



**STRATEGIC PLAN
STATE FISCAL YEARS 2023 - 2027**

September 2022



September 1, 2022

Dear Stakeholder Partners:

I am pleased to share a copy of the Arizona Health Care Cost Containment System (AHCCCS) strategic plan for State Fiscal Years 2023—2027.

AHCCCS' five-year strategic plan charts the course for the agency's work in three critical goal areas, calling on the agency to:

Goal 1: Provide equitable access to high quality, whole-person care.

Goal 2: Implement solutions that ensure optimal member and provider experience.

Goal 3: Maintain core organizational capacity, infrastructure and workforce planning that effectively serves AHCCCS operations.

The goals and corresponding strategies build upon the program's successes to date and compel the agency to address some of the most pressing issues facing the health care industry today, including the need to support interventions that address members' clinical needs as well as social drivers of health, and the importance of developing and maintaining a technological infrastructure that is nimble enough to adapt to an ever-changing regulatory framework and robust enough to support a \$20 billion program serving 1 in 3 Arizona residents. The strategic plan also details the importance of targeted efforts aimed at maintaining the agency's historically high level of employee engagement and acknowledges workforce challenges impacting both the administrative and programmatic ends of the agency's work.

I want to extend my thanks to the AHCCCS Leadership Team, the Statewide Medicaid Advisory Committee, and a host of other stakeholders that provided input over the last several months. Your feedback has been invaluable in ensuring the development of a plan that is responsive to community needs and reflective of our overarching objective of maintaining a high quality, cost-effective Medicaid program.

Sincerely,



Jami J. Snyder
Director

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INTRODUCTION

The AHCCCS vision, mission, and core values serve as the foundation for the State Fiscal Year 2023—2027 strategic plan.

AHCCCS VISION:

Shaping tomorrow's managed health care from today's experience, quality, and innovation.

AHCCCS MISSION:

Reaching across Arizona to provide comprehensive, quality health care for those in need.

Core Values

1. **Passion:** Good health is a fundamental need of everyone. This belief drives us, inspires and energizes our work.
2. **Community:** Health care is fundamentally local. We consult with, are culturally sensitive to, and respond to the unique needs of each community we serve.
3. **Quality:** Quality begins as a personal commitment to continual and rigorous improvement, self-examination, and change based on proper data and quality improvement practices.
4. **Respect:** Each person with whom we interact deserves our respect. We value ideas for change, and we learn from others.
5. **Accountability:** We are personally responsible for our actions and understand the trust our government has placed on us. We plan and forecast as accurately as possible. Solid performance standards measure the integrity of our work. We tell the truth and keep our promises.
6. **Innovation:** We embrace change, but accept that not all innovation works as planned. We learn from experience.
7. **Teamwork:** Our mission requires good communication among interdependent areas inside and outside the agency. Internally, we team up within and across divisions. Externally, we partner with different customers as appropriate.
8. **Leadership:** We lead primarily in two ways: by setting the standards by which other programs can be judged and by developing and nurturing our own future leaders.
9. **Courage:** This value calls on us to be honest and transparent with one another for the purpose of strengthening our culture and advancing our program.

AHCCCS OVERVIEW

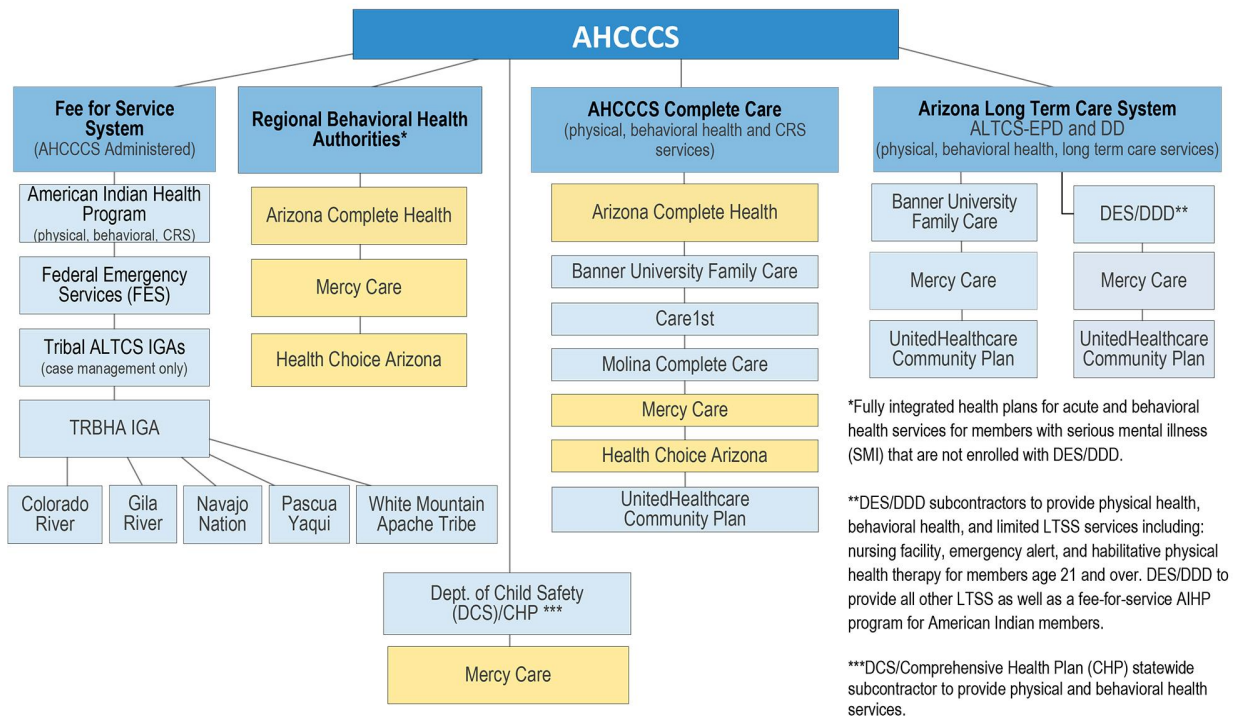
AHCCCS uses federal, state, and county funds to provide health care coverage to state Medicaid beneficiaries. Since 1982, when it became the first statewide Medicaid managed care system in the nation, AHCCCS has operated under a federal Research and Demonstration 1115 Waiver authority that allows for the operation of a comprehensive managed care model.

