

Managed Care in Arizona

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

In July 2011, nearly 90 percent of Medicaid beneficiaries in Arizona were enrolled in managed care. Prior to 1982, Arizona was the only state that did not participate in Medicaid. When it launched the **Arizona Health Care Cost Containment System (AHCCCS)** that year, Arizona was the first state in the nation to enroll all Medicaid beneficiaries statewide in mandatory managed care. AHCCCS continues to operate on a mandatory basis statewide, and AHCCCS acute care health plans cover acute, primary and specialty services. American Indians/Alaska Natives can choose to enroll in an acute care health plan, or instead enroll in AHCCCS' fee-for-service American Indian Health Program (AIHP). Behavioral health services, including prescription medications for behavioral health conditions, are excluded or "carved out" from the MCO contracts and covered by the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) through subcontracts with community-based organizations, known as Regional Behavioral Health Authorities (RBHAs) or Tribal Regional Behavioral Health Authorities (TRBHAs) for members who live on a reservation. Children who are in foster care are also "carved out" of the program and covered through the Comprehensive Medical and Dental Program (CMDP), which provides acute, physical and specialty health care plus dental through a managed care plan operated by the state's Department of Economic Security.

Since 1988, AHCCCS has covered both acute care, long term services supports (LTSS), and behavioral health for older adults and individuals with disabilities in need of a nursing home level of care through the **Arizona Long Term Care System (ALTCS)** program. Services for individuals who are elderly or have physical disabilities are covered through contracted health plans, while services for individuals with developmental disabilities are covered through the state's Department of Economic Security.

Arizona has made a number of recent modifications to its programs to better integrate services. In October 2013, the state will begin to contract with a single managed care organization to provide children with special health care needs all covered physical and behavioral health services, including those offered under the Children Rehabilitative Services (CRS) program. Also in 2013, the state began to expand the responsibility for RBHAs to include both physical and behavioral health services members with serious mental illness. The program will begin in one county and is expected to expand statewide by 2015. In addition, the state has also moved toward enrolling all dual eligible beneficiaries in the same managed care plan for both Medicare and Medicaid-covered services.

Participating Plans, Plan Selection, and Rate Setting

As of October 2013, Arizona contracts with nine health plans – **five national, for-profit plans** (Bridgeway Health Solutions [Centene Corporation], Care 1st Health Plan, Health Choice, Health Net of Arizona, and Evercare/United Health Care Community Plan) and **four locally-based, non-profit plans** (Maricopa Health Plan, Mercy Care Plan, Phoenix Health Plan, and University Family Care), three of which participate in both AHCCCS and ALTCS. Arizona selects its plans through a competitive procurement and sets capitation rates based on a competitive bid.

The Arizona Department of Health Services, Division of Behavioral Health Services (ADHS/DBHS), which is designated as a PIHP, subcontracts with four RBHAs and four TRBHAs. RBHAs were selected via a competitive procurement, and receive capitation payments from ADHS/DBHS.

Quality and Performance Incentives

Arizona collects HEDIS and CAHPS data, and publicly reports quality measures. Capitation payments to MCOs have not been contingent on performance. AHCCCS has established minimum performance standards on various quality measures (for example, immunization rates, well-child visits, diabetes care, and hospital utilization and readmissions). If a plan does not meet a minimum standard, it must submit a corrective action plan and may be subject to a financial sanction. Additionally, under the new contract, acute care health plans are required to enter in to shared savings arrangements equal to 5% or more of their contracted payments to health care providers. One percent of the plans' capitation rates will be withheld and returned based on plans' performance on particular quality measures (that is, well-child visits, children's dental visits, emergency department utilization, and 30-day hospital readmissions). ALTCS plans are participating in pilot shared savings arrangements.

Table: Managed Care Program Features, as of October 2014

Program Name	Arizona Health Care Cost Containment System (AHCCCS)		Arizona Long Term Care System (ALTCS)*
Program Type	MCO	MH/SUD PIHP	MCO
Program Start Date	October 1982		December 1988*
Statutory Authorities	1115(a)		
Geographic Reach of Program	Statewide		
Populations Enrolled <i>(Exceptions may apply for certain individuals in each group)</i>			
<i>Aged</i>	X	X	X (NF level of care)
<i>Disabled Children & Adults</i>	X	X	X (NF level of care)
<i>Children</i>	X	X	
<i>Low-Income Adults</i>	X	X	
<i>Medicare-Medicaid Eligibles ("duals")</i>	X	X	X (NF level of care)
<i>Foster Care Children</i>	X	X	
<i>American Indians/Alaska Natives</i>			
Mandatory or Voluntary enrollment?	Mandatory	Mandatory	Mandatory
Medicaid Services Covered in Capitation <i>(Specialized services other than those listed may be covered. Services not marked with an X are excluded or "carved out" of the benefit package.)</i>			
<i>Inpatient hospital</i>	X		X
<i>Primary Care and Outpatient services</i>	X	X	X
<i>Pharmacy</i>	X	X	X
<i>Institutional LTC</i>			X
<i>Personal Care/HCBS</i>	X		X
<i>Inpatient Behavioral Health Services</i>	X	X	X
<i>Outpatient Behavioral Health Services</i>	X	X	X
<i>Dental</i>	X		X
<i>Transportation</i>	X	X	X

Program Name	Arizona Health Care Cost Containment System (AHCCCS)		Arizona Long Term Care System (ALTCS)*
Participating Plans or Organizations	1. AZ Physicians IPA 2. Bridgeway Health Solution 3. Care 1st Health Plan 4. Department of Economic Security/Childrens Medical and Dental Program 5. Health Choice Arizona 6. Maricopa County Health Plan 7. Mercy Care Plan 8. Phoenix Health Plan 9. Pima Health System 10. University Family Care	1. Department of Health Services (subcontracts with RBHAs and TRBHAs)	1. Bridgeway Health Solution 2. Cochise Co. Dept. of Health Services 3. Department of Economic Security/Division of Developmental Disabilities 4. Evercare Select 5. Health Choice Arizona 6. Mercy Care Plan 7. Pima Health System 8. Pinal County Long Term Care 9. SCAN 10. Yavapai County Long Term Care
Uses HEDIS Measures or Similar	X		
Uses CAHPS Measures or Similar	X		
State requires Plans to submit HEDIS or CAHPS data to NCQA			
State Requires MCO Accreditation	X	NA	X
External Quality Review Organization	Health Services Advisory Group and Healthcare Excel		
State Publically Releases Quality Reports	Yes		

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.

Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.

Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS).

Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD).

External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

*The June 2011 National Summary of State Medicaid Managed Care Programs reports all benefits packages authorized under the AHCCCS Section 1115 demonstration waiver (i.e., acute care only, behavioral health, and acute and long term care), as part of the single AHCCCS program. According to the waiver, however, the state provides two primary benefit package configurations: (1) AHCCCS, which includes all acute care through prepaid managed care plans and "carved out" behavioral health services available through the PIHP, and (2) ALTCS, which provides acute and long term care for individuals who meet a nursing home level of care.

The state first offered acute and mental health benefits in 1982 and expanded the program to include long term care supports and services in 1988. See

http://www.azahcccs.gov/reporting/Downloads/1115waiver/AZ_SNCP%2011%20Amendment_STCs_Final.pdf