

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850



State Demonstrations Group

September 28, 2023

Carmen Heredia
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, Arizona 85034

Dear Director Heredia:

The Centers for Medicare & Medicaid Services (CMS) approved the Evaluation Design for Arizona's COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "Arizona Health Care Cost Containment System" (Project No: 11-W-00275/9). We sincerely appreciate the state's commitment to efficiently meeting the requirement for an Evaluation Design as was stipulated in the approval letter for this amendment dated June 7, 2023, especially under these extraordinary circumstances.

In accordance with 42 CFR 431.424(c), the approved Evaluation Design may now be posted to the state's Medicaid website within 30 days. CMS will also post the approved Evaluation Design on Medicaid.gov.

Consistent with the approved Evaluation Design, the draft Final Report will be due to CMS no later than one year after the end of the amendment approval period, which will occur when all redeterminations for Medicaid and CHIP beneficiaries are conducted during the unwinding period.

We sincerely appreciate the state's commitment to evaluating the COVID-19 PHE amendment under these extraordinary circumstances. We look forward to our continued partnership on the Arizona Health Care Cost Containment System section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Paula M.
Kazi -S

Digitally signed by Paula
M. Kazi -S
Date: 2023.09.27
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Paula Kazi
Acting Director
Division of Demonstration Monitoring and Evaluation

cc: Brian Zolynas, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

Arizona Health Care Cost Containment System



Arizona Section 1115 Waiver Evaluation COVID-19 PHE CHIP Amendment

Evaluation Design

August 2023



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1. Background

The Centers for Medicare & Medicaid Services (CMS) approved the coronavirus disease 2019 (COVID-19) public health emergency (PHE) Children's Health Insurance Program (CHIP) amendment to the Arizona Health Care Cost Containment System (AHCCCS) Section 1115 Demonstration Waiver (referred to as the Amendment in this report) on June 7, 2023.¹¹⁻¹ The Amendment is retroactive from March 1, 2020, through either the end of the redetermination process or May 31, 2024, whichever is earlier.

The Amendment allows Arizona the authority to provide continued eligibility for CHIP members who were determined to be ineligible for CHIP due to a change in circumstances and who are otherwise ineligible for Medicaid due to income above 133 percent of the federal poverty level (FPL) during the demonstration period. The Amendment will assist the State in delivering the most effective care to its members in light of the COVID-19 PHE, as well as support the key objective of furnishing medical assistance in a way that is intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 PHE.

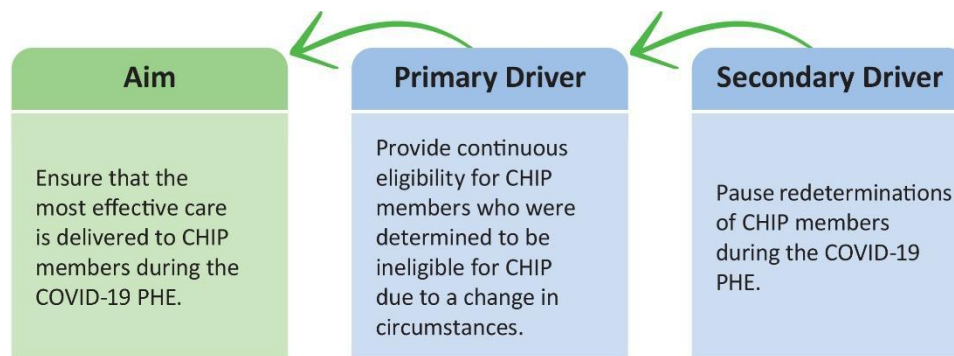
AHCCCS will test whether and how the Amendment facilitates the State's response to the COVID-19 PHE. The evaluation design identifies the research questions, hypotheses, and measures that pertain to the approved expenditure authority and outlines how the State will test whether and how the approved waiver and expenditure authority impacted the State's response to the COVID-19 PHE. AHCCCS will submit a final report that will consolidate the monitoring and evaluation reporting requirements for the authority. The final report will assess the implementation of the Amendment, lessons learned, best practices for similar situations, and associated challenges and limitations encountered.

¹¹⁻¹ Centers for Medicare & Medicaid Services. COVID-19 CHIP Demonstration Amendment Approval. Available at: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/az-coid-chip-demonstn-apr1-ca.pdf>. Accessed on: Aug 1, 2023.

2. Evaluation Questions and Hypotheses

The evaluation of the Amendment will support the understanding of successes, challenges, and lessons learned in implementing the Amendment. Figure 2-1 presents the aim of the Amendment in relation to the primary and secondary drivers.

Figure 2-1—Driver Diagram



CHIP: Children's Health Insurance Program; COVID-19: coronavirus disease 2019; PHE: public health emergency

The evaluation hypothesis is tailored to the core objective and aim of the Amendment and will be assessed via the following research questions:

Hypothesis 1: The pause on redeterminations for the CHIP population promoted the objectives of Medicaid.

