AHCCCS
Arizona Health Care Cost Containment System

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

February 29, 2016

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
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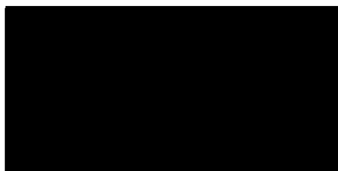
Dear Ms. Woodard:

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for October 1, 2015 through December 31, 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,



Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Brian Zolynas
Hee Young Ansell
Susan Ruiz

AHCCCS Quarterly Report
October 1, 2015 through December 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: 1st (October 1, 2015 – December 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	1,292,714	2,155	356,317
Acute SSI	186,862	174	26,382
Prop 204 Restoration	458,991	695	66,639
Adult Expansion	118,327	200	28,824
LTC DD	29,059	29	1,785
LTC EPD	31,281	39	3,733
Non-Waiver	3,133	13	402
Total	2,120,367	3,305	484,082

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	1,343,690
Title XXI funded State Plan [2]	775
Title XIX funded Expansion[3]	79,595
Title XXI funded Expansion [4]	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only[5]	0
Enrollment Current as of	1/1/16

[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 1/1/15

OPERATIONAL/POLICY DEVELOPMENTS/ISSUES

Waiver Update

AHCCCS has submitted 1115 Waiver renewal application on September 30, 2015. There are no updates with respect to the waiver for this 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				
SPA 15-007	APR DRG	10/7/2015	11/3/2015	10/1/2015
SPA 15-008	NF Assessment Out-of-State Exemption	12/15/2015	pending	10/1/2015
SPA 15-009	Rehab and LTAC Hospital Rates	12/29/2015	pending	10/1/2015
SPA 15-010	DRG Update	12/29/2015	pending	10/1/2015
Title XXI				
N/A				

Legislative Update

Due to the Legislature adjourning sine die on 4/3/15, there is no legislative update available.

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 July 2015 – September 2015.

Table 1 **Advocacy Issues**	October	November	December	Total
9+Billing Issues • **Member reimbursements** • **Unpaid bills**	1	7	1	9
Cost Sharing • **Co-pays** • **Share of Cost (ALTCS)** • **Premiums (Kids Care, Medicare)**	1	5	0	6
Covered Services	7	1	7	15
Eligibility Issues by Program **Can't get coverage due to :** **ALTCS** • **Resources**	3	5	13	21

• Income • Medical				
DES • Income	129	143	89	361
• Incorrect determination • Improper referrals				
Kids Care • Income	0	1	0	1
• Incorrect determination				
SSI/Medical Assistance Only • Income	23	15	11	49
• Not categorically linked				
<u>Information</u> • Status of application	40	24	28	92
• Eligibility Criteria • Community Resources • Notification (Did not receive or didn't understand)				
<u>Medicare</u> • Medicare Coverage	3	4	10	17
• Medicare Savings Program • Medicare Part D				
<u>Prescriptions</u> • Prescription coverage	6	11	11	28
• Prescription denial <u>Issues Referred to other Divisions:</u>				
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)	4	7	3	14
• Health Plans/Providers (Caregiver issues, Lack of providers) • Services (Equipment, Nursing Homes, Optical and Surgical)				
Total	217	223	173	613

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	October	November	December	Total
Applicant, Member or Representative	167	183	123	473
CMS	1	5	4	10
Governor's Office	4	0*	0*	4
Ombudsmen/Advocates/Other Agencies…	37	25	41	103
Senate & House	8	10	5	23
Total	**217**	**223**	**173**	**613**

Note: This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.
***Governor's staff now sending through Ombudsmen office**

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-15	Nov-15	Dec-15	Total
Access to Care	41	26	41	**108**
Health Plan	99	114	101	**314**
Provider Satisfaction	230	127	147	**504**
Total	370	267	289	**926**

OPT-OUT FOR CAUSE

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

QUALITY ASSURANCE/MONITORING ACTIVITY:

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

ENCLOSURES/ATTACHMENTS

Attached you will find the Budget Neutrality Tracking Schedule, the Quality Assurance/Monitoring Activities, including the CRS update for the quarter, SMI opt-out for cause data, and the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results.

STATE CONTACT(S)

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(602) 417-4534

DATE SUBMITTED TO CMS

February 29, 2016

<u>ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM</u>

Attachment II to the

Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period

Demonstration Year: 33

Federal Fiscal Quarter 1/2016 (10/2015 – 12/2015)

Prepared by the Division of Health Care Management
February 2016

Introduction

This report describes the Arizona Health Care Cost Containment System (AHCCCS) quality assurance and monitoring activities that took place during the first quarter of federal fiscal year 2016, 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. 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 the community. During quarter one, 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 one, AHCCCS participated in several collaborative efforts related to various different quality components. Community and sister agencies that AHCCCS collaborated with during quarter one 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.

AHCCCS also initiated discussions with the ADHS Bureau of Tobacco and Chronic Disease related to intervention strategies for members diagnosed with Alzheimer's or memory issues and those at-risk of Alzheimer's Disease. AHCCCS will implement requirements for its Contractors to utilize education and outreach material provided by ADHS to inform its members about evidence based prevention and treatment options for individuals diagnosed or at-risk for the conditions. In addition, will share information about upcoming ADHS sponsored educational and Continuing Medical Education events for providers.

- *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 and obesity issues. The nutrition coordinators present the most up-to-date information, at the AHCCCS Contractor Quarterly meetings.

- *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's new staff, manager position and administrative assistant have been hired. Staff also provide monthly data sharing regarding AHCCCS members receiving immunizations and ongoing collaboration regarding Stage 1 and Stage 2 Meaningful Use (MU) public health requirements. News from Arizona Department of Health Services Immunization office report the 2014-2015 was the first school year in a decade, where non-medical exemption rates did not increase. Also, both the kindergarten and childcare facilities saw a slight decrease in use of non-medical exemptions. There may be many potential reasons for the shift; one is due to the implementation of the Action Plan to Address Vaccine Exemption. AHCCCS also worked with the ADHS Immunization Program regarding implementation of new CHIP vaccine purchase requirements.

