improve patient care and streamline systems. See the AHCCCS website for more info: <a href="http://www.azahcccs.gov/reporting/legislation/integration/integration.aspx">http://www.azahcccs.gov/reporting/legislation/integration/integration.aspx</a>
22.	Are there plans to reduce funding for services to the disabled? Rate cuts to providers of these services have been significant to date.	No. There are no cuts expected to services for individuals with disabilities at this time.
23.	What does the ACA do to ensure adequate network of providers?	The ACA created funding opportunities to expand Community Health Centers. The ACA also requires that Medicaid reimburse designated primary care providers who provide primary care and vaccine administration services at rates not less than Medicare rates between January 1, 2013-December 31, 2014. This will assist in maintaining provider participation in Medicaid.
24.	How will AHCCCS address provider shortages? There are concerns re the lack of providers in rural areas	Arizona has a strong Graduate Medical Education program that trains doctors throughout the State, including rotations in rural communities. AHCCCS also requires and closely monitors its contracted health plans to ensure access to care and that there are sufficient providers available to members within their networks.
25.	Currently there is no disinterested peer review conducted which could lead to denial of services and overtreatment. Is there a process for peer review of the denial of services to ensure quality?	Health plans must ensure access to care and that the care that is provided meets the proper standards. Health plans also monitor quality of care concerns and investigate cases where concerns have been raised. AHCCCS requires regular reporting of these cases and conducts its own investigations to ensure appropriate dispensation of services.
26.	The decrease in available acute care health plans for DDD members limits choice. Direct patient and provider input is needed regarding accessibility versus what HMOs say they can do. Annual or semi-annual surveys should be completed by providers/patients re payers (health plans).	Noted.
28.	Recent changes in contracts for acute care services for the ALTCS/Division of Developmental Disabilities have raised concern. Particularly, the terms of the contract with Capstone.	AHCCCS will further research concerns but DDD has the ability to change its contracts between acute care health plans and DDD. This contract termination was not required by AHCCCS.

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Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona; **Phoenix**

On September 10, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Phoenix, where about 200 people attended, regarding the Future of Medicaid in Arizona. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

Given the number of interested participants and space limitations, two meetings were held to provide everyone the opportunity to attend and provide comments. The first meeting began at approximately 2:00p.m., and the second meeting immediately followed at 4:00p.m. Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies.

The meeting was open for public comment and questions and a total of 38 comments were submitted. Everyone who requested to speak was provided the opportunity. Below is a summary of questions and comments from the public and the Agency's responses provided during the meetings.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	System navigators are needed to help people enroll in proper health insurance coverage. The Family Involvement Center in Maricopa County serves as an effective model.	Noted.
2.	Will providers previously dropped from Health Plan panels be able to participate in the Exchange and provide care for AHCCCS patients?	Each Health Plan decides the providers they contract with both under Medicaid and the Exchange. Health plans must ensure access to care and that sufficient providers are available to members within their networks.
3.	The state should operate its own Exchange.	Noted
4.	There are many benefits of the Exchange, especially that you do not have to fear losing your healthcare benefits because you work.	Noted.
<b>Essential Health Benefits (EHB)</b>		
5.	The settlement agreement reached in JK should serve as a model for the EHB package to ensure children and youth with serious and complex disorders receive the services and supports they need.	Noted.
6.	We should not allow the feds to pick the default Aetna PPO plan.	Noted.
7.	There is concern re the integration of physical and behavioral health into one organization. Consider lessons learned from previous experience to ensure children and youth get broad behavioral health benefits and intensive care coordination.	Noted.
8.	Basic dental care for adults is a serious problem and should be provided. If dental care were covered, it would save the system money by avoiding trips to the emergency room and other serious related effects.	Noted.
9.	Wrap around services should be provided for individuals with mental health conditions.	Noted.
10.	Autism benefits should be included since early intervention helps alleviate more costly issues in the future.	Noted.
11.	Holistic approaches and coverage of natural treatments should be included.	Noted.
12.	Assessments, testing and treatment for mental health disorders should be covered with a focus on integrative treatment.	Noted.

