



## State Demonstrations Group

---

October 6, 2015

Mr. Thomas Betlach  
Director  
Arizona Health Care Cost Containment System  
801 East Jefferson Street  
Phoenix, AZ 85034

Dear Mr. Betlach:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has received Arizona's Implementation Plan for the integration of physical and behavioral health services for individuals in Greater Arizona with a serious mental illness. This implementation plan was required in the Special Terms and Conditions (STC) for its section 1115 of the Social Security Act (the Act) demonstration, Arizona's Health Care Cost Containment System (AHCCCS), (Project No. 11-W-00275/09) and 21-W-00064/9).

CMS approves Arizona's implementation plan. In accordance with STC 21 of the AHCCCS 1115 terms and conditions, the state may revise the implementation plan as needed, contingent upon promptly notifying CMS of any significant changes in the plan.

If you have any questions regarding this letter, or other questions regarding the AHCCCS 1115 demonstration, please do not hesitate to contact your project officer, Ms. Jessica Woodard at (410) 786-9249 or [Jessica.Woodard@ccms.hhs.gov](mailto:Jessica.Woodard@ccms.hhs.gov).

We look forward to continuing to partner with you and your staff on the AHCCCS demonstration.

Sincerely,

/s/

Andrea J. Casart  
Acting Director  
Division of Medicaid Expansion Demonstrations

cc: Henrietta Sam-Louis, Acting Associate Regional Administrator, CMS San Francisco

June 23, 2015

Jessica Woodard  
Division of State Demonstrations & Waivers  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard, Mail Stop: S2-01-16  
Baltimore, MD 21244

Dear Ms. Woodard:

In accordance with Special Terms and Conditions paragraph 21, enclosed please find the required Implementation Plan for the integration of physical health and behavioral health services for individuals in Greater Arizona determined to have a serious mental illness.

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

Sincerely,



Monica Coury  
Assistance Director  
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Brian Zolynas, CMS

## AHCCCS IMPLEMENTATION PLAN JUNE 2015

As required by the Special Terms and Conditions, paragraph 21, the state submits to CMS the below Implementation Plan regarding integration of physical and behavioral health services for adult members who reside in Greater Arizona (all counties with the exception of Maricopa) and who are diagnosed with a Serious Mental Illness (SMI)

### ENROLLMENT SCHEDULE

The Arizona Department of Health Services (ADHS) awarded two contracts for the provision of integrated physical and behavioral health services in Greater Arizona. Effective October 1, 2015, Health Choice Integrated Care (HCIC) will provide these services to members who reside in the northern geographical service area (GSA) and Cenicato Integrated Care (C-IC) will provide these services to members who reside in the southern GSA.

AHCCCS in coordination with ADHS has scheduled October 1, 2015 as the start date for mandatory enrollment of members into integrated care for those members determined to have a Serious Mental Illness (SMI) and who reside in Greater Arizona (all counties with the exception of Maricopa County). Systematic changes that will identify and re-assign Greater Arizona members who have an SMI diagnosis to one of the new Integrated Regional Behavioral Health Authorities (RBHAs) will begin mid-July of 2015.

### IMPLEMENTATION PLAN

#### Triggers that would Prevent the State from Proceeding with Implementation

- Currently at four months out from the October 2015 effective date, there are no triggers that would prevent the state from proceeding with implementation.
- Implementation requirements addressing all readiness elements and a timeline for readiness were developed for the new RBHAs.
- Lessons learned from the 2014 Maricopa County integrated care implementation were reviewed and discussed with the new RBHAs in order to mitigate potential implementation issues.
- Implementation Plans were submitted in February 2015 by each RBHA and approved by ADHS and AHCCCS.
- Readiness activities by the new RBHAs began in March of 2015 and monitoring of all readiness elements is conducted to determine compliance of requirements and status of overall readiness.
- Individual implementation meetings have been conducted with each RBHA on a monthly basis beginning March 2015 and will continue through October 2015. Detailed presentations to ADHS and AHCCCS have been made by each RBHA addressing implementation activities, progress,

challenges, and strategies. Feedback was provided including identification of any outstanding areas requiring remediation going forward.

*Identified Risks with Implementation and Mitigation Strategies*

- *Risk:* Insufficient provider network contracting by a new RBHA.  
*Mitigation:*
  - ADHS has set a specific timeline for network development by the RBHAs and contracting activities began in March of 2015.
  - The RBHAs have been provided encounter data reflecting provider utilization for behavioral health and physical health services and are required to contract with the top 100 most utilized providers based on the encounter data.
  - The Network Workgroup began meetings in November 2014 and currently is reviewing contracting progress, challenges and strategies on a bi-weekly basis.
  
- *Risk:* Unsuccessful transition of member data to ensure continuity of care.  
*Mitigation:*
  - A standardized data element file (DEF) has been established for use by all Contractors and the new RBHAs for the transmission of critical member data. AHCCCS will facilitate transition of member physical health data from the member's current Acute Care Contractors to the new RBHA. This data will be comprised of member-specific details including but not limited to: demographics, health history, and current treatment (providers, medication, prior authorization, DME, and transportation history).
  - The new RBHAs are required to test the DEF file to ensure
  - AHCCCS is facilitating Data Transmission meetings between ADHS, Acute Care Contractors and RBHAs to discuss any concerns regarding data and member transition.
  - Acute Care Contractors are required to provide a daily listing of members who are in an inpatient stay or Skilled Nursing Facility (SNF) setting within one week of the mandatory enrollment date to ensure continuity of care for these members.
  - The data file transfers are scheduled to be transmitted at four different dates approaching the mandatory enrollment date.
  