- *Arizona Department of Health Services (ADHS) Office of Environmental Health* – 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. The AHCCCS Policy change effective April 2015 requires all children living in a high risk zip code, as identified by the Arizona Department of Health Services Targeted Lead Screening Plan for the Prevention of Childhood Lead Poisoning, must have a blood lead test at 12 and 24 months of age. Children between 36 and 72 months of age must receive a screening blood lead test, if they have not been previously screened

for lead poisoning. Children living outside of the targeted high-risk zip codes must receive an individual risk assessment according to the AHCCCS periodicity schedule (when the child is 6, 9, 12, 18, and 24 months of age and then annually through age 6 years), with appropriate follow-up action taken for those children who are determined to be at high risk based on criteria included within the Arizona Department of Health Services Targeted Lead Screening Plan for the Prevention of Childhood Lead Poisoning. The ADHS is in the process of reviewing data to determine the impact of the changes in blood lead screening for the targeted population.

- *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. The two Agencies are meeting to discuss some impacts resulting from these changes. 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 leadership 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 Contractor EPSDT Coordinators.

- *Task Force on Prevention of Prenatal Exposure to Alcohol and other Drugs* – The 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. In addition, AHCCCS worked with the organizations related to changes in billing codes for photo-occular vision screening codes.

- 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. TAPI'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. During the next quarter, AHCCCS will provide results of the Childhood Immunization audit during a TAPI meeting.

- *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. 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. The Coalition meetings have been suspended until further notice.

- *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. A first step in utilizing electronic health records is being taken through the Childhood Obesity Learning Collaborative where Federally Qualified Health Center E.H.R. data will be utilized to collect data for the initiative.

  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 (representing 55% of covered lives in AZ) have signed agreements with HINAz to share health information in the HIE. Additionally, HINAz has formed 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 continued to onboard Managed Care Organizations and hospitals. A fully operating HIE opened in April, 2015 with many planned enhancements scheduled through 2016.

- *Strong Families* – 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 to 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 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. AHCCCS is currently working with the First Things First Health Advisory Committee regarding needs related to its grants that align with AHCCCS requirements as well as initiated discussions on potential data sharing opportunities.

- *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. There were no meetings of the Build Arizona Steering Committee during this quarter.

- *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 (SMI) 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 RBHAs statewide on October 1, 2015. AHCCCS receives quarterly reports specific to the SMI Integration from the RBHAs.

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 prioritized the development of 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. The implementation of the monitoring activities and tools has been delayed and re-scheduled for CYE 2016 - 2017. AHCCCS continues to monitor the number of members electing the service model option. In CYE 2014, there was a 67% increase of member's election the option from the previous year.

- 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. In April 2015, the full-scale implementation of the online testing records database went into effect. Additionally, 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. AHCCCS continues to explore options 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 2016 is to incorporate 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, a policy went into effect to support the targeted screening approach for our Contractors to follow.

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. During the quarter, AzAHP and AHCCCS worked on policy language to support expedited credentialing processes for oral health practitioners that joined an existing practice or served in a covering role. AzAHP and AHCCCS also discussed the addition of certain behavioral health professional credentialing and site visit requirements to reflect the integration of dual Medicare and Medicaid members in the Acute Managed Care Organizations.

Emergency Department Diversion

AHCCCS and its contracted managed care organizations ("MCOs") have continued their aggressive efforts to develop and implement interventions that ensure appropriate ED utilization.

For example, in support of the Mesa Fire and Medical Department ("MFMD"), the MCOs endorsed a successful federal "Innovation" grant application that is helping to establish, in the East Valley, an innovative approach aimed at better care for patients, improved health for our communities, and lower costs by improving the delivery of emergency services in our health care system.

In collaboration with private sector partners, including several of the MCOs that serve the region, the MFMD paramedicine program utilizes nurse practitioners who are able to prescribe medications and provides behavioral health services through their emergency response team to eliminate the need to transport all patients to the hospital emergency room. Instead, they fully treat patients at the location to which they are dispatched, eliminating the costly need to admit them to the hospital. In addition, the emergency team can schedule a return visit for a patient checkup to monitor symptoms or medication, if needed. This eliminates the potential of a second call from the same patient for emergency services. MFMD's program will result in an annual net savings of millions of dollars to Medicare, Medicaid, and all health care payers in the Mesa-Phoenix area.

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 one, 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. Officially this collaborative ended this quarter. During quarter one AHCCCS and the Contractors met to discuss expectations going forward.

During quarter one, 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 – Arizona was selected along with 11 other states to participate in this initiative. While the project officially ended last quarter, AHCCCS still participates in quarterly webinars related to improving postpartum care. Additionally, more states have joined the initiative and this has resulted in increased collaborative efforts for the participating states.

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 AHCCCS requested and received approval to discontinue involvement in two components of the TEFT Grant. AHCCCS is no longer pursuing the HITECH components, which include eLTSS Standards for Home and Community Based populations and a Personal Health Record for Long Term Supports and Services recipients. The change in scope came from

AHCCCS' shifting priorities, including a focus on implementing the new HCBS Rule and the upcoming Request for Proposals (RFP) cycle for ALTCS 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 current 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 October 2015.

Performance Measures

AHCCCS has implemented several efforts over the past few years in preparation for the performance measure transition described above. First and foremost, the Agency undertook extensive internal planning efforts, including evaluation of new requirements, future goals and desired capabilities, as well as barrier identification and associated risk. One risk 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 have been 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.

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 in FFY15. For ALTCS EPD a minimum of five percent of the value of total payments under all EDP contracts executed (1.5% for D-SNP contracts) with health care providers must be governed by shared-savings arrangements.

