



**Arizona Section 1115 Waiver
Amendment Request:
Draft Proposal to Waive Prior
Quarter Coverage**



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Arizona Section 1115 Waiver Amendment Request Draft Proposal to Waive Prior Quarter Coverage

SUMMARY

The Arizona Health Care Cost Containment System (AHCCCS) is requesting a waiver of the requirement to provide three months of retroactive coverage to new AHCCCS members. AHCCCS is seeking the flexibility to limit retroactive coverage to the month of application, consistent with Arizona’s policy prior to passage of the Affordable Care Act.

Accordingly, AHCCCS is requesting that the Centers for Medicare and Medicaid Services (CMS) waive Section 1902(a)(34) of the Social Security Act (the Act) and 42 CFR 435.915 to the extent necessary to enable the State not to provide medical coverage for any month prior to the month in which the member’s Medicaid application was filed.

OVERVIEW

Under current law, if a new AHCCCS member would have qualified for AHCCCS coverage during any portion of three months immediately preceding the month in which the member applied for AHCCCS coverage, AHCCCS is required to reimburse providers for any AHCCCS-covered service received by the member during that period.¹

To better align Medicaid policies with commercial health insurance coverage, AHCCCS is seeking the flexibility to limit retroactive coverage to the month of application, consistent with Arizona’s policy prior to passage of the Affordable Care Act. Under the proposed policy, individuals will continue to receive retroactive coverage effective as of the first day of the month in which the Medicaid application was filed.

This proposal to waive Prior Quarter Coverage promotes the objectives of the Medicaid program by (1) creating efficiencies that ensure Medicaid’s sustainability for members over the long term; (2) encouraging members to obtain and maintain health coverage, even when healthy; and (3) encouraging members to apply for Medicaid expeditiously when they believe they meet the criteria for eligibility. Arizona will increase efforts to educate and encourage Arizona residents to apply for AHCCCS coverage.

PROPOSED DEMONSTRATION CHANGES & WAIVER AUTHORITIES

A. Proposed Changes to Eligibility Requirements under the Demonstration as Amended.

Arizona is proposing to limit retroactive coverage to the month of application for all Title XIX AHCCCS members. Since its implementation in 2014, the Prior Quarter Coverage policy has resulted in a cost of \$69,955,595 (total funds). This Proposal to Waive Prior

¹ Social Security Act Section 1902(a)(34); 42 CFR 435.915.

Quarter Coverage would result in an estimated savings of \$39,431,100 (total funds) in State Fiscal Year (SFY) 2019.

Prior Quarter Coverage Historical Expenditures

State Fiscal Year	Total Funds
2014	\$19,809
2015	\$15,743,139
2016	\$21,708,207
2017	\$21,347,704
2018 ²	\$11,136,736
Total	\$69,955,595

B. Proposed Cost Sharing Requirements under the Demonstration as Amended.

The cost sharing requirements for persons impacted by this proposed demonstration amendment will not change from the State’s current program features as described in the current State Plan and Demonstration.

C. Proposed Changes to the Delivery System under the Demonstration as Amended.

The delivery system for persons impacted by this proposed demonstration amendment will not vary from the State’s current program features as described in the current State Plan and Demonstration.

D. Proposed Changes to Benefit Coverage under the Demonstration as Amended.

The benefit coverage for persons impacted by this proposed demonstration amendment will not vary from the State’s current program features as described in the current State Plan and Demonstration.

E. Waiver and Expenditure Authorities Necessary to Authorize the Demonstration.

Arizona respectfully requests that the CMS waive Section 1902(a)(34) of the Act and 42 CFR 435.915 to the extent necessary to enable the State not to provide medical coverage for any month prior to the month in which the member’s Medicaid application was filed.

CHIP ALLOTMENT

Not applicable. The amendment does not impact the XXI population.

EVALUATION DESIGN

Arizona does not propose any changes to the evaluation design.

² SFY 2018 includes prior quarter coverage expenditures from July 1, 2017 to November 30, 2017

PUBLIC PROCESS

Pursuant to the Special Terms and Conditions (STC) that govern Arizona's 1115 Waiver, Arizona must provide documentation of its compliance with Demonstration of Public Notice process including State Notice Procedures in 59 Fed. Reg. 49249 (September 27, 1994), the tribal consultation requirements pursuant to section 1902(a)(73) of the Act as amended by section 5006(e) of the American Recovery and Reinvestment Act of 2009, and the tribal consultation requirements outlined in STC 15.

This section of the document provides a summary of the public notice and input process used by AHCCCS to solicit feedback for this Proposal to Waive Prior Quarter Coverage.

Public Website:

The amendment request was posted on the AHCCCS website for public comment on January 11, 2018, and can be found at: <https://www.azahcccs.gov/Resources/Federal/PendingWaivers/priorquartercoveragewaiveramendment.html>. The web page includes a summary of the Proposal to Waive Prior Quarter Coverage, the schedule (locations, dates, and times) of public forums across the state, this draft Proposal to Waive Prior Quarter Coverage, and budget neutrality worksheets. In addition to the website posting, AHCCCS is utilizing its twitter account and electronic mail to notify interested parties about this Proposal.

Stakeholder Meetings:

AHCCCS will present the details about this Proposal to Waive Prior Quarter Coverage during a Tribal Consultation meeting on January 11, 2018, and will conduct public forum meetings on January 18th in Flagstaff, on January 26th in Phoenix, and on January 29th in Tucson. In addition, the Proposal to Waive Prior Quarter Coverage will be presented at the State Medicaid Advisory Committee (SMAC) meeting on February 7, 2018.

The public forum meetings will have telephonic conference capabilities to ensure statewide accessibility. The public will have the opportunity to review and comment on the proposal in person at the public meetings and in writing via e-mail to publicinput@azahcccs.gov or mail to AHCCCS, c/o Office of Intergovernmental Relations, 801 E. Jefferson Street, MD 4200, Phoenix, AZ 85034.