- **Research Question 1.1:** What challenges did the State encounter when implementing the expenditure authority?
- **Research Question 1.2:** What facilitators of success did the State encounter when implementing the expenditure authority?
- **Research Question 1.3:** How many CHIP members were impacted by the demonstration?
- **Research Question 1.4:** What were the expenditures associated with providing continuous eligibility for CHIP members?

3. Methodology

Due to the time-limited approval of the expenditure authority, the evaluation of the Amendment primarily consists of qualitative data collection and descriptive reporting of costs. As such, the methods of analysis will center on qualitative synthesis and descriptive data analysis.

Evaluation Period

This evaluation of the Amendment will cover the period from March 1, 2020, through the earlier of either:

- a. The end of the redetermination process, or
- b. May 31, 2024.

Intervention and Comparison Populations

The population impacted by the Amendment covers all CHIP members who were determined to be ineligible for CHIP due to a change in circumstances and who are otherwise ineligible for Medicaid due to income above 133 percent of the FPL during the evaluation period. Members who met any of the following criteria were excluded:

- Were deceased
- Voluntarily withdraw from benefits
- Were no longer Arizona residents
- Were not eligible during the demonstration period but were approved erroneously because of agency error or fraud or abuse attributed to the member or member's representative
- Turned 19 years of age during the evaluation period

Due to the limited nature of the Amendment, there is no comparison group proposed for the evaluation.

Evaluation Measures

Table 3-1 details the proposed measures, populations, data sources, and analytic methods that will be used to evaluate the Amendment and its hypothesis.

Table 3-1—Evaluation Measures

Research Question	Measure(s)	Data Source(s)	Analytic Approach
Research Question 1.1: What challenges did the State encounter when implementing the expenditure authority?	1-1: Reported challenges that AHCCCS encountered when implementing the expenditure authority.	Key informant interviews	Qualitative synthesis
Research Question 1.2: What facilitators of success did the State encounter when implementing the expenditure authority?	1-2: Reported successes that AHCCCS encountered when implementing the expenditure authority.	Key informant interviews	Qualitative synthesis
Research Question 1.3: How many CHIP members were impacted by the demonstration?	1-3: Number and percentage of CHIP members.	Pre-paid Medical Management Information System (PMMIS)	Descriptive analysis
Research Question 1.4: What were the expenditures associated with providing continuous eligibility for CHIP members?	1-4: Administrative costs associated with implementing and maintaining the expenditure authority.	Administrative records	Descriptive analysis
	1-5: Monthly per-member expenditures among CHIP members who would have been ineligible if not for the expenditure authority.	PMMIS	Descriptive analysis

Analytic Methods

Descriptive Analysis

To answer Research Questions 1.3 and 1.4, a descriptive analysis will be used to assess the changes in outcomes over time. The descriptive analysis will identify substantive changes over time or deviations from expected values based on historical data or other Medicaid populations.

Qualitative Synthesis

To better understand the challenges presented by the COVID-19 PHE to the Medicaid program, how flexibilities of the Amendment assisted in meeting those challenges, and any lessons learned for responding to similar PHEs in the future (Research Questions 1.1 and 1.2), a series of key informant interviews with AHCCCS will be conducted. Key informant interviewees will be recruited from nominees identified by AHCCCS. Interviews will invite input from appropriate individuals identified by AHCCCS as having experience and subject matter expertise regarding the development and implementation of the Amendment.

The information obtained from these interviews will be synthesized with the results from other quantitative data analyses, providing an in-depth discussion of each of the domains/objectives to be considered. As the key informant interviews are being conducted, the independent evaluator will perform ongoing and iterative review of the interview responses and notes to identify overall themes and common response patterns. Unique responses that are substantively interesting and informative will also be noted and may be used to develop probing questions for future interviews. The results of these preliminary analyses will be used to document the emergent and overarching themes related to these research questions.

Following the completion of the key informant interviews, the interview notes and transcripts will be reviewed using standard qualitative analysis techniques. The data will first be examined through open coding to identify key concepts and themes that may not have been captured as emergent themes during previous analyses. After identifying key concepts, axial coding techniques will be used to develop a more complete understanding of the relationships among categories identified by respondents in the data. The open and axial coding will be performed with a focus on identifying the dimensionality and breadth of responses to the research questions posed for the overall project.

Data Sources

PMMIS

Data extracted from the PMMIS will be used to calculate measures related to enrollment, eligibility, and cost. These data include administrative claims/encounter data, member eligibility, enrollment, and demographic data.

Use of fee-for-service (FFS) claims and managed care encounters will be limited to final, paid status claims/encounters. Interim transaction and voided records will be excluded from all evaluations because these types of records introduce a level of uncertainty (from matching adjustments and third-party liabilities to the index claims) that can impact reported rates and cost calculations.

Key Informant Interviews

Key informant interviews with AHCCCS staff will be conducted through semi-structured interview protocols and transcribed and imported into MAXQDA where the data will be coded to permit qualitative analysis. The transcripts, coding methodologies, and coded data will be used to answer the appropriate research questions.