Performance Improvement Projects (PIPs)

AHCCCS has a Performance Improvement Project under way 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. The baseline measurement period for this PIP is Contract Year Ending (CYE; federal fiscal year) 2014. Baseline data has been collected, validated and released to Contractors.

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*) 2016.

- 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*) 2016.

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, national agencies 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. During this quarter AHCCCS finalized plans for the upcoming ORs on all Contractors.

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

  - 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). During this quarter annual plans were received by all Contractors and are currently under review.

- *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.

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.

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. Ahead of the anticipated release of the Final Rule for Medicaid Managed Care, AHCCCS has suspended the Quality Strategy revisions until final guidance is available. Due to the numerous implications for the Quality Strategy, AHCCCS has opted for a comprehensive review of the Strategy once the new requirements are known, in order to eliminate duplication of effort.

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 were 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 have been outlined. CQM will be the point of contact for AHCCCS as HSAG begins the evaluation process.

During quarter one, 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 was scoped and put out as a Task Order in order to procure a vendor to complete the actual independent evaluation work. CQM will be the primary point of contact 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
October 2015 – December 2015

The October through December 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	October – December 2015
Administrative	3,254
Direct Service	3,143
Personal Care	4,572

The table below demonstrates the administrative, direct service, and personal care time study achieved the 85% return rate in the October to December 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	3,062	95.69%
Direct Service	3,400	3,226	94.88%
Personal Care	3,500	3,064	87.54%

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 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%	408.77	2,932,677	2,920,373	2,914,243	2,939,001	11,706,294	$ 4,785,134,687	
SSI	835.29	1.06	885.41	69.10%	611.78	487,460	488,874	488,885	491,507	1,956,726	1,197,081,736	
AC [1]			562.51	69.73%	392.26	527,244	430,723	365,132	310,396	1,633,495	640,752,606	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.47	72,531	73,167	73,977	74,832	294,507	976,723,169	
ALTCS-EPD	4503.21	1.052	4737.37	67.50%	3197.93	85,448	85,494	85,718	86,500	343,160	1,097,401,224	
Family Plan Ext [1]		1.058	17.04	90.00%	15.33	12,471	12,424	12,440	12,689	50,024	767,009	
											$ 8,697,860,431	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,751,416	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	68.84%	423.87	2,911,670	2,891,438	2,903,324	2,919,303	11,625,735	$ 4,927,807,178	
SSI	938.53	67.86%	636.87	494,556	496,908	499,435	502,851	1,993,750	1,269,757,263	
AC [1]	602.08	68.73%	413.80	274,990	248,817	228,204	217,114	969,125	401,023,223	
ALTCS-DD	5217.72	65.83%	3434.68	75,651	76,480	77,296	78,050	307,477	1,056,085,566	
ALTCS-EPD	4983.71	66.02%	3290.02	86,817	86,061	86,288	87,118	346,284	1,139,282,213	
Family Plan Ext [1]	18.42	90.00%	16.58	13,104	13,824	14,187	14,856	55,971	927,946	
									$ 8,794,883,390	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,901,267,759	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	70.57%	457.12	2,892,273	2,840,075	2,956,533	3,114,659	11,803,540	$ 5,395,611,891	
SSI	994.84	69.28%	689.21	506,083	513,181	521,556	527,247	2,068,067	1,425,335,817	
AC [1]	594.75	69.89%	415.68	206,419	87	2	-	206,508	85,842,259	
ALTCS-DD	5530.78	67.35%	3725.21	78,858	79,698	80,687	81,776	321,019	1,195,864,302	
ALTCS-EPD	5242.86	67.53%	3540.52	87,660	87,878	88,719	89,338	353,595	1,251,911,859	
Family Plan Ext [1]	13.39	90.00%	12.05	14,885	-	-	-	14,885	179,426.00	
Expansion State Adults [1]	643.88	85.31%	549.32	-	444,633	625,378	757,354	1,827,365	1,003,800,983	
									$ 10,358,546,536	MAP Subtotal
									107,980,135	Add DSH Allotment
									$ 10,466,526,671	Total BN Limit

	DY 04 PM/PM			Member Months QE 12/14	QE 3/15	QE 6/15	QE 9/15	Total		
AFDC/SOBRA	681.41	71.36%	486.27	3,147,233	3,086,553	3,107,945	3,214,254	12,555,985	$ 6,105,555,994	
SSI	1054.53	70.21%	740.34	534,222	540,300	540,273	538,605	2,153,400	1,594,254,838	
AC	0.00	68.42%	0.00	-	-	-	-	-	-	
ALTCS-DD	5862.63	68.54%	4018.50	82,741	83,845	84,851	85,602	337,039	1,354,391,898	
ALTCS-EPD	5515.49	68.68%	3787.86	89,987	89,853	89,887	89,780	359,507	1,361,761,116	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	584.01	87.65%	511.86	819,231	837,533	848,185.00	869,729.00	3,374,678	1,727,372,147	
									$ 12,143,335,993	MAP Subtotal
									109,707,817	Add DSH Allotment
									$ 12,253,043,810	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	70.44%	504.94	3,265,454				3,265,454	$ 1,648,857,837	
SSI	1117.81	69.97%	782.18	540,039				540,039	422,407,634	
AC	0.00	177.32%	0.00	-				-	-	
ALTCS-DD	6214.39	68.94%	4284.10	86,070				86,070	368,732,551	
ALTCS-EPD	5802.30	68.96%	4001.24	88,337				88,337	353,457,669	
Family Plan Ext	0.00	90.00%	0.00	-				-	-	
Expansion State Adults	510.77	88.02%	449.58	919,394				919,394	413,343,146	
									$ 3,206,798,836	MAP Subtotal
									110,036,940	Add DSH Allotment
									$ 3,316,835,776	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 12/31/2015

