

September 7, 2022

Brian Zolynas

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Dear Mr. Zolynas,

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for April 1, 2022, through June 30, 2022, which also includes 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 Alex Demyan at Alex.Demyan@azahcccs.gov or Shreya Arakere at Shreya.Arakere@azahcccs.gov.

Sincerely,



Shelli Silver

Deputy Director- Health Plan Operations

CC:

Heather Ross, CMS

Kelsey Smyth, CMS



AHCCCS Quarterly Report
April 1, 2022 – June 30, 2022

August 2022

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April 1, 2022 – June 30, 2022

TITLE

Arizona Health Care Cost Containment System – AHCCCS

A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report

Demonstration Year: 39

Federal Fiscal Quarter: 3rd (April 1, 2022 – June 30, 2022)

INTRODUCTION

As written in Special Terms and Conditions (STCs), paragraph 37, the Arizona Health Care Cost Containment System (AHCCCS) submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the demonstration.

ENROLLMENT INFORMATION

Table 1 contains a summary of the number of unduplicated enrollees for April 1, 2022, through June 30, 2022, by population categories. The table also includes the number of voluntarily and involuntarily disenrolled members during this period.

Table 1

Population Groups ¹	Number Enrollees	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,314,582	4,867	5,706
Acute SSI	219,891	385	2,824
Prop 204 Restoration	508,980	2,192	3,499
Adult Expansion	190,628	685	737
LTC DD	36,673	60	115
LTC EPD	28,852	44	1,538
Non-Waiver	146,484	423	1,680
Total	2,446,090	8,656	16,099

Table 2 is a snapshot of the number of current enrollees (as of July 1, 2022) by funding categories, as requested by CMS.

¹ Data is loaded and reported 45 days after the end of the quarter. This report differs from previous reports in that data is unduplicated and is updated quarterly. Data that contains no Medicaid funding (state only) is excluded from this report.

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Table 2

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan ²	1,563,462
Title XXI funded State Plan ³	66,131
Title XIX funded Expansion ⁴	654,153
• Prop 204 Restoration (0-100% FPL)	508,804
• Adult Expansion (100% - 133% FPL)	145,349
Enrollment Current as of	7/1/2022

OPERATIONAL/POLICY DEVELOPMENTS/ISSUES

Waiver Update

Arizona’s 1115 Waiver demonstration was set to expire on September 30, 2021. However, on September 30, 2021, CMS approved a one-year extension of the previous period’s waiver while it continues to review the agency’s 2021-2026 waiver application. Because of the extension, it now becomes the 2022-2027 waiver application. AHCCCS is requesting a five-year renewal of Arizona’s demonstration project under Section 1115 of the Social Security Act. Arizona’s existing demonstration project is currently approved through September 30, 2022, and the application is therefore seeking a renewal period from October 1, 2022, through September 30, 2027. AHCCCS submitted a waiver application to CMS to renew its 1115 Waiver demonstration on December 22, 2020.

The current demonstration exempts Arizona from particular provisions of the Social Security Act and also includes expenditure authority permitting federal financial participation (FFP) for state expenditures that would not otherwise qualify for federal participation. Moreover, demonstration projects, including Arizona’s, must establish budget neutrality where Medicaid costs to the federal government are not expected to exceed in the absence of the demonstration.

CMS’s approval of Arizona’s demonstration renewal application will continue the success of Arizona’s unique Medicaid program and statewide managed care model, extending the authority for Arizona to implement programs including, but not limited to:

- Mandatory managed care,
- Home and community-based services for individuals in the Arizona Long Term Care System (ALTCS) program,
- Administrative simplifications that reduce inefficiencies in eligibility determination,

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

³ KidsCare.

⁴ Prop 204 Restoration & Adult Expansion.

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- Integrated health plans for AHCCCS members,
- Payments to providers participating in the Targeted Investments (TI) Program, and
- Waiver of Prior Quarter Coverage for specific populations.

In addition to renewing current waiver and expenditure authorities, AHCCCS is seeking to implement the following:

- Authority to enhance and expand housing services and interventions for AHCCCS members who are homeless or at risk of becoming homeless through the Housing and Health Opportunities (H2O) program,
- Authority to reimburse traditional healing services provided in, at, or as part of services offered by facilities and clinics operated by the Indian Health Service (IHS), a tribe or tribal organization, or an Urban Indian Health Program, and
- Authority to reimburse Indian Health Services and Tribal 638 facilities to cover the cost of adult dental services that are eligible for 100 percent FFP, that are in excess of the \$1,000 emergency dental limit for adult members in Arizona's State Plan, and that are in excess of the \$1,000 dental limit for individuals aged 21 or older enrolled in AHCCCS.

More details on Arizona's section 1115 Waiver renewal request (2022-2027), along with the proposal and supplemental documentation can be found on the [AHCCCS Section 1115 Waiver Renewal Request \(2021-2026\) web page](#).

On March 17 and March 24, 2020, AHCCCS submitted requests to the CMS administrator to waive certain Medicaid and Children's Health Insurance Program (CHIP) requirements in order to combat the continued spread of COVID-19. AHCCCS sought a broad range of emergency authorities to:

- Strengthen the provider workforce and remove barriers to care for AHCCCS members,
- Enhance Medicaid services and supports for vulnerable members for the duration of the emergency period, and
- Remove cost sharing and other administrative requirements to support continued access to services.

CMS approved components of Arizona's requests under the 1135 Waiver, Appendix K, and the State Plan. Information regarding the status of AHCCCS Emergency Authority Requests (for the federally declared COVID-19 public health emergency) is available on the [AHCCCS COVID-19 Federal Emergency Authorities Request web page](#).

Waiver Evaluation Update

In accordance with STC 59, AHCCCS must submit a draft Waiver Evaluation Design for its 1115 Waiver demonstration. In addition, AHCCCS is also required by CMS to submit an Interim Evaluation Report and a Summative Evaluation Report of the 1115 Waiver Demonstration by December 31, 2020, and March 30, 2023, respectively.

