
Arizona's Draft Application for a New Waiver

Public Comments: Common Themes and State Responses

Arizona received 138 written public comments to its application for a new Waiver. The State also received numerous comments through community forums held in Phoenix, Tucson, Flagstaff, Yuma, as well as through public meetings including the State Medicaid Advisory Committee. All written public comments are posted to the AHCCCS website. Summaries of comments provided at the community forums are also posted to the AHCCCS website. These comments form part of the State's application for a new Waiver.

This document highlights many of the common themes found throughout the public comments and offers the State's responses, clarification and how the comments may have shaped the State's proposal.

1. Which population will participate in the AHCCCS CARE program?

The State is proposing that the New Adult Group be required to participate in the AHCCCS CARE program. This group is comprised of the State's Prop. 204 eligible childless adults from 0-100% of the federal poverty level (FPL), as well as the expansion adults from 100-133% FPL. Only the expansion adults are subject to disenrollment for failure to make timely cost sharing and premium payments. The State has proposed making participation optional for the American Indian/Alaska Native population, persons with serious mental illness and TANF parents. All other eligibility categories, such as SSI-MAO, pregnant women, ALTCS and children are not part of the AHCCCS CARE program. The State has amended its proposal to include this further clarification.

2. Copayments may deter people from accessing care.

The AHCCCS CARE copayments are testing a new way of using copayments to direct care. The AHCCCS CARE copayments are not assessed at the point of service. Rather, members are billed retrospectively for services they already received for which a copayment applies. This way, members do not have to make the copayment before accessing care. In addition, because the AHCCCS CARE program is applying a new strategy, copayments are targeted to: deter opioid abuse; promote use of generic drugs; better manage missed appointments; curb non-emergency use of the emergency room; and support the medical home model by requiring a referral from your primary care physician (PCP) to seek specialty care.

There is no copayment: to see your PCP, OB-GYN, behavioral health provider, or any other specialist (with PCP referral); or to obtain prescription drugs (except opioids and

brand name drugs when generic is available)¹. The State has made further clarification to its proposal per the comments received. Accordingly, the AHCCCS CARE copayments will not deter people from accessing care, since, in most instances, a copayment will not apply.

3. Many people may not be able to afford the premiums, especially if they are caring for other family members with special needs.

The Arizona State Legislature already passed a measure requiring imposition of premiums for individuals enrolled in the New Adult Group.² The legislatively directed premium requirement is set at 2% of annual household income. The AHCCCS CARE program builds upon the legislative directive by allowing members to withdraw the premium dollars they have paid into their AHCCCS CARE Account and use those monies for non-covered services.

In response to concerns about affordability, the State has amended its premium requirement to allow for a ceiling of \$25. Accordingly, the State has clarified in its proposal that the annual premium will not exceed 2% of annual household income or \$25 per month, whichever is lesser.

In response to concerns about members who are also caregivers for individuals living with them who may be elderly or disabled, the State has amended its proposal to allow their participation in AHCCCS CARE to be optional.

4. Do Health Savings Accounts work in Medicaid? Are the premium amounts going to be enough to fund this Health Savings Account?

The AHCCCS CARE Account is not a health savings account. A true health savings account acts as the source of funds or insurance coverage for all of the individual's health care needs. Also, true health savings accounts follow numerous federal requirements. The AHCCCS CARE Account functions more like a flexible spending program that acts as a compliment to the member's existing full coverage. A member's AHCCCS covered services are not funded through the AHCCCS CARE Account. Adults that participate in the AHCCCS CARE program still receive all of their regular benefits through their AHCCCS health plan. There is no change to their benefits. Monies in the AHCCCS CARE Account are for the member's use for services that are not covered by Medicaid.

As pointed out previously, the Arizona Legislature has passed the premium requirement. The AHCCCS CARE Account offers members the opportunity to get their premium dollars back and reinvest those monies in their own health for services that

¹ There is no copay for opioids in cases if terminal illness or cancer. There is no copay for brand name drugs where a physician has determined that the generic is ineffective.

² See SB 1475 [http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf./](http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf/)

Medicaid does not cover, like vision and dental. A member that has paid their monthly premium – e.g., \$25 per month – can then use the money they have saved for a dental cleaning or glasses.

