



# AHCCCS Update

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AHCCCS Tribal Consultation Meeting  
October 27, 2010  
Sells, Arizona



# Topics to Cover

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- Tribal Consultation Policy
- Budget
- Health Care Reform



## Tribal Consultation

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- AHCCCS Tribal Consultation Policy

*AHCCCS and Indian Tribes in the State of Arizona share the common goal of decreasing health disparities and maximizing access to critical health services. In order to achieve this goal, it is essential that the AHCCCS Administration and Indian Tribes engage in open, continuous, and meaningful consultation on a government-to-government basis.*

- Agency has regular Tribal Consultations

- 9 in current Calendar Year – Second meeting on Tribal lands
- 7 in 2009
- 6 from 2006-2008

- All information from previous meetings is available on web



# American Indians in AZ & AHCCCS

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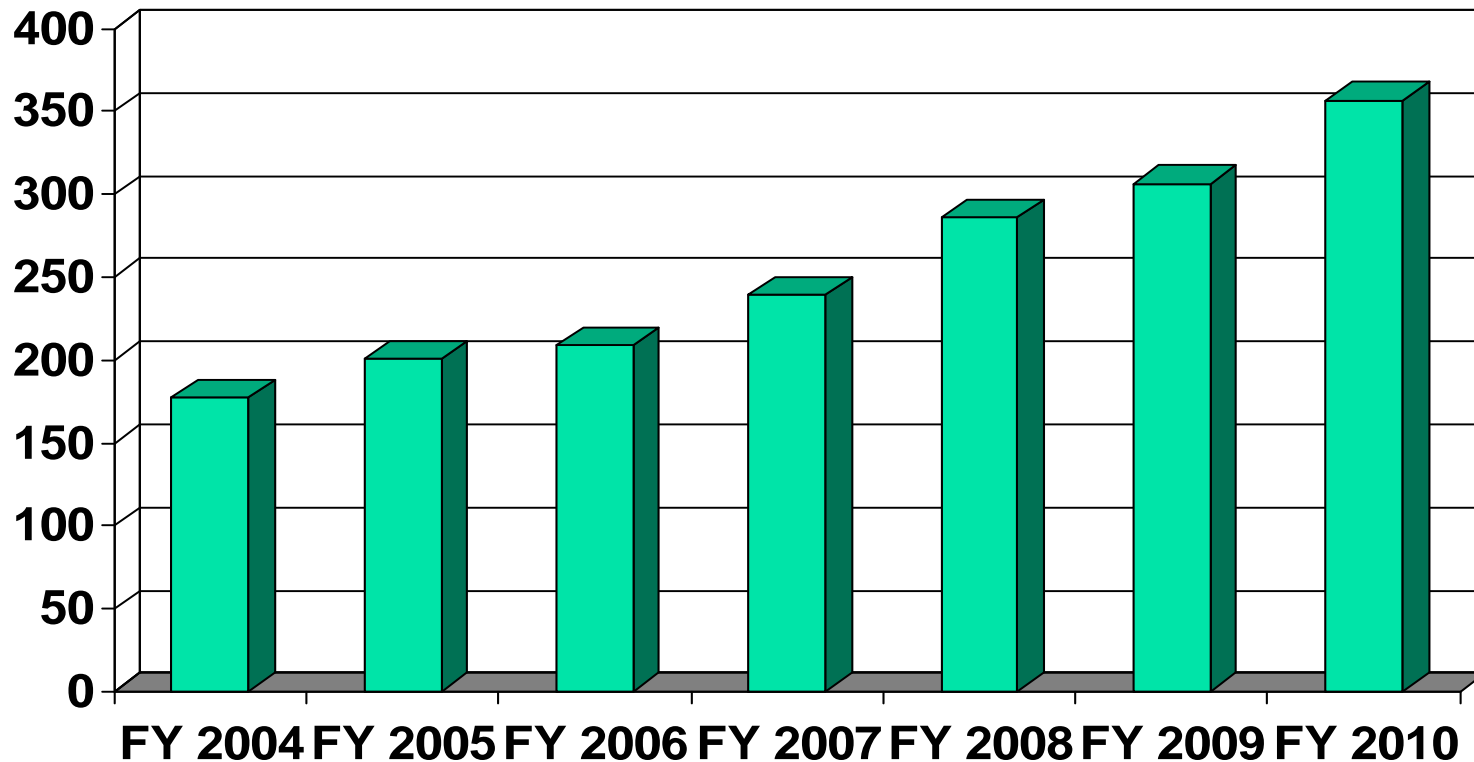
## Arizona Residents

