AHCCCS
Arizona Health Care Cost Containment System

Douglas A. Ducey, Governor
Thomas J. Betlach, Director

August 31, 2018

Andrea Casart
Technical Director, Division of State Demonstrations
Centers for Medicare and Medicaid Services
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Ms. Casart:

In accordance with Special Terms and Conditions paragraph 41, enclosed please find the Quarterly Progress Report for April 1, 2018 through June 30, 2018, which also includes the Quarterly Budget Neutrality Tracking Schedule, the Quarterly Quality Initiative, and the Arizona Medicaid Administrative Claiming Random Moment Time Study results.

If you have any questions about the enclosed report, please contact Mohamed Arif at (602) 417-4573.

Sincerely,

[redacted]

Elizabeth Lorenz
Assistant Director
AHCCCS Office of Intergovernmental Relations

AHCCCS Quarterly Report
April 1, 2018 – June 30, 2018

TITLE

Arizona Health Care Cost Containment System – AHCCCS
A Statewide Approach to Cost Effective Health Care Financing
Section 1115 Quarterly Report
Demonstration Year: 35
Federal Fiscal Quarter: 3rd (April 1, 2018 – June 30, 2018)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 41, the State submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the Demonstration.

ENROLLMENT INFORMATION

Table 1 contains a summary of the number of unduplicated enrollees for April 1, 2018 through June 30, 2018, by population categories. The table also includes the number of voluntarily and involuntary disenrolled members during this period.

Table 1

Population Groups	Number Enrollees	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,169,497	2,423	272,981
Acute SSI	193,995	159	24,467
Prop 204 Restoration	527,595	739	72,823
Adult Expansion	122,487	224	32,453
LTC DD	32,669	41	2,621
LTC EPD	32,590	42	4,497
Non-Waiver	37,564	144	13,785
Total	2,116,397	3,772	423,627

Table 2 is a snapshot of the number of current enrollees (as of July 1, 2018) by funding categories as requested by CMS.

Table 2

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	**1,330,399**
Title XXI funded State Plan [2]	**29,740**

[1] SSI Cash and Related, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1
[2] KidsCare

Title XIX funded Expansion[3]	**383,615**
• **Prop 204 Restoration (0-100% FPL)**	76,547
• **Adult Expansion (100% - 133% FPL)**	307,068
Enrollment Current as of	7/1/18

OPERATIONAL/POLICY DEVELOPMENTS/ISSUES

Waiver Update

The Arizona Health Care Cost Containment System (AHCCCS) submitted a waiver amendment request on April 6, 2018, to CMS seeking to limit retroactive coverage to the month of application, consistent with Arizona's historical waiver authority prior to January 2014. AHCCCS sought stakeholder feedback regarding the Proposal to Waive Prior Quarter Coverage in accordance with 42 C.F.R 431.408. The Agency conducted public forum meetings on January 18th in Flagstaff, on January 26th in Phoenix, and on January 29th in Tucson. In addition, the waiver amendment was presented at the State Medicaid Advisory Committee (SMAC) meeting on February 7, 2018, and in a tribal consultation meeting on January 11, 2018.

Targeted Investment Program Update

Below is a summary of the Targeted Investments (TI) program implementation activities conducted by AHCCCS or AHCCCS Managed Care Organizations (MCOs) from April 1, 2018 through June 30, 2018:

- Collaborated with the Arizona Council of Human Services to train behavioral health providers across the state in the Early Childhood Service Intensity Instrument (ECSII). The ECSII is a tool for providers and others involved in the care of young children with emotional, behavioral, and/or developmental needs, and their families, including those children who are experiencing environmental stressors that may put them at risk for such problems. As part of Core Component #5 for Pediatric Behavioral Health Providers[4], TI participants are required to routinely screen children using ECSII.
- Established the reporting system for TI program participants to submit attestations of milestone completion, and to upload documents for validation.[5]
- Engaged with TI participants through electronic and in person forums, surveys, and webinars including (1) six in person forums for TI participants offered in Phoenix, Tucson, and Cottonwood; (2) six webinars to review the attestation process and the document validation criteria with TI providers with an average of 40 attendees per session[6]; (3) monthly newsletters sent to all the participants which includes pertinent information, tips and reminders, program updates and upcoming due dates; (4) administered a survey to gather feedback from all TI participants that generated over 100 responses[7]; and (5) continued to update the robust TI webpage with resources and communications.
- Developed a Peer/Family training curriculum to meet a TI milestone for co-located Justice Clinics that requires training of peer/family support staff. The TI Program Partnered with Maricopa Integrated Health System to develop the first phase of the Peer/Family training curriculum

[3] Prop 204 Restoration & Adult Expansion
[4] Core Component #5 for Pediatric Behavioral Health Providers: https://www.azahcccs.gov/PlansProviders/Downloads/TI/CoreComponents/The%20Early%20Childhood%20Service%20Intensity%20Instrument%20(ESCII)%20.pdf
[5] TI program attestation portal: https://azweb.statemedicaid.us/Account/Login.aspx?ReturnUrl=%2f
[6] TI program attestation webinar : https://player.vimeo.com/video/284767394
[7] TI program participants survey: https://www.surveymonkey.com/r/L5S57B5

which is being used to train individuals providing Peer/Family services to the justice involved individuals who are served by the 12 TI co-located justice sites.

- Conducted meetings between AHCCCS and MCO medical directors to discuss alignment of TI participant requirements, with the MCO's provider network initiatives.

State Plan Update

During the reporting period, the following State Plan Amendments (SPA) were filed and/or approved:

SPA #	Description	Filed	Approved	Eff. Date
Title XIX				
SPA 17-008 Adult Emergency Dental and Occupational Therapy	Updates the State Plan to establish emergency dental services and occupational therapy benefits for adults.	12/04/2017	06/18/2018	10/01/2017
SPA 18-001 Nursing Facilities Rates	Updates the State Plan to update nursing facility payments.	02/26/2018	04/03/2018	01/01/2018
SPA 18-002 APR-DRG Rebase	Updates the State Plan to update All Patient Refined Diagnosis Related Group (APR-DRG) reimbursement for inpatient hospital services.	02/26/2018	04/03/2018	01/01/2018
SPA 18-003 IHS/638 Specialty Drugs	Updates the State Plan to update the reimbursement rates for specialty drugs dispensed by IHS/638 facilities.	03/08/2018	06/06/2018	10/01/2018
SPA 18-004 Tribal 638 facilities FQHCs	Updates the State Plan to establish an Alternative Payment Methodology (APM) for Tribal 638 facilities that elect to be paid as Federally Qualified Health Centers (FQHCs).	03/12/2018	05/22/2018	04/01/2018
SPA 18-005 Personal Needs Allowance	Updates the State Plan to provide personal needs allowances for income garnished for child support or spousal maintenance.	03/26/2018	04/27/2018	04/01/2018

CONSUMER ISSUES

In support of the quarterly report to CMS, presented below is a summary of advocacy issues received in the Office of Client Advocacy (OCA) for the quarter April 1, 2018 – June 30, 2018.

Advocacy Issues[8]	April	May	June	Total
9+Billing Issues • Member reimbursements • Unpaid bills	3	13	9	**25**
Cost Sharing • Co-pays • Share of Cost (ALTCS) • Premiums (Kids Care, Medicare)	0	3	0	**3**
Covered Services	7	18	36	**61**
ALTCS • Resources • Income • Medical	2	5	3	**10**
DES • Income • Incorrect determination • Improper referrals	28	18	17	**63**
KidsCare • Income • Incorrect determination	0	1	0	**1**
SSI/Medical Assistance Only • Income • Not categorically linked	9	11	4	**24**
Information • Status of application • Eligibility Criteria • Community Resources • Notification (Did not receive or didn't understand)	15	24	35	**74**
Medicare • Medicare Coverage • Medicare Savings Program • Medicare Part D	0	9	1	**10**
Prescriptions • Prescription coverage • Prescription denial	9	9	4	**22**

[8] Categories of good customer services, bad customer service, documentation, policy, and process are captured under the category it may relate to.

Fraud-Referred to Office of Inspector General (OIG)	0	0	0	**0**
Quality of Care-Referred to Division of Health Care Management (DHCM)	3	4	4	**11**
Total	**76**	**115**	**113**	**304**

Table 2 **Issue Originator**[9]	Apr	May	Jun	Total
Applicant, Member or Representative	69	100	100	269
CMS	3	0	1	4
Governor's Office	2	13	7	22
Ombudsmen/Advocates/Other Agencies…	2	2	5	9
Senate & House	0	0	0	0
Total	**76**	**115**	**113**	**304**

COMPLAINTS AND GRIEVANCES

Presented below is a summary of the number of complaints and grievances filed on behalf of beneficiaries participating in the SMI and CRS integration projects, broken down by access to care, health plan and provider satisfaction.

SMI Member Grievances and Complaints	Apr-18	May-18	Jun-18	Total
Access to Care	48	48	41	137
Health Plan	143	155	138	436
Provider Satisfaction	680	543	497	1720
Total	871	746	676	**2293**

CRS Member Grievances and Complaints	Apr-18	May-18	Jun-18	Total
Access to Care	0	0	0	0
Health Plan	2	1	0	3
Provider Satisfaction	14	8	4	26
Total	16	9	4	**29**

OPT-OUT FOR CAUSE

Attached is a summary of the opt-out requests filed by individuals with SMI in Maricopa County and Greater Arizona, broken down by months, health plans, counties, reasons for opt-out requests, opt-out outcome, and post-appeal opt-out outcomes.

[9] This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.

QUALITY ASSURANCE/MONITORING ACTIVITY

Attached is a description of AHCCCS' Quality Assurance/Monitoring Activities during the quarter. The attachment also includes updates on implementation of the AHCCCS Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

ENCLOSURES/ATTACHMENTS

Attachment 1: SMI Opt-Out for Cause Report

Attachment 2: Quality Assurance/Monitoring Activities

Attachment 3: Arizona Medicaid Administrative Claiming Random Moment Time Study Report

Attachment 4: Budget Neutrality Tracking Schedule

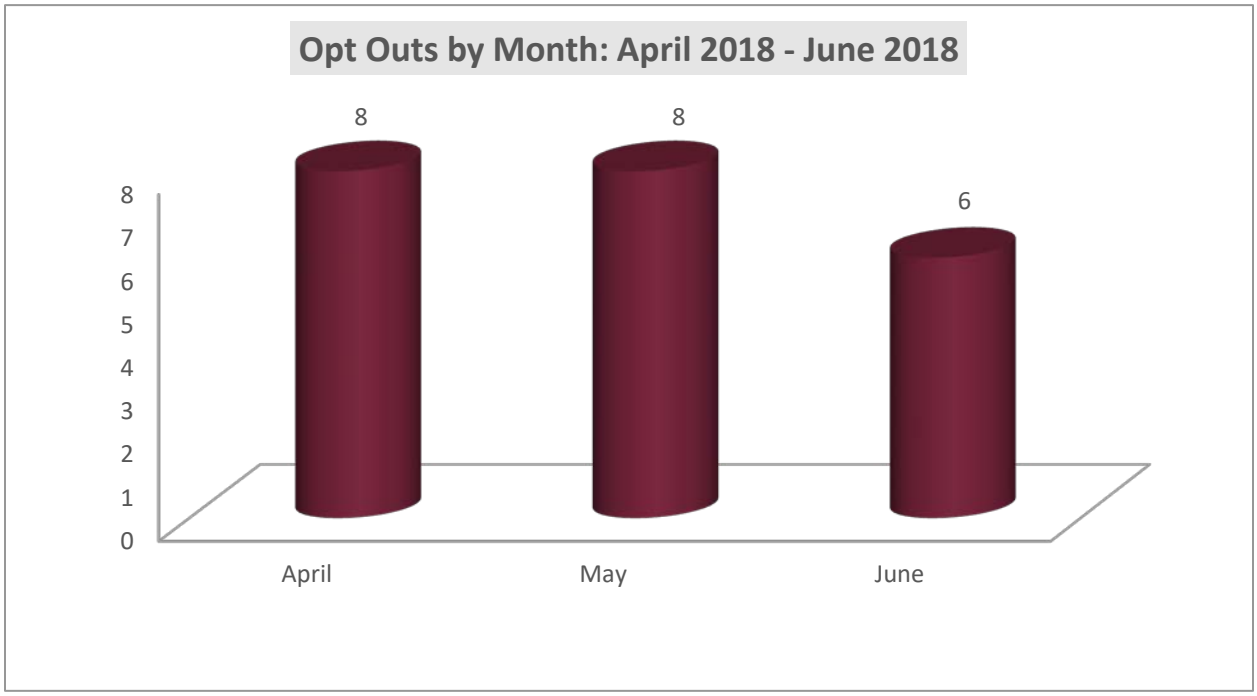
STATE CONTACT(S)