In addition, contributions from employers and charitable organizations will serve to either reduce member contribution amounts or augment savings already accrued in their AHCCCS CARE Account. Some commenters suggested that third party participation is unlikely. The State disagrees and will aggressively pursue partnerships with employers and charitable organizations that share Arizona’s goal of promoting better health outcomes. Any organization can participate and reinvest their funds to support the health of AHCCCS members as they choose. These goals could include supporting tobacco cessation efforts or investing in the AHCCCS CARE Accounts for members with bleeding disorders, substance use disorders or diabetes. Some commenters stated that employer contributions could be a burden, particularly to small businesses. There is no requirement that employers make contributions. To the extent employers wish to make contributions, the State is pursuing a strategy to allow those contributions to be tax deductible.

Accordingly, the State believes the AHCCCS CARE Account presents new and unique opportunities to invest in the health of Arizonans and add value to the AHCCCS membership. The AHCCCS CARE Account takes a fresh approach to the traditional view of premium payments by allowing those dollars to stay with the member. The goal is adding a tool to help members manage their overall health as an added benefit, not to replace their current benefits.

5. The cost sharing imposed is not going to reduce total expenditures.

The AHCCCS CARE program is not designed as a cost saving measure. The goal is to take the directives as set forward by the Arizona Legislature and build upon them to more strategically direct care to the right settings and offer tools to support AHCCCS members’ ability to manage their own health. The State is not counting any savings related to copayments and is allowing premium payments to stay with the member.

6. What are the administrative costs associated with this proposal?

The AHCCCS program already administers copayments and premiums and has done so for many years. Thus, these are not new components to the program. The only new components will be around education to members about (1) setting health goals and ways to achieve their goals and (2) connecting members to employment opportunities. These are positive investments in the AHCCCS membership. Costs for these investments in our members will be covered through copayments collected. The State has issued a Request for Information to seek additional information on third parties that currently administer similar type programs.

7. People who are sick or care for others who are elderly or disabled may not be able to keep up with premium or copayment requirements.

The State agrees with this comment. The State is already proposing to exempt persons with a serious mental illness, allowing their participation in AHCCCS CARE to be voluntary. As a result of public comment, the State is also seeking to exempt from AHCCCS CARE participation those who care for someone in their home who is elderly or disabled. Finally, the State will work with its federal partners at the Centers for Medicare and Medicaid Services (CMS) to build in exemptions for certain medically frail populations. The goal of AHCCCS CARE is to provide positive tools to better manage AHCCCS members' health, not to penalize members when they become ill.

8. There is no precedent for a work requirement or lifetime limit in Medicaid.

These comments reference Arizona Senate Bill 1092, which conditions Medicaid eligibility upon meeting specified work requirements and imposes a 5-year lifetime enrollment limit in Medicaid.³ This legislation was discussed as part of the regular public process during the 2015 legislative session and included opportunities for public comment and testimony. Very little public feedback was offered to the Legislature. The requirements are now part of state statute. Hence, the AHCCCS Administration is required by state law to seek these waiver authorities. While it is recognized that similar type proposals have not yet been approved in Medicaid, Arizona policymakers' goal is to advance the national dialogue around these issues.

9. Is the AHCCCS Works program also a condition of eligibility?

No, the AHCCCS Works program is not connected to an individual's eligibility. Participation in AHCCCS Works is a requirement in order to withdraw funds from the AHCCCS CARE Account. The AHCCCS Works program is a work incentive, rather than a work requirement, as detailed in SB 1092.

Employment is an important part of one's overall health and wellness. Accordingly, the State has several initiatives around supported employment for persons with disabilities or serious mental illness. Despite the fact that adults make up nearly half of the AHCCCS enrollment, there has been no concerted effort to engage this adult membership around work opportunities. The AHCCCS Works program is an effort to connect people to the resources they need to find employment. The Department of Economic Security, for instance, has a robust program to provide aid to job seekers.

³ For additional information and specific language around the requirements and exceptions, see the Arizona State Legislature's website at: http://www.azleg.gov/DocumentsForBill.asp?Bill_Number=1092&Session_Id=114. SB 1092 can be found here: <http://www.azleg.gov/legtext/52leg/1r/laws/0007.pdf>.

