May 28, 2015

Jessica Woodard
Project Officer, Division of State Demonstrations, Waivers & Managed Care
Center for Medicaid, CHIP and Survey & Certification
Centers for Medicare and Medicaid Services
Mailstop: S2-01-16
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Ms. Woodard:

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for January 1st, 2015 through March 31st, 2015, 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 Christopher Vinyard at (602) 417- 4034.

Sincerely,

[redacted]

Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Brian Zolynas
Hee Young Ansell
Susan Ruiz

AHCCCS Quarterly Report
January 1, 2015 through March 31, 2015

TITLE

Arizona Health Care Cost Containment System – AHCCCS
A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report
Demonstration Year: 33
Federal Fiscal Quarter: 2nd (January 1, 2015 – March 31, 2015)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 37, 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

Population Groups	Number Enrollees	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,227,544	1,231	412,631
Acute SSI	185,364	106	26,715
Prop 204 Restoration	398,714	544	65,559
Adult Expansion	76,367	135	15,050
LTC DD	28,155	18	2,171
LTC EPD	31,314	30	4,324
Non-Waiver	3,725	13	775
Total	1,951,183	2,077	527,225

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	1,230,685
Title XXI funded State Plan [2]	1,288
Title XIX funded Expansion [3]	50,924
Title XXI funded Expansion [4]	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only [5]	0
Enrollment Current as of	4/1/15

[1] SSI, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1
[2] KidsCare
[3] MI/MN
[4] AHCCCS for Parents
[5] Represents point-in-time enrollment as of 4/1/15

OPERATIONAL/POLICY DEVELOPMENTS/ISSUES

Waiver Update

No waiver updates were submitted during the reporting period.

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				
15-001	Supplemental Drug Rebates	2/5/15	Pending	1/1/15
15-002	Nursing Facility Assessment	3/19/15	Pending	1/1/15
Title XXI				
N/A				

Legislative Update

In an effort to achieve a structurally balanced budget, Governor Ducey and the Arizona Legislature passed SB 1475 (health; budget reconciliation; 2015-2016), which enacts a health care provider rate reduction, effective October 1, 2015 through September 30, 2016. The rate reduction may be up to an aggregate of five percent for all healthcare providers, excluding nursing facilities, developmental disability and home and community based health care providers. SB 1475 was signed by the Governor on March 12, 2015.

During the 2015 legislative session, AHCCCS proposed and advocated on behalf of HB 2102 (children; chronic illness; physical disability). The legislation makes technical and clarifying statutory changes to the administration of the Children's Rehabilitative Services Program (CRS). There were no substantive policy changes as a result of this legislation. The legislation passed unanimously in both the House and the Senate, and was signed by the Governor on April 6, 2015.

HB 2373 (AHCCCS; orthotics) requires AHCCCS to cover orthotics if the use of the orthotic is ordered by a physician, is medically necessary as the preferred treatment option consistent with Medicare guidelines and if the orthotic is less expensive than all other treatment options or surgical procedures. HB 2373 was signed by the Governor on April 10, 2015.

SB 1092 (AHCCCS; annual waiver submittals) requires AHCCCS to annually submit a waiver requesting permission to institute work requirements for all able-bodied adults; require an eligible person to verify compliance with the work requirements on a monthly basis; and report any change in family income. For eligible persons who knowingly failed to report a change in income or made a false statement regarding compliance with the work requirements, AHCCCS may ban an otherwise eligible person from enrollment for up to one year. Moreover, the waiver request also seeks authority to place a lifetime limit of five years for benefits for certain eligible members. Lastly, AHCCCS is to request the authority to develop and impose meaningful cost-sharing requirements as part of the waiver request; together with the ability to limit non-

emergency use of the emergency room and non-emergency transportation. SB 1092 was signed by the Governor on March 6, 2015.

SB 1136 (nursing facility assessment; continuation) continues the nursing facility assessment until October 1, 2023. The Director of AHCCCS is also granted authority to suspend or revoke the nursing facility's provider agreement if the nursing facility fails to pay the full amount of the assessment when due. If the nursing facility does not comply after 180 days after the AHCCCS Director has suspended or revoked the nursing facility's provider agreement, the AHCCCS Director may notify the Director of ADHS, who then shall suspend or revoke the nursing facility's license. Lastly, subject to CMS approval, a nursing facility that is located outside of this state may not receive payments pursuant to the legislation. SB 1136 was signed by the Governor on March 23, 2015.

SB 1257 (behavioral health; transfer; AHCCCS) makes necessary statutory changes to effectuate the transfer of behavioral health services from ADHS to AHCCCS. The Division of Behavioral Health Services (DBHS) and AHCCCS have been partners in an effort to improve care for Arizonans receiving behavioral health services. As such, Gov. Ducey recommended formalizing the partnership by bringing DBHS and AHCCCS together. This administrative simplification does not change services members can receive, nor does it change how members receive services. It also will not disrupt the important services DBHS provides to members, including employment and housing supports or the Office of Individual and Family Affairs, which will all transition to AHCCCS. The merger will become effective July 1, 2016. SB 1257 was signed by the Governor on April 6, 2015.

SB 1282 (teledentistry; dental hygienists; dental assistants) clarifies the dental hygienist scope of practice, establishes scope of practice for expanded practice dental assistants, and requires AHCCCS to establish a teledentistry benefit. SB 1282 was signed by the Governor on April 6, 2015.

The Arizona Legislature, 52nd Legislature, First Regular Session adjourned Sine Die on April 3, 2015.

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 January 1, 2015 - March 31, 2015.

Table 1 **Advocacy Issues**	January	February	March	Total
Billing Issues	**9**	**10**	**17**	**36**
• **Member reimbursements**				
• **Unpaid bills**				
Cost Sharing	**1**	**0**	**0**	**1**
• **Co-pays**				
• **Share of Cost (ALTCS)**				
• **Premiums (Kids Care, Medicare)**				

Covered Services	12	21	15	48
Eligibility Issues by Program				
Can't get coverage due to :				
ALTCS	6	12	11	29
• Resources				
• Income				
• Medical				
DES	328	170	130	628
• Income				
• Incorrect determination				
• Improper referrals				
Kids Care	0	0	0	0
• Income				
• Incorrect determination				
SSI/Medical Assistance Only	52	30	55	137
• Income				
• Not categorically linked				
Information	62	86	94	242
• Status of application				
• Eligibility Criteria				
• Community Resources				
• Notification (Did not receive or didn't understand)				
Medicare	11	7	6	24
• Medicare Coverage				
• Medicare Savings Program				
• Medicare Part D				
Prescriptions	9	7	21	37
• Prescription coverage				
• Prescription denial				
Issues Referred to other Divisions:				
1.Fraud-Referred to Office of Inspector General (OIG)	0	0	0	0
2.Quality of Care-Referred to Division of Health Care Management (DHCM)	1	1	6	8
• Health Plans/Providers *(*Caregiver issues, Lack of providers)				
• Services *(*Equipment, Nursing Homes, Optical and Surgical)				
Total	491	344	355	1190

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

Table 2 Issue Originator	January	February	March	Total
Applicant, Member or Representative	430	279	258	967
CMS	2	7	4	13
Governor's Office	8	11	13	32
Ombudsmen/Advocates/Other Agencies…	33	38	69	140
Senate & House	18	9	11	38
Total	491	344	355	**1190**

Note: This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.

COMPLAINTS AND GRIEVANCES

In support of the quarterly report to CMS, 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.

Member Grievances and Complaints	Oct-14	Nov-14	Dec-14	Total
Access to Care	31	34	26	91
Health Plan	43	55	44	142
Provider Satisfaction	260	406	131	797
Total	334	495	201	**1030**

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.

INNOVATIVE ACTIVITIES

Health-e-Arizona Plus: Plan C

Arizona made a determination that it could not safely convert all of the data from its legacy systems into the new Health-e-Arizona Plus system before October 1, 2013. Therefore the state implemented its Plan C mitigation strategy. One exception to Plan C is Children's Rehabilitative Services (CRS). Health-e-Arizona Plus was implemented on 9/23/13 for CRS. The CRS implementation did not require a data conversion.

Plan C includes implementation of Health-e-Arizona Plus in three steps.

Step 1:

On October 19, 2013, implemented Health-e-Arizona Plus for consumers and consumer assisters. Exercised new policies and processes for MAGI, Medicaid Expansion and Account transfer to the FFM.

Step 2:
Converted ACE data into Health-e-Arizona Plus in November 2013. AHCCCS staff began using the Health-e-Arizona Plus system for aged blind disabled programs (ABD), Medicare Savings Programs and CHIP.

Step 3:
DES staff began using the Health-e-Arizona Plus system in December 2013. Health-e-Arizona Plus is completely rolled out for Phase I when all DES staff are using the system for Medicaid, SNAP and TANF.