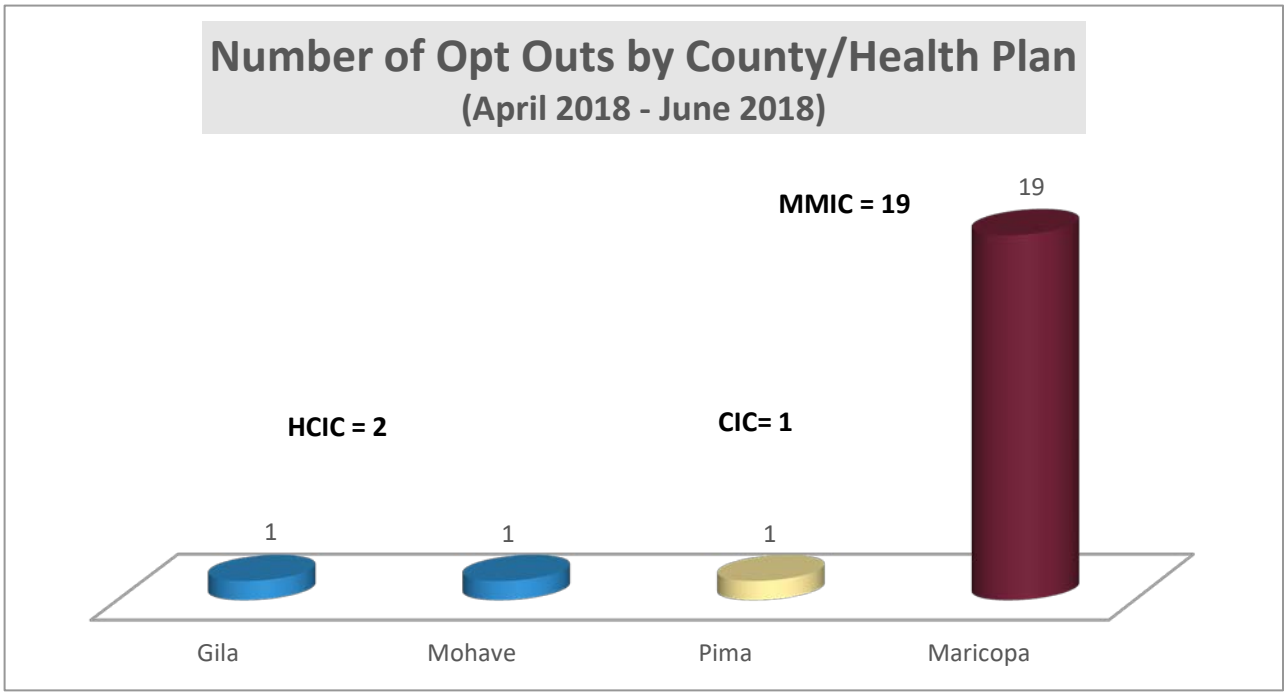
Elizabeth Lorenz
Assistant Director
AHCCCS Office of Intergovernmental Relations
801 E. Jefferson St., MD- 4200
Phoenix, AZ 85034
(602) 417-4019

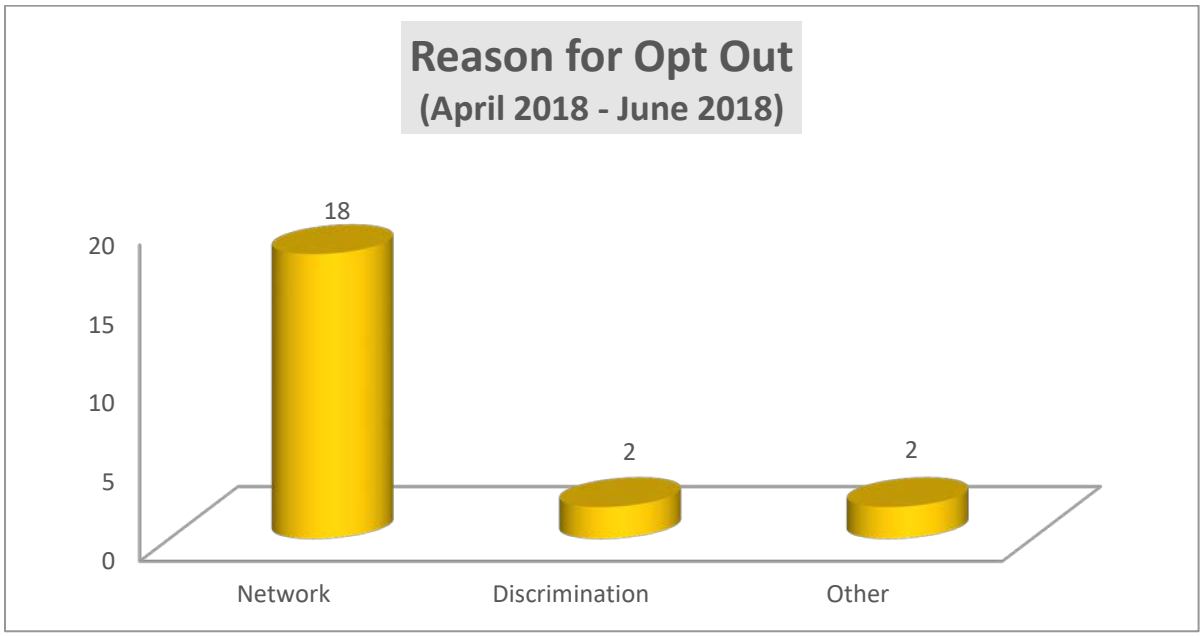
DATE SUBMITTED TO CMS

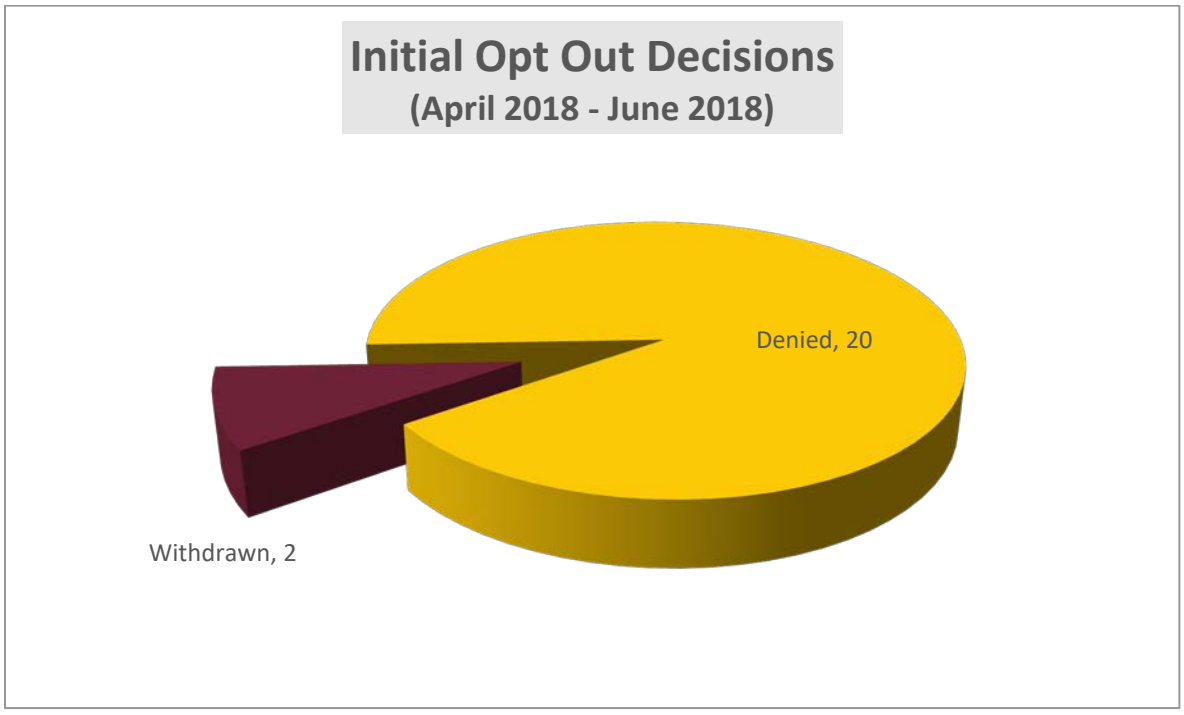
August 31, 2018

Attachment 1: SMI Opt-Out for Cause Report

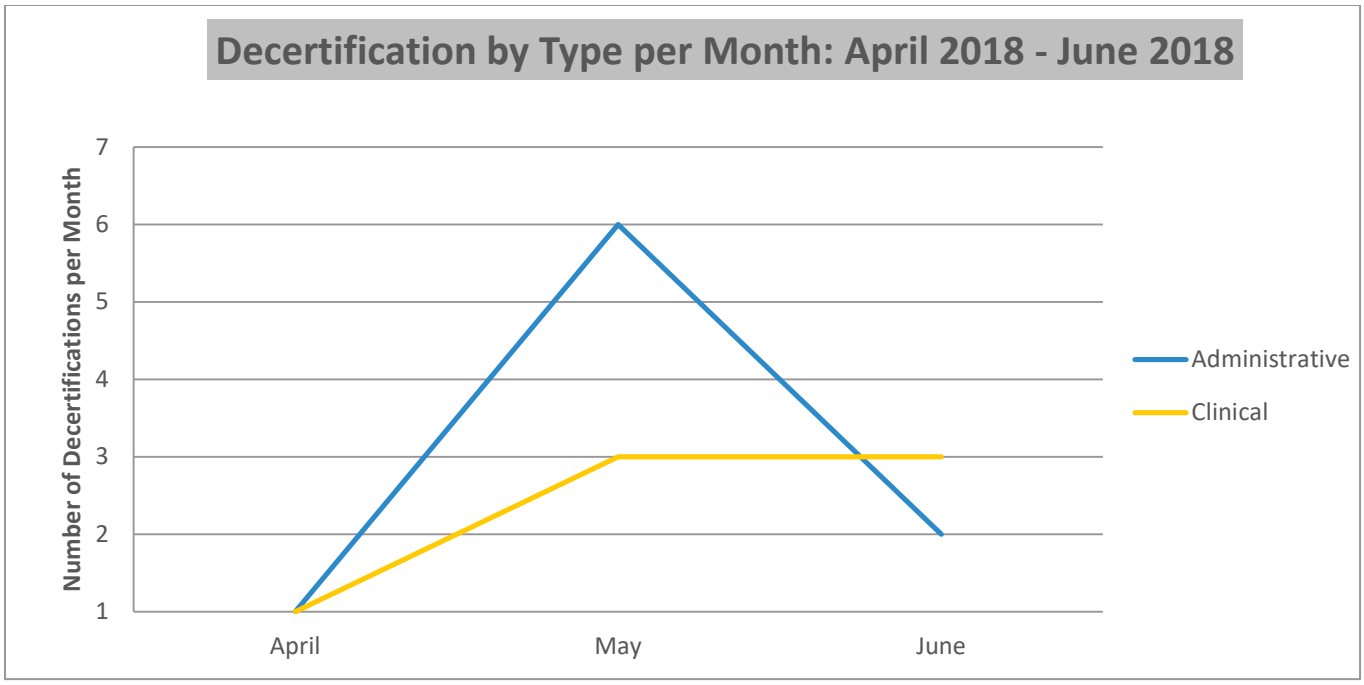








Appeal Outcomes (Apr 2018 - June 2018)			
Approved	**Withdrawn**	**Denied**	**Pending**
0	0	5	2



Note:

There are two established mechanisms for changing an individual's designation and service eligibility as Seriously Mentally Ill (SMI) as follows:

- Administrative decertification. This process is an administrative option that allows for an individual to elect to change their behavioral health category from SMI to GMH. This process is available to individuals who have a designation of SMI in the system but have not received behavioral health services for two or more years. This process is facilitated by AHCCCS.