AHCCCS has contracted with the Health Services Advisory Group (HSAG) to serve as the independent evaluator for Arizona's 1115 Waiver Demonstration. In State Fiscal Year (SFY) 2019, AHCCCS worked with HSAG to develop Evaluation Design Plans for the following programs:

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- AHCCCS Complete Care (ACC) Program,
- Arizona Long Term Care System (ALTCS) Program,
- Comprehensive Health Plan (CHP),
- Regional Behavioral Health Authorities (RBHAs),
- Targeted Investments (TI) Program,
- Retroactive Coverage Waiver, and
- AHCCCS Works program.

On November 13, 2019, AHCCCS submitted an Evaluation Design Plan to CMS for Arizona’s demonstration components noted above, with the exception of AHCCCS Works. Additionally, HSAG later developed, and AHCCCS submitted, a separate evaluation design plan to CMS for the AHCCCS Works program. Arizona’s waiver evaluation design plan was approved by CMS on November 19, 2020.

As required by the STCs of Arizona’s approved demonstration, a submitted Interim Evaluation Report must discuss the evaluation progress and findings-to-date, in conjunction with Arizona’s demonstration renewal application. Arizona’s interim evaluation report was submitted with the waiver renewal application on December 22, 2020.

Due to data limitations and operational constraints imposed by the COVID-19 pandemic, Arizona’s previous interim evaluation report did not include data from all sources described in Arizona’s evaluation design plan. Qualitative data based on key informant interviews and focus groups, as well as beneficiary survey data, were not collected.

For this reason, an updated interim evaluation report was developed and completed by August 30, 2021. HSAG’s updated report contains results for additional years and includes findings-to-date from focus groups and qualitative interviews. In addition, the report used statistical techniques, where possible, to control for confounding factors and identify the impact of Arizona’s demonstration initiatives on access to care, quality of care, and member experience with care. On March 17, 2022, AHCCCS received feedback on the previously submitted revised Interim Report and some important considerations for the upcoming Summative Evaluation. AHCCCS, in conjunction with HSAG, addressed CMS comments and submitted the updated report on May 10, 2022. The report is currently under CMS’ review. Once approved by CMS, AHCCCS intends to post the updated interim evaluation report to its website.

On June 24, 2021, CMS withdrew the federal approval of the AHCCCS Works Community Engagement Program, which was pending implementation. The program is included in the 2022-2027 waiver renewal request and may be implemented in the future. Thus, the AHCCCS Works program will not be evaluated.

Additionally, AHCCCS worked with HSAG on developing an Evaluation Design Plan for the COVID-19 section of Arizona’s 1115 Waiver, in accordance with the guidance issued by CMS on COVID-19 Section 1115 Waiver Monitoring and Evaluation. AHCCCS submitted the design plan to CMS on July 31, 2021 and received CMS approval on February 1, 2022.

Targeted Investments Program Update

The AHCCCS Targeted Investments (TI) Program achieved the following accomplishments and activities during the period April 1, 2022, to June 30, 2022:

- Consulted with Arizona State University (ASU) to determine TI program Year 5 target adjustments.
- Collaborated with the Health Services Advisory Group (HSAG) on re-submitting the TI STC Statewide Measure revisions for Year 5 to CMS. HSAG calculated alternative performance measures, along with the applicable attribution methodology for each measure which were presented to CMS for approval.
- Enhanced the TI website to reflect the most recent updates including Year 5 performance measure timeline, and resources relevant to Year 6 participation.
- Connected with the National Committee for Quality Assurance (NCQA), AZ Community Health Associates and Terros Health to explore an opportunity to pilot innovative person-driven outcome measures and participate in a nationwide learning collaborative.
- Participated in a planning session for the SDOH presentation and panel discussion for the annual Phoenix Children's Care Network (PCCN) Provider Advisory Council (PAC) meeting.
- Assisted many participants with AHCCCS Provider Enrollment Portal (APEP) re-registration to comply with updated requirements, including hands-on technical assistance and coordination with the AHCCCS Provider Assistance Unit.
- Continued Quality Improvement Collaboratives (QIC) in collaboration with Arizona State University (ASU). Engaged participants in process improvement guidance and individual technical assistance. Topics included addressing specific participant questions regarding the performance, data harmonization (understanding the measures' algorithms), performance improvement (including root cause analysis), creating best-practice guides to summarize peer learning as identified through previous QIC meetings on each performance measure, and performance review (explaining the measures dashboard, and other resources).
- Continued Quality Improvement (QI) workgroups to provide systems and process flow analysis and using peer experience and process improvement principles to support improved measures of performance.

Legislative Update

The Arizona State Legislature passed a number of bills in the 2022 Legislative session that will have impacts on the agency including:

- HB 2157 (“supplemental appropriations; community-based services”) provided expenditure authority to AHCCCS for implementation of its ARPA HCBS spending plan for SFY 2022, with certain reporting requirements and other provisions. HB 2157 was signed into law and went into effect on 3/1/2022.
- HB 2551 (“CHIP; redetermination”) requires AHCCCS to allow a member who is determined eligible for CHIP to maintain coverage for a period of 12 months, unless the member exceeds

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the age of eligibility during that 12-month period, with additional specific exceptions. Contingent upon CMS approval.

- HB 2622 (“eligibility; AHCCCS”) requires AHCCCS to annually renew eligibility of individuals within the foster care system until age 26, with certain specific exceptions, contingent upon CMS approval.
- HB 2691 (“health care workforce; grant programs”) creates a variety of programs to promote healthcare workforce development, including certain grant programs to be administered through AHCCCS, including the Student Nurse Clinical Rotation and Licensed or Certified Nurse Training Pilot Program, and the Behavioral Health Pilot Program.
- HB 2862/HB 2863 (budget bills) contain appropriations for state agencies and programs. Specific to the AHCCCS Administration, the budget included the following items:
 - Additional funding for providers of services for individuals who are elderly and/or who have physical disabilities,
 - Additional funding for increased reimbursement rates for Behavioral Health Outpatient services and the Global Obstetric Package,
 - Expansion of covered services, to include chiropractic services and outpatient diabetes self-management training education, contingent upon CMS approval,
 - Funding to extend postpartum eligibility to 12 months, contingent upon CMS approval, and
 - Funding for critical IT projects, such as a system integrator for AHCCCS’ MES Modernization, and funding to come into compliance with federal interoperability regulations.