AHCCCS makes prospective capitation payments to contracted health plans responsible for the delivery of care to members. The model is a true public-private partnership that seeks to leverage competition and choice. The result is a managed care system that mainstreams recipients, allows them to select their providers, and encourages quality care and preventive services.

As of August 1, 2022, over 2.4 million Arizonans were enrolled in AHCCCS. The following image illustrates AHCCCS' current delivery system:



Care Delivery System Effective July 1, 2021



AHCCCS Complete Care

On October 1, 2018, AHCCCS implemented a managed care product focused on offering fully integrated behavioral and physical health care services to the majority of the AHCCCS population, including children and adults without a determination of serious mental illness. As of August 1, 2022, over 1.9 million members were served by an AHCCCS Complete Care health plan.

Regional Behavioral Health Authority (RBHA)

Historically, RBHAs have been charged with the following functions:

1. Providing integrated services to individuals with a Serious Mental Illness (SMI) designation,

2. Supporting a regional crisis system, and
3. Administering non-title XIX funding including certain grant funding, including, but not limited to SAMHSA funding.

Beginning on October 1, 2022, three existing ACC plans will begin serving as ACC plans with Regional Behavioral Health Agreements (ACC-RBHAs) and will assume responsibility for the three tasks detailed above. As of August 1, 2022, over 48,000 members determined to have a Serious Mental Illness (SMI) were served by the RBHAs.

Arizona Long Term Care System (ALTCS)

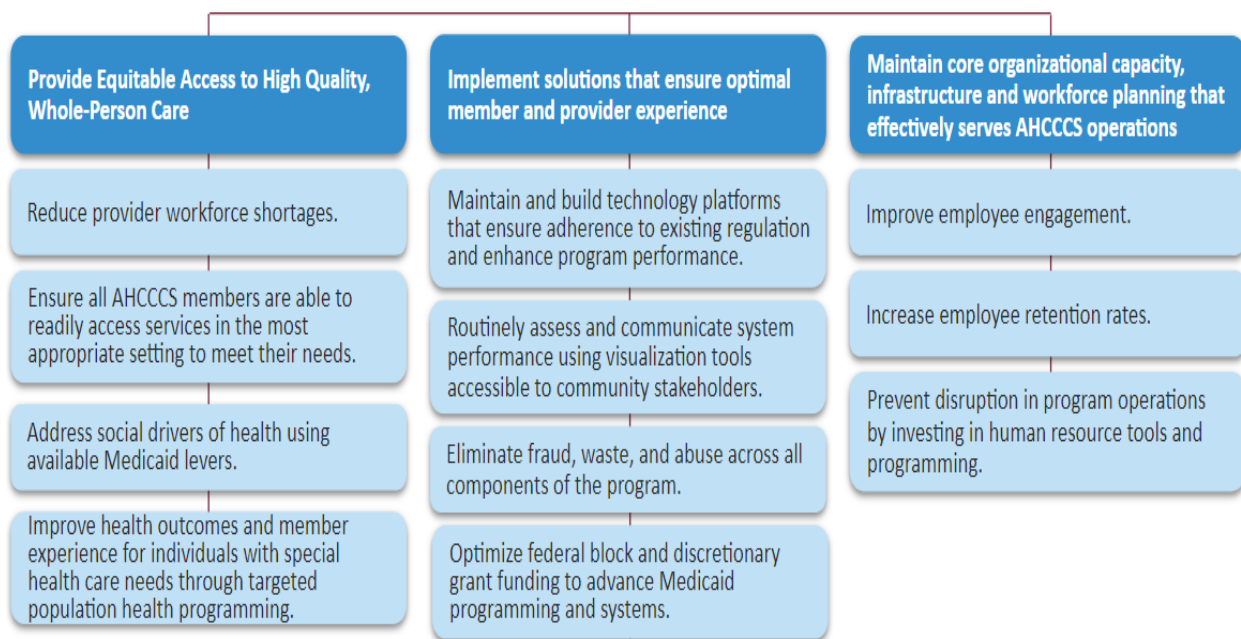
The Arizona Long Term Care System (ALTCS) provides acute care, behavioral health services, long-term care, and case management to individuals who are elderly, have physical disabilities, or have developmental disabilities and meet the criteria for institutionalization. While individuals in the ALTCS program must meet criteria for institutionalization, AHCCCS maintains a robust home and community-based services benefit (HCBS) and provider network. As such, over 90 percent of individuals in the ALTCS program receive HCBS services. As of August 1, 2022, over 66,000 members were enrolled with ALTCS.