Step 4:
DES began the pilot process at the Glendale office to process HEAplus applications in May 2014.

Step 5:
HEAplus started the automated process for Reasonable Opportunity in June 2014.

Step 6:
HEAplus starting processing the Medicaid automated renewals for the SSI MAO cases in September 2014.

Step 7:
HEAplus started processing all other active HEAplus Medicaid renewals in October 2014 for the renewal month of December 2014. This is ongoing each month for all active HEAplus Medicaid cases as they come due for renewal.

Step 8:
HEAplus started processing DES Medicaid renewals for the DES Glendale local office in December 2014, for the December 2014 renewal month.

Step 9:
HEAplus started processing all other active DES Medicaid renewals in December 2014 for the renewal month of January 2015, and this is ongoing each month for all DES active Medicaid cases due for renewal.

ENCLOSURES/ATTACHMENTS

Attached you will find the Budget Neutrality Tracking Schedule and the Quality Assurance/Monitoring Activities, including the CRS update for the quarter. Beginning during the October-December, 2010 quarter, AHCCCS will submit quarterly summary reports for the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results as part of the ongoing quarterly reporting by AHCCCS to CMS.

STATE CONTACT(S)

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

DATE SUBMITTED TO CMS

May 28, 2015

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Attachment II to the

Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period

Demonstration Year: 32

Federal Fiscal Quarter 2/2015 (01/2015 – 03/2015)

Prepared by the Division of Health Care Management
May 2015

Introduction

This report described the Arizona Health Care Cost Containment System (AHCCCS) quality assurance and monitoring activities that took place during the second quarter of federal fiscal year 2015, as required in STC 37 of the States' Section 115 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, including services received from the Arizona Department of health services (ADHS) through benefit carve outs. 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 focus on the provision of "comprehensive, quality health care for those in need", as delineated in the Agency mission.

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

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 (Contractors), providers and within the community. During quarter two, 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, and to facilitate networking to address common issues and solve problems. 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.

Collaborative Stakeholder Involvement Synopses

During quarter two, AHCCCS participated in several collaborative efforts related to various different quality components. Community and sister agencies that AHCCCS collaborated with during quarter two include:

- *Arizona Department of health Services (ADHS) Bureau of Tobacco and Chronic Disease* – In collaboration with ADHS, AHCCCS continued monitoring the utilization of, and access to, smoking cessation drugs and nicotine replacement therapy program. AHCCCS members are being encouraged to participate in ADHS' Tobacco Education and Prevention Program (TEPP) smoking cessation support programs such as "ASHLine" and/or counseling, in addition to seeking assistance from their primary care physician.

Additional efforts have been focused on the integrated seriously mentally ill (SMI) population in connecting them to smoking cessation and nicotine replacement programs.

- *Arizona Department of Health Services (ADHS) Bureau of USDA Nutrition Programs* – AHCCCS works with ADHS Bureau of USDA Nutrition Programs for many initiatives ranging from Contractor education to Women, Infants and Children (WIC) promotion. The nutrition coordinators present the most up to date information, at the AHCCCS Contractor Quarterly meetings. At the January 2014 meeting the presentation included the new WIC foods that became available on April 14, 2015.

- *Arizona Department of Health Services (ADHS) Immunization Program* – Ongoing collaboration with the ADHS help ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) program. The VFC program representatives provide education to Contractors, regular notification to AHCCCS regarding vaccine-related trends and issues, and updates regarding the Arizona State immunization Information System (ASIIS). ASIIS staff also provides monthly data sharing regarding AHCCCS members receiving immunizations and ongoing collaboration regarding Stage 1 and Stage 2 Meaningful Use (MU) public health requirements. The most recent update from the immunization program is the addition of two new Meningococcal vaccines to the VFC program as well as the addition of HPV-9 vaccine.

- Arizona Department of Health Services (ADHS) Office of Environmental Health – AHCCCS and several Contractors participate in the Arizona Childhood Lead Poisoning Elimination Coalition to develop strategies to increase testing of children who are enrolled in AHCCCS or who live in areas with the highest risk of lead poisoning due to the prevalence of older housing, industries that use or produce lead, and the use of lead-containing pottery or folk medicines. The Centers for Medicare and Medicaid Services (CMS) has approved the Agency to implement a targeted approach to lead screening based on data obtained and analyzed by the ADHS.

- *Arizona Early Intervention Program* – The Arizona Early Intervention Program (AzEIP), Arizona's IDEA Part C program, is administered by the Department of Economic Security (DES). Maternal and Child Health (MCH) staff in the Clinical Quality Management (CQM) unit at AHCCCS works with AzEIP to facilitate early intervention services for children under three years of age who are enrolled with AHCCCS Contractors. These services are closely monitored to ensure timely access to availability of services to members. AHCCCS added language to the contract to enforce that all Contractors must reimburse all AHCCCS AzEIP registered providers whether or not they contracted with the AHCCCS Contractor. Individual Family Service Plan (IFSP) services

must be reviewed for medical necessity prior to reimbursement. In addition, the AzEIP program has updated its vender agreement to require that the provider accept the AHCCCS fee-for-service rate for services rendered to AHCCCs members. It is anticipated that this will increase the utilization of developmental services across the two programs.

- Arizona Head Start Association – The Arizona Head Start and Early Head start programs provide education, development, health, nutrition and family support services to qualifying families. AHCCCS meets with Head Start leadershop at least quarterly to discuss enrollment and coordination of care barriers and successes. Arizona Head Start grantees including the City of Phoenix, Maricopa County, Chicanos Por La Causa and Southwest Human Development continue hosting community meetings on a quarterly basis. The meetings are attended by families participating with the Head Start program and the AHCCCS and EPSDT Coordinators from AHCCCS contractors.

- Task Force on Prevention of Prenatal Exposure to alcohol and other Drugs – This task force is comprised of representatives from various agencies. The Task force works towards increasing awareness and addressing concerns in the community regarding fetal alcohol spectrum disorders. The strategic Plan has been finalized by the Task Force and members are meeting regularly to work on the goals and objectives.

- Arizona Medical Association and the Arizona Chapter of the American Academy of Pediatrics – AHCCCS collaborates with the Arizona Medical Association (ArMA) and the Arizona Chapter of the American Academy of Pediatrics (AAP) in a number of ways, from development and review of assessment tools to data sharing and support of system enhancements for providers, such as Electronic Health Record (EHR) Incentive Program. During this quarter AHCCCS continued discussions related to increasing use of developmental screening tools, the primary care enhanced payment structure, and care and services delivered to members with a diagnosis of autism.

- The Arizona Partnership for Immunization (TAPI) – During the quarter, CQM staff attended TAPI Steering Committee meetings and subcommittee meetings for community awareness, provider issues and adult immunizations. TAPI regularly communicates immunization trends and best practices with AHCCCS and its Contractors. TAPT's Providers Awareness and Adult and Community Awareness committee continue to focus on long-term projects such as updating the TAPI website with the most current information for providers, parents and the community at large. In addition to the website, TAPI vaccination handouts have been updated with new color and formats. TAPI has launched a new Teen Vaccination Campaign (Tdap, Meningococcal and HPV vaccines) targeting provider education as well as parent and teen outreach. The parent focused

campaign is *Protect Me with 3* – reminding parents that their kids still need them to protect them and help with healthy decisions. The Teen campaign is *Take Control* and addresses the vaccines that teens need to have to keep healthy as they begin to take control of their lives such as – off to college, driving and even health decisions. Posters, flyers and reminder recall postcards are available on their Free Materials page.

- *Arizona Perinatal Trust* – The Arizona Perinatal Trust (APT) oversees voluntary certification of hospitals for the appropriate level of perinatal care according to established guidelines and conducts site visits for initial certification and recertification. Since AHCCCS covers approximately half the births in Arizona, the site reviews give the Agency a better look at the hospitals that provide care to pregnant women and newborns, from normal labor and delivery to neonatal intensive care. The current areas of focus for APT include elective C-Sections and inductions prior to 30 weeks gestation, infant and parental immunizations (pertussis), and promoting coordination of care with Medicaid Contractors. AHCCCS continues to support APT and participate in site visits regularly.

- *Healthy Mothers, Healthy Babies* – The Healthy Mothers, health Babies Maricopa County Coalition is focused on improving maternal child health outcomes in the Maryvale community. AHCCCS supports the Coalition through assisting in educating communities about AHCCCS-covered services for women and children and the initiation of prenatal care.

- *South Phoenix Healthy Start Community Consortium* – The South Phoenix Healthy Start Consortium ails to connect organizations and to educate members on current programs and initiatives occurring the community. Additionally, it provides networking opportunities to allow for better collaborative efforts between agencies. AHCCCS continues to attend these meetings and supports the Consortium.