- Arizona population: 6,343,952
- 285,183 AI Arizona residents

## AHCCCS Members

- AHCCCS members: 1,374,653
- 141,432 AI AHCCCS members

# 100% Federal Indian Health Service & Tribal Facility Payments (In Millions)

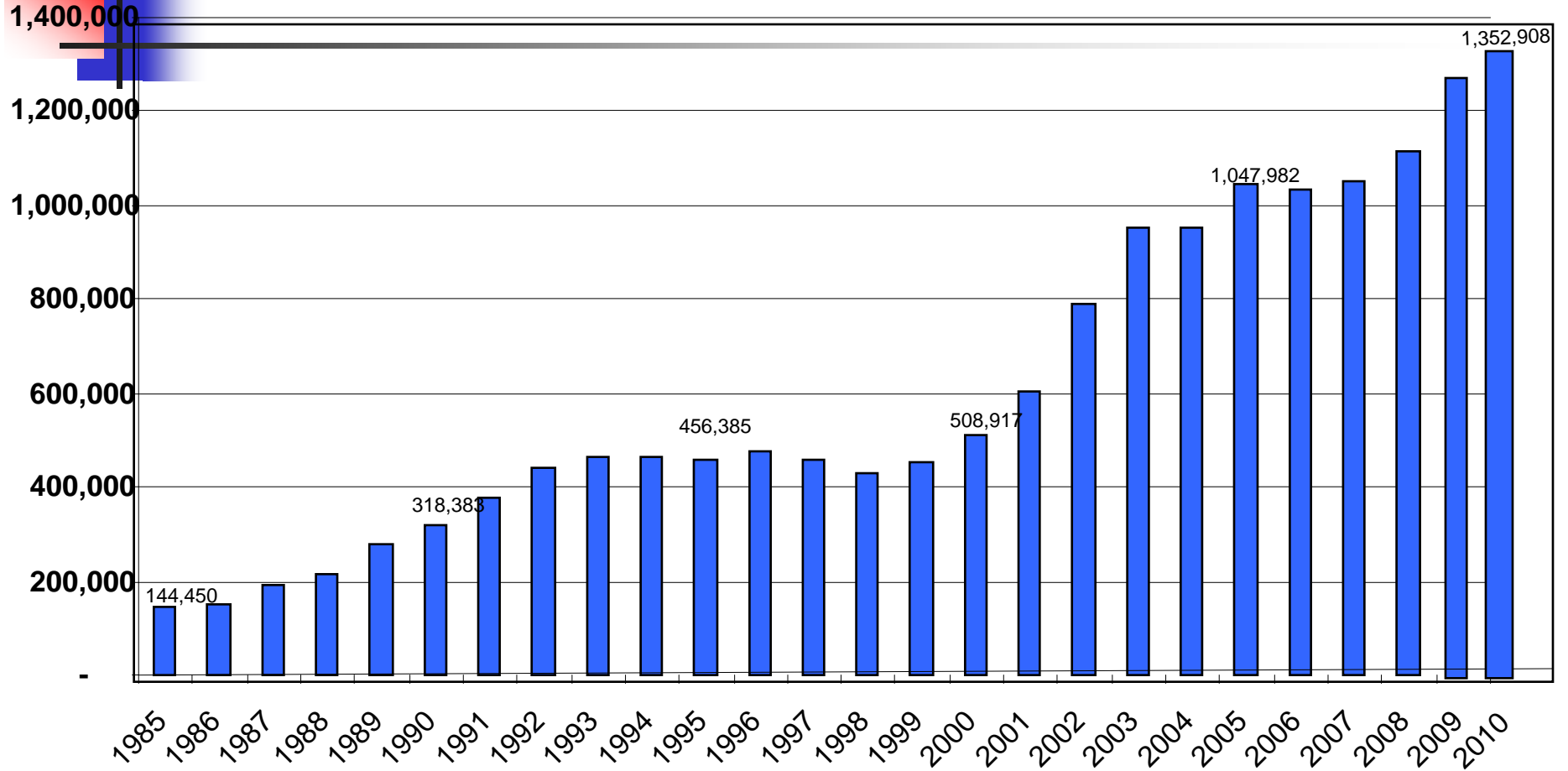


# AHCCCS Population as of July 1, 2010

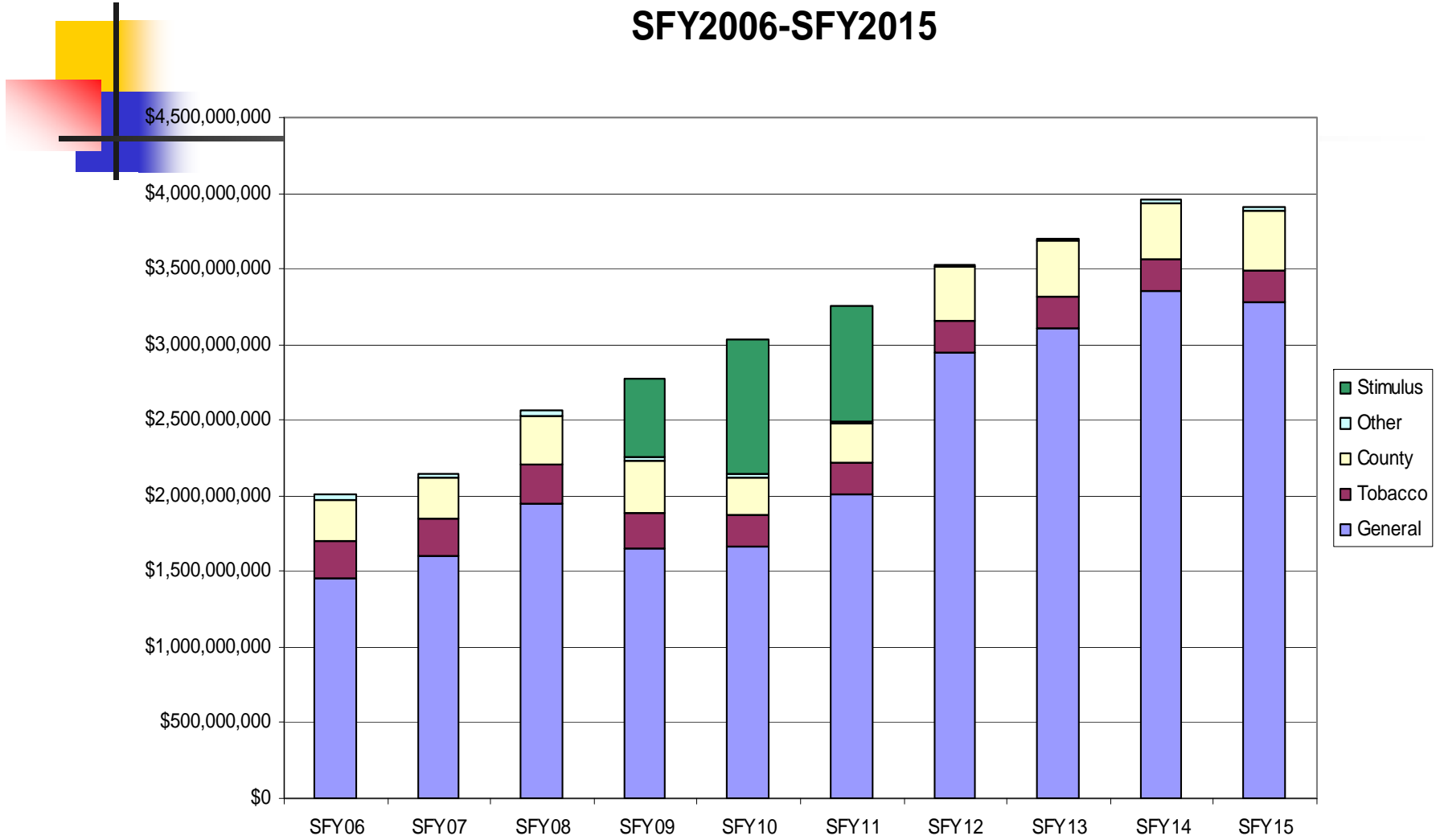


AHCCCS