The Arizona Legislature adjourned Sine Die on June 24, 2022; the general effective date for legislation is September 24, 2022. The next legislative session will begin in mid-January of 2023.

State Plan Update

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

Table 3

SPA #	Description	Filed	Approved	Eff. Date
22-0008 Crisis Services	Adds clarifying language on crisis intervention services to the State Plan.	6/27/2022	NA	4/1/2022
22-0007 CHIP COVID Attestation	Attests to the state providing mandatory CHIP coverage of COVID-19 testing, vaccination and treatment services.	5/31/2022	7/13/2022	3/11/2021
22-0006 COVID Directed Payment	Provides for a COVID-19 related directed payment for select providers.	5/10/2022	7/29/2022	4/1/2022
22-0005 COVID Vaccine Coverage	Attests to the state providing mandatory coverage of the COVID-19 vaccine.	4/7/2022	6/29/2022	3/11/2021

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22-0004 COVID Treatment	Attests to the state providing mandatory coverage of COVID-19 treatment.	4/7/2022	6/24/2022	3/11/2021
22-0003 COVID Testing	Attests to the state providing mandatory coverage of COVID-19 testing.	4/7/2022	6/24/2022	3/11/2021
21-012 DSH Budget	Updates the Disproportionate Share Hospital (DSH) budget in the state plan.	9/27/2021	5/17/2022	10/1/2021
20-0019 GF GME	Updates the State Plan with the amounts and methodology related to the GME program General Fund dollars.	9/30/2020	5/10/2022	9/30/2020
20-0017 DSH Pool 4 Reallocation	Describes the reallocation of DSH Pool 4 Funds.	9/30/2020	4/12/2022	9/30/2020

CONSUMER ISSUES

Table 4 summarizes advocacy issues received by the Office of Client Advocacy (OCA) for the quarter April 1, 2022 – June 30, 2022. The originators of the issues are identified in Table 5.

Table 4

Advocacy Issues ⁵	April	May	June	Total
Billing Issues <ul style="list-style-type: none"> ● Member reimbursements ● Unpaid bills 	5	4	2	11
Cost Sharing <ul style="list-style-type: none"> ● Co-pays ● Share of cost (ALTCS) ● Premiums (KidsCare, Medicare) 	1	0	1	2
Covered Services	4	10	3	17
ALTCS <ul style="list-style-type: none"> ● Resources ● Income ● Medical 	2	1	0	3
DES <ul style="list-style-type: none"> ● Income ● Incorrect determination ● Improper referrals 	19	8	11	38
KidsCare <ul style="list-style-type: none"> ● Income 	0	0	0	0

⁵ Categories of good customer service, bad customer service, documentation, policy, and process are captured under the category it may relate to.

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<ul style="list-style-type: none"> ● Incorrect determination 				
SSI/Medical Assistance Only <ul style="list-style-type: none"> ● Income ● Not categorically linked 	2	7	5	14
Information <ul style="list-style-type: none"> ● Status of application ● Eligibility criteria ● Community resources ● Notification (did not receive or didn't understand) 	59	28	50	137
Medicare <ul style="list-style-type: none"> ● Medicare coverage ● Medicare Savings Program ● Medicare Part D 	2	3	0	5
Prescriptions <ul style="list-style-type: none"> ● Prescription coverage ● Prescription denial 	2	1	0	3
Fraud-Referred to Office of Inspector General (OIG)	2	1	1	4
Quality of Care-Referred to Division of Health Care Management (DHCM)	15	12	11	38
Total	113	75	84	272

Table 5

Issue Originator ⁶	April	May	June	Total
Applicant, Member, or Representative	67	55	39	161
CMS	2	3	0	5
Governor's Office	18	4	6	28
Ombudsmen/Advocates/Other Agencies	22	9	37	68
Senate & House	4	4	2	10
Total	113	75	84	272

⁶ This data was compiled from the OCA logs from the OCA Client Advocate and the Member Liaison.

OPT-OUT FOR CAUSE

Attachment 1 summarizes the opt-out requests filed by individuals with a Serious Mental Illness (SMI) designation in Maricopa County and greater Arizona, broken down by months, MCOs, counties, reasons for opt-out requests, opt-out outcome, and post-appeal opt-out outcomes.

QUALITY ASSURANCE AND MONITORING ACTIVITY

Attachment 2 describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in the Special Terms and Conditions of the State's Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements, and Managed Care Organization (MCO) monitoring and compliance.

ENCLOSURES/ATTACHMENTS

Attachment 1: SMI Opt-Out for Cause Report

Attachment 2: Quality Assurance and Monitoring Activities

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

STATE CONTACT(S)