- *Arizona Health-E Connection/Arizona Regional Extension Center* – Arizona Health-E Connection (AzHeC) is a public-private community agency geared towards promotion of, and provider support for, electronic health record integration into the healthcare system. AzHeC is a key partner with AHCCCS in promoting the use of health information technology (HIT) as well as Arizona's Health Information Exchange (HIE). As a subset of AzHeC, the Arizona Regional Extension Center (REC) provides technical assistance and support to Medicare and Medicaid eligible professionals who are working to adopt, implement or upgrade (AIU) an electronic health record (EHR) in their practice and/or achieve Meaningful Use in order to receive monetary payments through state (Medicaid) and national (Medicare) EHR Incentive Programs. The long term goal is to be able to use this technology for quality improvement purposes and to improve outcomes for AHCCCS members.

AzHeC is the umbrella company for the Health Information Network of Arizona (HINAz), which is responsible for building the state's largest electronic health information exchange (HIE) site. HINAz partners with a multitude of community partners and stakeholders, including AHCCCS, in order to make the HIE a successful reality. To date, approximately 35 health systems have signed agreements with HINAz to share health information in the HIE. Partners include one of the state's largest hospital systems – Banner Health, SureScripts, and SonoraQuest Laboratories as well as all AHCCCS Managed Care Organizations and many regional providers. Additionally, HINAz is exploring a partnership opportunity with the Behavioral health Information Network of Arizona (BHINAz) to ensure coordination of care between physical and behavioral health providers. During the quarter, HINAz finalized the implementation of a new operating system for the HIE. A fully operating HIE opened in April, 2015 with many planned enhancements scheduled through the next six to twelve months.

- *Strong Families Workgroup* – The Strong Families Workgroup is responsible for developing and implementing a statewide plan for home visiting programs in Arizona. AHCCCS members benefit from home visiting programs when identification and referrals are made by AHCCCS Contractors. AHCCCS continues to be a strong referral source to the home visiting programs with the anticipated results of improved birth outcomes for mothers and babies.

- *Arizona Diabetes Steering Committee* – The Diabetes Steering Committee is responsible for increasing adherence to evidence based guidelines, guiding efforts to improve state policy and implementing the Chronic Disease Self-Management Program to improve quality of life and outcomes for Arizona citizens diagnosed with diabetes. AHCCCS is a member of the Steering Committee as well as the Diabetes Coalition and works to align Medicaid policy with statewide efforts. AHCCCS continues to collaborate and encourage the participation of its Contractors in the Diabetes Coalition.

- *Injury Prevention Advisory Council* – Arizona's injury statistics exceed the national average. In response, the Arizona Department of health Services (ADHS) entered into a cooperative agreement with the Centers for Disease Control (CDC) in September 2000 to develop systematic injury surveillance and control process. ADHS formed an internal work group with representatives from the divisions of Public Health Services, Assurance and Licensure Services, and Behavioral Health services. An AHCCCS representative also participates in this counsel in order to provide opportunities to implement change and interventions in the Medicaid program to prevent injuries. The work group, with input from leaders in the field of injury control met to develop the Arizona Injury Surveillance and Prevention Plan, 2001-2005, 2006-2010, and 2012-2016. Along with development of

the plan the Injury Prevention Advisory Council provides recommendations ot ADHS on injury priorities, reviews progress in implementation, assists in problem solving, participates in revision and evaluation of the plan, and acts as a liaison between external agencies and ADHS.

- *Arizona Newborn Screening Advisory Committee* – The Newborn Screening Advisory Committee is established to provide recommendations and advice to the Arizona Department of Health services regarding tests that should be included in the Newborn Screening panel. The committee recommended the 29 disorders, including hearing loss, of the core panel of the Uniform Screening Panel from the HHS Secretary's Advisory Committee on Heritable Disorders in Newborns and Children. Any recommendation of a test to be added to the panel must be accompanied by a cost-benefit analysis. The committee is chaired by the Director of the Department of health Services and meets at least annually. The Director appoints the members of the committee to include: seven physicians representing the medical specialties of endocrinology, pediatrics, neonatology, family practice, otology and obstetrics; a neonatal nurse practitioner; an audiologist; a representative of an agency that provides services under part C of the Individuals with Disabilities Education Act; at least one parent of a child with a hearing loss or a congenital disorder; a representative from the insurance industry familiar with health care reimbursement issues; the director of the AHCCCS or the director's designee; and a representative of the hospital or health care industry.

- *Behavioral Health Children's Executive Committee (ACEC)* – In 2002, the child-serving agencies of Arizona signed a Memorandum of Understanding (MOU) calling for the formation of the Arizona Children's Executive Committee (ACEC). The signers of the MOU include the Arizona Department of Health Services, the Arizona Department of Economic security, AHCCCS, the Arizona Department of Juvenile Corrections the Arizona Department of Education, and the Administration of the Courts. ACEC brings together multiple state and government agencies, community advocacy organizations, and family members of children/youth with behavioral health needs to collectively ensure that behavioral health services are being provided to children and families according to the Arizona Vision and 12 Principles. ACEC strives to create and implement a successful system of behavioral health care in Arizona by serving as a state-level link for local, county, tribal and regional teams. ACEC includes four sub-committees comprised of committee participants, family members and other representatives from state agencies, behavioral health authorities and family-run organizations including Family Involvement, Clinical/substance Abuse, Training, and Information sharing.

- *Arizona Medical Association, Maternal and Child Health Subcommittee (ArMA MCHC)* – The ArMA Maternal and Child Health Care (MCHC) Committee meets three times

annually at ArMA Headquarters. Comprised of physicians and health care professionals, this committee discusses medical issues related to women and children's health in our state. The committee is intended to be the arena in which ArMA's maternal and child health professionals have the opportunity to champion issues that need attention and evoke positive changes for physicians and their patients. Additionally, the Committee serves as a forum and meeting point for state entities such as AHCCCS, ASIIS, and various offices at ADHS. The AHCCCS Quality Administrator is a member of the Committee and brings information and program updates to the Committee for discussion.

- *Arizona Chapter of the American Academy Pediatrics* – The Arizona Chapter of the American Academy of Pediatrics (AzAAP) was initially founded to play a vital role in child-oriented public health initiatives. AzAAPs membership boasts more than 900 pediatric and allied health professionals supporting and championing key child health programs, services and issues from all regions of the state. Efforts include early childhood literacy, fighting childhood obesity, ensuring that all Arizona's children have the best health care available to them by providing the highest quality of continuing education to the professionals who care for them. AHCCCS works closely with the AzAAP seeking stakeholder input regarding its EPSDT program. The AzAAP has been a consistent partner with AHCCCS in developing and implementing developmental screening tools and guidelines, fluoride varnish in primary care offices, ensuring the AHCCCS EPSDT policies and forms reflect best practices and current recommendations and in communicating the needs of children that are served in the Arizona communities. The AzAAP is working with AHCCCS and the Arizona Association of Health Plans to maintain a list and links to developmental tool training opportunities as well as training for primary care providers on the application of fluoride varnish during EPSDT visits.

- *First Things First Health Advisory Committee* – A child's most important developmental years are those leading up to kindergarten. First Things First is committed to helping Arizona kids, ages five and younger, receive the quality education, healthcare and family support they need to arrive at school healthy and ready to succeed. The purpose of the First Things First Health Advisory Committee is to provide health content expertise and to make recommendations to the First Things First Board Policy and Program Committee regarding children's healthy development. AHCCCS services on this committee for the purpose of aligning children's health care initiatives, identifying opportunities for AHCCCS to inform other represented organizations regarding AHCCCS covered services, policies and procedures, and to ensure best practices promoted by First Things First are incorporated when possible into AHCCCS program requirements.

- *Build Arizona Health Committee* – The Build Arizona Steering Committee is comprised of both public and private sector early childhood leaders. Representatives are from

government agencies, business, the child care community and higher education. The steering committee also includes five workgroups, Communications, Early Learning, Professional Development, Health and early Grade success. These workgroups include an even broader range of state, community and early childhood leaders in Arizona. Arizona is one of the newest Build Initiative partner states. The Build Arizona Steering Committee and workgroups are creating work plans focused on supporting early grade success. Their overall goal is to reframe early care and education from birth to age eight (0-8) as critical component of the overall education system and policy framework. AHCCCS is a member of the health Committee and has provided information and updates on the comprehensive nature of the AHCCCS EPSDT program. AHCCCS' values align with Build's goal of supporting expanded access to comprehensive screening and services to include social, emotional, physical and cognitive assessments for children. A current focus of Build is on the Public Health home visitation initiatives of which AHCCCS also is a statewide partner.