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

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

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

	Budget Neutrality Limit - Federal Share			Expenditures from CMS-64 - Federal Share												
	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	$ 2,217,806,475	$ 103,890,985	$ 2,321,697,460	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -	$ 1,186,701,295	$ 1,134,996,165
QE 3/12	2,178,036,530	-	2,178,036,530	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	883,263,942
QE 6/12	2,153,211,805	-	2,153,211,805	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	717,940,005
QE 9/12	2,148,805,622	-	2,148,805,622	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	808,152,035
QE 12/12	2,208,613,501	106,384,369	2,314,997,870	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	876,708,487
QE 3/13	2,191,077,329	-	2,191,077,329	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	846,722,073
QE 6/13	2,192,750,731	-	2,192,750,731	588,378,705	241,298,377	88,125,077	102,142,130	187,310,029	227,668	78,756,901	111,555,510	17,514,148	-	-	1,415,308,545	777,442,186
QE 9/13	2,202,441,829	-	2,202,441,829	596,611,333	237,327,560	84,327,037	230,955,206	190,188,088	228,524	558,280	144,169,561	35,937,456	-	-	1,520,303,045	682,138,784
QE 12/13	2,361,018,627	107,980,135	2,468,998,762	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	963,375,071
QE 3/14	2,504,246,547	-	2,504,246,547	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	1,019,595,172
QE 6/14	2,669,166,375	-	2,669,166,375	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	1,061,141,300
QE 9/14	2,824,114,987	-	2,824,114,987	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	959,540,958
QE 12/14	3,018,588,470	-	3,018,588,470	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	992,236,670
QE 3/15	3,006,878,586	-	3,006,878,586	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	1,253,299,305
QE 6/15	3,026,884,574	-	3,026,884,574	676,953,007	301,501,985	1,376,095	136,222,624	210,766,873	(1,609)	111,644,096	32,871,414	4,867,076	-	434,840,685	1,911,042,246	1,115,842,328
QE 9/15	3,090,984,363	109,707,817	3,200,692,180	660,928,120	297,720,765	(1,214,417)	269,436,928	218,219,020	(26)	1,465,978	(14,698,940)	2,512,551	-	449,692,969	1,884,062,948	1,316,629,232
QE 12/15	3,206,798,836	110,036,940	3,316,835,776	745,437,161	343,103,540	21,576,137	214,617,413	214,987,023	-	9,941,072	-	-	-	473,302,437	2,022,964,783	1,293,870,993
QE 3/16		-	-												-	-
QE 6/16		-	-												-	-
QE 9/16		-	-												-	-
	$ 43,201,425,187	$ 538,000,246	$ 43,739,425,433	$ 10,588,105,072	$ 4,438,411,865	$ 1,143,053,285	$ 3,023,767,212	$ 3,317,550,362	$ 1,873,169	$ 409,553,093	$ 785,951,856	$ 186,608,284	$ 453,960	$ 3,141,202,569	$ 27,036,530,727	$ 16,702,894,706

Last Updated: 2/22/2016

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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	$ 8,801,751,416	$ 5,640,336,512	$ 3,161,414,904	35.92%				
DY 02	8,901,267,759	5,855,202,469	3,046,065,290	34.22%				
DY 03	10,466,526,671	6,475,699,284	3,990,827,388	38.13%				
DY 04	12,253,043,810	7,306,743,217	4,946,300,593	40.37%				
DY 05	3,316,835,776	1,758,549,245	1,558,286,531	46.98%	$ 43,739,425,433	$ 27,036,530,727	$ 16,702,894,706	38.19%
	$ 43,739,425,433	$ 27,036,530,727	$ 16,702,894,706					

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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	918,542,684	583,275,788	122,732,703	23,157,122	(314)	1,647,707,983
AFDC/SOBRA	3,419,432,563	3,595,115,221	3,538,203,719	3,588,049,243	947,247,510	15,088,048,256
ALTCS-EPD	1,062,226,028	1,167,166,800	1,185,733,410	1,221,547,390	276,019,218	4,912,692,846
ALTCS-DD	939,087,470	1,005,689,202	1,067,647,940	1,170,035,215	301,626,170	4,484,085,997
DSH/CAHP	155,762,651	163,516,194	131,160,726	154,152,100	5,245,950	609,837,621
Expansion State Adults	-	-	1,176,371,988	1,967,813,979	468,027,541	3,612,213,508
Family Planning Extension	830,631	1,008,110	195,976	(1,337)	-	2,033,380
MED	673,818	-	-	-	-	673,818
SNCP/DSHP	296,636,120	564,951,230	240,250,917	78,491,216	-	1,180,329,483
SSI	1,350,731,018	1,429,956,135	1,538,673,303	1,697,327,347	396,016,024	6,412,703,827
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	13,168,904	-	186,823,542
Subtotal	8,166,789,700	8,607,871,193	9,054,566,090	9,913,741,179	2,394,182,099	38,137,150,261
New Adult Group	-	-	108,284,627	301,292,299	100,050,945	509,627,871
Total	8,166,789,700	8,607,871,193	9,162,850,717	10,215,033,478	2,494,233,044	38,646,778,132