#	Question	Response
<b>Medicaid Eligibility and Funding</b>		
13.	Will coverage for childless adults end after 2013? What conversations is the State having with the Federal government regarding childless adults?	When AHCCCS negotiated the current Waiver (prior to the Supreme Court decision), CMS included a time limit for the coverage of childless adults that will expire December 31, 2013. AHCCCS will have further discussions with CMS on this issue, including the ability to draw enhanced FMAP to cover this population.
14.	Providers and voters generally support a 9:1 federal match to build on the AHCCCS program, which has been proven to work and reduce uncompensated care.	Noted.
15.	Arizona should consider covering individuals with Serious Mental Illness under the Expansion so that it could draw down additional federal matching dollars and offset state-only dollars.	Noted. However, establishing coverage for persons with SMI under the Exchange will also draw down federal dollars via subsidies and will also free up state-only dollars that can be reinvested to offer wrap around coverage, such as navigators, peer supports, and housing and employment supports that would not be offered on the Exchange.
16.	Certain eligibility groups, such as children, foster children aging out, Freedom to Work, SSI-MAO, and individuals with chronic illness, should be considered when deciding whether to expand Medicaid eligibility.	Noted. It was mentioned that the ACA expands coverage for former foster care children in Medicaid up to age 26 and that the ACA does not mandate any change to Freedom to Work or SSI MAO.
17.	Arizona should expand Medicaid eligibility to 133% FPL for childless adults as an investment for future potential savings, specifically as it relates to individuals with mental illness and costs associated with Arnold v. Sarn.	Noted.
18.	Arizona should provide care for those who need it as a moral obligation, especially if there is federal funding available. The childless adults that have been frozen out of coverage have not disappeared; they are still out there and need care. (Physician in practice for over 60 years).	Noted.
19.	Arizona ranks 4 <sup>th</sup> in the nation as having the highest uninsured rate and has probably gone up with recent freezes to the program. Studies in other states have shown that expanding Medicaid creates substantial economic activity and growth.	Noted.
20.	Medicaid should be expanded and the principles of what voters wanted when they passed Prop 204 should be honored. (Mom, advocate and taxpayer)	Noted.
21.	Coverage should be available for individuals who do not qualify for Medicare.	Noted.
22.	Expansion would address issues such as overuse of the emergency room, diversion and intervention, costs of court proceedings, jails, and prisons as a result of substance abuse and mental health issues that could be prevented.	Noted.

#	Question	Response
23.	ER providers have seen the fallout of the childless adult freeze and use of the ER as a safety net. Those costs get passed on to people that do have insurance. Also has seen many individuals with Serious Mental Illness and important to stop the cycle of ER care for this population. (from an ER nurse)	Noted.
24.	Comments about expanding Medicaid should be directed to the Legislature and Governor since they will ultimately decide if expansion will be funded.	Noted.
25.	The Freedom to Work program is beneficial and helps individuals work and contribute to society without losing their health care; it should be maintained.	There will be no impact to the Freedom to Work program. It was also mentioned that commercial insurance coverage on the Exchange will also allow people to work without fear of losing their healthcare benefits.
26.	Medicaid expansion would improve clinical care for individuals with asthma. It would prevent more costly care by preventing excessive emergency room visits and hospitalizations.	Noted.
27.	AHCCCS is a national model that works and should be expanded. Churches are organizing civic academies on health care to educate its parishioners on these important issues.	Noted.
28.	What will happen to childless adults below 100% FPL? AHCCCS should be expanded.	There are no coverage options for childless adults between 0-100% FPL if states do not cover them in their Medicaid programs. The ACA provides federal subsidies of 98% through the Exchange for those between 100-133% FPL.
29.	Arizona should expand Medicaid and not wait like it did to originally opt in. Coverage is especially important for those between the ages of 55-65 who likely do not have access to health insurance and do not qualify for Medicare.	Noted.
30.	Expanding Medicaid would provide continued care to Title XIX SMI patients, avoiding more costly emergency room visits.	Noted.
31.	The childless adult freeze has disproportionately impacted persons with Serious Mental Illness, general mental health and substance abuse needs and persons with disabilities.	Noted.
32.	Expanding Medicaid would add coverage for 325,000 citizens.	Clarification provided that Medicaid expansion for Arizona actually means expanding coverage for adults between 100-138% FPL, which only represents 65,000 people. Lifting the enrollment freeze for childless adults below 100% FPL is not related to Medicaid expansion under the ACA and would add far more members to the Medicaid program.