- *Risk:* Failure of new RBHAs to adequately upgrade and implement systems as required.  
*Mitigation:*
  - Effective April 1, 2015, AHCCCS began testing of all processes and conducted weekly internal meetings to review any issues and address necessary remediation.
  - Effective July 1, 2015, AHCCCS begin external testing with all parties.
  
- *Risk:* Lack of provider understanding regarding the integration of physical and behavioral health services through the new RBHAs effective October 1, 2015.  
*Mitigation:*
  - ADHS and the RBHAs will provide education and outreach to all providers, with a focus on developing materials for those who are unfamiliar with the concept of an integrated RBHA and its functions.

- Education will be provided through notices, newsletters, website postings and provider forums. Provider staff will be educated on prior authorization requirements, coordination of care, billing and reimbursement methodologies.

*Fail-Safe or Back-up Plan in the Event Mitigation Strategies Fail*

- **Risk:** Insufficient provider network contracting by a new RBHA.  
*Mitigation:*
  - If the RBHA is not contracted with a provider the member is assigned to, or in active treatment with, at the time of mandatory enrollment, the below fail-safe options will be implemented;
    - The member is allowed to continue seeing his or her assigned primary care physician for at least 12 months after 10/1/2015.
    - Members in active treatment will be allowed to continue treatment with the same provider through the duration of their treatment.
- **Risk:** Unsuccessful transition of member data to ensure continuity of care.  
*Mitigation:*
  - If sufficient member data is not provided prior to October 1, 2015, the below fail-safe options will be implemented:
    - Prior authorized services, approved before October 1, 2015, will be covered by the RBHAs for 30 days after the member's enrollment date.
- **Risk:** Failure of new RBHAs to adequately upgrade and implement systems as required.  
*Mitigation:*
  - All parties are currently testing all conversion related processes in a test mode environment in preparation for the transition.
  - AHCCCS has developed processes to allow for the ability to back-out related member conversion processes and realign as needed. Additionally, AHCCCS has built in the ability to make real time individual record corrections if that should be necessary.

*Circumstances that would Stop the State Proceeding with the Implementation*

- Identification that one or both of the RBHAs has failed to meet integral readiness requirements.

In the event of the above circumstance, the state would delay the implementation date and continue to work with the RBHA to meet readiness requirements.

*Role of Stakeholder Feedback in Implementation*

- In September and October 2013, ADHS conducted nine (9) focus groups in different areas of the state for the purpose of obtaining input in preparation for the RFP for providing behavioral health services and integrated care (i.e. behavioral and physical health) to persons with Serious Mental Illness (SMI) in Greater Arizona. The purpose of the focus groups was to learn what is important to peers and family members in different regions of the state, and use this information to make

informed decision while preparing the RFP. A total of 123 peer and family members attended the focus groups and provided input.

- In October 2013 ADHS issued a survey online and via social media in order to reach out to members, providers, and other stakeholders to seek collective opinion on the behavioral health system and the services offered. The responses were evaluated to provide recommendations and strategies for improvements to the system during the planning of the Greater Arizona RFP, with a focus on what was deemed critical for the successful implementation of integrated care for individuals who have been determined to have a Serious Mental Illness (SMI).
- The proposed integrated plan was developed and posted for public comment. All public comments regarding the integration were reviewed and taken into consideration when developing the contractual requirements.
- San Carlos tribe provided feedback regarding the geographical service areas (GSA) which was taken into consideration when determining the final GSAs.
- Community feedback from members, providers and other stakeholders is considered when developing member and provider notifications and outreach regarding this integration.
- The ADHS, Office of Individual and Family Affairs (OIFA) continues to maintain its focus on building partnerships with individuals, families, youth, communities, organizations and key stakeholders to promote recovery, resiliency and wellness. OIFA is an integral part of the continuous outreach efforts to provide information, education, identify resources, as well as provide consultation, technical assistance and ongoing support for members and stakeholders.
- Post contract-award, workgroups were developed with representation from DBHS, AHCCCS, and the RBHAs, to ensure processes would be in place for implementation. These workgroups include member and provider participation, are ongoing, and focus on the following:
  - Development of the provider network/system of care,
  - Data transfer capabilities, including access to and appropriate use of electronic health records,
  - Communication and outreach, including community engagement and member materials, and
  - Transition of care, including crisis services and coordination of care for members who are at high risk or who have critical needs.

## **SUBMISSION TO CMS**

AHCCCS submits this Implementation Plan for CMS approval in order to meet its October 1, 2015 implementation of integrated physical and behavioral health services in Greater Arizona.

## **STATE CONTACT(S)**

Monica Coury  
801 E. Jefferson St., MD-4200  
Phoenix, AZ 85034  
(602) 417-4534