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,541,572	400,884,799	85,783,268	15,843,929	(283)	1,143,053,285
AFDC/SOBRA	2,388,196,327	2,474,987,233	2,497,020,410	2,560,631,256	667,269,846	10,588,105,072
ALTCS-EPD	717,048,773	770,511,374	800,730,170	838,918,276	190,341,769	3,317,550,362
ALTCS-DD	632,713,670	662,017,847	719,105,820	801,993,467	207,936,408	3,023,767,212
DSH/CAHP	104,828,265	107,397,436	88,179,356	105,532,527	3,615,509	409,553,093
Expansion State Adults	-	-	1,003,650,900	1,725,288,400	412,263,269	3,141,202,569
Family Planning Extension	767,009	927,946	179,426	(1,212)	-	1,873,169
MED	453,960	-	-	-	-	453,960
SNCP/DSHP	199,636,108	371,059,969	161,520,692	53,735,087	-	785,951,856
SSI	933,302,793	970,348,186	1,065,976,086	1,191,662,073	277,122,727	4,438,411,865
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	13,139,414	-	186,608,284
Subtotal	5,640,336,512	5,855,202,469	6,475,699,284	7,306,743,217	1,758,549,245	27,036,530,727
New Adult Group	-	-	108,284,627	301,292,299	100,050,945	509,627,871
Total	5,640,336,512	5,855,202,469	6,583,983,911	7,608,035,516	1,858,600,190	27,546,158,598

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	(7)	253	612,319
AFDC/SOBRA	1,014,881	1,090,143	990,293	5,056,392	2,507,421	10,659,130
SSI	365,158	399,101	398,723	2,391,771	1,171,421	4,726,174
Expansion State Adults	-	-	223,239	3,043,744	1,566,856	4,833,839
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(10,491,900)	(5,245,950)	(20,831,461)
Total	-	-	-	-	0	0

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	211,034	138,424	58,991	(5)	174	408,618
AFDC/SOBRA	683,014	716,006	665,774	3,461,607	1,728,114	7,254,515
SSI	245,752	262,130	268,062	1,637,406	807,344	3,220,694
Expansion State Adults	-	-	150,083	2,083,747	1,079,877	3,313,707
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(7,182,755)	(3,615,509)	(14,197,534)
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 Summary

[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	918,856,256	583,486,544	122,820,448	23,157,115	(61)	1,648,320,302
AFDC/SOBRA	3,420,447,444	3,596,205,364	3,539,194,012	3,593,105,635	949,754,931	15,098,707,386
ALTCS-EPD	1,062,226,028	1,167,166,800	1,185,733,410	1,221,547,390	276,019,218	4,912,692,846
ALTCS-DD	939,087,470	1,005,689,202	1,067,647,940	1,170,035,215	301,626,170	4,484,085,997
DSH/CAHP	154,069,040	161,816,194	129,460,726	143,660,200	-	589,006,160
Expansion State Adults	-	-	1,176,595,227	1,970,857,723	469,594,397	3,617,047,347
Family Planning Extension	830,631	1,008,110	195,976	(1,337)	-	2,033,380
MED	673,818	-	-	-	-	673,818
SNCP/DSHP	296,636,120	564,951,230	240,250,917	78,491,216	-	1,180,329,483
SSI	1,351,096,176	1,430,355,236	1,539,072,026	1,699,719,118	397,187,445	6,417,430,001
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	13,168,904	-	186,823,542
Subtotal	8,166,789,700	8,607,871,193	9,054,566,090	9,913,741,179	2,394,182,099	38,137,150,261
New Adult Group	-	-	108,284,627	301,292,299	100,050,945	509,627,871
Total	8,166,789,700	8,607,871,193	9,162,850,717	10,215,033,478	2,494,233,044	38,646,778,132

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,752,606	401,023,223	85,842,259	15,843,924	(109)	1,143,461,903
AFDC/SOBRA	2,388,879,341	2,475,703,239	2,497,686,184	2,564,092,863	668,997,960	10,595,359,587
ALTCS-EPD	717,048,773	770,511,374	800,730,170	838,918,276	190,341,769	3,317,550,362
ALTCS-DD	632,713,670	662,017,847	719,105,820	801,993,467	207,936,408	3,023,767,212
DSH/CAHP	103,688,465	106,280,876	87,036,446	98,349,772	0	395,355,559
Expansion State Adults	-	-	1,003,800,983	1,727,372,147	413,343,146	3,144,516,276
Family Planning Extension	767,009	927,946	179,426	(1,212)	-	1,873,169
MED	453,960	-	-	-	-	453,960
SNCP/DSHP	199,636,108	371,059,969	161,520,692	53,735,087	-	785,951,856
SSI	933,548,545	970,610,316	1,066,244,148	1,193,299,479	277,930,071	4,441,632,559
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	13,139,414	-	186,608,284
Subtotal	5,640,336,512	5,855,202,469	6,475,699,284	7,306,743,217	1,758,549,245	27,036,530,727
New Adult Group	-	-	108,284,627	301,292,299	100,050,945	509,627,871
Total	5,640,336,512	5,855,202,469	6,583,983,911	7,608,035,516	1,858,600,190	27,546,158,598

Calculation of Effective FMAP:

	01	02	03	04	05
AFDC/SOBRA					
Federal	2,388,879,341	2,475,703,239	2,497,686,184	2,564,092,863	668,997,960
Total	3,420,447,444	3,596,205,364	3,539,194,012	3,593,105,635	949,754,931
Effective FMAP	0.698411357	0.688420985	0.705721748	0.713614662	0.704390089
SSI					
Federal	933,548,545	970,610,316	1,066,244,148	1,193,299,479	277,930,071
Total	1,351,096,176	1,430,355,236	1,539,072,026	1,699,719,118	397,187,445
Effective FMAP	0.690956396	0.678579902	0.692783788	0.702056867	0.699745357
ALTCS-EPD					
Federal	717,048,773	770,511,374	800,730,170	838,918,276	190,341,769
Total	1,062,226,028	1,167,166,800	1,185,733,410	1,221,547,390	276,019,218
Effective FMAP	0.675043497	0.660155321	0.675303709	0.686766869	0.689596074
ALTCS-DD					
Federal	632,713,670	662,017,847	719,105,820	801,993,467	207,936,408
Total	939,087,470	1,005,689,202	1,067,647,940	1,170,035,215	301,626,170
Effective FMAP	0.673753713	0.6582728	0.673542085	0.685443871	0.689384505
AC					
Federal	640,752,606	401,023,223	85,842,259	15,843,924	(109)
Total	918,856,256	583,486,544	122,820,448	23,157,115	(61)
Effective FMAP	0.697337153	0.687287868	0.698924816	0.684192483	1.773237832
Expansion State Adults					
Federal	-	-	1,003,800,983	1,727,372,147	413,343,146
Total	-	-	1,176,595,227	1,970,857,723	469,594,397
Effective FMAP			0.853140451	0.876457051	0.880213113
New Adult Group					
Federal	-	-	108,284,627	301,292,299	100,050,945
Total	-	-	108,284,627	301,292,299	100,050,945
Effective FMAP			1	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	2,932,677	487,460	72,531	85,448	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,373	488,874	73,167	85,494	430,723	-	12,424		
Quarter Ended June 30, 2012	2,914,243	488,885	73,977	85,718	365,132	-	12,440		
Quarter Ended September 30, 2012	2,939,001	491,507	74,832	86,500	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,670	494,556	75,651	86,817	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,438	496,908	76,480	86,061	248,817	-	13,824		
Quarter Ended June 30, 2013	2,903,324	499,435	77,296	86,288	228,204	-	14,187		
Quarter Ended September 30, 2013	2,919,303	502,851	78,050	87,118	217,114	-	14,856		
Quarter Ended December 31, 2013	2,892,273	506,083	78,858	87,660	206,419	-	14,885		
Quarter Ended March 31, 2014	2,840,075	513,181	79,698	87,878	87	-	-	444,633	39,044
Quarter Ended June 30, 2014	2,956,533	521,556	80,687	88,719	2	-	-	625,378	86,649
Quarter Ended September 30, 2014	3,114,659	527,247	81,776	89,338	-	-	-	757,354	123,035
Quarter Ended December 31, 2014	3,147,233	534,222	82,741	89,987	-	-	-	819,231	149,837
Quarter Ended March 31, 2015	3,086,553	540,300	83,845	89,853	-	-	-	837,533	191,269
Quarter Ended June 30, 2015	3,107,945	540,273	84,851	89,887	-	-	-	848,185	245,439
Quarter Ended September 30, 2015	3,214,254	538,605	85,602	89,780	-	-	-	869,729	285,075
Quarter Ended December 31, 2015	3,265,454	540,039	86,070	88,337	-	-	-	919,394	311,510
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**	**110,036,940**	**538,000,246**
Reported in QE						
Dec-11	-	-	-	-	-	-
Mar-12	-	-	-	-	-	-
Jun-12	78,996,800	-	-	-	-	78,996,800
Sep-12	6,248,670	-	-	-	-	6,248,670
Dec-12	11,346,623	-	-	-	-	11,346,623
Mar-13	309,515	-	-	-	-	309,515
Jun-13	1,022,914	77,733,987	-	-	-	78,756,901
Sep-13	-	-	-	-	-	-
Dec-13	-	6,098,257	-	-	-	6,098,257
Mar-14	2,505,265	-	-	-	-	2,505,265
Jun-14	-	4,725,871	-	-	-	4,725,871
Sep-14	3,258,682	-	79,568,453	-	-	82,827,135
Dec-14	-	-	6,222,002	-	-	6,222,002
Mar-15	-	1,474,261	-	-	-	1,474,261
Jun-15	-	16,248,501	(219,987)	92,024,206	-	108,052,719
Sep-15	-	-	1,465,978	-	-	1,465,978
Dec-15	(4)			6,325,567		6,325,563
Mar-16						
Jun-16						
Sep-16						
Total Reported to Date	103,688,465	106,280,876	87,036,446	98,349,773	-	395,355,560
Unused Allotment	**202,520**	**103,493**	**20,943,689**	**11,358,044**	**110,036,940**	**142,644,686**

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

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	-	39,044	86,649	123,035	248,728	143,899,097

		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	149,837	191,269.00	245,439.00	285,075.00	871,620	527,967,585

		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	100.00%	634.20	311,510				311,510	197,559,877

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

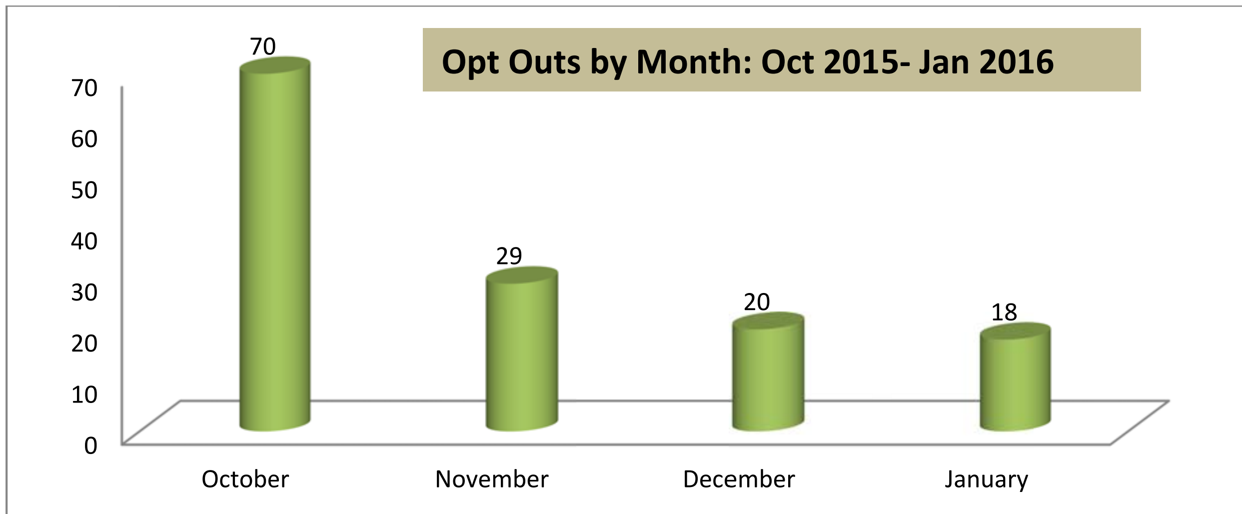
	Budget Neutrality Limit - Federal Share			Expenditures	
	MAP	DSH	Total	New Adult Grp	VARIANCE
QE 12/13	$ -	$ -	$ -	$ -	$ -
QE 3/14	22,588,516	-	22,588,516	13,870,414	8,718,102
QE 6/14	50,129,912	-	50,129,912	34,313,342	15,816,570
QE 9/14	71,180,669	-	71,180,669	47,984,458	23,196,211
QE 12/14	90,760,973	-	90,760,973	46,004,135	44,756,838
QE 3/15	115,857,635	-	115,857,635	70,387,348	45,470,287
QE 6/15	148,670,104	-	148,670,104	85,319,153	63,350,951
QE 9/15	172,678,873	-	172,678,873	97,948,283	74,730,590
QE 12/15	197,559,877		197,559,877	113,800,738	83,759,139
QE 3/16					
QE 6/16					
QE 9/16					
	$ 869,426,560	$ -	$ 869,426,560	$ 509,627,871	$ 359,798,689

