

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

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October 5, 2012

Cheryl Young  
Centers for Medicare and Medicaid Services  
75 Hawthorne St., 5th Floor  
San Francisco, California 94105

Dear Ms. Young:

Enclosed is Arizona State Plan Amendment (SPA) 12-011, effective January 1, 2013, which describes the Community First Choice Option as described in Section 1915(k) of the Social Security Act in the State Plan.

If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

A handwritten signature in black ink, appearing to read 'Monica Coury', is written over a horizontal line.

Monica Coury  
Assistant Director  
Office of Intergovernmental Relations

Cc: Jessica Schubel  
Mark Wong  
Cindy Lemesh



**19c**

**State of Arizona**

Citation 3.1(a)(1) Amount, Duration, and Scope of Services: Categorically Needy  
(Continued)

X Community First Choice Option (CFCO) services, as described and limited in  
Supplement 3 to Attachment 3.1-A.

Supplement 3 to Attachment 3.1-A identifies the CFCO services and supports  
provided to the categorically needy

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TN No.: 12-011

Supersedes

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State of Arizona

Amount, Duration, and Scope of Medical and Remedial Care Services Provided To the Categorically Needy

28. X Community First Choice Option (CFCO) services, as described in Supplement 3 to Attachment 3.1-A.

X Election of CFCO services: By virtue of this submittal, the State elects CFCO services as a State Plan service delivery option.

       No election of CFCO Services: By virtue of this submittal, the State elects not to add CFCO Services as a State Plan service delivery option.

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**State of Arizona**

I. Eligibility

The State determines eligibility for Community First Choice Option (CFCO) in the manner as prescribed in the Social Security Act § 1915(k)(1) for individuals who have been determined eligible for the Arizona Long Term Care System.

II. Delivery Model

The State elects to choose the following service delivery model and corresponding options to disperse funds to provide self-directed home and community-based attendant services and supports under the CFCO.:

X Agency-provider model.

The State elects to choose the agency-with-choice model whereby the individual and the agency enter into a co-employment relationship and assume employer responsibilities. The agency assumes the responsibility to hire, fire and provide minimum standardized training required by the State. The individual has the option to assume one or more of the following employer responsibilities to self-direct their care:

- 1) Recruit and select providers including specifying provider qualifications
- 2) Dismiss providers
- 3) Supervise providers in the provision of services and supports that are within the scope of the approved person-centered service plan
- 4) Manage providers in the provision of services and supports that are within the scope of the approved person-centered service plan
  - a. Determine provider duties
  - b. Schedule providers
  - c. Train providers in assigned tasks
- 5) Require other training as needed, in order to meet the unique needs of the member

     Self-directed model with service budget.

- Financial management entity
- Direct cash
- Vouchers

**State of Arizona**

IV. Use of an Individual Representative

A.  The State elects to permit participants to appoint an individual representative, who is not a paid caregiver consistent with 42 C.F.R. 441.505, to serve as a representative for the purpose of approving services and/or service hours during the service planning process.

The State elects not to permit participants to appoint a representative to direct the provision of CFCO services on their behalf.

V. CFCO Service Package

A. Required Services- The State provides the following services that are within the scope of the approved person-centered service plan:

Assistance with activities of daily living (ADLs), instrumental activities of daily living (IADLs), and health-related tasks through hands-on assistance, supervision, or cueing.

Acquisition, maintenance, and enhancement of skills necessary for the individual to accomplish ADLs and IADLs.

Backup systems or mechanisms to ensure continuity of services and supports.

Voluntary training for members on how to select, manage and dismiss attendants.

B. Permissible Services. The State elects to provide the following services that are within the scope of the approved person-centered plan:

Expenditures for transition costs such as rent and utility deposits, first month's rent and utilities, bedding, basic kitchen supplies, and other necessities linked to an assessed need for an individual to transition from a nursing facility, institution for mental diseases, or intermediate care facility for the mentally retarded to a home and community-based setting where the individual resides;

Expenditures relating to a need identified in an individual's person-centered service plan that increases an individual's independence or substitutes for human assistance, to the extent that expenditures would otherwise be made for the human assistance.

VI. Service Plan

The State shall make available CFCO services and supports to eligible individuals:

A. Under a person-centered plan of services and supports that is based on a face-to-face assessment of the individual's functional need and that is fully disclosed in writing and agreed to by the participant, or as appropriate, their representative, and as outlined in 42 CFR 441.535 and .540; and

B. In a home or community setting, which does not include a nursing facility, institution for mental diseases, an intermediate care facility, or alternative residential setting.

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VII. Providers Qualifications

The State assures an individual who elects CFCO retains all rights related to training and qualification requirements established for providers as identified in 42 CFR 441.565.