All that is required is that members take the step of getting connected to employment assistance opportunities. Most importantly, a member's AHCCCS eligibility is not connected to their participation in AHCCCS Works.

Some commenters suggested that there may be AHCCCS members that cannot achieve work or cannot take the step to participate in AHCCCS Works. The State fully recognizes that different individuals may have different health needs or challenges. Accordingly, the State will work to accommodate individuals who are medically frail and unable to meet the AHCCCS Works component. The State disagrees, however, with some commenters that suggested the mere fact of being enrolled in Medicaid creates an inability to participate in a work incentive program. Rather, the State believes in investing in every adult member to support their ability to achieve independence to that individual's greatest extent. Employment is a key to maximizing independence and achieving better overall health and quality of life.

10. Setting healthy targets is a positive step.

AHCCCS appreciates the positive support for the Healthy Arizona program. Some commenters suggested the program may be difficult for members to achieve. Setting targets that no one can achieve is not the State's goal. Rather, the Healthy Arizona targets start small. Meeting this objective can be as simple as getting a flu shot. Members only need to accomplish one of the health goals in order to meet this requirement. The purpose here is to build health literacy around basic health and wellness measures and public health concerns.

11. Non-emergency medical transportation is a critical part of ensuring health and wellness.

The Arizona Legislature passed Senate Bill 1475,⁴ which includes a requirement that the AHCCCS Administration seek a waiver allowing the State an exemption from providing non-emergency medical transportation to the expansion adult population – i.e. adults in the 100-133% FPL group. The State acknowledges and appreciates the concerns raised around ensuring that members have access to needed care and will explore opportunities to exempt certain medically frail populations from this directive.

12. There is broad support for proposals aimed at addressing health care disparities in the American Indian/Alaska Native population.

The State appreciates the broad support for the American Indian Medical Home, continuation of the uncompensated care payments for Indian Health Services and tribally owned or operated 638 facilities, and the opportunity to reimburse for traditional

⁴ See <http://www.azleg.gov/legtext/52leg/1r/laws/0014.pdf>.

healing practices. AHCCCS will further engage with tribes around the opportunities in a series of workgroups.

13. There are other initiatives, such as community paramedicine, that should be added to this application.

The State agrees that there are numerous initiatives taking shape throughout the State. AHCCCS is already working on several of these efforts, including opportunities to reimburse for certain types of services provided in community paramedicine programs. Similarly, many of the types of initiatives or system reforms identified in public comments are already being supported in the AHCCCS system.⁵ More importantly, there are many opportunities to include future reforms as part of the State's Waiver document. Reform initiatives require extensive research, stakeholder engagement and operational changes. Some of these dialogues are already occurring or will take place through current efforts or new ones, like the State Innovations Model (SIM) grant.⁶

14. While there is support for the Delivery System Reform Incentive Payment (DSRIP) program proposal, additional detail is needed.

The DSRIP section of the State's proposal is purposefully high level and outlines only the State's primary objectives. The details of what a DSRIP would entail for the State of Arizona requires an extensive level of stakeholder engagement, as such a proposal must be formed as part of a collaborative effort. In addition, the State is seeking opportunities to ensure long-term sustainability of any system reform efforts. Most of the issues highlighted in the DSRIP section are projects that are already underway in some form. The purpose of including the concept in the State's application is to ensure the development of language within the new Waiver that will further support these efforts.

15. There is support for the concepts of engaging adult members in healthy goals and allowing for innovative strategies that offer tools to help members direct their own care.

The State appreciates the support from commenters around the proposal's goals to empower adult members to manage their own health and have the flexibility pay for non-covered services. The State views this proposal as an exciting opportunity to build health literacy, connect people to work opportunities, and help prepare Arizonans for their transition from Medicaid to commercial coverage.

⁵ See AHCCCS Initiatives page on the AHCCCS website at: <http://azahcccs.gov/shared/initiatives.aspx>.

⁶ For more on the State's SIM grant, see: <http://ahcccsnew/reporting/federal/SIMInitiative.aspx>.