- Clinical decertification. Eligibility for SMI services is based upon a clinical determination involving whether a person meets a designated set of qualifying diagnostic and functional criteria. Clinical decertification involves a review of the criteria to establish whether or not an individual continues to meet SMI criteria. If a clinical review finds that a person no longer meets the established criteria, the person's SMI eligibility is removed. In this case the person will be eligible for behavioral health services under the general mental health (GMH) program category. These determinations are made by CRN.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Attachment II to the

Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period

Demonstration Year: 35

Federal Fiscal Quarter 3/2018 (4/1/18 – 06/30/18)

Prepared by the Division of Health Care Management
July, 2018

Introduction

This report describes the Arizona Health Care Cost Containment System (AHCCCS) quality assurance and monitoring activities that occured during the second quarter of federal fiscal year 2018, as required in STC 41 of the State's Section 1115 Wavier. This report also includes updates related to AHCCCS' Quality Assessment and Performance Improvement Strategy, in accordance with the Balanced Budget Act requirements.

The AHCCCS Division of Health Care Management (DHCM) is responsible for directly overseeing the quality of health care services provided to its members enrolled with managed care organizations. DHCM is also responsible for the administrative and financial functions of the contracted health plans (Contractors). DHCM, in conjunction with other AHCCCS Divisions, sister agencies and community partners, continually focuses on the provision of "comprehensive, quality health care for those in need", as delineated in the Agency mission.

DHCM is the division that houses Units for Quality Management (QM), Quality Improvement (QI), and Maternal, Child Health /Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT) and Medical Management/ALTCS Case Management. These units are the primary driver of efforts outlined in the Quality Strategy and the teams closely collaborate to ensure thoughtful processes for members, stakeholders, policies, and improvement activities.

The following sections provide an update on the State's progress and activities under each of the components of the 1115 Wavier and AHCCCS Quality Strategy.

Stakeholder Involvement

The success of AHCCCS can be attributed, in part, to concentrated efforts by the agency to foster partnerships with its sister agencies, contracted Managed Care Organizations (MCOs – also referred to as "Contractors"), providers, and the community. During the first and second quarters of CYE 2018, AHCCCS continued these ongoing collaborations to improve the delivery of health care and related services to Medicaid recipients and KidsCare members, including those with special health care needs. AHCCCS also continued to address common issues and solve problems through ongoing networking activities. Feedback from sister agencies, providers and community organizations are included in the Agency's process for identifying priority areas for quality improvement and the development of new initiatives. AHCCCS has also made a concentrated effort to include member and stakeholder feedback in most facets of Agency operations, including Policy Committee, quarterly meetings for Quality Management related to adult systems of care, and separate quarterly meetings for Maternal Child Health/EPSDT, new advisory councils, and specialty workgroups (e.g. Autism and Foster Care).

As a specific and current example, the AHCCCS MCH/EPSDT team has participated as a major system contributor to the Early Childhood Initiative within Arizona by working with First Things First, an Arizona organization committee to supporting the healthy development and learning of Arizona's children fro birth to age five. BeThis project focuses on increasing statewide capacity

for screening, referral and access to early intervention services for children birth through five years. Additionally, AHCCCS collaborated with multiple stakeholders such as AzEIP, First Things First and the Arizona Chapter of the American Academy of Pediatrics to identify potential revisions within EPSDT tracking forms.

Collaborative Stakeholders

The AHCCCS QM and MCH/EPSDT teams partner with a number of stakeholders, including but not limited to:

Arizona Department of Health Services (ADHS) Bureau of Tobacco and Chronic Disease	*Attorney General's Health Care Committee*
ADHS Bureau of USDA Nutrition Programs	*Healthy Mothers/Healthy Babies*
ADHS Immunization Program and Vaccines for Children Program	*Arizona Health-E Connection/Health Information Network of Arizona*
ADHS Office of Environmental Health – Targeted Lead Screening	*Arizona Diabetes Steering Committee*
Arizona Early Intervention Program (AzEIP)	*Injury Prevention Advisory Council*
Arizona Head Start Association	*Arizona Newborn Screening Advisory Committee*
Task Force on Prevention of Prenatal Exposure to Alcohol and other Drugs	*First Things First*
Arizona Medical Association	*Arizona Women, Infants, And Children Program*
Arizona Chapter of the American Academy of Pediatrics	*Strong Families*
The Arizona Partnership for Immunization (TAPI)	*ADHS Emergency Preparedness Office*
Arizona Perinatal Trust	*National Alliance on Mental Illness (NAMI) Arizona*
ADHS/HSAG Statewide Workgroup on Psychiatric Inpatient Readmissions	*ADHS Cancer Prevention and Control Office*

The AHCCCS ALTCS Case Management Unit also partners with a large number of community stakeholders:

Statewide Independent Living Council	*DES/DDD Employment Specialists*
Long Term Care Ombudsman	*Governor's Advisory Council on Aging*
Regional Center for Border Health	*AARP*
ARC of Arizona	*Easter Seals Blake Foundation*
Rehabilitation Services Administration	*Arizona Health Care Association*
Raising Special Kids	*Governor's Office on Aging*
UCP of Southern Arizona	*Sonoran University Center on Excellence in*

	Developmental Disabilities
Arizona Association for Providers for People with Disabilities	*Arizona Autism Coalition*
Aging and Disability Resource Center	*Office of Children with Special Health Care Needs*

Innovative Practices

AHCCCS is continually reviewing opportunities to improve the effectiveness of Arizona's health care delivery system as well as methods to promote optimized health for members, transparency, and efficiency. There are teams throughout the Agency that promote innovation for both internal and external processes. Below are some of the efforts in which the QM, QI, and MCH/EPSDT teams are involved.

Developing and Implementing Projects to Improve the Delivery System

Administrative Simplification

Following successful efforts around Administrative Simplification, the Clinical team initiated several new initiatives to enhance the knowledge and understanding of behavioral health care. The Medical Management (MM) Unit, which regularly partners with the QM and MCH/EPSDT units, has added a second Behavioral Health Coordinator to support efforts for the Clinical team as a whole. The addition of Behavioral Health Coordinators enhances the ability for clinical considerations, service delivery, program and contract development to encompass a holistic approach in all aspects of care. AHCCCS continues to hire additional behavioral health expertise within its workforce.

Within the QM, QI, and MCH/EPSDT units, other activities designed to enhance integration have involved utilization of performance and quality measurement activities that provide a greater focus on specific aspects of integrated care. Highlights include:

- Required tracking of performance on frequency of diabetic screening for individuals with schizophrenia or bipolar disorder;
- Tracking performance on prenatal and postnatal timeliness of care with supplemental training to contracted health plan staff, relative to physical and behavioral health aspects of perinatal mood disorders; and
- Implementation of regular community-based meetings open to AHCCCS membership with a focus on enhancing member/stakeholder involvement and investment in performance and quality improvement activities for physical and behavioral health care.

Integration Efforts

AHCCCS awarded contracts to three MCOs throughout Arizona based on the bidder's proposed approaches for integrated care and treatment of individuals enrolled in the ALTCS/EPD program. The Contracts executed on October 1, 2017, were designed to utilize a fully integrated care perspective at both the systemic and direct care levels (e.g. use of community-based health homes, electronic health records, coordinated case management, and holistic treatment of behavioral and physical health). An additional expectation centered on their ability to demonstrate a more thorough understanding and use of Arizona's long-standing model of behavioral health service delivery, in conjunction with traditional ALTCS physical health care activities. Although Arizona's ALTCS model has historically provided integrated care that included behavioral health treatment, emphasis was added to promote greater use of Arizona's behavioral health model, particularly with regard to individuals who have been determined to have a serious mental illness (SMI).

Additional integration efforts during the first quarter of 2018 were focused on a statewide integrated contract, known as AHCCCS Complete Care (ACC). The AHCCCS Complete Care Request for Proposals was issued on November 2, 2017, with proposal responses due by January 25, 2018. As of March 5, 2018, seven contracts were awarded throughout Arizona. The implementation date for the AHCCCS Complete Care contract is October 1, 2018. Contractors under ACC will be responsible for provision of integrated physical and behavioral health care for the following populations:

- Adults who are not determined to have a Serious Mental Illness (excluding members enrolled with Department of Economic Security/Division of Developmental Disabilities – DES/DDD);
- Children, including those with special health care needs, (excluding Department of Economic Security/Division of Developmental Disabilities – DES/DDD and Department of Child Safety/Comprehensive Medical Dental Plan – DCS/CMDP); and
- Members determined to have SMI who opt out to transfer to the Contractor for the provision of physical health services.

AHCCCS, as part of its preparation efforts for the October 1, 2018 implementation, began providing technical assistance to Contractors during quarterly meetings that focus on Maternal Child Health and adult aspects of coordinating and integrating care. Examples of technical assistance include:

- Behavioral Health Resources including: AHCCCS Behavioral Health Services Guide and Billing Guides, Clinical Guidance tools for working with very young children and adolescents, Adult and Children's Behavioral Health Systems of Care within Arizona;

- Techniques for operationalizing and integrating behavioral health services into the physical health services world;
- CMS Performance Measures that combine physical and behavioral health indicators; and
- Guidance regarding the relationship between quality measurements and clinical intervention to ensure a coordinated approach;
- Twenty-six week brown bag series of trainings that focus on improving and increasing children's well-care and preventive services; and
- Web-Ex to address techniques for integration of children designated with a qualifying diagnosis under the Children's Rehabilitation Services (CRS) program

Other preparation activities for AHCCCS currently revolve around conducting readiness reviews for each of the ACC plans. Each plan is reviewed for progress of activities toward meeting implementation goals in the following areas:

Administration & Management	*Delivery System*
Medical Management	*Behavioral Health System*
Quality Management/Improvement	*Maternal Child Health/EPSDT*
Financial Reporting	*Claims/Provider Support*
Encounter System	*Information Management System*
Member Services	

Behavioral Health Learning Opportunities

With the advent of Administrative Simplification, AHCCCS recognized the need to provide further learning opportunities for staff in order to increase behavioral health knowledge and expertise. As such, on July 1, 2016, AHCCCS began offering formal meetings and informal workshops/lunch-hour trainings to ensure staff had opportunities to increase behavioral health system knowledge. Internal behavioral health subject matter experts, licensed behavioral health practitioners and community professionals were procured to offer training on topics such as infant/toddler mental health, trauma informed care, perinatal mood disorders and adult system of care processes for individuals with general mental health needs and serious mental illnesses.

To further enhance integration efforts, and facilitate quality of care reviews utilizing a behavioral health perspective, QM has scheduled additional Behavioral Health "Lunch and Learn" trainings for QM and QOC staff in particular, with attendance open to other departments based on department need. Topics include:

- Regulatory requirements for individuals determined to have a serious mental illness (SMI) versus general mental health and/or substance abuse needs (GMHSA);
- Grant-based housing for individuals with SMI;
- Short term behavioral health residential services;
- Crisis process and requirements;
- Diagnostic categories/symptoms;
- Best and Evidence-based clinical approaches for adults and children
- Mental Health Awareness.
- AHCCCS Waiver process
- Meeting the needs of members with developmental disabilities and behavioral health challenges
- Coordination of Benefits (e.g. AHCCCS, Medicare, Commercial Coverage)

Community Initiatives

AHCCCS Opioid Initiative: The overarching goal of this initiative is to reduce the prevalence of Opioid Use Disorders and opioid-related overdose deaths. The initiative approach includes developing and supporting state, regional, and local level collaborations and service enhancements to develop and implement best practices to comprehensively address the full continuum of care related to opioid misuse, abuse and dependency. Strategies include:

1. Increasing access to Naloxone through community-based education and distribution, as well as a co-prescribing campaign for individuals receiving opioid prescriptions in excess of 90 morphine equivalent daily doses and combinations of opioids and benzodiazepines;
2. Increasing access to and participation and retention in Medication Assisted Treatment;
3. Reducing the number of opioid-naïve members unnecessarily started on opioid treatment; and
4. Promoting best practices and improving care process models for chronic pain and high-risk members.

AHCCCS' Medication Assisted Treatment – Prescription Drug Opioid Addiction Program (MAT-PDOA) grant focuses on the need for medication assisted treatment to treat opioid use disorder for adults involved with the criminal justice system. This program has three primary goals:

- Create a bridge to connect those incarcerated to treatment services when re-reentering into the community;
- Reduce stigma associated with MAT for individuals in the criminal justice system; and
- Support individuals participating in drug courts, probation and parole.