#	Question	Response
<b>Other</b>		
33.	The presentation at slide #16 should include cuts to provider rates and respite care as additional measures to reduce program expenditures.	Noted.
34.	Timely updates and additional public meetings should be held for other significant changes to AHCCCS such as the Community First Choice Option.	Noted. (A public meeting on Community First Choice was subsequently held October 29, 2012 with call in opportunities.)
35.	Families should be represented in the decision making process and funding should be provided to support this.	Noted.
36.	Slide #19 should be revised to clarify the Arizona Supreme Court and Court of Appeals decision re the Childless Adult freeze.	Noted.
37.	How will Home and Community Based Services (HCBS) and DDD services be impacted? What will happen to the ALTCS program?	There will be no impact to ALTCS eligibility or HCBS services.
38.	Thank you for holding the event; hope it is not a one-time opportunity.	Noted.

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Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona; **Yuma**

On September 14, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Yuma where 18 people attended regarding the Future of Medicaid in Arizona. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:  
<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies.

The meeting was open for public comment and questions. Everyone who requested to speak was provided the opportunity. A total of 13 comments or questions were submitted. Below is a summary of the meeting.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	Realize there is animosity to implementing an Exchange and consider the costs.	Noted.
<b>Essential Health Benefits (EHB)</b>		
	- N/A	
<b>Medicaid Eligibility and Funding</b>		
2.	There should be focus on restoring coverage to the voter mandated Prop 204 population.	Noted.
3.	Very concerned with coverage for childless adults.	Noted.
4.	Clarify the status of childless adults and how they will be impacted.	The status of childless adults is a decision for policy makers and is largely dependent on whether enhanced Federal matching dollars will be available to fund their coverage. If the enrollment freeze is not lifted or the current waiver authority expires, this population will not be covered by Medicaid. Because this population also cannot access subsidies for coverage on the Exchange, they will not be able to obtain health insurance.
5.	The issue of cost shifting to commercial plans should be considered.	Noted.
<b>Other</b>		
6.	Individuals should have information about the costs of procedures (i.e. an elective operation). Transparency in pricing should be part of this dialogue.	Noted.
7.	Appreciate the willingness to research and weigh various options for Arizona.	Noted.
8.	Uncompensated care at Yuma Regional Medical Center has doubled in the year and if continued is unsustainable.	Noted.
9.	Federal Match rates opportunities such as a provider tax should be enhanced.	Noted.
10.	Efforts should be made to work collaboratively to build a high quality healthcare infrastructure that focuses on patients, is sustainable, accessible and affordable. It should reward quality, recognize costs of care, and avoid cost shifting.	Noted.
11.	LaPaz Regional is stressed financially and requests that the SAVE pool not be incorporated into DRG discussions.	Noted.
12.	The impact to local governments should be considered as options are being weighed and final decisions are made.	Noted.
13.	Appreciate the Governor's thoughtful approach and comprehensive stakeholder engagement process to seek feedback from across the state.	Noted.

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Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona; **Tucson**

On September 18, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Tucson, where over 80 people attended, regarding the Future of Medicaid in Arizona. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

The meeting began at approximately 1:00p.m. and ended approximately at 3:00p.m. Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies.