III. SUMMARY BY DEMONSTRATION YEAR

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
DY 03	$ 143,899,097	$ 96,168,214	$ 47,730,883	33.17%				
DY 04	527,967,585	299,658,919	228,308,666	43.24%				
DY 05	197,559,877	113,800,738	83,759,139	42.40%	$ 869,426,560	$ 509,627,871	$ 359,798,689	41.38%
	$ 869,426,560	$ 509,627,871	$ 359,798,689					

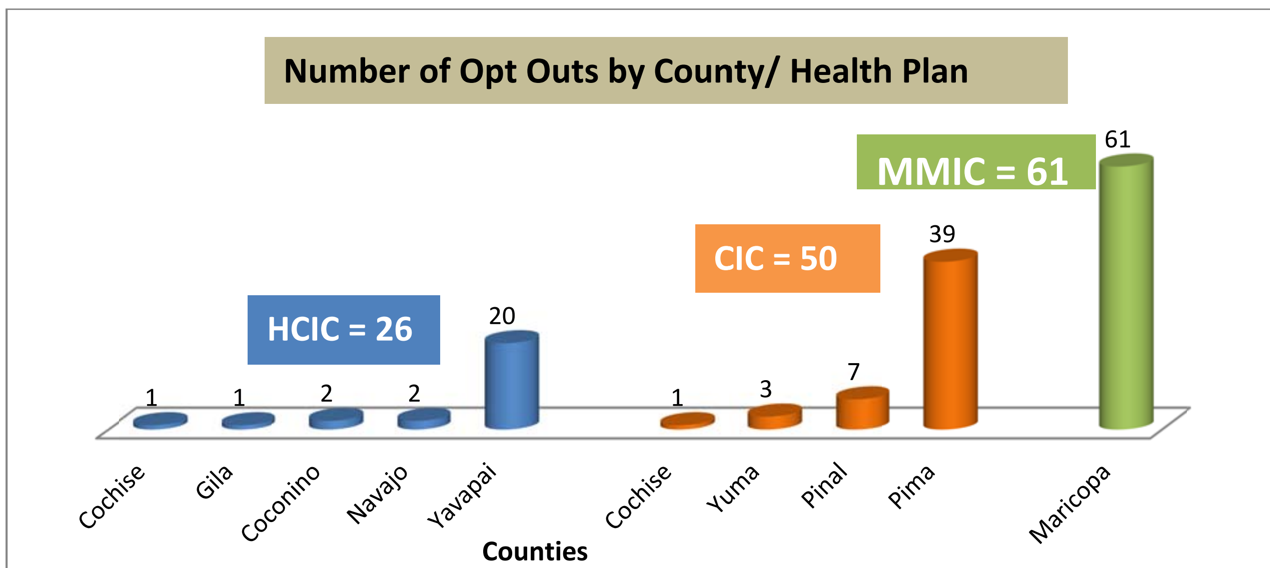
Based on CMS-64 certification date of 12/31/2015

OPT Out Requests:



Oct 2015 - Jan 2016 Opt Out Request			
October	**November**	**December**	**January**
70	29	20	18

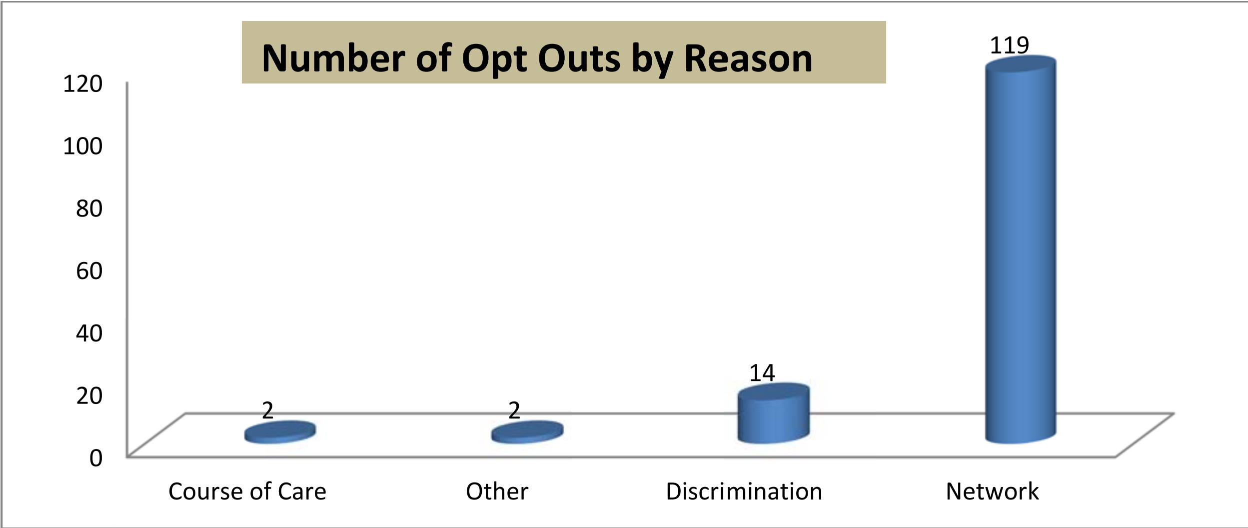
OPT Out Requests by County/Health Plan:



Oct 2015 -Jan 2016 Opt Out Request			
Counties	**Health Choice Integrated Care (HCIC)**	**Cenpatico Integrated Care (CIC)**	**Mercy Maricopa Integrated Care (MMIC)**
Apache	-		
Coconino	2		
Gila	1		

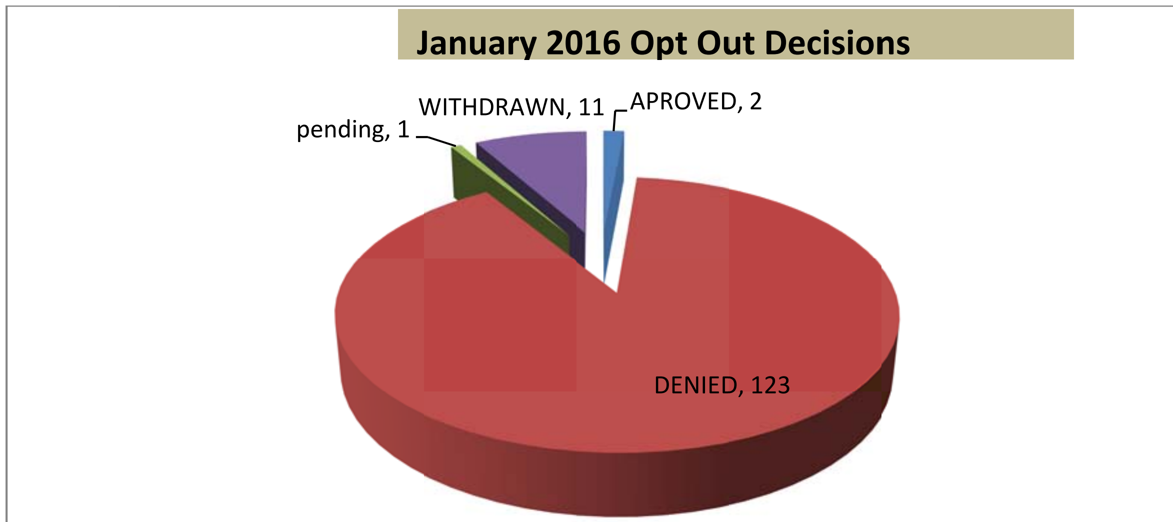
Mohave	-		
Navajo	2		
Yavapai	20		
Cochise	1	1	
Graham		-	
Greenlee		-	
La Paz		-	
Pinal		7	
Pima		39	
Yuma		3	
Maricopa			61

Number of Opt Outs by Reason:



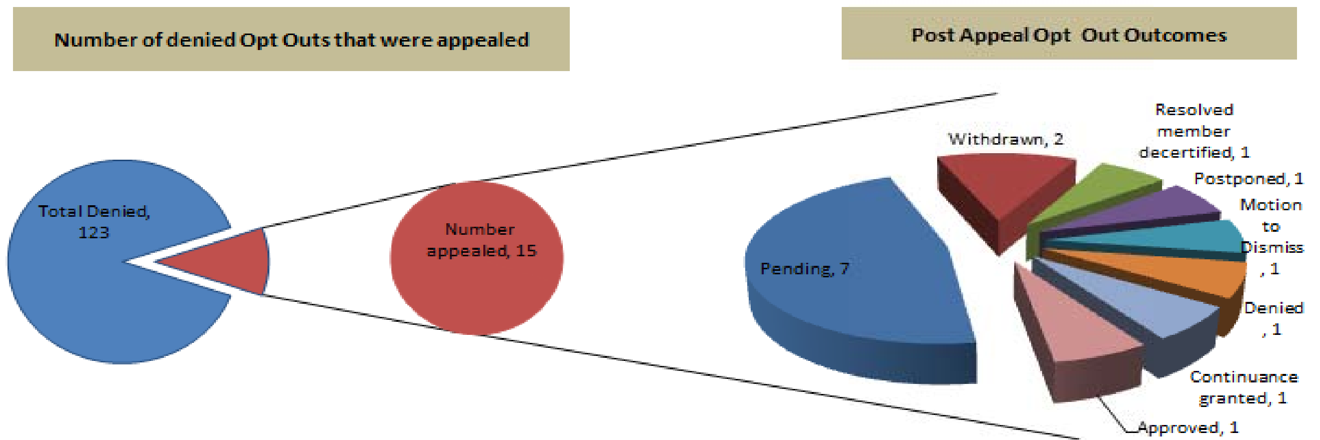
Course of Care	Other	Discrimination	Network
2	**2**	**14**	**119**

OPT Out Outcomes:



Oct 15- Jan 2016 Opt Out Decisions			
Denied	**Withdraw**	**Approved**	**Pending**
123	11	2	1

Number of denied outcomes appealed/post appeal opt out outcomes :



Out of the 123 denied Opt Out request only 15 appealed the decision. The following is the outcome of the post appeal process:

Oct 15- Jan 2016 Post Appeal Opt Out Outcomes	
Pending	7
Withdraw	2
Resolved Member Decertified	1
Postponed	1
Motion Dismissed	1
Denied	1
Continuance granted	1
Approved	1