To date the MAT PDOA program has enrolled 168 participants into the program to receive services. Among those enrolled, program outcomes include reductions in crimes committed, nights spent in jail, and drug-related arrests. The program has also produced an increase in gainful employment, housing and retention in treatment.

MAT PDOA providers have expanded collaboration and engagement efforts with Correctional facilities, Re-entry Centers, Department of Parole, Department of Probation and Drug Courts. The program has also expanded services to Graham County correctional facilities and drug court to assist an area that has been heavily impacted by the opioid epidemic and among the other counties has one of the highest overdose rates.

To expand training and education, AHCCCS will host two free MAT Symposiums in Mohave and Graham County in an effort to display clinically effective prevention and treatment strategies to best serve those impacted by the opioid epidemic. Topics will also include current state initiatives being implemented to combat this rapidly emerging crisis. The content of the symposiums is designed for MAT providers, substance use disorder treatment providers, physical health providers, harm reduction organizations, justice system partners and interested community members.

The Opioid State Targeted Response (STR) grant, awarded to AHCCCS in May 2017, was designed to enhance community-based prevention activities and treatment activities that will include 24/7 access to care points in “hotspot” areas throughout the state, increasing the availability of peer supports, providing additional care coordination efforts among high risk and priority populations, and adding recovery supports.

- Arizona opened five 24/7 Centers of Excellence for Opioid Treatment on Demand during year one. The COE is an Opioid Treatment Program in a designated "hotspot" that expanded its hours to be open for intakes around the clock and warm handoff navigation care post intake. Arizona has also opened two Medication Units in rural Arizona to make medication assisted treatment more accessible among those communities.
- AHCCCS launched a concentrated effort through the Opioid State Targeted Response grant to increase peer support utilization for individuals with Opioid Use Disorder. Through the STR grant, 34 additional peer support navigators have been hired in identified hot spots in Arizona, and efforts to include peer support navigation in the Centers of Excellence, jails, and emergency departments and at first responder scenes in the hotspot areas have been increased.
- Through STR funding, Arizona has launched a real-time auto-dispatch model with Phoenix Fire Department; when PFD receives an opioid-related call, a peer support from the Phoenix 24/7 OTP is also dispatched to arrive on scene to help navigate individuals to resources. Arizona has also launched its first law enforcement "pre-booking" model in

Tucson. Peers are called on scene to provide navigation to the 24/7 OTP as a mechanism for an incarceration alternative.

A total of 8,798 Naloxone kits were purchased through year one of the STR grant for distribution to law enforcement agencies in year one.

The Quality Caregiver Initiative (QCI): The objective of the QCI is to improve relationship-based, trauma-informed service supports for foster, kinship and adoptive parents by identifying a matrix of evidence-based intervention programs that are developmentally appropriate and span the continuum of service intensity needs from basic trauma trainings to brief intervention to intensive in-home services. In doing so, the goal is provide the right services and the right time to the family unit as a mechanism to decrease disruptions, increase permanency and ultimately, the social and emotional outcomes of the children in the child welfare system. The collaborative consists of several state agencies, behavioral health providers and experts in infant-toddler mental health, child development, family systems and trauma-informed care. The group is currently reviewing the matrix of options and identifying training needs, provider capacity and ways to integrate with developmental screening and referral processes from pediatrics and other acute care settings.

Arizona Association of Health Plans (AzAHP)

The Arizona Association of Health Plans (AzAHP) is an Association comprised of all AHCCCS Contractors for Medicaid business except CMDP and DES/DDD. The Association is a welcome partner for AHCCCS because it offers a singe point of contact for the Contractors and promotes consistency across the system. The Association works closely with AHCCCS to discuss Contractor concerns, barriers, and challenges to the efforts they are asked to undertake. It also provides valuable feedback for consideration as the direct link to the care and services being provided. AHCCCS utilizes the Association to provide stakeholder insight and to collaborate and promote new initiatives.

AHCCCS has continued to collaborate with AzAHP to provide consistent monitoring of physical health providers. This collaboration has historically allowed for uniform statewide review of Primary Care Practitioners including Internists, Family Practice and Obstetricians. During the first quarter of 2018, AHCCCS began discussions with AzAHP regarding their capacity to also monitor behavioral health providers throughout Arizona. Utilizing AzAHP as a monitoring agent facilitates consistency in quality monitoring and it reduces burden on practitioners because AzAHP serves as the single reviewing entity for multiple MCOs. AHCCCS is currently combining this effort with development of a consistent tool via meetings conducted with the RBHAs during 2017 and early 2018.

<u>Identifying Priority Areas for Improvement</u>

AHCCCS has established an objective, systematic process for identifying priority areas for improvement. This process involves a review of data from both internal and external sources,

while also taking into account such factors as: (1) the prevalence of a particular condition and population affected, (2) the resources required by both AHCCCS and its Contractors to conduct studies and shape improvement, (3) whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives, and (4) whether CMS priorities can be combined with current initiatives. Of importance is whether initiatives focused on the topic area are actionable and have the potential to result in enhanced quality improvement, member satisfaction and system efficiencies. Contractor input is also sought in prioritizing areas for improvement. Some of the ongoing efforts include:

1. The first is an initiative on behavioral health care for children in the foster care system. Development of these metrics focused on children served under Comprehensive Medical and Dental Plan (CMDP), Arizona's health plan for children in Arizona's Foster Care system. AHCCCS' goal for these measures is to identify whether access and timeliness standards are met, and assess overall utilization trends for CMDP children needing behavioral health care.

2. AHCCCS updated two guidance tools that provide best practice strategies for infants and toddlers, including psychotropic prescribing, and early childhood mental health intervention and trauma informed care. The focus of the documents is on the most current prescribing practices and psychotherapeutic approaches during early childhood, with the recommendation that psychotherapeutic approaches be the preferred method of treatment prior to implementation of psychopharmacologic intervention. To further ensure realization of the treatment recommendations within these tools, AHCCCS has begun a statewide Birth to Five Initiative to address the unique needs of infants and toddlers. Additionally, AHCCCS is collaborating with CMDP for their Birth to Five Learning Collaborative.

3. AHCCCS has embarked on an initiative to develop a consistent, statewide tool for monitoring behavioral health service delivery. Contracted Regional Behavioral Health Authority (RBHA) staff were brought together to evaluate relevancy of current requirements. Feedback from these meetings was used to build a draft tool, which is under review and finalization by an internal AHCCCS committee of subject matter experts. The finalized tool will be shared with AzAHP as discussions ensue regarding their capacity to add behavioral health providers to their existing monitoring activities for AHCCCS MCOs.

<u>Establishing Realistic Outcome-Based Performance Measures</u>

AHCCCS has long been a leader in developing, implementing and holding Contractors accountable to performance measure goals. AHCCCS developed and implemented HEDIS-*like* measures before HEDIS existed. AHCCCS' consistency in performance expectations has resulted in many performance measures performing at a rate close to the NCQA HEDIS national

Medicaid mean. For AHCCCS, the HEDIS-*like* measures have been a reasonable indicator of health care accessibility, availability and quality.

AHCCCS has transitioned to measures found in the CMS Core measure sets that provide a better opportunity to shift the system toward indicators of standardized health care outcomes, access to care, and patient satisfaction. The AHCCCS decision to transition to a new measure set was partially driven by a desire to align with measures sets, such as the Children's Core Measure Set, the Adult Core Measure Set, Meaningful Use, and other measure sets being implemented by CMS. AHCCCS has also aligned the measure sets with contracts to reflect changes on measures implemented by CMS for the current contract year. This transition will also result in the ability to compare AHCCCS' rates with those of other states as the measure sets are implemented.

AHCCCS regularly develops new performance measure sets for all lines of business, based on system changes and/or any changes within CMS Core measure sets. Typically, these changes are implemented on October 1st and based on new contracts or renewal of existing contracts. For 2017, behavioral health measures were added for adults, such as: "Follow-up After Hospitalization for Mental Illness", "Mental Health Utilization" and "Use of Opioids at High Dosage". With the advent of AHCCCS Complete Care, measures will be added to capture "Follow-Up After Emergency Department Visit for Mental Illness or Alcohol and Other Drug Dependence", "Metabolic Monitoring for Children and Adolescents on Antipsychotics", "Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics" and "Concurrent Use of Opioids and Benzodiazepines". These new measures and related Minimum Performance Standards/Goals will become effective October 1, 2018. A new table is under development for CYE 2019 and will be finalized upon completion of CYE 2019 Contracts.

It is AHCCCS' goal to continue development and implementation of additional Core measures as the data sources become valid and reliable. Initial measures were chosen based on a number of criteria that included member needs, system ability to impact/improve results, alignment with national measure sets, and comparability across lines of business.

The health care system is evolving in relation to measuring quality. It is in a transitional phase in that the previously existing data sources and methodologies will no longer be sufficient. The systems, data sources and processes to fully achieve the next level in clinical outcomes and satisfaction measures are not yet fully developed or implemented. Informatics, such as electronic health records, health information exchanges plus data and information available through public health connectivity, are yet to become fully available. Transitioning the AHCCCS measure sets is anticipated to support the adoption of electronic health records and use of the health information exchanges. This will in turn, result in efficiencies and data/information designed to achieve the following:

1. transform care practices;
2. continue evolution to fully integrated care across all statewide systems;

3. improve individual patient outcomes;
4. guide population health management;
5. improve patient satisfaction with the care experience;
6. increase efficiencies; and
7. reduce health care costs.

CYE2018 Performance Measures are provided below:

MEASURES *"R" denotes "Reserve" Status*	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Inpatient Utilization - General Hospital/Acute Care (IPU)	X	X	R	X	X		X	X		
Ambulatory Care - ED Utilization (AMB)	X	X	R	X	X		X	X		
Mental Health Utilization (MPT)	X	X		X		X	X	X		
Adult Measures										
Plan All-Cause Readmissions (PCR-AD)	X	X		X	X		X		X	
Breast Cancer Screening (BCS-AD)	X				X		X		X	
Cervical Cancer Screening (CCS-AD)	X				X		X		X	
Chlamydia Screening in Women Ages 21-24 (CHL-AD)	X				X		X		X	
Colorectal Cancer Screening (COL)	X	R					X	X		
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Testing (HA1C-AD)	X	X			X		X		X	
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%) (HPC-AD)	X	X			X		X		X	
Comprehensive Diabetes Care - Eye Exam (CDC)	X	X			X		X	X		
Prenatal and Postpartum Care: Timeliness of Prenatal Care (PPC-CH)	X						X			X
Prenatal and Postpartum Care: Postpartum Care (PPC-AD)	X						X		X	
Use of Opioids at High Dosage in Persons Without Cancer (OHD-AD)	X	X	X	X	X	X	X		X	
Use of Opioids from Multiple Providers (UOP)	X	X	X	X	X	X	X	X		

MEASURES "R" denotes "Reserve" Status	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Adults' Access to Preventive/Ambulatory Health Services (AAP)	R	R			X		X	X		
Flu Vaccinations for Adults Ages 18 to 64 (FVA-AD)	R	X - 18 to 64, 65 and Older			X		R		X	
PQI 01: Diabetes Short-Term Complications Admission Rate (PQI01-AD)	R	R			R		R		X	
PQI 05:Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate (PQI05-AD)	R	R			R		R		X	
PQI 08: Heart Failure Admission Rate (PQI08-AD)	R	R			R		R		X	
PQI 15: Asthma in Younger Adults Admission Rate (PQI15-AD)	R				R		R		X	
Screening for Clinical Depression and Follow-Up Plan (CDF-AD)		R							X	
Annual Monitoring for Patients on Persistent Medications (MPM-AD)		R			R		R		X	
Advance Directives		X			X				AHCCCS	
Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who are Using Antipsychotic Medication (SSD-AD)							R		X	
Follow-Up after Emergency Department Visit for Mental Illness or Alcohol and Other Drug Dependence (FUA-AD) - 7 Days, 30 Days						R	R		X	

CYE2018 Performance Measures Continued:

MEASURES "R" denotes "Reserve" Status	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Follow-Up After Hospitalization for Mental Illness (FUH) - 7 Days, 30 Days (Adult/Children)		X		R - Children Only		X	X		X	

Identifying, Collecting and Assessing Relevant Data

Performance Measures

AHCCCS has implemented several efforts over the past few years in preparation for the performance measure transition described above. First and foremost, the Agency undertook extensive internal planning efforts, including evaluation of new requirements, future goals and desired capabilities, as well as barrier identification and associated risk. One risk identified was the possibility that the reduction of information system and data analytic staff resources would not allow the level of review and validation of performance measure programming necessary to ensure the validity and accuracy of Performance Measurement activities. To address this concern, the Agency is utilizing its External Quality Review Organization to perform the measurement calculations. AHCCCS has finalized the contract with an external vendor to support future performance measurements.