- *Strong Families Interagency Leadership Team (IALT)* – the Strong Families Interagency Leadership Team (IALT) was established as a result of the MIECHV grant, which ensures high-risk families have access to home visitation services in Arizona. The IALT is composed of various stakeholders in the community and some of the represented agencies include the Department of Economic security, Department of Education, Department of health Services and AHCCCS. The purpose of the leadership team is to discuss strategy for building a statewide home visiting system. Additionally, this team oversees the implementation of the MIECHV grant and any decisions that need to be made regarding home visitation practices. The role of AHCCCS is to provide input and support around the implementation efforts of a home visiting system in our state. AHCCCS attends these meetings monthly and also shares home visiting updates with AHCCCs Contractors.

Developing and Implementing Projects to Improve the Delivery System

Serious Mental Illness (SMI) Integration

In December 2014, AHCCCS sought and received, from CMS, approval to amend the state's current 1115 wavier. This amendment allowed for the integration of physical and behavioral health services for individuals living with Serious Mental Illness (SM)I in Greater Arizona requiring the Arizona Department of health Services/Division of Behavioral Health Services (ADHS/DBHS) to serve as the only managed care plan for both acute and behavioral health conditions. The objective of this integration project is to reduce the fragmentation of care that this population currently experience as they navigate the multiple systems of care in order to receive their physical and behavioral health services. The demonstration will test the effect of

integrating behavioral and physical health services for this population by measuring the improvements in health outcomes as compared to the state's current structure.

AHCCCS also sought to at least maintain alignment for Medicare/Medicaid enrollees (formerly referenced as "dual eligible") with SMI who are currently enrolled in acute care health plans that are also Special Needs Plans (SNPs) by requiring the ADHS/DBHS subcontractor to become a Medicare Dual Special Needs Plan (D-SNP) and passively enrolling those Medicare/Medicaid enrollees into the D-SNP. These changes allow that state to improve care coordination and health outcomes for individuals with SMI Greater Arizona, increase the ability for ADHS/DBHS to collect and analyze data to better assess the health needs of their members, streamline the current fragmented health care delivery system, reduce cost by decreasing hospital utilizations and promote sharing of information between physical and behavioral health providers to work as a team and manage treatment designed to address an individual's whole health needs. AHCCCS and ADHS/DBHS implemented the SMI Integrated RBHA on April 1, 2014. AHCCCS receives quarterly reports specific to the SMI Integration from DBHS. This report provides additional insight as to the progress and status of services and outreach provided to the population since implementation in April 2014. It also includes self-reported rates by DBHS, on select performance measures, which includes an analysis and narrative of the data and efforts to improve their performance.

Children's Rehabilitative Services (CRS) Integration

AHCCCS sought and received, from CMS, approval to amend the state's current 1115 wavier. This amendment allows for the state to create one singe, statewide integrated CRS Managed Care Organization (MCO) that will serve as the only managed care plan for acute care enrollees with a CRS-qualifying condition.

This change allows the state to improve care coordination for children with special health care needs, increase ability of the integrated CRS MCO to collect and analyze data to better assess the health needs of their members, streamline the current fragmented health care delivery system, improve health outcomes and promote sharing of information between CRS, acute and behavioral health providers.

Agency with Choice

On January 1, 2013, AHCCCS implemented and instituted a new member-directed option, Agency with Choice. The option is available to Arizona Long Term Care System (ALTCS) members who reside in their own home. A member or the member's Individual Representative (IR) may choose to participate in the Agency with Choice option. Under the option, the provider agency and the member/IR enter into a formal partnership agreement. The provider agency serves as the legal employer of the Direct Care Worker and the member/IR serves as the day-to-day managing employer. Agency with Choice presents an opportunity for members interested in directing their own care who would also like the support offered by a provider agency. For

provider agencies, the new option affords them an opportunity to support members in directing their own care.

During CYE 2012, AHCCCS worked in collaboration with a Development and Implementation Council comprised of ALTCS members, providers, community stakeholders and contractors. The Council's primary function was to provide input on programmatic changes AHCCCS needed to make in order to implement the new Agency with Choice member-directed option, including policy and form changes. The Council continues to meet on a regular basis; however, the role has now expanded to that of an ALTCS Advisory Council that discusses all issues and opportunities related to improving care and health outcomes for ALTCS members.

In CYE 2013, the primary focus was on supporting contractors to educate members/IRs about all the available service model options including member-directed options. In CYE 2014, AHCCCS will prioritize activities to monitor the progress and quality of the initiative in collaboration with the stakeholders and Contractors. These monitoring activities and tools have been drafted and reviewed by the respective stakeholder groups. They will be finalized and a priority for implementation in CYE 2015.

- Develop and implement a case manager refresher training to ensure case managers are able to support members/IRs to make informed choices about electing member-directed options. Additionally, developing tools to educate case managers on how to assess whether or not the member/IR is fulfilling their respective roles and responsibilities and whether or not additional support is required.

- Develop and implement a provider assessment tool that helps providers and Contractors assess whether or not a provider agency is fulfilling its respective roles and responsibilities and whether or not additional technical assistance is required.

Direct Care Workforce Development

Significant activities continue regarding the growing challenges related to ensuring the establishment of an adequate direct care (caregiver) workforce. The foundation for current activities began in March of 2004 when former Governor Napolitano formed the Citizens' Workgroup on the Long Term Care Workforce. The purpose of the Workgroup was to study the issue of the direct care workforce and provide recommendations regarding potential strategies to improve the workforce.

In an effort to address the recommendations outlined in a report issued by the Workgroup in April 2005, AHCCCS, the Department of Economic Security and the Department of Health Services funded and created a Direct Care Workforce Specialist position in 2007 to provide coordination for direct care workforce initiatives, including recruitment and retention, training,

and raising the qualifications of direct care professionals in Arizona. Since 2007, the Workforce Specialist has coordinated the activity of the Direct Care Workforce Committee (DCWC), which has established training and competency standards for all in-home caregivers (housekeeping, personal care and attendant care).

Beginning October 1, 2012, AHCCCS formally incorporated the competency standards, training curriculum and testing protocol into its service specifications for attendant care, personal care and housekeeping. All in-home care givers are now required to pass standardized examinations based upon the competency standards established by the Committee in order to provide care to ALTCS members in their homes.

In CYE 2013, AHCCCS and Contractors initiated audits of the Approved Direct Care Worker Training and Testing Programs to ensure the programs were in compliance with AHCCCS standards pertaining to the training and testing of Direct Care Workers. Additionally, AHCCCS developed and implemented an online database to serve as a tool to support the portability or transferability of Direct Care Worker testing records from one employer to another employer. The online database also serves a secondary purpose to assist in monitoring compliance with the AHCCCS Direct Care Worker training and testing initiative. AHCCCS has worked with Contractors to incorporate the online database requirements into the monitoring tools for agencies that provide direct care services and the auditing tool for the Approved Direct Care Worker Training and Testing Programs. These activities are prioritized for the first quarter of CYE 2015. Conversely, AHCCCS continues to work internally with the Office of Clinical Quality Management to identify quality of care measures that may be utilized to assess the impact of the new competency and training standards on the quality of care received by members including measures pertaining to member satisfaction, hospitalization re-admittance (in-patient, emergency room visits, etc.) and incident reports. The priority for CYE 2015 is the full-scale implementation of the online testing records database and incorporating tools within the database to check whether or not a Direct Care Worker is excluded from providing Medicaid/Medicare funded services.

Targeted Lead Screening Policy

The Arizona Department of Health Services (ADHS) has developed a Targeted Screening Policy focused on geographic testing for children who are at higher risk of lead poisoning. The targeted policy is based on a three-pronged approach that takes into account high risk zip codes, Arizona Health Care Cost Containment System (AHCCCS) enrollment, and individual risk assessment. While ADHS has implemented targeted screening since 2003, the policy included universal screening for all children covered by AHCCCS in accordance with the CMS requirements. This policy has recently been revised through a collaborative effort between ADHS and AHCCCS to reflect the support of CMS as issued in an Information Bulletin (released March 30, 2012) recommending a targeted screening approach for children eligible for and enrolled in Medicaid Early Periodic Screening, Diagnostic and Treatment (EPSDT) services for States where less than

12 percent of children have lead poisoning and where 27 percent or fewer of houses were built before 1950. Arizona meets the requirements to pursue a targeted screening approach. While ADHS remains committed to preventing new cases of childhood lead poisoning from occurring, a combined effort with AHCCCS mandating member outreach and education related to the risks and prevention of lead poisoning in children support the new efforts currently under way. During the quarter, AHCCCS obtained approval from the Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC) to implement a targeted approach for blood lead testing of EPSDT aged members.