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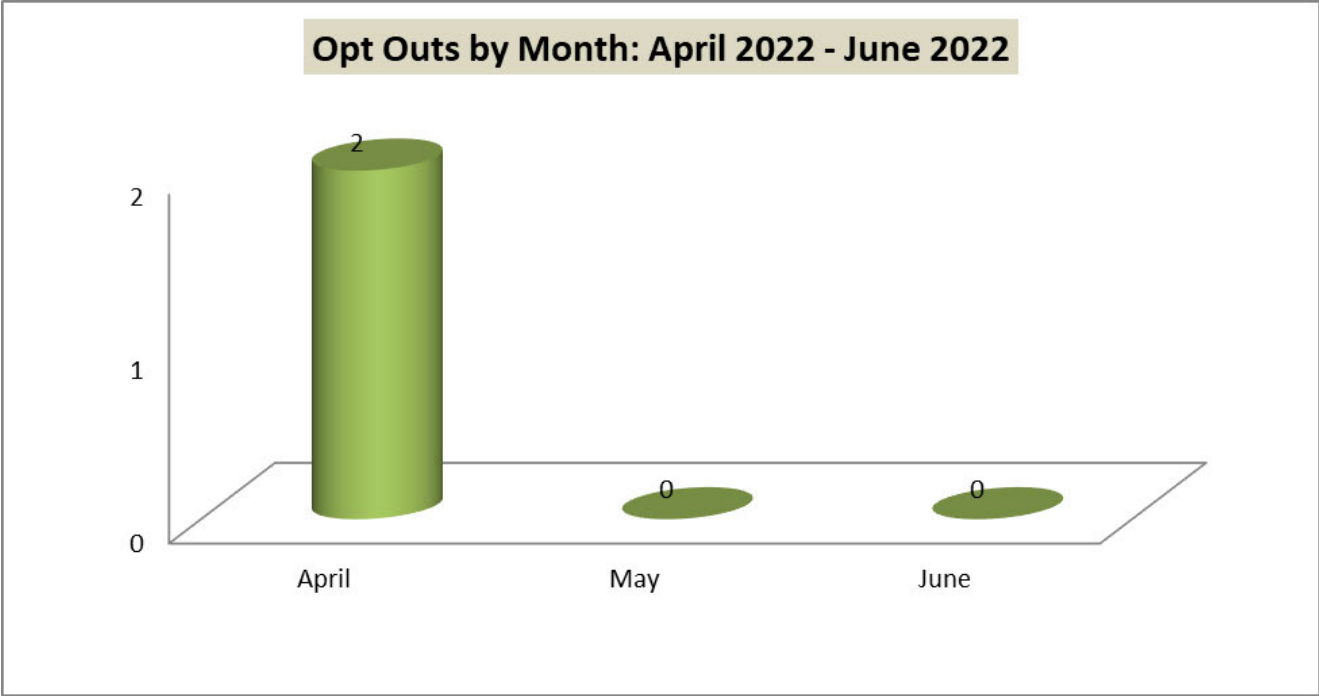
DATE SUBMITTED TO CMS

September 7, 2022

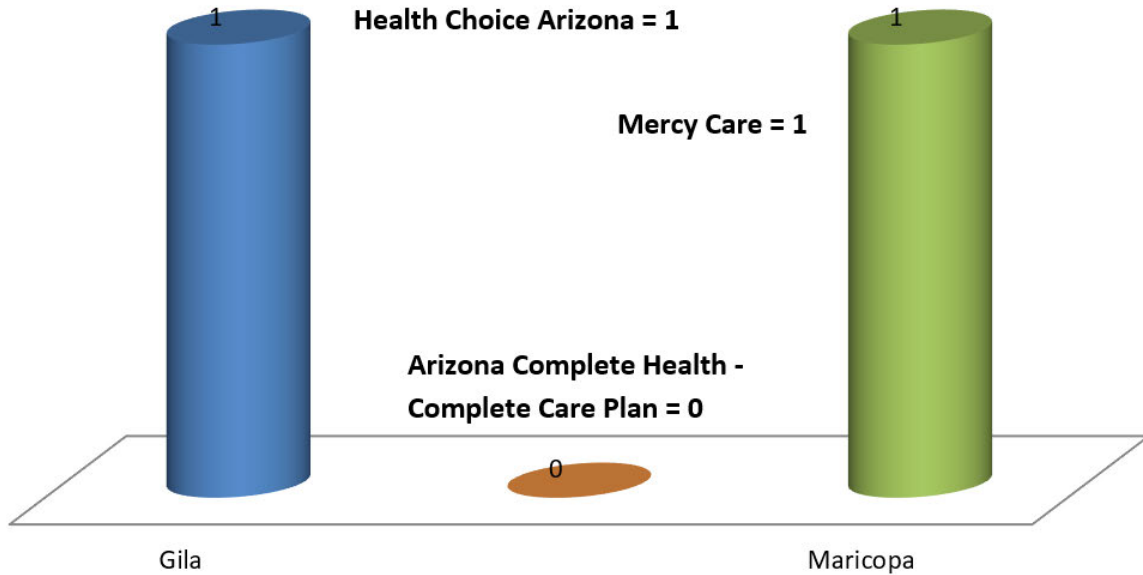
ATTACHMENT 1

**SMI Opt Out for Cause Quarter 3
(April 1, 2022 – June 30, 2022)**

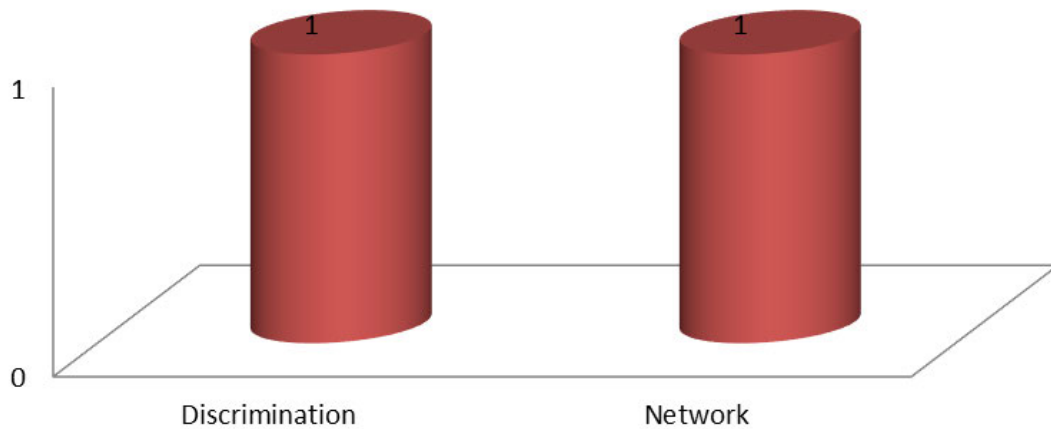
Opt Out Requests for Quarter 3, 2022 (April 1, 2022 – June 30, 2022)



Number of Opt Outs by County/Health Plan (April 2022 - June 2022)

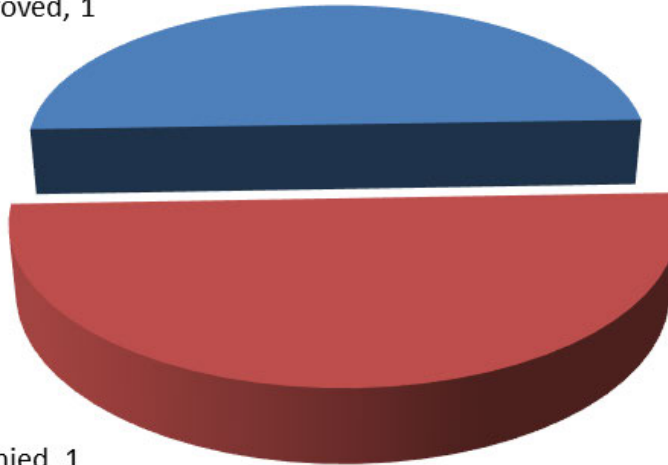


Reason for Opt Out (April 2022 - June 2022)