A total of 12 comment slips were submitted and everyone who requested the opportunity to speak was allowed. Below is a summary of questions and comments from the public and the Agency's responses provided during the meeting.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	How will the Exchange subsidy operate?	The federal government will pay up to 98% of the premium for individuals 100% to 133% FPL (about \$25/month). Those between 100-400% FPL can access a subsidy. When an individual applies for health insurance coverage through the Exchange, they will be screened to determine whether they qualify for a subsidy, which will offset the cost of their coverage.
2.	Supports the state managing the Exchange.	Noted.
3.	Populations could be at-risk if they're moved from AHCCCS to the Exchange. As a taxpayer who pays federal taxes, Arizona should not walk away from federal dollars and should support vulnerable populations.	Existing Medicaid populations who are eligible will not be moved to the Exchange. Federal dollars will still support the State's healthcare system via Exchange subsidies.
<b>Essential Health Benefits (EHB)</b>		
4.	Transportation, lack of providers and specialty services for autism is a concern in rural areas.	Noted.
5.	Paperwork should be in Spanish along with the aid of full-time translators.	Noted.
<b>Medicaid Eligibility and Funding</b>		
6.	Parents who lose custody of their children are not notified that their Medicaid eligibility will be terminated and are therefore unable to access needed benefits.	A parent's eligibility is tied to having custody of their child. When a parent loses custody of their child, they are considered a childless adult and, because of the enrollment freeze, are not able to maintain AHCCCS coverage. AHCCCS recognizes it is difficult to manage support services, but cannot cover services to individuals not eligible under the freeze.
7.	Parents whose children are removed by CPS are unable to complete a behavioral health assessment. Is there a form of gap coverage for these situations?	AHCCCS does not provide services to individuals not eligible for Medicaid. There may be some resources available through other state agencies, like DES or ADHS.
8.	Medicaid should be expanded as part of the ACA. If not, hospitals will be forced to implement higher fees to those with insurance.	Noted.
9.	It is vital that Arizona expand Medicaid and take advantage of the billions of dollars in federal matching funds to help ensure the health of its residents.	Noted. It was also noted that Medicaid expansion for Arizona means expanding coverage to adults between 100-138% FPL, which represents about 65,000 people. Restoring coverage to childless adults is not Medicaid expansion.
10.	The re-opening of Childless Adults is supported from a single mom and 18 year daughter who both would qualify if the freeze were lifted.	Noted.
11.	Has Arizona considered applying for an 1115 waiver for childless adults with HIV?	AHCCCS recognizes the importance of covering vulnerable populations and provided some additional protections under the childless adult freeze to this population.
12.	Mom representing a child already enrolled in AHCCCS but has complex health issues. Mom wants child on ALTCS but she does not qualify for ALTCS.	Noted.

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Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re Childless Adult DRAFT Waiver; **Phoenix**

On October 1, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Phoenix, where about 52 people attended, regarding the Childless Adult DRAFT Waiver Amendment. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about DRAFT Waiver Amendment. More information can be found at:

<http://www.azahcccs.gov/reporting/federal/childlessAdults.aspx>

The meeting began at approximately 1:00p.m. and ended approximately at 3:00p.m. Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments.

A total of 14 comments and questions were submitted and everyone who requested the opportunity to speak was allowed. Below is a summary of questions and comments from the public and the Agency's responses provided during the meeting.