Contractors have been provided the data to enhance their planning and implementation efforts related to the new performance measures, as well as sustaining and improving continuing measures. Some of these efforts will include new work groups, new reporting mechanisms, increased opportunities for technical assistance, and a more transparent reporting process with plans for proactive reporting prior to the end of the measurement period. Such efforts should facilitate the Contractors' ability to make necessary adjustments/final pushes and payment reform initiatives that align with performance measure thresholds.

Performance Improvement Projects

Providing Incentives for Excellence and Imposing Sanctions for Poor Performance

AHCCCS regularly monitors Contractors to ensure compliance with contractually-mandated performance measures. Contracts outline Minimum Performance Standards (MPS) that the Contractor must achieve. Those measures are evaluated for compliance and determination of the need for imposing regulatory actions. At a minimum, measures that fail to meet the MPS require a Corrective Action Plan. Additional actions could include mandatory technical assistance, Notices to Cure, and financial sanctions.

Re-evaluation/Re-development of Performance Measures

AHCCCS has implemented a payment reform initiative (PRI) for the Acute Care, Children's Rehabilitative Services (CRS) and ALTCS populations that is designed to encourage Contractor activity in the area of quality improvement, particularly those initiatives that are conducive to improved health outcomes and cost savings, and those related to child and adolescent health. This PRI process will be performed annually on a contract year basis.

The contracts executed with health care providers, governed by shared savings arrangements will have increases according to the tables immediately below:

Acute:

YEAR	INTENDED MINIMUM VALUE PERCENTAGE AND CONTRACTOR
CYE 16	20% - ACUTE
CYE 17	35% - ACUTE
CYE 18	50% - ACUTE
CYE 19	50% - ACC
CYE 20	60% - ACC
CYE 21	70% - ACC

ALTCS/EPD & MA/DSNP:

ALTCS	
YEAR	INTENDED MINIMUM VALUE PERCENTAGE (ALTCS/EPD AND MA-DSNP)
CYE 16	15%
CYE 17	25%
CYE 18	35%
CYE 19	50%
CYE 20	60%
CYE 21	70%

CRS:

YEAR	INTENDED MINIMUM VALUE PERCENTAGE
CYE 18	50%
CYE 19	60%
CYE 20	70%
CYE 21	70%

Performance Improvement Projects (PIPs)

AHCCCS currently has two Performance Improvement Projects (PIPs) under way. The PIP for E-prescribing is required for all Contractors including the Regional Behavioral Health Authorities (RBHAs). The Developmental Screening PIP is required for all Contractors (excluding RBHAs) for all lines of business. Both are designed to improve enrollee health outcomes and satisfaction.

- E-Prescribing - The purpose of this PIP is to increase the number of prescribers electronically prescribing at least one prescription and increase the percentage of prescriptions which are submitted electronically, in order to improve patient safety. The baseline measurement period for this PIP was Contract Year Ending (CYE; federal fiscal year) 2014. Baseline data has been collected, validated and released to Contractors. Efforts are currently underway to collect and validate data for remeasurement year 1. Additionally, the three RBHA Contractors have divergent baseline years due to different contract start-up dates. The baseline measure for two RBHAs began in 2016, whereas one RBHA had a baseline year beginning in 2015. Efforts are underway to collect and validate data from each of the RBHAs.

- Developmental Screening - The purpose of the Developmental Screening PIP is to increase the number of early life screenings for members at 9, 18, and 24 months of age to ensure that developmental delays are identified early and referred for appropriate follow-up and treatment. The PIP measure has focused on the number of children receiving a developmental screening at the appropriate age intervals versus the total number of children in each age group. Although not formally tied to the PIP measurement, AHCCCS evaluated whether or not follow-up appointments were scheduled and maintained for any concerns as a function of the developmental screening process. Additionally, AHCCCS also monitored the care coordination process and Contractor oversight of the screening and referral processes. The baseline measurement was reflective of Contract Year Ending (CYE) 2016. Through these focused monitoring activities, a need was identified to create specific process improvements for the referral and data tracking process.

Including Medical Quality Assessment and Performance Improvement Requirements in AHCCCS Contracts

Contracts with MCOs are reviewed at least annually to ensure inclusion of all federally required elements prior to renewal. In addition, contracts are reviewed for clarity and for opportunities to strengthen expectations and/or promote new opportunities. AHCCCS has begun efforts to identify Performance Improvement Projects targeted to begin CYE 2018.

Regular Monitoring and Evaluating of Contractor Compliance and Performance

AHCCCS monitors and evaluates access to care, organizational structure and operations, clinical and non-clinical quality measurement and performance improvement outcomes through the following methods.

- *On-site Operational Reviews* - Operational and Financial Reviews (ORs) are used by AHCCCS to evaluate Contractor compliance related to access/availability and quality of services, including implementation of policies and procedures and progress toward plans of correction to improve quality of care and service for members.

- *Review and analysis of periodic reports* - A number of contract deliverables are used to monitor and evaluate Contractor compliance and performance. AHCCCS reviews, provides feedback and approves these reports as appropriate.

    - Quarterly EPSDT and Adult Monitoring Reports - AHCCCS requires CRS, Acute, ALTCS and RBHA Contractors to submit quarterly EPSDT and Adult Monitoring Reports, demonstrating their efforts to sustain or improve annual performance rates for all contractually mandated performance measures as well as their efforts to inform families/caregivers and providers of EPSDT/Adult services. AHCCCS has developed a template for Contractors to report data on member and provider outreach, as well as Contractor rates for various EPSDT and adult services. The template prompts Contractors to evaluate the effectiveness of activities, including care coordination, follow up and new or revised interventions to improve quality and access to care. These reports are received and reviewed on a quarterly basis.

    - Annual Plans - QM/QI, EPSDT, MCH and Dental – AHCCCS requires all lines of business to submit an annual plan which will address details of the Contractors' methods for achieving optimal outcomes for their members. A separate report is submitted for Quality Management and Quality Improvement (QM/QI).

- Integrated Care Reports – Previously, only those plans (e.g. Integrated RBHAs) that followed an integrated model, were required to submit distinct Integrated Care reports. However, as of October 1, 2017 all ALTCS/EPD Contractors were also required to submit integrated care reports. These reports focus on the quality and quantity of coordination and integration activities.

- *Review and analysis of program-specific Performance Measures and Performance Improvement Projects* - AHCCCS considers a Performance Improvement Project (PIP) as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years. While Contractors may select and implement their own PIPs to address problems specific to their plans, AHCCCS mandates other program-wide PIPs in which Contractors must participate, and monitors performance until each Contractor meets requirements for demonstrable and sustained improvement.

Another method by which AHCCCS monitors the quality and appropriateness of care provided to members is through Performance Measures. Contractors submit encounter data to AHCCCS, which measures each Contractor's performance and evaluates its compliance in meeting contractual performance standards for specific health care services. Under their contracts with AHCCCS, Contractors are required to improve their rates for Performance Measures and achieve specific goals for each. AHCCCS requires corrective action plans from Contractors that do not meet the Minimum Performance Standard, or that show a statistically significant decline in their rates. Significant financial sanctions can be imposed by AHCCCS if Contractors do not improve performance to a level that meets or exceeds the minimum standard.

Maintaining an Information System that Supports Initial and Ongoing Operations

AHCCCS maintains a robust information system—the Prepaid Medical Management Information System (PMMIS)—that documents all members, their claims and encounter data, plus many other data points. PMMIS data feeds into the AHCCCS Data Warehouse, which is the centralized system used for data analytics. There is a newly formed Data Integrity team that supports maintaining valid, accurate, and reliable data; this team is made up of data users and system experts from across the Agency and meets at least quarterly to discuss any issues or opportunities around the data and systems. AHCCCS has focused on building data expertise within every division of the Agency, promoting data analytics as the cornerstone of operations and monitoring/oversight activities.

Reviewing and Revising the Quality Strategy

AHCCCS continues its efforts to implement the new Managed Care Rule through revisions of the Agency's Quality Strategy. The 2018 Quality Strategy, Assessment and Performance Report is a coordinated, comprehensive, and proactive approach to drive improved health outcomes by utilizing creative initiatives, ongoing assessment and monitoring, and result-based performance improvement. Members, the public, and stakeholders provide input and recommendations regarding the content and direction of the Quality Strategy through stakeholder presentations and public comments. The Quality Strategy incorporates all required elements outlined in 42 CFR 438.340.

Attachment 3: Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
April 2018 – June 2018

The April through June 2018 quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative, direct service, and personal care time study cost pools.

Active Participants

The "*Medicaid Administrative Claiming Program Guide*" mandates that all school district employees identified by the district's RMTS coordinator as being qualified to provide direct services or administrative activities participate in a RMTS. Staff rosters are updated by RMTS coordinators on a quarterly basis to ensure accuracy of participants in the time study. The table below shows the number of participants in the administrative, direct service, and personal care time study staff pools at the beginning of the quarter.

Staff Pool	April – June 2018
Administrative	3,117
Direct Service	3,281
Personal Care	5,443

The table below demonstrates the administrative, direct service, and personal care time study achieved the 85% return rate in the April to June 2018 quarter.

The return rate reflects number of responses received divided by the total number of moments generated per quarter.

Return Rate

Cost Pool	Moments Generated	Valid Response	Return Rate
Administrative	3,200	3,142	98.19%
Direct Service	3,400	3,325	97.79%
Personal Care	3,500	3,284	93.83%

Attachment 4: Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 2021:

	FFY 2012 PM/PM	DY1-5 Trend Rate	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/11	QE 3/12	QE 6/12	QE 9/12	Total	Federal Share Budget Neutrality Limit	
AFDC/SOBRA	556.34	1.052	585.28	69.84%	408.78	2,932,432	2,920,115	2,913,984	2,938,720	11,705,252	$ 4,784,886,732	
SSI	835.29	1.06	885.41	69.10%	611.79	487,592	489,028	489,072	491,728	1,957,420	1,197,524,398	
AC [1]			562.08	69.74%	391.97	527,244	430,723	365,132	310,396	1,633,495	640,281,225	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.47	72,513	73,149	73,959	74,814	294,435	976,484,130	
ALTCS-EPD	4503.21	1.052	4737.37	67.50%	3197.93	85,475	85,521	85,745	86,527	343,268	1,097,746,188	
Family Plan Ext [1]		1.058	17.04	90.00%	15.33	12,471	12,424	12,440	12,689	50,024	767,009	
											$ 8,697,689,682	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,580,667	Total BN Limit

	DY 02 PM/PM			Member Months QE 12/12	QE 3/13	QE 6/13	QE 9/13	Total		
AFDC/SOBRA	615.71	68.85%	423.93	2,911,330	2,891,079	2,902,894	2,918,775	11,624,078	$ 4,927,822,254	
SSI	938.53	67.86%	636.91	494,819	497,226	499,863	503,496	1,995,404	1,270,888,740	
AC [1]	600.79	68.73%	412.94	274,990	248,817	228,204	217,114	969,125	400,188,004	
ALTCS-DD	5217.72	65.83%	3434.66	75,633	76,461	77,275	78,029	307,398	1,055,807,942	
ALTCS-EPD	4983.71	66.01%	3289.97	86,844	86,090	86,318	87,148	346,400	1,139,645,711	
Family Plan Ext [1]	18.42	90.00%	16.58	13,104	13,824	14,187	14,856	55,971	927,946	
									$ 8,795,280,597	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,901,664,966	Total BN Limit