**Initial Opt Out Decisions
 (April 2022 - June 2022)**

Approved, 1

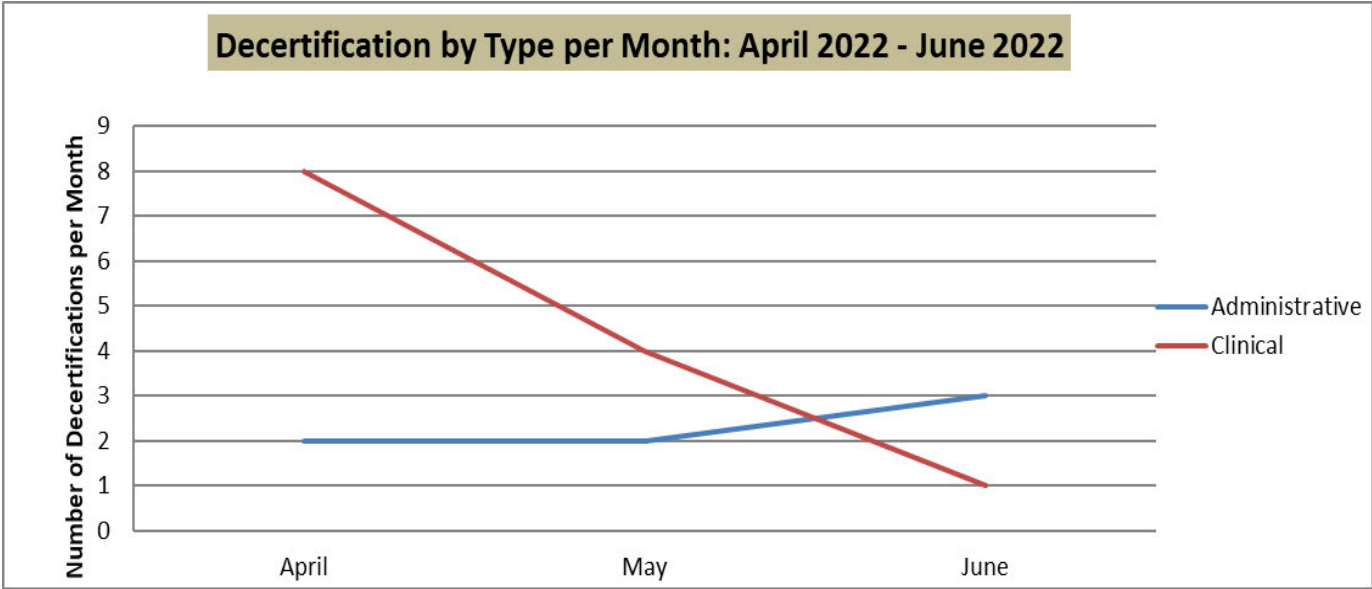


Denied, 1

Appeal Outcomes (April 2022 - June 2022)

Approved	Withdrawn	Denied	Pending
0	0	0	0

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ATTACHMENT 2
Quality Assurance And Monitoring Activity Quarter 3
(April 1, 2022 – June 30, 2022)

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INTRODUCTION

This report describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in Special Terms and Conditions of the State's Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements as well as Managed Care Organization (MCO) monitoring and compliance. The main report headers are indicated in blue with related sub-headers in maroon. The sections under the maroon sub-headers contain quarterly-specific updates. AHCCCS' Division of Health Care Management (DHCM), including Operations, Compliance, Quality Management (QM), Performance Improvement (PI), Medical Management (MM), Maternal, Child Health/Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT), Integrated System of Care, and Payment Modernization oversee the reported activities.

MANAGED CARE PROGRAMS

AHCCCS' maintains its overall objectives for its Managed Care Demonstration programs, AHCCCS Complete Care (ACC), Arizona Long Term Care System (ALTCS) for the Elderly and/or Physically Disabled (EPD) and Developmentally Disabled (DD), Comprehensive Health Plan for children in the foster care system (CHP), and Regional Behavioral Health Authorities (RBHAs). These objectives include maintaining and improving care coordination among primary care and behavioral health providers; maintaining and enhancing access to care and quality of care; improving health outcomes and member satisfaction as well as quality of life for members; and continuing to operate as a cost-effective managed care delivery model. AHCCCS has engaged in a multi-year effort to reduce delivery system fragmentation at all levels through the transformational initiative of integrating physical and behavioral health services under the same MCO in order to enhance care management and quality of care across the entire continuum of care. AHCCCS' objectives are further supported by evidence of integration's benefits (including whole-person care, increased care coordination, simplifying a complex health care system for members and providers, and resulting in improved health outcomes). AHCCCS is continually reviewing opportunities to improve the effectiveness and efficiency of Arizona's health care delivery system, as well as the methods utilized to promote optimal health for members.

DELIVERY SYSTEM INITIATIVES, INNOVATIONS, AND IMPROVEMENTS

AHCCCS is committed to the development of a thoughtful, data-informed delivery system that incorporates CMS priorities and AHCCCS' business needs and promotes optimal health outcomes for all members. Throughout AHCCCS, various teams undertake extensive efforts to promote delivery system innovation and improvement for internal and external processes.

INITIATIVES

Abuse and Neglect Prevention Task Force

AHCCCS continues to work with the Sonoran University Center for Excellence in Developmental Disabilities (UCEDD) to evaluate the impact of the implemented recommendations from the Abuse and Neglect Prevention Task Force. During the third quarter, AHCCCS reviewed the results of a Member & Family Survey that was designed and distributed by AHCCCS and the MCOs, including DES/DDD. Members and family members receiving long term care services were the focus of the survey analysis. The survey response was lower than anticipated, with only 282 responses from both members and family members, with two thirds of the members being in home-based care and one third in residential facilities. Despite the low response rate, AHCCCS will utilize the results of the survey to plan for future activities and areas of focus to educate family members on the prevention of abuse, neglect, and exploitation.