Arizona Association of Health Plans (AzAHP)

The Arizona Association of Health Plans (AzAHP) is an Association comprised of most health plans that contract with AHCCCS for Medicaid business. The Association led an effort, with the support of AHCCCS, in selecting and implementing a credential verification organization (CVO) that would be utilized by all AHCCCS Contractors. The purpose of moving this initiative forward was to reduce the burden of submission of applications, documents and attestations on providers that are contracted with multiple Medicaid health plans. The credentialing process for primary source verification was implemented in the first quarter of this fiscal year. This process has reduced inefficiencies with different Contractors credentialing the same panel of physicians. AHCCCS requested that the Association expand these efforts to include behavioral health credentialing and tracking of provider training in developmental screening tools and primary care physician application of fluoride varnish. Discussions continue with the Association are also under way to determine if a similar process could be used for medical record review processes of primary care providers, obstetricians, dental providers and high volume specialists (50 or more Medicaid cases in a year). The Association anticipates conducting a review of the CVO as well as the results of the process after a year of full implementation to determine the accuracy of the process, efficiencies gained and any resulting cost savings.

Developing/Assessing the Quality and Relevance of Care/Services for Members

Identifying Priority Areas for Improvement

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 the prevalence of a particular condition and population affected, the resources required by both AHCCCS and Contractors to conduct studies and effect improvement, and whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives. Of importance is whether initiatives focused on the topic area are actionable and would result in improved quality improvement, member satisfaction and system efficiencies. Contractor input is also sought in prioritizing areas for improvement.

During quarter two, one initiative continued for specific Contractor involvement and improvement, increasing oral health participation for the EPSDT population. This topic is being promoted through an AHCCCS/Contractor collaborative workgroup, with external stakeholders also being invited to participate to give presentations on community efforts.

- CMS Oral Health Initiative – Based on the CMS directives of improving preventative oral health care by 10 percent and increasing dental sealants on permanent molars of 6-9 year olds by 10 percent, AHCCCS formed a collaborative workgroup to drive these improvements across the state. All AHCCCS Contractors have agreed to share data and implement interventions relevant to this initiative; all Contractors have joined the workgroup that is driving the intensive planning efforts related to these directives. During quarter two AHCCCS and the Contractors collaboratively developed objectives for reaching State Goal two in order to submit to the Centers for Health Care Strategies (CHCS) as part of the Oral Health Learning Collaborative.

During quarter two, AHCCCS continued efforts to improve postpartum care. Arizona was one of eleven states selected for an initiative focusing on maternal and infant health.

- The Center for Medicaid and CHIP Services (CMCS) Maternal and Infant Health Initiative: Improving Postpartum Care Action Learning Series - The AHCCCS CQM Unit continues to meet regularly to move the efforts of this project forward. AHCCCS is collaborating with our pilot site, which is a provider office, and also obtaining insight from Contractor representatives on how to improve postpartum care and family planning discussion for AHCCCS members. We have been able to collect baseline data from the pilot site and have implemented an intervention thus far. In the next coming weeks, more interventions will be introduced and in the months following, we will run data to see how well the interventions have worked, make any changes, and introduce any new interventions we may identify.

Requesting Grant Funding Opportunities

The demonstration grant for Testing Experience and Functional Assessment Tools in Community-Based Long-Term Services and Supports, known as TEFT, is designed to test quality measurement tools and demonstrate e-health in Medicaid long term care services and supports. The TEFT grant funding was awarded on April 1, 2014 and will conclude on March 31, 2018, with year one designated to plan and complete work plans outlining all components, which will map the implementation phase for Years two through four. AHCCCS was initially awarded $343,000 for the first year and will be eligible to receive a non-competitive grant award up to a total of $3.5 million for years two through four.

The purpose of the TEFT grant is to support States in furthering adult quality measurement activities under section 2701 of the Patient Protection and Affordable Care Act. The TEFT grant advances the development of two national, rigorously tested tools that can be used across all

beneficiaries using Community-Based Long Term Services and Supports (CB-LTSS), an area in need of national measures. Additionally, the grant offers funding and technical support to demonstrate the use of a Personal Health Record (PHR) and test new electronic standards for interoperability among long term services and supports data.

During this quarter CMS awarded AHCCCS the requested supplemental funding in the amount of $156,570, bringing the Year One total budget to $499,792. AHCCCS submitted Year Two project and budget narratives on 3/13/2015. AHCCCS requested $200,000 in Year One budget to carryover, creating a total Year Two budget of $627,980.

In this quarter, Lewin, the CMS contracted grant evaluator completed their site visit to develop a quantifiable measure of data integration and to create system maps of how information is currently exchanged. Also during this quarter, the Round One administration of the Member Experience Survey was completed for all TEFT grantee states including Arizona. AHCCCS, with the assistance of Truven and CMS, began outlining the future planning for the CARE Functional Assessment Tool. Lastly, the Office of the National Coordinator began hosting weekly teleconferences for the Electronic Long Term Services and Supports (e-LTSS) Initiative.

CMS indicated funds for Year Two will be released in April allowing AHCCCS to continue planning activities into the next quarter. Lewin anticipates releasing the final evaluation report and Truven intends on releasing the final report for the Member Experience of Care Survey Round One administration during this quarter. When the funding becomes available AHCCCS plans to begin hosting focus groups to receive stakeholder feedback on Personal Health Record systems.

Home and Community Based Monitoring Tool

AHCCCS requires ALTCS Contractors to develop and implement a collaborative process to coordinate the routine quality monitoring and oversight of nursing home and certain home and community based providers such as assisted living and group home providers. Many of these providers contract with more than one ALTCS contractor. By coordinating the monitoring and review processes there is significant reduction in the burden to the providers for the on-site visits. In addition, Contractors have developed a uniform tool for the review activities which has resulted in consistencies in the review and in the findings. AHCCCS worked in partnership with the ALTCS Contractors to develop the alternative residential audit tool which includes review standards for resident's rights, medical records, service/care plan, advanced directives, medication administration, staff and physical plant. Testing of this tool began in the previous quarter and continued into the current quarter. AHCCCS and its ALTCS Contractors recently completed a review of the tool and modified it based on recommendations developed through the use of the tool. In addition, certain elements were added based on recommendations made by the Arizona Senior Abuse Task Force (TASA) which included monitoring for advance directives and current medication lists to be readily available, such as in a sealed envelope on a refrigerator of

an Assisted Living Home, should an emergency call be made. Full implementation of the Tool was achieved and Contractors have been educated on related processes. It is expected that this collaborative effort will result in standardized oversight processes of facilities, reduction in provider burden, and increased efficiency among the Contractors.

Establishing Realistic Outcome-Based Performance Measures

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 towards indicators of health care outcomes, access to care, and patient satisfaction. This transition will also result in the ability to compare AHCCCS' rates with those of other states as the measure sets are implemented.

AHCCCS has developed new performance measure sets for all lines of business. Additional measures have been added to contracts for all lines of business, these measures largely include preventative measures for adults such as; Adults Access to Care, Breast Cancer Screening and Cervical Cancer screening. The new measures and related Minimum Performance Standards/Goals became effective on October 1, 2014 which aligns with the start of a new contract period for all lines of business. The AHCCCS decision to transition to a new measure set was partially driven by a desire to align with measures sets such as the CHIPRA Core Measure Set, the Adult Core Measure Set, Meaningful Use, and others measure sets being implemented by CMS. AHCCCS has also updated the measure sets with contracts to reflect changes on measures implemented by CMS for the next contract year.

It is AHCCCS' goal to continue to develop and implement additional Core measures as the data sources become valid and reliable. Initial measures were chosen based on a number of criteria, which include greatest need for members, 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 what has existed as data sources and methodologies will no longer be enough. Yet, 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 such as electronic health records, health information exchange data and information that will be available through public health connectivity. Transitioning the AHCCCS measure sets is anticipated to support the adoption of electronic health records and use of the health information exchange which will, in turn, result in efficiencies and data/information that will transform care practices, improve

individual patient outcomes and population health management, improve patient satisfaction with the care experience, increase efficiencies and reduce health care costs.

Identifying, collecting and Assessing Relevant Data

Data Exchange

AHCCCS continues a quarterly data-sharing process with Contractors that began in Quality Improvement (QI) in 2014, this process facilitates the sharing of claim and encounter data with all AHCCCS Contractors regarding the members that were assigned to their care. The purpose of this process is to eliminate any "blind spots" for services provided to members shared by multiple programs. Contractors are required to use this information to develop short and long term strategies to improve care coordination for their members. The most recent quarter of data was provided to all Contractors in January 2015.