#	Question	Response
<b>Medicaid Eligibility and Funding</b>		
1.	Concerned grandparent of a childless adult who needs behavioral health services but lost his coverage. Supports restoring coverage of childless adults with 90% FMAP	Noted.
2.	Supports expanding coverage to 133% FPL to reduce the number of uninsured.	Noted. It was also noted that “expansion” for Arizona means adding adults between 100-138% FPL to Medicaid. Restoring coverage to childless adults (who are eligible under Prop 204) is not part of expansion and the State is not eligible for 100% federal funding for covering (or restoring coverage to) that population.
3.	Without expansion, where do people who get sick go? Hospitals and clinics are already overwhelmed and unsustainable. Supports expanding coverage.	Noted.
4.	Supports recognizing the will of Arizona’s voters and restoring Childless Adults using enhanced FMAP.	Noted.
5.	Recommendations on DRAFT Waiver to: remove “within available resources” which would allow AZ to opt out of covering Childless Adults, and the cost sharing provisions because they are barriers for vulnerable populations.	Noted.
6.	Is AHCCCS seeking authority to implement a freeze? Does it depend on whether AZ can get enhanced FMAP?	This waiver does not present any changes to current policy. The waiver is designed to address the current end date of the State’s authority to offer coverage to childless adults. That authority terminates 12-31-13. AHCCCS needs authority to continue covering the current childless adult population. Without it, they will be dropped from coverage on 1-1-14 if the State does not take any other action.
7.	Parents should also be covered because it makes for healthier children.	Noted.
8.	Concerned parents of 39 year old autistic son who needs healthcare supports coverage of childless adults on AHCCCS. Father is retired and having trouble assisting son.	Noted.
9.	Supports expanding coverage up to 133% FPL, including childless adults and the Spend-Down program for major medical conditions.	Individuals with income between 100-133% FPL have access to the Exchange with a 98% Federal subsidy. Federal subsidies are also available for individuals with income up to 400% FPL. The individual mandate and access to insurance on the Exchange does not require the spend-down program on AHCCCS. That program was for people who did not qualify for AHCCCS because they were over income.
10.	Supports childless adult coverage. Individual who takes care of her adult brother who had a stroke is unable to work and cannot obtain coverage on AHCCCS because of the childless adult freeze. In addition, the speaker recently lost her employment. Not having access to healthcare puts stress and strain on families and caregivers.	Noted.

#	<b>Question</b>	<b>Response</b>
11.	Provider for individuals with Serious Mental Illness supports expanding coverage up to 133% FPL.	Noted.
<b>Other</b>		
12.	State coverage must include behavioral health and substance abuse services.	Noted.
13.	Provider for individuals with Serious Mental Illness is concerned that the Exchange will not have adequate benefits like AHCCCS. Also concerned that if coverage is offered to individuals with SMI on the Exchange, freed up state dollars would be swept by the legislature instead of providing needed wrap around supports that this population requires.	Coverage under the Exchange would free state funds that is currently used for prescription drug coverage that will be now offered on the Exchange. This would allow the State to use those dollars for other services such as wrap-around coverage (e.g., housing and employment supports, peer supports) and navigator assistance for vulnerable populations.
14.	Concerned with SSI-MAO populations, Freedom to Work, and Foster children aging out of the program. Also parents in CPS who become childless adults without health coverage.	Coverage for SSI MAO and Freedom to Work is not impacted by the ACA. The ACA does not mandate any changes to those programs. With respect to foster children, the ACA requires states to continue to cover former foster children in Medicaid up to age 26.

**Janice K. Brewer, Governor**  
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*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona and Childless Adult DRAFT Waiver Amendment; **Sacaton/Gila River Indian Community**

On October 17, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Sacaton where 38 people attended regarding the Future of Medicaid in Arizona and the Childless Adult DRAFT Waiver Amendment. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>

<http://www.azahcccs.gov/reporting/federal/childlessAdults.aspx>

Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies.
- Childless Adult DRAFT Waiver Amendment