In addition to the survey, UCEDD finalized an independent evaluation report to comprehensively evaluate the implementation of the recommendations from the Abuse and Neglect Prevention Task Force. The report provides findings and recommendations for AHCCCS and our sister state agencies to consider as the state continues to focus on the prevention of abuse, neglect, and exploitation.

ARPA

In January 2022, CMS granted approval of Arizona's American Rescue Plan Act of 2021 (ARPA) (Pub. L. 117-2) Home and Community Based Services (HCBS) Spending Plan. This allowed the Agency to begin implementing activities outlined in the Spending Plan and to qualify for a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain HCBS Medicaid expenditures, provided such funds are expended during the approved timeframe. While CMS has approved an expenditure authority through March 2025 (SMD #22-002), AHCCCS has opted to adhere to a shorter extension through September 30, 2024 or until funds are expended, whichever comes first.

Arizona has identified two critical priorities in its Spending Plan: 1) Strengthening and Enhancing Arizona's HCBS System of Care; and 2) Advancing Technology to Support Greater Independence and Community Connection. Each activity identified in the State's Spending Plan supports these priorities, resulting in member-centric strategies that will serve as a roadmap for the State's use of these dollars. Further, the State's Spending Plan activities are designed to support transformational change of the delivery system, leading to enhancements in care delivery to individuals who are accessing general mental health and substance use disorder (SUD) services. Arizona has identified four key populations at the center of the efforts outlined in this spending plan, specifically seniors, individuals with disabilities, individuals with an SMI designation, and children with behavioral health needs.

AHCCCS obtained expenditure authority from the Arizona State Legislature; upon approval, AHCCCS immediately released one-time directed payments to providers for the purposes of strengthening their workforce and enhancing HCBS. Based on stakeholder feedback, these funds provided immediate support for HCBS direct care workers to ensure effective and

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efficient service delivery. AHCCCS has also begun communicating with external stakeholders, including State associations, national organizations, and community colleges, to develop partnerships that will assist with the implementation of several initiatives identified in the Spending Plan. The State is in the process of defining formal relationships with these stakeholders to operationalize activities and support the timely completion of Spending Plan initiatives. AHCCCS will continue diligent and thoughtful implementation of its Spending Plan in a manner that aligns with existing program goals and that supports long-term innovative growth for HCBS populations.

Behavioral Health Clinical Chart Audits

First reports from the MCOs were due in April 2022. Initial reports from several MCOs were received by the required April due date, but audits by all MCOs will be ongoing through September of 2022. Final results from all MCOs will be reported in October 2022.

The clinical chart audit structure included four sections with each section comprising individual element scores, as well as an overall section score. Minimum standards for acceptance for either an individual or overall score were set at 85 percent. The audit sections include:

1. Assessment
2. Service Plan
3. Clinical Chart Documentation
4. Cultural Competency

Results so far are preliminary and based on small sample sizes due to continuing audit efforts. As identified in previous CMS quarterly reports, this audit was substantially revised to include a greater focus on member outcomes, rather than process-oriented activities. Due to the change in focus, the lack of audits conducted during the pandemic, and continuing efforts to reduce provider burden during the remainder of the pandemic, this initial round of audits is being conducted as a re-initiation process. After the initial round of audits, internal discussions at AHCCCS, as well as collaborative discussions with the MCOs, will take place to identify processes needed to improve audit outcomes.

Child Adolescent Level of Care Service Intensity Utilization System (CALOCUS) and Early Childhood Service Intensity Instrument (ECSII) Tools

AHCCCS implemented use of the CALOCUS on October 1, 2021. Providers have been utilizing a portal developed to complete training for tool usage and to input CALOCUS level of care scores. AHCCCS began monitoring general completion of training and use of the tool in January 2022. During the third quarter, AHCCCS began monitoring providers more specifically, to ensure trainings are completed by all providers serving children. Further, providers are being monitored to determine frequency of use, and to identify prevalence of children with a higher intensity of need (as evidenced by a level of care score equal to 4, 5 or 6). Trended results are shared with MCOs and technical assistance is offered as necessary to MCO-contracted child-serving providers.

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A significant achievement during the third quarter was the finalization of an agreement with the American Academy of Child and Adolescent Psychiatrists (AACAP) to implement use and training of the ECSII tool. Use of this tool will offer a standardized method of assessing children birth through age five, who are at the highest need for intervention. The ECSII is similar to the CALOCUS and with implementation of the ECSII, AHCCCS will have a full continuum of standardized tools to utilize with children from birth to age 18.

Collaboration with Arizona Department of Education (ADE) and Arizona Department of Health Services (ADHS) for Behavioral Health in Schools

AHCCCS collaborates with ADE and ADHS on innovative projects that bring together behavioral health and education.

During the COVID-19 pandemic, behavioral health providers continue to find innovative ways to meet students in locations that best serve the needs of the students. From April 1, 2022, through June 30, 2022, 1,309 referrals, from 752 schools in Arizona, were provided for behavioral health services. Services are provided via telehealth, in the home, in clinics, and at schools where available.

The Children's Behavioral Health Services Fund (CBHSF) assists with behavioral health services for uninsured and underinsured children who are referred through an educational institution. Schools that meet the requirements of the law are able to refer students for behavioral health services, regardless of a student's Medicaid eligibility. Of the 1,309 referrals from April 1, 2022, through June 30, 2022, 154 were referred to receive services from the CBHSF. The legislation for CBHSF requires AHCCCS to conduct a survey of services provided through this funding source. As of July 11, 2022, 80 surveys have been completed by families that provide information regarding behavioral health services received and thus far, the surveys have indicated optimal satisfaction.