VIII. Quality Assurance and Improvement Plan

The State will ensure adherence to 42 CFR 441.585 through the following methods:

- A. The *AHCCCS Quality Assessment and Performance Improvement Strategy* – The AHCCCS Quality Strategy is a coordinated, comprehensive, and pro-active approach to drive quality throughout the AHCCCS system by utilizing creative initiatives, monitoring, assessment, and outcome-based performance improvement. It is designed to ensure that services provided to members meet or exceed established standards for access to care, clinical quality of care, and quality of service. The Quality Strategy is based on the AHCCCS Mission and Vision, which includes specific emphasis on advocating for and delivering customer-focused care. Through that vision, AHCCCS will ensure that all members (including individuals electing the CFCO) maximize the independence and control and will infuse that concept into every relevant aspect of the Quality Strategy and related processes.
- B. Health Plan Monitoring and Oversight – Monitoring and oversight takes place at both the Contractor and State levels on an ongoing basis. Both Contractors and AHCCCS will ensure that training of members and their care providers meet state standards. Members will also be informed of the appeal process in case they do not agree with decisions in their person-centered service plan. In addition, ongoing education and outreach is provided to case managers and members/their individual representatives, regarding the mandatory reporting, investigation, and resolution of allegations of neglect, abuse, or exploitation. Adequate staff is ensured at both the Contractor and State levels to address potential quality of care concerns in an appropriate and timely manner.
- C. Performance Measures and other Quality Indicators – AHCCCS has developed a comprehensive process for monitoring health outcomes, including Contract-mandated performance measures that include minimum performance standards as well as Performance Improvement Projects when it is determined that a specialized focus would drive improvement. AHCCCS will have specific, individual outcome-based measures in place to ensure that CFCO participants maintain optimal physical and emotional health and welfare.

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## IX. Risk Management

The risk assessment methods and tools or instruments used to identify and mitigate potential risks to participants are described below.

- A. Individuals will be provided an outline of roles and responsibilities of both the agency and the individual. The list will include the identification of risks inherent to the individual for each of the roles/responsibilities that can be assumed by the individual to enter into the co-employment relationship with the agency. Individuals can use this tool to make informed decisions about selecting the agency-with-choice option as well as selecting the individual roles and responsibilities they want to assume.
- B. Individuals will be required to develop a *Contingency Plan* as part of the person-centered service planning process. The *Contingency Plan* allows for proactive planning to address and prevent potential gaps in the provision of services. The *Contingency Plan* must include information about actions that the individual and/or individual's representative should take to report any gaps and what resources are available to the member, including on-call back-up caregivers and the individual's informal support system, to resolve unforeseeable gaps (e.g., regular caregiver illness, resignation without notice, transportation failure, etc.) within two hours.
- C. On a case-by-case basis, as determined by the Case Manager, the *Managed Risk Agreement* will be used to document risks and/or decisions made by the individual/individual's representative that either increase (or don't decrease) risks that the individual may encounter as a result of self-direction.

## X. Assurances

- A. The State assures that all eligible individuals, on a statewide basis, may elect the CFCO in a manner that provides such services and supports in the most integrated setting appropriate to the individual's needs, and without regard to the individual's age, type or nature of disability, severity of disability, or the form of home and community-based attendant services and supports that the individual requires to lead an independent life.
- B. The State assures that individual representatives will not also serve as the paid caregiver of an individual receiving services and supports. Individual representatives (including legal representatives) who wish to serve as paid caregivers must appoint another person, who is not a paid caregiver, to serve as a representative for the purpose of approving services and/or service hours during the service planning process.
- C. The State assures that individuals receiving services through CFCO will not be precluded from receiving other home and community-based long-term care services and supports through other Medicaid State plan, waiver, grant or demonstration activities.
- D. The State assures to provide, or arrange for the provision of, a support system that meets all of the conditions for the services and supports provided under 42 CFR 441.555.

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- E. The State assures CFCO services and supports are provided in accordance with the requirements of the Fair Labor Standards Act of 1938 and applicable Federal and State laws regarding the following:
  - i. Withholding and payment of Federal and State income and payroll taxes.
  - ii. The provision of unemployment and workers compensation insurance.
  - iii. Maintenance of general liability insurance.
  - iv. Occupational health and safety.
  - v. Any other employment or tax related requirements
- F. The State assures necessary safeguards have been taken to protect the health and welfare of enrollees in CFCO, including adherence to section 1903(i) of the Act that Medicaid payment shall not be made for items or services furnished by individuals or entities excluded from participating in the Medicaid Program.
- G. The State assures for the first full 12 month period in which the State plan amendment is implemented, the State must maintain or exceed the level of State expenditures for home and community-based attendant services and supports provided under sections 1115, 1905(a), 1915, or otherwise under the Act, to individuals with disabilities or elderly individuals attributable to the preceding 12 month period.
- H. The State assures the collection and reporting of data as outlined in 42 CFR 441.580.

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