Performance Measures

AHCCCS has implemented several efforts over the past two 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 that was identified was the possibility that the information system and data analytic staff resources were reduced which would not allow the level of review and validation of performance measure programming necessary to ensure the validity and accuracy of Performance Measures. To address this concern, the Agency is utilizing its External Quality Review Organization to perform the measurement calculations for the CYE 13 and CYE 14 measurement periods. AHCCCS has finalized the contract with an external vendor to support future performance measurements.

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

In order to address the issue stated above as well as meet the technological demands of transitioning to a new performance measure set, AHCCCS made the decision to identify and contract with a vendor that is capable and interested in partnering to develop and implement measures from the CMS Core and other measures sets in addition to maintaining the traditional HEDIS measures. Although there are several vendors qualified to develop the required measures, AHCCCS sought a vendor that was interested in partnering to develop, maintain and

continue to these activities with national decisions on measure sets for Medicaid. AHCCCS has signed a contract with Optum/Lewin Group as the program's vendor for maintaining and calculating the AHCCCS Performance Measure results. During this quarter AHCCCS continued running and validating preliminary data for measures within contract.

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 meet and Goals that the Contractor should strive to achieve. Those measures are evaluated to determine what regulatory actions should be taken. At a minimum, measures that fail to meet the MPS will require a Corrective Action Plan. Additional actions could include mandatory technical assistance, Notices to Cure, and financial sanctions.

AHCCCS has implemented a payment reform initiative (PRI) for the Acute Care population 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. Starting with FFY15, AHCCCS has also implemented a payment reform initiative for the ALTCS EPD population as well. The EPD Quality Measures target ED Utilization, Readmissions, Diabetes Management and Flu Shots.

The Acute Care requirement of total payments under all contracts executed with health care providers governed by shared-savings arrangements increases to 10 percent. For ALTCS EPD a minimum of 5 percent of the value of total payments under all contracts executed with health care providers must be governed by shared-savings arrangements with the following limitations.

At least five percent of total Acute Care service payments under all contracts executed for such services must be governed by shared-savings arrangements for the measurement year. At least five percent of total Long Term Care (LTC) service payments under all contracts executed for such services must be governed by shared-savings arrangements for the measurement year.

Performance Improvement Projects (PIPs)

AHCCCS has a Performance Improvement Project under was with Contractors for all lines of business, which is designed to improve enrollee health outcomes and satisfaction.

- E-Prescribing - The purposes of this Performance Improvement Project (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. AHCCCS has completed the methodology for this PIP and

expects to put it out for Contractor comments within the next quarter. The baseline measurement period for this PIP will be CYE 2015.

Additional PIPs that are currently under development include the following:

- 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 will focus on the number of children who receive 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 will be evaluating whether or not follow-up appointments are scheduled and maintained for any concerns identified through the screening process. Additionally, AHCCCS will monitor the care coordination process and Contractor oversight of the screening and referral processes. The baseline measurement will be reflective of Contract Year Ending (CYE; *federal fiscal year*) 2015.

- Opioid Mis- and Over-Prescribing and CSPMP Database Utilization - The purpose of this PIP is to increase the number of prescribers registered and accessing the Board of Pharmacy Controlled Substance Prescription Monitoring Program (CSPMP) Database and to reduce the number of unexpected deaths and adverse outcomes related to opioid over- and mis-prescribing. There will be two measurements for this PIP. The first will focus on the number of prescribers that have registered with the CSPMP database and have logged on to (actively use) the database. The second measure will focus on the utilization rate of the CSPMP database prior to prescribing opioids to AHCCCS members. The baseline measurement will be reflective of Contract Year Ending (CYE; *federal fiscal year*) 2015.

Sharing Best Practices

AHCCCS makes a point to acknowledge best practices (and worst practices) and share those practices with other Contractors when appropriate. In addition, AHCCCS regularly reviews national projects and interventions that could potentially be replicated in Arizona in order to drive quality improvement. AHCCCS also participates in many learning collaboratives with other states and CMS, which allows for gathering and sharing of best practices. Examples of these collaborations include:

- Regional, All-State, and Community of Practice calls and webinars related to implementation and oversight of Meaningful Use
- OTAG calls with CMS
- QTAG calls with CMS

- CMS Oral Health Technical Assistance Calls
- CHCS Oral Health Learning Collaborative

Including Medical Quality Assessment and Performance Improvement Requirements in AHCCCS Contracts

Contracts with health plans are reviewed to ensure that they include all federally required elements prior to renewal. As noted above, revisions were incorporated into contracts to continue incentivizing improvement in performance.

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 report* - 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 DBHS (with regards to the SMI integration) Contractors to submit quarterly EPSDT and Adult Monitoring Reports demonstrating their efforts to sustain or improve annual performance rates for all contractually mandated performance measure as well as their efforts to inform families/caregivers and providers of EPSDT/Adult services. DBHS is also required to submit a quarterly report for general mental health. 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 were received and reviewed during the quarter. CQM staff responded to Contractors with requests for clarification or additional information.

    - 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 Improvement (QM/QI).

- *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 meet requirements for demonstrable and sustained improvement. AHCCCS is preparing a series of PIP "kick-off" meetings to discuss potential upcoming PIPs. These meetings will focus on areas, services or populations in need of 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 plan'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. Contractors also could face significant financial sanctions if they do not improve performance to a level that meets or exceeds the minimum standard.

- *External Quality Reviews* - AHCCCS has selected a vendor as a result of a Request for Proposal (RFP). The vendors' contracts began April 1, 2014.

Maintaining an Information system that Supports Initial and Ongoing Operations

The AHCCCS Data Decision Support (ADDS) system provides greater flexibility and timeliness in monitoring a broad spectrum of data, including that supports ongoing operations and review of quality management and performance improvement activities. Enhancements have been made to the ADDS function that generates Performance Measure data. The system is used to support performance monitoring, as well as provide data through specific queries to guide new quality initiatives. In addition, AHCCCS has an ongoing process of reviewing and updating its programming for collecting and analyzing Performance Measures according to HEDIS-like specifications through the ADDS data warehouse. Measures are validated against historical data, as well as individual recipient and service records in PMMIS, to ensure accuracy and reliability of data.

As mentioned previously, AHCCCS has selected a vender that can accommodate both national measures such as HEDIS and Core Measure sets as well as "home-grown" measures that AHCCCS determined to be beneficial to the populations served. AHCCCS has begun testing and validating data.

Reviewing, Revising and Beginning New Projects in any given Area of Quality Strategy

Review and revision of the components of the Quality Strategy is an ongoing process for AHCCCS. The Quality Strategy is aligned with federal Medicaid Managed Care requirements, including the CMS toolkit, and links to other significant documents, including annual External Quality Review reports, the AHCCCS Five Year Strategic Plan, AHCCCS E-Health Initiative, managed care contracts and other Agency reports. The Quality Strategy was last revised in July 2012 and received approval from the State Medicaid Advisory Committee in October 2012. During this quarter AHCCCS continues the processes of completing a comprehensive update to the Agency's Quality Strategy. A cross-functional team representing all Divisions of AHCCCS was developed to review and revise the strategy and meetings have been held to discuss the progress of the report.

Wavier Evaluation Planning

In preparation for the forthcoming 1115 Waiver Evaluation Process, detailed tracking forms were developed to outline all needed data, responsible parties, and timelines. These activities are being overseen by the Clinical Quality Management (CQM) Unit at AHCCCS. Planning meetings were held with everyone responsible for data collection to ensure that there were no gaps in the evaluation process.

Planning regarding the many different independent evaluation components was addressed during the quarter. It has been determined that HSAG (AHCCCS' EQRO) will take the lead on many of the independent evaluations. The scope of work and other details related to these processes will be outlined by the end of March. CQM will be the point of contact for AHCCCS as HSAG begins the evaluation process.

During Q2, internal monitoring meetings were held to ensure that all baseline data is collected, that independent evaluation components are moving as they should, and that the detailed evaluation plan that was submitted to CMS at the end of March will be followed throughout the remainder of the Waiver period. CQM will be the lead for these efforts; however, representatives from the Director's Office, Intergovernmental Relations, Office of Business Intelligence, Administrative Legal Services, and many units within DHCM will be involved also.

Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
January 2015 – March 2015

The January through March 2015 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	January – March 2015
Administrative	3,351
Direct Service	3,102
Personal Care	4,454

The table below demonstrates the administrative, direct service, and personal care time study achieved the 85% return rate in the January to March 2015 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	3,100	96.88%
Direct Service	3,400	3,251	95.62%
Personal Care	3,500	3,098	88.51%

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended March 31, 2015

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

WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2016:

	FFY 2012 PM/PM	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	2,932,730	2,920,448	2,914,349	2,939,150	11,706,677	$ 4,785,437,001	
SSI	835.29	1.06	885.41	69.11%	611.87	487,322	488,706	488,664	491,202	1,955,894	1,196,753,566	
AC [1]			562.61	69.74%	392.35	527,244	430,723	365,132	310,396	1,633,495	640,907,925	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.51	72,538	73,176	73,986	74,841	294,541	976,847,193	
ALTCS-EPD	4503.21	1.052	4737.37	67.51%	3198.07	85,443	85,488	85,712	86,495	343,138	1,097,380,552	
Family Plan Ext [1]		1.058	17.04	90.00%	15.33	12,471	12,424	12,440	12,689	50,024	767,009	
											$ 8,698,093,247	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,984,232	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	68.83%	423.80	2,911,860	2,891,731	2,903,711	2,919,744	11,627,046	$ 4,927,517,532	
SSI	938.53	67.86%	636.85	494,169	496,339	498,702	502,002	1,991,212	1,268,094,203	
AC [1]	601.69	68.73%	413.56	274,990	248,817	228,204	217,114	969,125	400,794,258	
ALTCS-DD	5217.72	65.83%	3434.60	75,660	76,495	77,309	78,062	307,526	1,056,229,403	
ALTCS-EPD	4983.71	66.02%	3290.15	86,815	86,055	86,282	87,113	346,265	1,139,262,708	
Family Plan Ext [1]	18.45	90.00%	16.61	13,104	13,824	14,187	14,856	55,971	929,580	
									$ 8,792,827,684	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,899,212,053	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	70.50%	456.64	2,892,570	2,839,911	2,856,337	3,114,563	11,703,381	$ 5,344,258,272	
SSI	994.84	69.24%	688.86	505,080	511,563	519,282	524,024	2,059,949	1,419,009,802	
AC [1]	555.75	70.07%	389.43	206,419	87	2	-	206,508	80,419,884	
ALTCS-DD	5530.78	67.34%	3724.48	78,872	79,712	80,697	81,779	321,060	1,195,780,255	
ALTCS-EPD	5242.86	67.52%	3539.92	87,650	87,866	88,707	89,299	353,522	1,251,440,639	
Family Plan Ext [1]	13.39	90.00%	12.05	14,885	-	-	-	14,885	179,426.00	
Expansion State Adults [1]	635.75	85.28%	542.17	-	445,166	626,754	759,563	1,831,483	992,977,156	
									$ 10,284,065,433	MAP Subtotal
									107,980,135	Add DSH Allotment
									$ 10,392,045,568	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	70.96%	483.54	3,146,127	3,072,960			6,219,087	$ 3,007,160,793	
SSI	1054.53	69.93%	737.43	528,975	532,516			1,061,491	782,774,049	
AC	0.00	70.12%	0.00	-	-			-	-	
ALTCS-DD	5862.63	68.52%	4016.95	82,725	83,461			166,186	667,561,498	
ALTCS-EPD	5515.49	68.60%	3783.70	89,755	88,200			177,955	673,329,095	
Family Plan Ext	0.00	90.00%	0.00	-	-			-	-	
Expansion State Adults	549.29	86.73%	476.40	822,353	839,196			1,661,549	791,556,013	
									$ 5,922,381,448	MAP Subtotal
									109,707,817	Add DSH Allotment
									$ 6,032,089,265	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					-	$ -	
SSI	1117.81					-	-	
AC	0.00					-	-	
ALTCS-DD	6214.39					-	-	
ALTCS-EPD	5802.30					-	-	
Family Plan Ext	0.00					-	-	
Expansion State Adults	0.00					-	-	
							$ -	MAP Subtotal
							-	Add DSH Allotment
							$ -	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 4/30/2015

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended March 31, 2015

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 30, 2016:	MAP	DSH	Total	AFDC/SOBRA	SSI	AC	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	SNCP/DSHP	UNC CARE	MED	Exp St Adults	Total	VARIANCE
QE 12/11	$ 2,217,897,787	$ 103,890,985	$ 2,321,788,772	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -	$ 1,186,701,295	$ 1,135,087,477
QE 3/12	2,178,112,744	-	2,178,112,744	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	883,340,156
QE 6/12	2,153,262,014	-	2,153,262,014	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	717,990,214
QE 9/12	2,148,820,701	-	2,148,820,701	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	808,167,114
QE 12/12	2,208,188,785	106,384,369	2,314,573,154	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	876,283,771
QE 3/13	2,190,595,266	-	2,190,595,266	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	846,240,010
QE 6/13	2,192,201,114	-	2,192,201,114	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	776,892,569
QE 9/13	2,201,842,520	-	2,201,842,520	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	681,539,475
QE 12/13	2,353,393,223	107,980,135	2,461,373,358	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	955,749,667
QE 3/14	2,498,531,310	-	2,498,531,310	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	1,013,879,935
QE 6/14	2,616,413,749	-	2,616,413,749	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	1,008,388,674
QE 9/14	2,815,727,151	-	2,815,727,151	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	951,153,122
QE 12/14	2,975,026,213	-	2,975,026,213	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	948,674,413
QE 3/15	2,947,355,235	109,707,817	3,057,063,052	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	1,303,483,771
QE 6/15		-	-												-	-
QE 9/15		-	-												-	-
QE 12/15		-	-												-	-
QE 3/16		-	-												-	-
QE 6/16		-	-												-	-
QE 9/16		-	-												-	-
	$ 33,697,367,812	$ 427,963,306	$ 34,125,331,118	$ 8,504,786,784	$ 3,496,085,575	$ 1,121,315,470	$ 2,403,490,247	$ 2,673,577,446	$ 1,874,804	$ 286,501,947	$ 767,779,382	$ 179,228,657	$ 453,960	$ 1,783,366,478	$ 21,218,460,750	$ 12,906,870,368

Last Updated: 5/19/2015

Arizona Health Care Cost Containment System
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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 30, 2016								
DY 01	$ 8,801,984,232	$ 5,641,504,601	$ 3,160,479,631	35.91%				
DY 02	8,899,212,053	5,837,995,681	3,061,216,372	34.40%				
DY 03	10,392,045,568	6,397,936,309	3,994,109,259	38.43%				
DY 04	6,032,089,265	3,341,024,159	2,691,065,106	44.61%	$ 34,125,331,118	$ 21,218,460,750	$ 12,906,870,368	37.82%
DY 05			-					
	$ 34,125,331,118	$ 21,218,460,750	$ 12,906,870,368					

Arizona Health Care Cost Containment System
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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	Total
AC	918,704,754	582,902,016	114,678,921	(567,795)		1,615,717,896
AFDC/SOBRA	3,419,887,840	3,582,227,803	3,484,801,648	1,682,152,744		12,169,070,035
ALTCS-EPD	1,062,516,832	1,161,621,982	1,182,662,583	569,812,531		3,976,613,928
ALTCS-DD	939,141,516	1,004,894,451	1,066,699,224	570,549,392		3,581,284,583
DSH/CAHP	155,762,657	138,777,308	129,307,400	5,245,950		429,093,315
Expansion State Adults	-	-	1,164,149,858	911,188,186		2,075,338,044
Family Planning Extension	830,631	1,009,757	195,976	(1,336)		2,035,028
MED	673,818	-	-	-		673,818
SNCP/DSHP	296,636,120	587,330,859	240,345,208	30,383,115		1,154,695,302
SSI	1,351,032,659	1,427,113,190	1,514,776,770	779,574,935		5,072,497,554
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	5,772,714		179,427,352
Subtotal	8,168,053,544	8,583,069,879	8,951,212,996	4,554,110,436	-	30,256,446,855
New Adult Group	-	-	104,915,087	107644610		212,559,697
Total	8,168,053,544	8,583,069,879	9,056,128,083	4,661,755,046	-	30,469,006,552

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,696,891	400,655,834	80,360,893	(398,148)		1,121,315,470
AFDC/SOBRA	2,388,587,071	2,465,692,139	2,456,772,568	1,193,735,006		8,504,786,784
ALTCS-EPD	717,277,552	766,879,882	798,520,670	390,899,342		2,673,577,446
ALTCS-DD	632,757,380	661,479,364	718,324,582	390,928,921		2,403,490,247
DSH/CAHP	104,828,269	91,148,936	86,933,365	3,591,377		286,501,947
Expansion State Adults	-	-	992,827,073	790,539,405		1,783,366,478
Family Planning Extension	767,009	929,580	179,426	(1,211)		1,874,804
MED	453,960	-	-	-		453,960
SNCP/DSHP	199,636,108	385,758,909	161,584,084	20,800,281		767,779,382
SSI	933,652,326	968,383,358	1,048,880,492	545,169,399		3,496,085,575
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	5,759,787		179,228,657
Subtotal	5,641,504,601	5,837,995,681	6,397,936,309	3,341,024,159	-	21,218,460,750
New Adult Group	-	-	104,915,087	107,644,610		212,559,697
Total	5,641,504,601	5,837,995,681	6,502,851,396	3,448,668,769	-	21,431,020,447

Adjustments to Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	Total
AC	313,572	210,756	87,745	(4)	-	612,069
AFDC/SOBRA	1,014,881	1,090,143	990,293	2,544,159	-	5,639,476
SSI	365,158	399,101	398,723	1,216,828	-	2,379,810
Expansion State Adults	-	-	223,239	1,484,967	-	1,708,206
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(5,245,950)	-	(10,339,561)
Total	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	211,034	138,424	58,991	(3)	-	408,446
AFDC/SOBRA	683,014	716,006	665,774	1,741,732	-	3,806,526
SSI	245,752	262,130	268,062	833,040	-	1,608,984
Expansion State Adults	-	-	150,083	1,016,608	-	1,166,691
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(3,591,377)	-	(6,990,647)
Total	-	-	-	-	-	-

[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

[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.