Clinical and Operational Significant Policy Changes

In quarter three, the following significant Policy revisions were completed:

1. AHCCCS Medical Policy Manual (AMPM) Policy 430, EPSDT, was revised to include coverage for postpartum depression screening of the biological parent at the first, second, fourth, and six-month EPSDT visit; and the addition of suicide/depression screening at the EPSDT visit for ages 12 through 20.
2. AMPM Policy 431, Oral Health Care for EPSDT-aged Members, was revised to include the coverage for a dental home visit as early as six months of age or at first primary tooth eruption.
3. AMPM Policy 910, Performance Improvement Program Scope, was revised to clarify expectations and requirements found in Contract and/or AMPM Chapter 900 as it pertains to the program scope.

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4. AMPM Policy 980, Performance Improvement Projects, was revised to provide additional clarity related to Performance Improvement Project (PIP) expectations and reporting requirements, including new language specific to Rapid Cycle PIPs.
5. AMPM Policy 1240-G, Private Duty Nursing and Licensed Health Aide Services, was revised to include the definition and role of the newly established Licensed Health Aide (LHA) service.
6. AHCCCS Contractor Operations Manual (ACOM) Policy 429, Direct Care Worker (DCW) Training and Testing Program, was revised to streamline the auditing process including requiring a desk audit at the point of application for training programs and allowing a two-year review cycle for compliant programs. Auditing exemptions were removed for educational institutions and programs licensed by the state board of private post-secondary education and also created reciprocity for Assisted Living Caregivers who want to become DCWs.

NCQA MCO Accreditation

AHCCCS is continuing its efforts related to MCO accreditation and comparing the NCQA Health Plan Accreditation standards, NCQA Medicaid Managed Care Toolkit, as well as current contractual and policy requirements, to ensure maximum alignment of regulatory oversight, increase opportunities for non-duplication as permitted by 42 CFR 438.360, and to leverage data validation tools. AHCCCS' MCOs are simultaneously prioritizing initial NCQA MCO accreditation efforts and raising questions and considerations for the Agency as they work through their processes. Quarter three accreditation activities included identification of revisions needed to AHCCCS policies that would further increase alignment with NCQA standards. Additionally, the Arizona Health Care Association is working with AHCCCS MCOs to review all current AHCCCS MCO deliverables against NCQA standards to submit recommendations for alignment and non-duplication to AHCCCS.

Innovative Approaches and Continuous Quality Improvement

Medicaid Innovation Collaborative (MIC)

The Medicaid Innovation Collaborative (MIC) provides technical assistance and research support to Medicaid agencies to help them identify areas of improvement and advance care for vulnerable populations. This year's collaborative focuses on enhancing care for adolescents utilizing behavioral health and crisis services. Throughout the third quarter, MIC interviewed members, providers, health plans, community stakeholders, as well as AHCCCS staff to determine gaps in our system. MIC provided a landscape report with the results of the interviews and an outline of potential areas of improvement. Based on the landscape report, AHCCCS and MIC drafted a Request for Information (RFI) to explore vendors who provide technical solutions to fill system gaps and better support adolescents seeking behavioral health and crisis services. In May, AHCCCS and MCO staff reviewed the RFI responses and identified five unique vendors to present an overview of their services. AHCCCS will use the information from the RFI and vendor presentations to determine next steps for enhancing care for adolescent members. The research and support provided by the MIC has been valuable and AHCCCS plans to use the information to support continuous quality improvement efforts.

MANAGED CARE ORGANIZATION MONITORING AND COMPLIANCE

AHCCCS monitors and evaluates availability of services and access to care, organizational structure and operations, clinical and non-clinical quality measurement, and performance improvement outcomes through several methods including:

1. Operational Reviews
2. Review and Analysis of Periodic Monitoring Reports
3. Performance Measures
4. Performance Improvement Projects
5. Data Analysis
6. Provider Network Time and Distance Standards Monitoring
7. Appointment Availability, Monitoring, and Reporting
8. Case Management Ratio
9. Assessment of Fidelity to Service Delivery for Individuals with a Serious Mental Illness Designation
10. Surveys

A number of Contract deliverables are used to monitor and evaluate MCO compliance and performance. AHCCCS reviews, provides feedback, and approves these reports as appropriate.

Monitoring and Compliance

Performance Measures

Contract Year Ending (CYE) 2022 Performance Measure Validation activities were initiated by the agency's External Quality Review Organization (EQRO). These activities are intended to yield MCO and line of business performance measure rates reflective of Calendar Year (CY) 2021 performance. AHCCCS intends to utilize national benchmark data (i.e., CMS Medicaid median and NCQA HEDIS® Medicaid mean) to evaluate the CY 2021 MCO performance.

Performance Measure Monitoring Report

AHCCCS requires all MCOs to submit quarterly Performance Measure Monitoring Reports. AHCCCS utilizes this deliverable to monitor MCO performance. During the quarter, the first CY 2022 quarterly reporting submission came due. AHCCCS will continue to review, provide feedback, and approve these reports, as appropriate.

ACC-RBHA Competitive Contract Expansion (CCE) Readiness Activities

In November 2021, AHCCCS awarded select ACC MCOs an expanded contract to provide coverage to individuals with a Serious Mental Illness (SMI) designation effective October 1, 2022. Services are currently provided by contracted MCOs known as Regional Behavioral Health Authorities (RBHAs). Effective October 1, 2022, RBHAs will be called ACC-RBHAs (AHCCCS Complete Care Contractors with Regional Behavioral Health Agreements).

The awarded ACC-RBHAs are Mercy Care in the Central Geographic Service Area (GSA), Arizona Complete Health-Complete Care Plan in the South GSA, and Care1st Health Plan in the North GSA. This will result in members who are currently enrolled with the Health Choice RBHA in the North GSA transitioning to Care1st Health Plan ACC-RBHA on October 1, 2022. Approximately 6,100 members will change their health plan to Care1st as a result of this change. Additionally, the current GSAs will be aligned to match the ACC and ALTCS-EPD GSAs.

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Gila County will move from the North GSA to the Central GSA, and Pinal County will move from the South GSA to the Central GSA; thus, Central will expand from one county to three (Maricopa, Gila, and Pinal). Approximately 1,900 members will transition to Mercy Care ACC-RBHA as a result of this change. An additional change that will be implemented October 1, 2022, as part of the CCE solicitation includes the ACC-RBHAs selecting a single crisis phone line vendor to serve statewide. Currently, each RBHA is responsible for operating a Crisis Phone Line in their assigned GSA. Existing statewide crisis telephone numbers will remain for at least one-year after the October 1, 2022 transition date.