Administrative Records

Information supplied by AHCCCS will be used to assess expenditures related to implementing and maintaining the Amendment. This will include, but will not be limited to, approximate full time equivalent (FTE) hours, and staff salary and fringe benefits involved with implementing and executing the activities associated with the Amendment. These data may be supplied to the independent evaluator either in aggregate or by line item, separated by state fiscal year and/or federal fiscal year.

4. Methodological Limitations

The goal of the Amendment is to ensure that CHIP enrollees maintained continuous eligibility during the COVID-19 PHE. As the proposed methodologies are descriptive in nature, the primary limitations would involve quality of data collection.

Qualitative data gathered from key informant interviews could be limited to an interviewee's experience, expertise, and recollection. The independent evaluator can work to mitigate these limitations through the structuring of research questions and interviewing experience.

5. Reporting

The results from the evaluation of the Amendment will be reported in a final report separate from the broader evaluation of the AHCCCS Section 1115 Demonstration Waiver, approved from October 14, 2022, through September 30, 2027.

Appendix A. Independent Evaluator

AHCCCS will select an independent evaluator with experience and expertise to conduct a scientific and rigorous Medicaid Section 1115 waiver evaluation meeting all the requirements specified in the Special Terms and Conditions (STCs). The independent evaluator will be required to have the following qualifications:

- Knowledge of public health programs and policy
- Experience in health care research and evaluation
- Understanding of AHCCCS programs and populations
- Expertise with conducting complex program evaluations
- Relevant work experience
- Skills in data management and analytic capacity
- Medicaid experience and technical knowledge

Based on State protocols, AHCCCS will follow established policies and procedures to acquire an independent entity or entities to conduct the waiver evaluation. In addition, AHCCCS will ensure that the selected independent evaluator does not have any conflicts of interest and will require the independent evaluator to sign a “No Conflict of Interest” statement.

Appendix B. Budget

Arizona will conduct a competitive procurement to obtain the services of an independent evaluator to perform the services outlined in this evaluation design. Upon selection of an evaluation vendor, a final budget will be prepared in collaboration with the selected independent evaluator. Table B-1 displays the proposed budget shell that will be used for submitting total costs for the evaluation of the Amendment.

Table B-1—Evaluation Budget

Evaluation Area/Task	SFY 24	SFY 25	SFY 26
Key Informant Interviews			
Instrument Design			
Staff Costs	\$ 2,580	\$ 8,430	\$ -
Administrative Costs	\$ 752	\$ 2,457	\$ -
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 3,332	\$ 10,887	\$ -
Administration			
Staff Costs	\$ 2,580	\$ 11,441	\$ -
Administrative Costs	\$ 752	\$ 3,335	\$ -
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 3,332	\$ 14,776	\$ -
Claims Data Measure Calculations			
Claims Data Collection/Validation			
Staff Costs	\$ 12,214	\$ 12,793	\$ -
Administrative Costs	\$ 3,561	\$ 3,729	\$ -
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 15,775	\$ 16,522	\$ -
Code Development/Execution			
Staff Costs	\$ 2,580	\$ 25,449	\$ -
Administrative Costs	\$ 752	\$ 7,418	\$ -
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 3,332	\$ 32,867	\$ -
Analysis and Reporting			
Interviews/Surveys/Claims Data			
Staff Costs	\$ 2,580	\$ 42,410	\$ 11,655
Administrative Costs	\$ 752	\$ 12,363	\$ 3,397
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 3,332	\$ 54,772	\$ 15,052
Report			
Staff Costs	\$ 2,580	\$ 12,835	\$ 4,946
Administrative Costs	\$ 752	\$ 3,741	\$ 1,442
Other Costs	\$ -	\$ -	\$ -
Total Costs	\$ 3,332	\$ 16,576	\$ 6,388
Total	\$ 32,433	\$ 146,402	\$ 21,440

Appendix C. Timeline and Milestones

The following project timeline, presented in Table C-1, has been prepared for the Amendment. This timeline is preliminary and subject to change based on approval of the evaluation design and implementation of the Amendment.

Table C-1—Project Timeline

Due Date	Milestone/Deliverable
March 1, 2020	Official start date of the Amendment
June 7, 2023	CMS approval for the Amendment
September 5, 2023	Amendment evaluation design due to CMS
April–July 2024	Conduct key informant interviews
May 31, 2024, or the end of the redetermination process	Official end of the Amendment
6–9 months after the end of the Amendment	Conduct analysis
9–11 months after the end of the Amendment	Produce draft final report
12 months after the end of the Amendment	Final report due to CMS
September 30, 2027	AHCCCS Section 1115 Demonstration Waiver ends

Note: AHCCCS: Arizona Health Care Cost Containment System; CHIP: Children’s Health Insurance Program; CMS: Centers for Medicare & Medicaid Services; COVID-19: coronavirus disease 2019; PHE: public health emergency