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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	Total
AC	919,018,326	583,112,772	114,766,666	(567,799)	-	1,616,329,965
AFDC/SOBRA	3,420,902,721	3,583,317,946	3,485,791,941	1,684,696,903	-	12,174,709,511
ALTCS-EPD	1,062,516,832	1,161,621,982	1,182,662,583	569,812,531	-	3,976,613,928
ALTCS-DD	939,141,516	1,004,894,451	1,066,699,224	570,549,392	-	3,581,284,583
DSH/CAHP	154,069,046	137,077,308	127,607,400	-	-	418,753,754
Expansion State Adults	-	-	1,164,373,097	912,673,153	-	2,077,046,250
Family Planning Extension	830,631	1,009,757	195,976	(1,336)	-	2,035,028
MED	673,818	-	-	-	-	673,818
SNCP/DSHP	296,636,120	587,330,859	240,345,208	30,383,115	-	1,154,695,302
SSI	1,351,397,817	1,427,512,291	1,515,175,493	780,791,763	-	5,074,877,364
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	5,772,714	-	179,427,352
Subtotal	8,168,053,544	8,583,069,879	8,951,212,996	4,554,110,436	-	30,256,446,855
New Adult Group	-	-	104,915,087	107,644,610	-	212,559,697
Total	8,168,053,544	8,583,069,879	9,056,128,083	4,661,755,046	-	30,469,006,552

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,907,925	400,794,258	80,419,884	(398,151)	-	1,121,723,916
AFDC/SOBRA	2,389,270,085	2,466,408,145	2,457,438,342	1,195,476,738	-	8,508,593,310
ALTCS-EPD	717,277,552	766,879,882	798,520,670	390,899,342	-	2,673,577,446
ALTCS-DD	632,757,380	661,479,364	718,324,582	390,928,921	-	2,403,490,247
DSH/CAHP	103,688,469	90,032,376	85,790,455	-	-	279,511,300
Expansion State Adults	-	-	992,977,156	791,556,013	-	1,784,533,169
Family Planning Extension	767,009	929,580	179,426	(1,211)	-	1,874,804
MED	453,960	-	-	-	-	453,960
SNCP/DSHP	199,636,108	385,758,909	161,584,084	20,800,281	-	767,779,382
SSI	933,898,078	968,645,488	1,049,148,554	546,002,439	-	3,497,694,559
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	5,759,787	-	179,228,657
Subtotal	5,641,504,601	5,837,995,681	6,397,936,309	3,341,024,159	-	21,218,460,750
New Adult Group	-	-	104,915,087	107,644,610	-	212,559,697
Total	5,641,504,601	5,837,995,681	6,502,851,396	3,448,668,769	-	21,431,020,447

Calculation of Effective FMAP:

AFDC/SOBRA					
Federal	2,389,270,085	2,466,408,145	2,457,438,342	1,195,476,738	-
Total	3,420,902,721	3,583,317,946	3,485,791,941	1,684,696,903	-
Effective FMAP	0.69843263	0.688302903	0.704987097	0.709609388	
SSI					
Federal	933,898,078	968,645,488	1,049,148,554	546,002,439	-
Total	1,351,397,817	1,427,512,291	1,515,175,493	780,791,763	-
Effective FMAP	0.691060816	0.67855492	0.692427088	0.699293288	
ALTCS-EPD					
Federal	717,277,552	766,879,882	798,520,670	390,899,342	-
Total	1,062,516,832	1,161,621,982	1,182,662,583	569,812,531	-
Effective FMAP	0.67507406	0.660180243	0.675188918	0.686013944	
ALTCS-DD					
Federal	632,757,380	661,479,364	718,324,582	390,928,921	-
Total	939,141,516	1,004,894,451	1,066,699,224	570,549,392	-
Effective FMAP	0.673761482	0.658257555	0.673408742	0.685179805	
AC					
Federal	640,907,925	400,794,258	80,419,884	(398,151)	-
Total	919,018,326	583,112,772	114,766,666	(567,799)	-
Effective FMAP	0.697383183	0.687335756	0.700725104	0.701218213	
Expansion State Adults					
Federal	-	-	992,977,156	791,556,013	-
Total	-	-	1,164,373,097	912,673,153	-
Effective FMAP			0.85279981	0.86729407	
New Adult Group					
Federal	-	-	104,915,087	107,644,610	-
Total	-	-	104,915,087	107,644,610	-
Effective FMAP			1	1	

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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	2,932,730	487,322	72,538	85,443	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,448	488,706	73,176	85,488	430,723	-	12,424		
Quarter Ended June 30, 2012	2,914,349	488,664	73,986	85,712	365,132	-	12,440		
Quarter Ended September 30, 2012	2,939,150	491,202	74,841	86,495	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,860	494,169	75,660	86,815	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,731	496,339	76,495	86,055	248,817	-	13,824		
Quarter Ended June 30, 2013	2,903,711	498,702	77,309	86,282	228,204	-	14,187		
Quarter Ended September 30, 2013	2,919,744	502,002	78,062	87,113	217,114	-	14,856		
Quarter Ended December 31, 2013	2,892,570	505,080	78,872	87,650	206,419	-	14,885		
Quarter Ended March 31, 2014	2,839,911	511,563	79,712	87,866	87	-	-	445,166	38,540
Quarter Ended June 30, 2014	2,856,337	519,282	80,697	88,707	2	-	-	626,754	85,860
Quarter Ended September 30, 2014	3,114,563	524,024	81,779	89,299	-	-	-	759,563	121,897
Quarter Ended December 31, 2014	3,146,127	528,975	82,725	89,755	-	-	-	822,353	147,320
Quarter Ended March 31, 2015	3,072,960	532,516	83,461	88,200	-	-	-	839,196	184,473
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									

	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		

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VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016	
Total Allotment	**103,890,985**	**106,384,369**	**107,980,135**	**109,707,817**		**427,963,306**
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						
Sep-15						
Dec-15						
Mar-16						
Jun-16						
Sep-16						
Total Reported to Date	103,688,469	90,032,376	85,790,455	-	-	279,511,300
Unused Allotment	**202,516**	**16,351,993**	**22,189,680**	**109,707,817**	**-**	**148,452,006**

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VII. BUDGET NEUTRALITY TRACKING SCHEDULE -- NEW ADULT GROUP

WAIVER PERIOD JANUARY 1, 2014 THROUGH SEPTEMBER 30, 2016:

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

	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	-	38,540	85,860	121,897	246,297	142,492,666

		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%	605.73	147,320	184,473.00			331,793	200,977,432

		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							-	-

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

	Budget Neutrality Limit - Federal Share			Expenditures	
	MAP	DSH	Total	New Adult Grp	VARIANCE
QE 12/13	$ -	$ -	$ -	$ -	$ -
QE 3/14	22,296,932	-	22,296,932	13,870,414	8,426,518
QE 6/14	49,673,444	-	49,673,444	34,313,342	15,360,102
QE 9/14	70,522,290	-	70,522,290	47,984,458	22,537,832
QE 12/14	89,236,347	-	89,236,347	46,004,135	43,232,212
QE 3/15	111,741,085	-	111,741,085	70,387,348	41,353,737
QE 6/15					
QE 9/15					
QE 12/15					
QE 3/16					
QE 6/16					
QE 9/16					
	$ 343,470,098	$ -	$ 343,470,098	$ 212,559,697	$ 130,910,401

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	$ 142,492,666	$ 96,168,214	$ 46,324,452	32.51%				
DY 04	200,977,432	116,391,483	84,585,949	42.09%	$ 343,470,098	$ 212,559,697	$ 130,910,401	38.11%
DY 05								
	$ 343,470,098	$ 212,559,697	$ 130,910,401					

Based on CMS-64 certification date of 4/30/2015