	DY 03 PM/PM			Member Months QE 12/13	QE 3/14	QE 6/14	QE 9/14	Total		
AFDC/SOBRA	647.73	70.55%	456.99	2,891,647	2,839,198	2,955,396	3,113,150	11,799,391	$ 5,392,187,719	
SSI	994.84	69.27%	689.14	506,910	514,662	523,645	530,032	2,075,249	1,430,145,621	
AC [1]	600.51	69.84%	419.42	206,419	87	2	-	206,508	86,613,704	
ALTCS-DD	5530.78	67.35%	3725.09	78,835	79,674	80,663	81,749	320,921	1,195,456,845	
ALTCS-EPD	5242.86	67.53%	3540.31	87,694	87,911	88,755	89,383	353,743	1,252,360,038	
Family Plan Ext [1]	12.99	90.00%	11.69	14,885	-	-	-	14,885	174,071.00	
Expansion State Adults [1]	623.94	85.37%	532.64	-	443,784	623,994	755,363	1,823,141	971,068,942	
									$ 10,328,006,940	MAP Subtotal
									108,086,519	Add DSH Allotment
									$ 10,436,093,459	Total BN Limit

	DY 04 PM/PM			Member Months QE 12/14	QE 3/15	QE 6/15	QE 9/15	Total		
AFDC/SOBRA	681.41	71.43%	486.73	3,145,574	3,084,099	3,103,957	3,207,430	12,541,060	$ 6,104,160,086	
SSI	1054.53	70.25%	740.76	537,706	544,551	545,631	545,974	2,173,862	1,610,305,909	
AC	0.00	68.43%	0.00	-	-	-	-	-	-	
ALTCS-DD	5862.63	68.54%	4018.16	82,715	83,810	84,812	85,585	336,922	1,353,808,018	
ALTCS-EPD	5515.49	68.69%	3788.32	90,034	89,906	89,957	90,048	359,945	1,363,588,222	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	569.38	87.76%	499.66	816,959	834,821	844,338.00	864,422.00	3,360,540	1,679,129,403	
									$ 12,110,991,637	MAP Subtotal
									109,815,903	Add DSH Allotment
									$ 12,220,807,540	Total BN Limit

	DY 05 PM/PM			Member Months QE 12/15	QE 3/16	QE 6/16	QE 9/16	Total		
AFDC/SOBRA	716.85	71.43%	512.06	3,259,355	3,256,239	3,245,943	3,330,290	13,091,827	$ 6,703,768,636	
SSI	1117.81	70.50%	788.08	551,097	553,782	550,833	553,667	2,209,379	1,741,173,696	
AC	0.00	68.66%	0.00	-	-	-	-	-	-	
ALTCS-DD	6214.39	68.96%	4285.72	86,352	87,120	88,232	89,197	350,901	1,503,862,414	
ALTCS-EPD	5802.30	69.10%	4009.42	89,914	89,509	89,669	89,951	359,043	1,439,554,761	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	574.85	90.69%	521.31	913,975	928,289	930,199	936,028	3,708,491	1,933,283,586	
									$ 13,321,643,094	MAP Subtotal
									110,145,351	Add DSH Allotment
									$ 13,431,788,445	Total BN Limit

	DY6-10 Trend Rate	DY 06 PM/PM			Member Months QE 12/16	QE 3/17	QE 6/17	QE 9/17	Total		
AFDC/SOBRA	1.045	749.11	72.07%	539.90	3,382,122	3,385,811	3,368,530	3,355,097	13,491,560	7,284,097,883	
SSI	1.04	1162.52	70.94%	824.71	555,056	556,788	556,472	557,759	2,226,075	1,835,872,405	
AC		0.00	69.20%	0.00	-	-	-	-	-	-	
ALTCS-DD	1.04	6462.96	69.29%	4478.25	90,173	91,262	92,439	93,398	367,272	1,644,735,614	
ALTCS-EPD	1.037	6016.98	69.45%	4178.75	90,308	90,010	90,401	91,176	361,895	1,512,270,136	
Family Plan Ext		0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults		602.16	90.84%	546.97	953,107	958,710	959,250	958,272	3,829,339	2,094,537,660	
										$ 14,371,513,699	MAP Subtotal
										111,136,659	Add DSH Allotment
										$ 14,482,650,358	Total BN Limit

	DY 07 PM/PM			Member Months QE 12/17	QE 3/18	QE 6/18	QE 9/18	Total		
AFDC/SOBRA	782.81	72.52%	567.69	3,322,250	3,228,813	3,180,059		9,731,122	$ 5,524,242,187	
SSI	1209.02	71.45%	863.87	560,666	561,280	558,185		1,680,131	$ 1,451,417,009	
AC	0.00	93.61%	0.00	-	-	-		-	$ -	
ALTCS-DD	6721.48	69.93%	4700.50	94,348	95,514	96,640		286,502	$ 1,346,701,773	
ALTCS-EPD	6239.61	70.05%	4371.01	91,775	91,249	90,458		273,482	$ 1,195,392,905	
Family Plan Ext	0.00	90.00%	0.00	-	-	-		-	$ -	
Expansion State Adults	670.9021	91.65%	614.86	956,266	937,581	927,462		2,821,309	$ 1,734,711,714	
									$ 11,252,465,588	MAP Subtotal
									113,803,939	Add DSH Allotment
									$ 11,366,269,527	Total BN Limit

[1] Pursuant to the CMS 1115 Waiver, Special Term and Condition 61(a)(iii), the Without Waiver PMPM is adjusted to equal the With Waiver PMPM for the AC, the Expansion State Adults and the Family Planning Extension Program eligibility groups.

Based on CMS-64 certification date of 6/30/2018

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

	Budget Neutrality Limit - Federal Share			Expenditures from CMS-64 - Federal Share														
WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 2021:	MAP	DSH	Total	AFDC/SOBRA	SSI	AC	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	SNCP/DSHP	UNC CARE	MED	Exp St Adults	TIP	TIP-DSHP	Total	VARIANCE
QE 12/11	$ 2,217,710,549	$ 103,890,985	$ 2,321,601,534	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -			$ 1,186,701,295	$ 1,134,900,239
QE 3/12	2,177,976,427	-	2,177,976,427	577,297,998	217,984,093	165,596,401	156,526,315	176,620,644	179,167	572,050	-	-	(4,080)	-			1,294,772,588	883,203,839
QE 6/12	2,153,190,505	-	2,153,190,505	581,722,121	227,516,987	145,886,387	115,946,434	179,020,266	185,175	79,564,550	100,950,000	4,480,769	(889)	-			1,435,271,800	717,918,705
QE 9/12	2,148,812,201	-	2,148,812,201	579,782,505	222,428,252	118,032,081	205,664,611	175,615,524	201,702	6,248,670	14,312,682	18,367,266	294	-			1,340,653,587	808,158,614
QE 12/12	2,208,619,850	106,384,369	2,315,004,219	617,247,020	242,322,491	118,103,369	159,452,070	179,452,256	230,267	11,346,623	95,263,307	14,871,980	-	-			1,438,289,383	876,714,836
QE 3/13	2,191,135,221	-	2,191,135,221	589,464,629	239,092,492	96,180,297	163,937,798	192,970,394	257,756	867,795	32,840,000	28,744,095	-	-			1,344,355,256	846,779,965
QE 6/13	2,192,863,573	-	2,192,863,573	588,378,705	241,298,377	88,125,077	102,142,130	187,310,029	227,668	78,756,901	111,555,510	17,514,148	-	-			1,415,308,545	777,555,028
QE 9/13	2,202,661,954	-	2,202,661,954	596,611,333	237,327,560	84,327,037	230,955,206	190,188,088	228,524	558,280	144,169,561	35,937,456	-	-			1,520,303,045	682,358,909
QE 12/13	2,361,665,709	108,086,519	2,469,752,228	623,051,060	253,112,363	84,773,209	180,587,089	208,608,187	221,957	6,098,257	128,610,551	20,561,018	-	-			1,505,623,691	964,128,537
QE 3/14	2,496,591,894	-	2,496,591,894	609,066,404	242,247,737	19,448,214	172,865,678	191,271,321	(15,809)	3,076,720	-	14,814,313	-	231,876,797			1,484,651,375	1,011,940,519
QE 6/14	2,658,508,162	-	2,658,508,162	584,523,581	274,963,993	(3,697,277)	132,811,366	206,922,285	(9,314)	4,725,871	46,518,282	17,460,925	-	343,805,363			1,608,025,075	1,050,483,087
QE 9/14	2,811,241,175	-	2,811,241,175	642,058,425	286,491,486	1,044,222	234,971,144	202,325,318	735	83,398,590	14,595,643	716,900	-	398,971,566			1,864,574,029	946,667,146
QE 12/14	3,011,010,477	109,815,903	3,120,826,380	768,767,395	322,908,117	24,114,620	197,157,685	209,877,907	254	9,813,379	78,963,846	3,397,109	-	411,351,488			2,026,351,800	1,094,474,580
QE 3/15	2,998,998,917	-	2,998,998,917	643,924,687	297,141,870	3,771,216	198,833,968	208,709,812	(475)	1,474,261	-	2,362,678	-	397,361,264			1,753,579,281	1,245,419,636
QE 6/15	3,018,439,179	-	3,018,439,179	676,953,007	301,501,985	1,376,095	136,222,624	210,766,873	(1,609)	111,644,096	32,871,414	4,867,076	-	434,840,685			1,911,042,246	1,107,396,933
QE 9/15	3,082,543,065	-	3,082,543,065	660,928,120	297,720,765	(1,214,417)	269,436,928	218,219,020	(26)	1,465,978	(14,698,940)	2,512,551	-	449,692,969			1,884,062,948	1,198,480,117
QE 12/15	3,310,337,371	110,145,351	3,420,482,722	745,437,161	343,103,540	21,576,137	214,617,413	214,987,023	-	9,941,072	-	-	-	473,302,437			2,022,964,783	1,397,517,939
QE 3/16	3,319,987,733	-	3,319,987,733	648,184,948	312,291,893	(1,729,262)	213,667,327	224,085,947	(1)	20,729,076	43,581,049	3,093,001	-	482,776,013			1,946,679,991	1,373,307,742
QE 6/16	3,318,794,322	-	3,318,794,322	634,709,981	301,905,309	(1,180,414)	215,370,099	223,597,734	(3)	106,020,956	48,305,720	2,494,969		439,313,652			1,970,538,003	1,348,256,319
QE 9/16	3,372,523,669	-	3,372,523,669	669,689,230	311,948,359	(750,198)	221,278,330	214,057,429	(685)	504,237	-	2,161,386		491,624,231			1,910,512,319	1,462,011,350
QE 12/16	3,586,284,368	111,136,659	3,697,421,027	693,694,761	331,020,951	2,802,954	225,745,743	223,415,036	(5,466)	3,195,395	39,578,110	2,726,671	-	524,641,615			2,046,815,770	1,650,605,257
QE 3/17	3,596,401,314	-	3,596,401,314	698,367,817	340,649,746	(91,276)	231,791,677	232,289,659	(72)	4,775,270	-	-	-	533,802,478			2,041,585,299	1,554,816,015
QE 6/17	3,594,010,398	-	3,594,010,398	753,982,845	381,866,177	26,531,976	251,886,540	247,601,051	(70)	112,797,468	27,231,927	269,020		506,442,446			2,308,609,380	1,285,401,018
QE 9/17	3,594,817,618	-	3,594,817,618	678,845,907	344,221,688	(194,349)	242,239,652	246,326,890	(58)	-	-	646,701		499,804,367			2,011,890,798	1,582,926,820
QE 12/17	3,802,947,492	113,803,939	3,916,751,431	701,480,418	358,012,550	8,567,838	257,308,208	250,593,667	(20)	4,267,595	37,995,104	-	-	545,879,873	14,754,469	9,115,704	2,187,975,406	1,728,776,025
QE 3/18	3,707,390,432		3,707,390,432	770,555,544	381,249,547	27,912,368	279,790,181	258,280,283	(2)	2,830,054	-	-	-	544,000,310	(73,171)		2,264,545,114	1,442,845,318
QE 6/18	3,742,127,664		3,742,127,664	680,124,377	363,076,644	(8,697)	194,372,813	250,851,768	(1)	99,454,987	-	-	-	552,217,066	-	-	2,140,088,957	1,602,038,707
QE 9/18			-														-	-
	$ 78,877,591,238	$ 763,263,725	$ 79,640,854,963	$ 17,517,740,900	$ 7,864,654,729	$ 1,204,914,225	$ 5,357,217,782	$ 5,688,649,826	$ 1,866,791	$ 764,128,131	$ 982,643,766	$ 198,000,032	$ 453,960	$ 8,261,704,620	$ 14,681,298	$ 9,115,704	$ 47,865,771,764	$ 31,775,083,199