In preparation for the upcoming transition and to ensure AHCCCS continues supplying considerable outreach to stakeholders in efforts to provide education regarding these upcoming changes. In quarter three, the following stakeholder presentations have been provided:

1. 4/13/22 –State Medicaid Advisory Committee (SMAC)
2. 5/16/22 and 6/20/22 – AHCCCS Hot Topics Forum
3. 5/19/22 – AHCCCS Community Quality Forum

Readiness activities for the ACC-RBHAs, as required under 42 CFR 438.66(d), have also begun in development of Readiness Assessment Tools focusing on the following review areas:

1. Operations/Administration
2. Delivery Systems
3. Medical Management
4. Behavioral Health
5. Quality Management and Quality Improvement
6. Financial Management
7. EPSDT and Maternal and Child Health
8. Member Services

In April, AHCCCS began meeting with existing RBHAs and ACC-RBHA plans to discuss transition of member data for members who will be transitioning to a new MCO on October 1, 2022. These discussions are set to continue up to and through the transition date to ensure ACC-RBHA plans have valuable information on members being transitioned and can continue serving these members without disruption in care.

In May, AHCCCS leadership began meeting with each ACC-RBHA for updates on readiness progress. Items discussed in these meetings include network updates, staffing updates, communication plan, and discussion of any identified risks and/or barriers to implementation. To date, no risks or barriers have been identified.

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In June, AHCCCS continued to meet with the ACC-RBHAs for ongoing readiness update meetings, as well as to continue the discussions around transition of member data.

MCO Operational Reviews

AHCCCS conducts compliance reviews (i.e., Operational Reviews [ORs]) to evaluate MCO compliance related to access, MCO compliance with availability and quality of services, including implementation of policies, procedures, and progress toward plans of correction to improve quality of care and service for members. A complete OR is conducted every three years. Historically, ORs have been conducted with a combination of onsite and desk reviews. However, due to the COVID-19 Public Health Emergency, these reviews have been completed via desk review and virtual meetings with the MCOs.

During quarter three, AHCCCS conducted the following ORs:

1. April 2022 - Molina Complete Care, ACC
2. June 2022 - Banner-University Family Care, ACC

Request for Proposal (RFP) - SMI Eligibility Determinations

AHCCCS is continuing its activities for development of an RFP to solicit for a vendor that will perform eligibility determinations for individuals who may be living with an SMI. The current contract with vendor Solari Crisis and Human Services expires on September 30, 2023, with the new contract beginning on October 1, 2023. Presentations to solicit input from stakeholders regarding the current SMI eligibility determination process began in April 2022. AHCCCS is also evaluating the benefits and limitations of incorporating a standardized Serious Emotional Disturbance (SED) eligibility determination process for youth up to the age of 18, similar to the SMI eligibility determination process, into this procurement. In quarter three AHCCCS began soliciting stakeholder feedback regarding their experience with the current SED process and recommendations regarding the adoption of an SED eligibility determination process.

In quarter three, the following stakeholder presentations have been provided:

1. 4/12/22 - AHCCCS EPD Case Management Meeting
2. 4/13/22 – State Medicaid Advisory Committee (SMAC)
3. 4/15/22 and 5/20/22 – AHCCCS Behavioral Health Planning Council
4. 4/19/22 and 5/02/22 – AHCCCS OIFA Advisory Council
5. 4/26/22 – AHCCCS MCO Update Meeting
6. 5/02/22 – AHCCCS Community Forum
7. 5/12/22 – AHCCCS Tribal Consultation
8. 5/16/22 and 6/20/22 – AHCCCS Hot Topics Forum
9. 5/20/22 – AHCCCS Medical Directors Meeting
10. 5/27/22 – Arizona Council of Human Service Providers
11. 6/10/22 – TRBHA Quarterly Meeting

ATTACHMENT 3

Quarterly Random Moment Time Study Report Quarter 3
(April 1, 2022 – June 30, 2022)

AHCCCS Quarterly Report
April 1, 2022 – June 30, 2022

**Arizona Health Care Cost Containment System (AHCCCS) Quarterly
Random Moment Time Study Report**

April 2022 - June 2022

The April through June 2022 (AJ22) quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative service, 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 service, direct service, and personal care time study staff pools at the beginning of the quarter.

Staff Pool	April 2022 - June 2022
Administrative	2,558
Direct Service	3,391
Personal Care	5,269

Sampling Requirements

To achieve statistical validity, maintain program efficiencies, and reduce unnecessary district administrative burden, the Arizona Health Care Cost Containment System (AHCCCS) implements a consistent sampling methodology for all activity codes and groups to be used. AHCCCS has constructed the RMTS sampling methodology to achieve a level of precision of +/- 2% (two percent) with a 95% (ninety-five percent) confidence level for activities.

Statistical calculations show that a minimum sample of 2,401 completed moments each quarter, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 3,839,197. Additional moments are selected each quarter to account for invalid moments.

Moment Response

For each of the three cost pools, more moments are generated than are needed for statistical validity, as allowed by the Time Study Implementation Guide approved by CMS. This oversample allows for the occurrence of invalid moments, which are observations that cannot be used for analysis (i.e., moments selected for staff no longer at the school district, who changed jobs and are no longer in an allowable position and their old position has not been filled or were not working and were unpaid).

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The tables below demonstrate that the administrative service, direct service, and personal care time study achieved statistical validity in the AJ22 quarter. The response rate reflects the number of valid responses received divided by the total number of valid moments generated per cost pool per quarter.

Administrative Service

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
April 2022 – June 2022 Total Moments	2,900	2,628	2,597	98.82%

Direct Service

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
April 2022 – June 2022 Total Moments	3,300	2,728	2,707	99.23%

Personal Care

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
April 2022 – June 2022 Total Moments	3,500	2,827	2,755	97.45%

As these results illustrate, the administrative service, direct service, and personal care time study reached statistical validity for the quarter with more than 2,401 valid responses received.