The meeting was open for public comment and questions. Everyone who requested to speak was provided the opportunity. A total of 19 comments or questions were taken. Below is a summary of the meeting.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	Has there been consideration to partnering with other states or the federal government to run the Exchange in Arizona?	The federal government is still in the process of finalizing its plans so it's unclear what partnering with them to run the Exchange would look like. Arizona already has an advanced eligibility system that many other states do not have. The eligibility requirements are also very different between states, making it difficult to partner with other states.
2.	How would an American Indian, who can also receive services through I.H.S., coordinate with the Exchange?	If uninsured, they would go through the online eligibility process. They would be screened for Medicaid first; if not eligible, the individuals would be screened for subsidies under the Exchange, and have the opportunity to select a Plan under the Exchange. I.H.S. would be reimbursed by Plans under the Exchange. Also, American Indians will have special monthly enrollment periods. In addition, Navigators will provide enrollment assistance in a culturally and linguistically appropriate manner. Navigators will also be trained as specialists on specific provisions for American Indians. The Governor's office is working with a tribal workgroup in this area.
3.	Will American Indians be required to have insurance?  Does contracted health qualify as having insurance?	No. American Indians are exempt from the individual mandate. However, obtaining coverage will help strengthen the I.H.S. and 638 systems, providing a new funding stream for systems that have traditionally been under-funded. Premiums will be capped for American Indians below 400% FPL and there will be no other out-of-pocket costs for American Indians below 300% FPL.  It is unclear at this time whether contracted health qualifies as insurance.
<b>Essential Health Benefits (EHB)</b>		
4.	Since United Health Care is the State employee plan selected, will they be the only plan offered under the Exchange?	No. Only the benefits offered under United Health will be set as the minimum benefits that are required to be a plan in the Exchange.
5.	Would I.H.S. be a plan on the Exchange?	No. I.H.S. is not insurance. Rather, I.H.S. and 638s would be provider types and the Health Plans on the Exchange would reimburse I.H.S. and 638s.
6.	Can plans on the Exchange offer more benefits than the minimum required?	Yes but consumers would pay extra for those and they would not be part of the Benchmark plan where consumers can have access to the tax subsidy.
<b>Medicaid Eligibility and Funding</b>		
7.	Is the \$928 million vs. \$2.5 billion the cost to the State for restoring coverage to childless adults or does it include total costs?	Cost to the General Fund (state) only.
8.	Does the State have to pay for the coverage of American Indians?	Yes if they receive services outside of I.H.S./638 facilities.
9.	Will the decision about enhanced FMAP be a driving force on whether to cover childless adults and/or expand?	The cost of childless adult coverage will likely have a great impact on Arizona policymakers' decision as to whether the State can consider lifting the current enrollment freeze. The concern is that Childless Adults do not have access to the Exchange because people below 100% FPL do not have access to subsidies on the Exchange.

#	Question	Response
<b>Other</b>		
10.	What will Arizona do if Mr. Romney wins the presidential election?	The State would need to learn more about Mr. Romney's healthcare plan to assess the impact to Arizona. In order to fully repeal the Affordable Care Act, a super majority is needed in the Senate. Implementation of the ACA might be delayed as an option and there is talk about Medicaid block grants. Once the State learns more, a proper analysis can be conducted for state policymakers to review.
11.	There are many changes and issues impacting American Indians. Tribes want to be involved in decision-making and want to learn about all of the changes so they can help their members.	AHCCCS and the Governor's Office have established workgroups to review all of the issues and potential impact to tribes. There is still a lot to learn as final decisions are still pending. Training will be available in the future.
12.	An overview of the Exchange workgroup was provided by ITCA with a summary of the meetings and work to date.	Noted.
13.	Will Expansion help create more jobs?	It is unclear at this time. The Grand Canyon Institute conducted a study that may have mentioned jobs. It was noted that "expansion" for Arizona means adding adults between 100-138% FPL to Medicaid. Restoring coverage to childless adults is not part of the expansion and the State is not eligible for 100% federal funding for this group.
14.	Have any final decisions been made?	No. Information is being gathered. Once the Governor makes a decision, the Legislature must agree.
<b>Childless Adults DRAFT Waiver Amendment</b>		
15.	Do cost sharing requirements apply to American Indians?	No. Likewise, no cost-sharing for services through IHS, tribes, tribal organizations, Urban Indian programs, or contract health services enrolled in the Exchange.
16.	What is being done to keep Childless Adults currently covered on the system?	There is an extensive notice process when renewal dates approach. Community organizations are also campaigning to conduct outreach and raise awareness and there are over 200 Health-e-Arizona sites that are available for assistance. There are also special efforts to assist members with SMI to move them to SSI-MAO categories.
17.	Does the freeze impact children who turn 18? Speaker has clients that are turning 18 and having difficulty maintaining their coverage.	No. They are automatically processed and enrolled as a Childless Adult if eligible. However, once a child turns 18 they will have to comply with the annual renewal process to remain eligible. That renewal timing can be at or near the time of their birthday.
18.	Does Prop 204 require Arizona to cover Childless Adults up to 100% FPL?	Prop. 204, passed by voters in 2001, mandated all Arizonans under 100% FPL be covered in the AHCCCS program for health care, within available resources. The only dedicated funds for this coverage expansion were tobacco funds, which are inadequate to cover the entire Prop. 204 population. After that it is within the discretion of the legislature's appropriation authority to determine if there are available State funds for this coverage. Last year, the legislature determined there were only funds available to cover childless adults currently enrolled in the program, so enrollment was frozen.
19.	When the Childless Adult waiver ends, will supplemental payments to I.H.S. also expire?	Yes. Supplemental payments to I.H.S. for uncompensated care will also expire if the Childless Adult waiver ends.