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

III. SUMMARY BY DEMONSTRATION YEAR

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 2021:								
DY 01	$ 8,801,580,667	$ 5,636,212,211	$ 3,165,368,456	35.96%				
DY 02	8,901,664,966	5,839,108,221	3,062,556,745	34.40%				
DY 03	10,436,093,459	6,476,507,960	3,959,585,499	37.94%				
DY 04	12,220,807,540	7,374,711,274	4,846,096,266	39.65%				
DY 05	13,431,788,445	8,075,820,163	5,355,968,282	39.88%				
DY 06	14,482,650,358	8,398,510,524	6,084,139,834	42.01%				
DY 07	11,366,269,527	6,064,901,411	5,301,368,116	46.64%	$ 79,640,854,963	$ 47,865,771,764	$ 31,775,083,199	39.90%
	$ 79,640,854,963	$ 47,865,771,764	$ 31,775,083,199					

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	06	07	Total
AC	917,848,960	582,030,474	123,922,054	36,049,882	48,139,177	29,671,597	(14,624)	1,737,647,520
AFDC/SOBRA	3,415,725,214	3,582,418,956	3,539,940,351	3,600,927,855	4,005,809,332	3,877,821,998	2,673,716,560	24,696,360,266
ALTCS-EPD	1,061,751,273	1,166,817,092	1,195,445,106	1,243,804,565	1,264,426,002	1,380,746,437	1,009,897,781	8,322,888,256
ALTCS-DD	939,086,691	1,005,552,529	1,067,544,797	1,170,346,154	1,252,966,811	1,380,668,031	1,030,492,949	7,846,657,962
DSH/CAHP	155,762,651	163,280,200	162,283,023	170,517,535	170,272,775	164,105,295	136,270,924	1,122,492,403
Expansion State Adults	-	-	1,137,300,107	1,910,372,442	2,128,601,422	2,302,510,634	1,734,711,714	9,213,496,319
Family Planning Extension	830,631	1,008,110	190,026	(1,337)	(763)	(342)	(24)	2,026,301
MED	673,818	-	-	-	-	-	-	673,818
SNCP/DSHP	296,636,120	558,334,298	240,250,917	135,561,857	116,750,000	95,000,000	22,500,000	1,465,033,192
SSI	1,349,507,849	1,426,862,397	1,545,500,769	1,738,573,398	1,853,599,989	1,929,368,833	1,394,327,222	11,237,740,457
TIP	-	-	-	-	-	19,438,831	-	19,438,831
TIP - DSHP	-	-	-	-	-	13,165,373	-	13,165,373
Uncomp Care IHS/638	22,866,717	97,192,513	53,888,765	13,437,080	7,647,155	3,208,226	-	198,240,456
Subtotal	8,160,689,924	8,583,496,569	9,066,265,915	10,019,589,431	10,848,211,900	11,195,704,913	8,001,902,502	65,875,861,154
New Adult Group	-	-	108,357,716	308,836,102	484,421,616	504,145,358	330,567,116	1,736,327,908
Total	8,160,689,924	8,583,496,569	9,174,623,631	10,328,425,533	11,332,633,516	11,699,850,271	8,332,469,618	67,612,189,062

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	640,070,191	400,049,580	86,554,713	24,670,313	33,050,385	20,532,732	(13,689)	1,204,914,225
AFDC/SOBRA	2,385,695,914	2,466,606,069	2,497,538,169	2,572,295,023	2,861,550,109	2,794,986,823	1,939,068,793	17,517,740,900
ALTCS-EPD	716,728,023	770,268,249	807,239,644	854,309,036	873,725,804	958,919,136	707,459,934	5,688,649,826
ALTCS-DD	632,712,981	661,923,939	719,011,976	802,139,221	864,101,799	956,678,577	720,649,289	5,357,217,782
DSH/CAHP	104,828,265	107,242,435	109,102,877	116,736,303	117,351,997	113,626,506	95,239,748	764,128,131
Expansion State Adults	-	-	970,918,859	1,677,045,656	1,931,072,386	2,092,219,683	1,590,448,036	8,261,704,620
Family Planning Extension	767,009	927,946	174,071	(1,212)	(689)	(311)	(23)	1,866,791
MED	453,960	-	-	-	-	-	-	453,960
SNCP/DSHP	199,636,108	366,713,968	161,520,692	92,805,648	80,464,100	65,778,000	15,725,250	982,643,766
SSI	932,471,725	968,308,356	1,070,601,129	1,221,304,297	1,306,873,992	1,368,771,157	996,324,073	7,864,654,729
TIP	-	-	-	-	-	14,681,298	-	14,681,298
TIP - DSHP	-	-	-	-	-	9,115,704	-	9,115,704
Uncomp Care IHS/638	22,848,035	97,067,679	53,845,830	13,406,989	7,630,280	3,201,219	-	198,000,032
Subtotal	5,636,212,211	5,839,108,221	6,476,507,960	7,374,711,274	8,075,820,163	8,398,510,524	6,064,901,411	47,865,771,764
New Adult Group	-	-	108,357,716	308,827,353	483,960,384	485,105,606	312,482,177	1,698,733,236
Total	5,636,212,211	5,839,108,221	6,584,865,676	7,683,538,627	8,559,780,547	8,883,616,130	6,377,383,588	49,564,505,000

Adjustments to Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	06	07	Total
AC	313,572	210,756	87,745	(7)	326	119	2	612,513
AFDC/SOBRA	1,014,881	1,090,143	990,293	5,056,392	4,912,060	4,769,809	4,594,962	22,428,540
SSI	365,158	399,101	398,723	2,391,771	2,371,156	2,374,229	2,957,653	11,257,791
Expansion State Adults	-	-	223,239	3,043,744	3,208,358	3,347,743	2,939,284	12,762,368
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(10,491,900)	(10,491,900)	(10,491,900)	(10,491,900)	(47,061,211)
Total	-	-	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	211,034	138,424	58,991	(5)	225	83	1	408,752
AFDC/SOBRA	683,014	716,006	665,774	3,461,607	3,385,392	3,302,616	3,211,419	15,425,827
SSI	245,752	262,130	268,062	1,637,406	1,634,201	1,643,916	2,067,104	7,758,570
Expansion State Adults	-	-	150,083	2,083,747	2,211,200	2,317,977	2,054,265	8,817,273
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(7,182,755)	(7,231,017)	(7,264,592)	(7,332,789)	(32,410,423)
Total	-	-	-	-	-	0	-	0

[1] The CMS 1115 Waiver, Special Term and Condition 42,d requires that premiums collected by the State shall be reported on Form CMS-64 Summary Sheet line 9,D. The State should include

[2] The Critical Access Hospital Payment (CAHP) waiver expenditures are included in the AFDC\SOBRA, AC, SSI, and Expansion State Adults rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the CAHP expenditures to the AFDC\SOBRA, AC, SSI and Expansion State Adults waiver categories for budget neutrality comparison purposes. The CAHP expenditures are allocated to the waiver categories in the same proportion as the capitation payments made for the CAHP service period.

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Revised Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	06	07	Total
AC	918,162,532	582,241,230	124,009,799	36,049,875	48,139,503	29,671,716.21	(14,622.21)	1,738,260,033
AFDC/SOBRA	3,416,740,095	3,583,509,099	3,540,930,644	3,605,984,247	4,010,721,392	3,882,591,807	2,678,311,522	24,718,788,806
ALTCS-EPD	1,061,751,273	1,166,817,092	1,195,445,106	1,243,804,565	1,264,426,002	1,380,746,437	1,009,897,781	8,322,888,256
ALTCS-DD	939,086,691	1,005,552,529	1,067,544,797	1,170,346,154	1,252,966,811	1,380,668,031	1,030,492,949	7,846,657,962
DSH/CAHP	154,069,040	161,580,200	160,583,023	160,025,635	159,780,875	153,613,395	125,779,024	1,075,431,192
Expansion State Adults	-	-	1,137,523,346	1,913,416,186	2,131,809,780	2,305,858,377	1,737,650,998	9,226,258,687
Family Planning Extension	830,631	1,008,110	190,026	(1,337)	(763)	(342)	(24)	2,026,301
MED	673,818	-	-	-	-	-	-	673,818
SNCP/DSHP	296,636,120	558,334,298	240,250,917	135,561,857	116,750,000	95,000,000	22,500,000	1,465,033,192
SSI	1,349,873,007	1,427,261,498	1,545,899,492	1,740,965,169	1,855,971,145	1,931,743,062	1,397,284,875	11,248,998,248
TIP	-	-	-	-	-	19,438,831	-	19,438,831
TIP - DSHP	-	-	-	-	-	13,165,373	-	13,165,373
Uncomp Care IHS/638	22,866,717	97,192,513	53,888,765	13,437,080	7,647,155	3,208,226	-	198,240,456
Subtotal	8,160,689,924	8,583,496,569	9,066,265,915	10,019,589,431	10,848,211,900	11,195,704,913	8,001,902,502	65,875,861,154
New Adult Group	-	-	108,357,716	308,836,102	484,421,616	504,145,358	330,567,116	1,736,327,908
Total	8,160,689,924	8,583,496,569	9,174,623,631	10,328,425,533	11,332,633,516	11,699,850,271	8,332,469,618	67,612,189,062

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	640,281,225	400,188,004	86,613,704	24,670,308	33,050,610	20,532,815	(13,688)	1,205,322,977
AFDC/SOBRA	2,386,378,928	2,467,322,075	2,498,203,943	2,575,756,630	2,864,935,501	2,798,289,439	1,942,280,212	17,533,166,727
ALTCS-EPD	716,728,023	770,268,249	807,239,644	854,309,036	873,725,804	958,919,136	707,459,934	5,688,649,826
ALTCS-DD	632,712,981	661,923,939	719,011,976	802,139,221	864,101,799	956,678,577	720,649,289	5,357,217,782
DSH/CAHP	103,688,465	106,125,875	107,959,967	109,553,548	110,120,980	106,361,914	87,906,959	731,717,708
Expansion State Adults	-	-	971,068,942	1,679,129,403	1,933,283,586	2,094,537,660	1,592,502,301	8,270,521,893
Family Planning Extension	767,009	927,946	174,071	(1,212)	(689)	(311)	(23)	1,866,791
MED	453,960	-	-	-	-	-	-	453,960
SNCP/DSHP	199,636,108	366,713,968	161,520,692	92,805,648	80,464,100	65,778,000	15,725,250	982,643,766
SSI	932,717,477	968,570,486	1,070,869,191	1,222,941,703	1,308,508,193	1,370,415,073	998,391,177	7,872,413,299
TIP	-	-	-	-	-	14,681,298	-	14,681,298
TIP - DSHP	-	-	-	-	-	9,115,704	-	9,115,704
Uncomp Care IHS/638	22,848,035	97,067,679	53,845,830	13,406,989	7,630,280	3,201,219	-	198,000,032
Subtotal	5,636,212,211	5,839,108,221	6,476,507,960	7,374,711,274	8,075,820,163	8,398,510,524	6,064,901,411	47,865,771,764
New Adult Group	-	-	108,357,716	308,827,353	483,960,384	485,105,606	312,482,177	1,698,733,236
Total	5,636,212,211	5,839,108,221	6,584,865,676	7,683,538,627	8,559,780,547	8,883,616,130	6,377,383,588	49,564,505,000

Calculation of Effective FMAP:

AFDC/SOBRA							
Federal	2,386,378,928	2,467,322,075	2,498,203,943	2,575,756,630	2,864,935,501	2,798,289,439	1,942,280,212
Total	3,416,740,095	3,583,509,099	3,540,930,644	3,605,984,247	4,010,721,392	3,882,591,807	2,678,311,522
Effective FMAP	0.698437359	0.688521225	0.705521851	0.714300577	0.714319251	0.720727179	0.725188312
SSI							
Federal	932,717,477	968,570,486	1,070,869,191	1,222,941,703	1,308,508,193	1,370,415,073	998,391,177
Total	1,349,873,007	1,427,261,498	1,545,899,492	1,740,965,169	1,855,971,145	1,931,743,062	1,397,284,875
Effective FMAP	0.690966833	0.678621603	0.692715921	0.702450414	0.705026151	0.709418918	0.714522281
ALTCS-EPD							
Federal	716,728,023	770,268,249	807,239,644	854,309,036	873,725,804	958,919,136	707,459,934
Total	1,061,751,273	1,166,817,092	1,195,445,106	1,243,804,565	1,264,426,002	1,380,746,437	1,009,897,781
Effective FMAP	0.675043243	0.660144811	0.675262829	0.686851504	0.691005881	0.69449329	0.700526278
ALTCS-DD							
Federal	632,712,981	661,923,939	719,011,976	802,139,221	864,101,799	956,678,577	720,649,289
Total	939,086,691	1,005,552,529	1,067,544,797	1,170,346,154	1,252,966,811	1,380,668,031	1,030,492,949
Effective FMAP	0.673753538	0.658268882	0.673519255	0.685386301	0.689644603	0.692909922	0.699324813
AC							
Federal	640,281,225	400,188,004	86,613,704	24,670,308	33,050,610	20,532,815	(13,688)
Total	918,162,532	582,241,230	124,009,799	36,049,875	48,139,503	29,671,716	(14,622)
Effective FMAP	0.697350635	0.687323369	0.698442419	0.68433824	0.686559013	0.69199956	0.936093108
Expansion State Adults							
Federal	-	-	971,068,942	1,679,129,403	1,933,283,586	2,094,537,660	1,592,502,301
Total	-	-	1,137,523,346	1,913,416,186	2,131,809,780	2,305,858,377	1,737,650,998
Effective FMAP			0.853669461	0.877555764	0.90687434	0.908354859	0.916468441
New Adult Group							
Federal	-	-	108,357,716	308,827,353	483,960,384	485,105,606	312,482,177
Total	-	-	108,357,716	308,836,102	484,421,616	504,145,358	330,567,116
Effective FMAP			1	0.999971671	0.999047871	0.962233606	0.945291173

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

V. Budget Neutrality Member Months and Cost Sharing Premium Collections

Budget Neutrality Member Months:	AFDC/SOBRA	SSI	ALTCS-DD	ALTCS-EPD	AC	MED	Family Plan Ext	Expan St Adults	New Adult Group
Quarter Ended December 31, 2011	2,932,432	487,592	72,513	85,475	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,115	489,028	73,149	85,521	430,723	-	12,424		
Quarter Ended June 30, 2012	2,913,984	489,072	73,959	85,745	365,132	-	12,440		
Quarter Ended September 30, 2012	2,938,720	491,728	74,814	86,527	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,330	494,819	75,633	86,844	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,079	497,226	76,461	86,090	248,817	-	13,824		
Quarter Ended June 30, 2013	2,902,894	499,863	77,275	86,318	228,204	-	14,187		
Quarter Ended September 30, 2013	2,918,775	503,496	78,029	87,148	217,114	-	14,856		
Quarter Ended December 31, 2013	2,891,647	506,910	78,835	87,694	206,419	-	14,885		
Quarter Ended March 31, 2014	2,839,198	514,662	79,674	87,911	87	-	-	443,784	38,987
Quarter Ended June 30, 2014	2,955,396	523,645	80,663	88,755	2	-	-	623,994	86,520
Quarter Ended September 30, 2014	3,113,150	530,032	81,749	89,383	-	-	-	755,363	122,870
Quarter Ended December 31, 2014	3,145,574	537,706	82,715	90,034	-	-	-	816,959	149,742
Quarter Ended March 31, 2015	3,084,099	544,551	83,810	89,906	-	-	-	834,821	191,038
Quarter Ended June 30, 2015	3,103,957	545,631	84,812	89,957	-	-	-	844,338	245,131
Quarter Ended September 30, 2015	3,207,430	545,974	85,585	90,048	-	-	-	864,422	284,708
Quarter Ended December 31, 2015	3,259,355	551,097	86,352	89,914	-	-	-	913,975	312,279
Quarter Ended March 31, 2016	3,256,239	553,782	87,120	89,509	-	-	-	928,289	331,579
Quarter Ended June 30, 2016	3,245,943	550,833	88,232	89,669	-	-	-	930,199	334,071
Quarter Ended September 30, 2016	3,330,290	553,667	89,197	89,951	-	-	-	936,028	325,237
Quarter Ended December 31, 2016	3,382,122	555,056	90,173	90,308	-	-	-	953,107	331,524
Quarter Ended March 31, 2017	3,385,811	556,788	91,262	90,010	-	-	-	958,710	335,487
Quarter Ended June 30, 2017	3,368,530	556,472	92,439	90,401	-	-	-	959,250	338,344
Quarter Ended September 30, 2017	3,355,097	557,759	93,398	91,176	-	-	-	958,272	338,909
Quarter Ended December 31, 2017	3,322,250	560,666	94,348	91,775	-	-	-	956,266	339,048
Quarter Ended March 31, 2018	3,228,813	561,280	95,514	91,249	-	-	-	937,581	328,005
Quarter Ended June 30, 2018	3,180,059	558,185	96,640	90,458				927,462	316,789

	ALTCS Developmentally Disabled	
Cost Sharing Premium Collections:	Total Computable	Federal Share
Quarter Ended December 31, 2011	-	-
Quarter Ended March 31, 2012	-	-
Quarter Ended June 30, 2012	-	-
Quarter Ended September 30, 2012	-	-
Quarter Ended December 31, 2012	-	-
Quarter Ended March 31, 2013	-	-
Quarter Ended June 30, 2013	-	-
Quarter Ended September 30, 2013	-	-
Quarter Ended December 31, 2013	-	-
Quarter Ended March 31, 2014	-	-
Quarter Ended June 30, 2014	-	-
Quarter Ended September 30, 2014	-	-
Quarter Ended December 31, 2014	-	-
Quarter Ended March 31, 2015	-	-
Quarter Ended June 30, 2015	-	-
Quarter Ended September 30, 2015	-	-
Quarter Ended December 31, 2015	-	-
Quarter Ended March 31, 2016	-	-
Quarter Ended June 30, 2016	-	-
Quarter Ended September 30, 2016	-	-
Quarter Ended December 31, 2016	-	-
Quarter Ended March 31, 2017	-	-
Quarter Ended June 30, 2017	-	-
Quarter Ended September 30, 2017	-	-
Quarter Ended December 31, 2017	-	-
Quarter Ended March 31, 2018	-	-
Quarter Ended June 30, 2018	-	-

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018	
Total Allotment	**103,890,985**	**106,384,369**	**108,086,519**	**109,815,903**	**110,145,351**	**111,136,659**	**113,803,939**	**763,263,725**
Reported in QE								
Dec-11	-	-	-	-	-			-
Mar-12	-	-	-	-	-			-
Jun-12	78,996,800	-	-	-	-			78,996,800
Sep-12	6,248,670	-	-	-	-			6,248,670
Dec-12	11,346,623	-	-	-	-			11,346,623
Mar-13	309,515	-	-	-	-			309,515
Jun-13	1,022,914	77,733,987	-	-	-			78,756,901
Sep-13	-	-	-	-	-			-
Dec-13	-	6,098,257	-	-	-			6,098,257
Mar-14	2,505,265	-	-	-	-			2,505,265
Jun-14	-	4,725,871	-	-	-			4,725,871
Sep-14	3,258,682	-	79,568,453	-	-			82,827,135
Dec-14	-	-	6,222,002	-	-			6,222,002
Mar-15	-	1,474,261	-	-	-			1,474,261
Jun-15	-	16,248,501	(219,987)	92,024,206	-			108,052,719
Sep-15	-	-	1,465,978	-	-			1,465,978
Dec-15	(4)			6,325,567				6,325,563
Mar-16			20,729,076					20,729,076
Jun-16		(14,886)	180,953	4,170,769	98,068,611			102,405,447
Sep-16				504,238				504,238
Dec-16		(1,292,221)		270,327	584,993			(436,900)
Mar-17				4,775,270				4,775,270
Jun-17		1,152,106		1,483,173	8,005,943	98,523,950		109,165,172
Sep-17								-
Dec-17			13,492			587,709		601,201
Mar-18					2,830,054			2,830,054
Jun-18					631,379	7,250,255	87,906,960	95,788,594
Total Reported to Date	103,688,465	106,125,875	107,959,966	109,553,550	110,120,979	106,361,914	87,906,960	731,717,710
Unused Allotment	**202,520**	**258,494**	**126,553**	**262,353**	**24,372**	**4,774,745**	**25,896,979**	**31,546,015**

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended June 30, 2018

VII. BUDGET NEUTRALITY TRACKING SCHEDULE -- NEW ADULT GROUP

WAIVER PERIOD JANUARY 1, 2014 THROUGH SEPTEMBER 30, 2021:

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

	DY3-5 Trend Rate	DY 03 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/13	QE 3/14	QE 6/14	QE 9/14	Total	Federal Share Budget Neutrality Limit
New Adult Group		578.54	100.00%	578.54	-	38,987	86,520	122,870	248,377	143,696,030

		DY 04 PM/PM			Member Months QE 12/14	QE 3/15	QE 6/15	QE 9/15	Total	
New Adult Group	1.047	605.73	100.00%	605.71	149,742	191,038	245,131	284,708	870,619	527,346,309

		DY 05 PM/PM			Member Months QE 12/15	QE 3/16	QE 6/16	QE 9/16	Total	
New Adult Group	1.047	634.20	99.90%	633.60	312,279	331,579	334,071	325,237	1,303,166	825,681,892

	DY6-10 Trend Rate	DY 06 PM/PM			Member Months QE 12/16	QE 3/17	QE 6/17	QE 9/17	Total	
New Adult Group	1.033	655.13	96.22%	630.39	331,524	335,487	338,344	338,909	1,344,264	847,407,495

		DY 07 PM/PM			Member Months QE 12/17	QE 3/18	QE 6/18	QE 9/18	Total	
New Adult Group	1.033	676.75	94.53%	639.72	339,048	328,005	316,789	-	983,842	629,387,856

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

	Budget Neutrality Limit - Federal Share MAP	DSH	Total	Expenditures New Adult Grp	VARIANCE
QE 12/13	$ -	$ -	$ -	$ -	$ -
QE 3/14	22,555,539	-	22,555,539	13,870,414	8,685,125
QE 6/14	50,055,281	-	50,055,281	34,313,342	15,741,939
QE 9/14	71,085,210	-	71,085,210	47,984,458	23,100,752
QE 12/14	90,700,859	-	90,700,859	46,004,135	44,696,724
QE 3/15	115,714,433	-	115,714,433	70,387,348	45,327,085
QE 6/15	148,479,333	-	148,479,333	85,319,153	63,160,180
QE 9/15	172,451,684	-	172,451,684	97,948,283	74,503,401
QE 12/15	197,859,011	-	197,859,011	113,800,738	84,058,273
QE 3/16	210,087,431	-	210,087,431	122,290,142	87,797,289
QE 6/16	211,666,355	-	211,666,355	123,158,494	88,507,861
QE 9/16	206,069,096	-	206,069,096	108,777,377	97,291,719
QE 12/16	208,988,852	-	208,988,852	126,789,923	82,198,929
QE 3/17	211,486,813	-	211,486,813	122,882,603	88,604,210
QE 6/17	213,287,830	-	213,287,830	125,355,939	87,931,891
QE 9/17	213,643,999	-	213,643,999	127,776,681	85,867,318
QE 12/17	216,897,321	-	216,897,321	115,394,268	101,503,053
QE 3/18	209,832,843	-	209,832,843	107,961,026	101,871,817
QE 6/18	202,657,693	-	202,657,693	108,718,912	93,938,781
QE 9/18	-	-	-		-
	$ 2,973,519,581	$ -	$ 2,973,519,581	$ 1,698,733,236	$ 1,274,786,345

III. SUMMARY BY DEMONSTRATION YEAR

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
DY 03	$ 143,696,030	$ 96,168,214	$ 47,527,816	33.08%				
DY 04	527,346,309	299,658,919	227,687,390	43.18%				
DY 05	825,681,892	468,026,751	357,655,141	43.32%				
DY 06	847,407,495	502,805,146	344,602,349	40.67%				
DY 07	629,387,856	332,074,206	297,313,650	47.24%	$ 2,973,519,581	$ 1,698,733,236	$ 1,274,786,345	42.87%
	$ 2,973,519,581	$ 1,698,733,236	$ 1,274,786,345					

Based on CMS-64 certification date of 6/30/2018