Fee-for-Service (FFS)

As of August 1, 2022, AHCCCS' FFS population consisted of more than 280,000 members. The FFS program includes American Indians enrolled in the American Indian Health Program (AIHP) for acute care, members enrolled with Tribal Regional Behavioral Health Authorities (TRBHAs) for behavioral health services, tribal long term care programs, and individuals in the Federal Emergency Services population (FES). On AHCCCS' behalf, the Division of Fee-for-Service Management pays FFS provider claims, prior authorizes certain medical and behavioral health services, provides ongoing training, completes clinical claims reviews, provides customer services to FFS providers, and coordinates care for the FFS population.

The goals and priorities identified for AHCCCS' SFY 2023 - 2027 strategic plan are as follows:

State Fiscal Year 2023—2027 Strategic Goals and Priorities



The strategies and performance measures for SFY 2023 are as follows:

Goal #1

Provide equitable access to high quality, whole person care.

In order to address the need for equitable access to high quality whole person care, we will:

- Work to reduce provider workforce shortages,
- Work to ensure all AHCCCS members are able to readily access services in the most appropriate setting to meet their needs,
- Address social drivers of health using available Medicaid levers, and
- Focus on improving health outcomes and member experience for individuals with special health care needs through targeted population health programming.

STRATEGY 1.1

Increase the amount of funding to direct care workers (DCWs) providing home and community-based services (HCBS).

PERFORMANCE MEASURE 1.1.1

Amount of supplemental funding disseminated from the American Rescue Plan Act, Section 9817, to HCBS providers before 6/30/23.

STRATEGY 1.2

Reduce health disparities

PERFORMANCE MEASURE 1.2.1

Percent of AIHP members empaneled with an American Indian Medical Home.

STRATEGY 1.3

Increase available housing supports and services.

PERFORMANCE MEASURE 1.3.1

Number of members receiving transitional housing under the Housing and Health Opportunities (H2O) demonstration.

STRATEGY 1.4

Improve AHCCCS member connectivity to critical social services.

PERFORMANCE MEASURE 1.4.1

Number of organizations participating in the social determinants of health closed-loop referral system, CommunityCares.

Goal #2

Implement solutions that ensure optimal member and provider experience.

In order to implement solutions that ensure optimal member and provider experience, we will:

- Maintain and build technology platforms that ensure adherence to existing regulation and enhance program performance,
- Routinely assess and communicate system performance using visualization tools accessible to community stakeholders,
- Eliminate fraud, waste, and abuse across all components of the program, and

- Optimize federal block and discretionary grant funding to advance Medicaid programming and systems.

STRATEGY 2.1

Finalize roadmap, detailing the modernization of AHCCCS' Medicaid Enterprise System (MES).

PERFORMANCE MEASURE 2.1.1

Percent of roadmap milestones completed.

STRATEGY 2.2

Improve transparency into delivery system performance.

PERFORMANCE MEASURE 2.2.1

Number of hits to system level dashboards posted on the agency website on or before 6/30/23.

Goal #3

Maintain core organizational capacity, infrastructure and workforce planning that effectively serve AHCCCS operations.

We will continue to focus on:

- Improving employee engagement,
- Increasing employee retention rates, and
- Preventing disruption in program operations by investing in human resource tools and programming.

STRATEGY 3.1

Improve employee engagement.

PERFORMANCE MEASURE 3.1.1

Percent of engaged employees as determined by the state employee engagement survey.

STRATEGY 3.2

Reduce the amount of time positions remain vacant.

PERFORMANCE MEASURE 3.2.1

Average number of days from a position being vacated to the offer acceptance date.

RESOURCE ASSUMPTIONS

Budget Funding Sources (in thousands) as of 9/1/22					
	FY23	FY24	FY25	FY26	FY27
FTE	2,348.3	2,355.8	2,355.8	2,355.8	2,355.8
General Fund	2,321,039.9	2,511,877.1	2,678,328.2	2,862,928.3	3,056,831.7
Other Approp Funds	380,182.3	383,443.3	392,328.1	398,895.8	405,761.6
Non-Approp Funds	2,806,515.6	2,989,917.7	3,067,362.8	3,163,124.0	3,263,731.0
Federal Funds	16,976,630.7	17,851,456.3	18,732,433.6	19,636,235.0	20,585,730.3
Total Funds	22,484,368.5	23,736,694.4	24,870,452.7	26,061,183.1	27,312,054.6