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ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Date:

To: Interested Parties

From: AHCCCS Administration

Re: Summary of Public Meeting re the Future of Medicaid in Arizona and Childless Adult  
DRAFT Waiver Amendment; **Sierra Vista**

On October 18, 2012, the Arizona Health Care Cost Containment System (AHCCCS) held a Public Meeting in Sierra Vista regarding Childless Adults and the Future of Medicaid in Arizona. This was one of multiple public meetings held throughout the state to provide additional information and obtain stakeholder feedback about the multiple and complex opportunities with respect to the future of Arizona's Medicaid program. More information can be found at:

<http://www.azahcccs.gov/publicnotices/FutureOptions.aspx>  
<http://www.azahcccs.gov/reporting/federal/childlessAdults.aspx>

The meeting began at approximately 1:00p.m. and ended approximately at 3:00p.m. Information was provided about where additional details and future updates can be found on the AHCCCS website, including how to provide written comments. AHCCCS presented the following topics:

- The Executive's Guiding Principles
- Process and Timeline for Deliberation
- Health Insurance Exchange
- AHCCCS Coverage Solutions
- Opportunities for Operational Efficiencies
- Childless Adult DRAFT Waiver Amendment

Below is a summary of the 15 questions and comments from the public and the Agency's responses provided during the meeting.

#	Question	Response
<b>Health Insurance Exchange</b>		
1.	Exchanges need to be populated to be profitable.	Noted.
2.	The State should run its own Exchange in order to have more control.	The Governor is in the process of deciding what Arizona will do in regards to the exchange.
<b>Essential Health Benefits</b>		
3.	Autism services should be mandated as part of the minimum benefit package.	Noted.
4.	Telemedicine should be mandated as part of the minimum benefit package. Telemedicine reduces readmission rates, serves those with chronic disease especially in rural areas, and helps keeps patients in their homes versus hospital beds, which saves money.	Noted.
5.	When the exchange gets implemented, Arizona needs to be more progressive in its delivery system.	Noted
<b>Medicaid Eligibility and Funding</b>		
6.	Are adults age 65 and older eligible for both Medicare and Medicaid?	Yes. Adults who meet certain income eligibility requirements can be eligible for both Medicaid and Medicare.
7.	Is the state still projecting a deficit? Will the proposed sales tax initiative help cover more people in Medicaid?	Arizona has been hit hard during the Great Recession. The proposed sales tax, if passed, would not help cover more people in Medicaid.
8.	The childless adult enrollment freeze is having a detrimental impact on rural Arizona. Hospitals are closing and emergency department visits are up with no payers. The entire system is tense on the verge of collapsing. This same representative also indicated that his rural hospital had a profitable year in 2011.	Noted.
<b>Other</b>		
9.	There is not a Pediatrics system of care in Cochise County. Every child must be shipped out, which costs \$15,000 per move.	Noted.
10.	There is a lack of specialty providers in medically underserved areas.	Noted.
11.	There is also a lack of physicians leaving the system. Take for example the hospital in Douglas that is filing for bankruptcy. When it closes, the rural system will collapse.	Noted.
12.	Clinics and hospitals provide healthcare in rural Arizona. Community Health Center costs are too high.	Noted.
13.	The DRG payment structure would not work in the rural Arizona and will cause an already tense system to sink.	Noted.
14.	Arizona needs an upgraded IT system, for billing and eligibility. The labor force required to complete billing is a large expense.	Noted.
15.	Private insurance companies are not good payers. They take longer to pay providers compared to the State.	Noted.