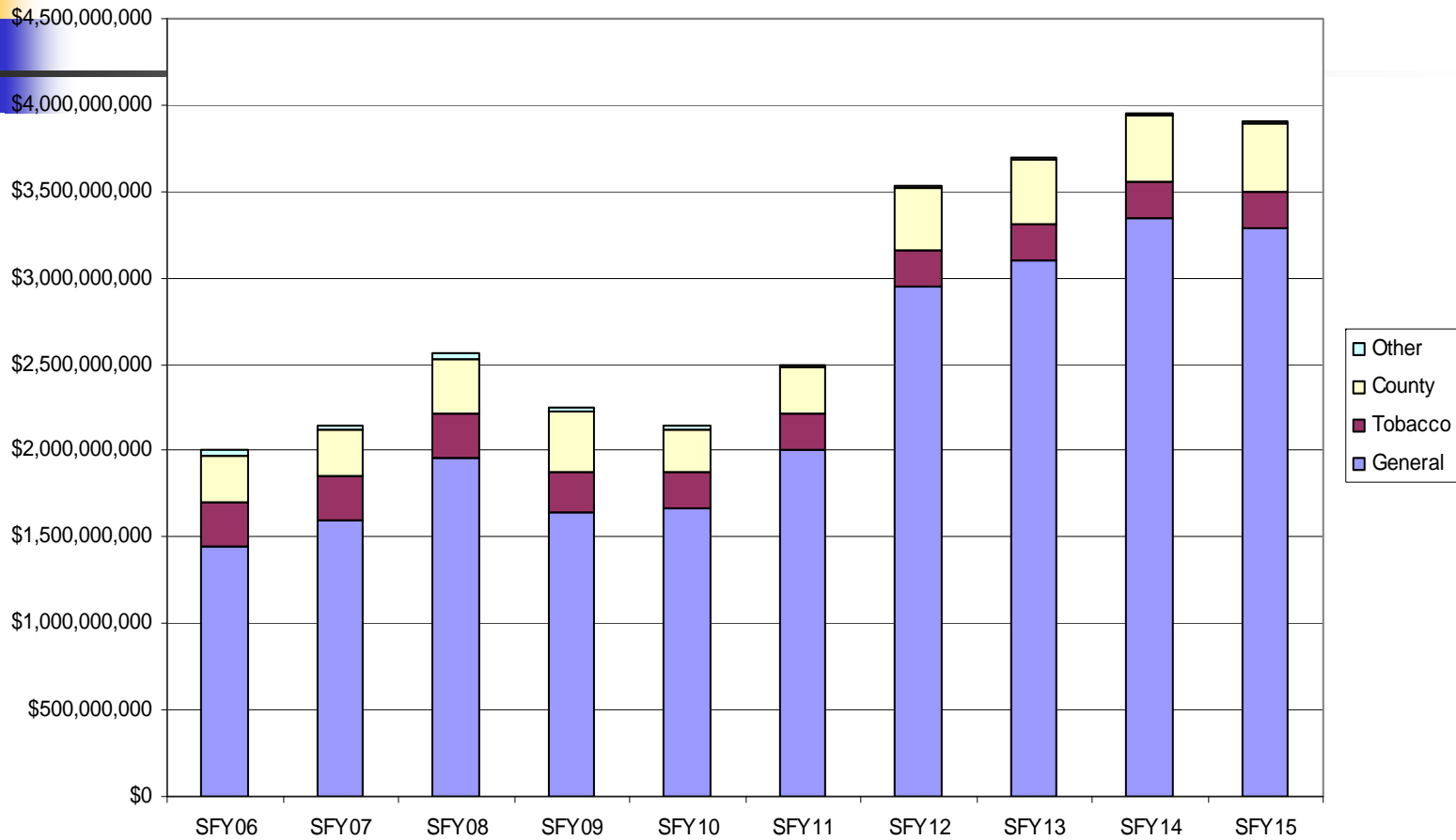
1985 – 2010



# AHCCCS/TOTAL MEDICAID STATE MATCH SFY2006-SFY2015

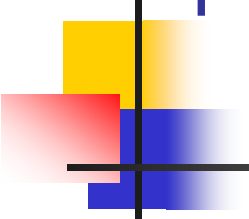


# AHCCCS/TOTAL MEDICAID STATE MATCH SFY2006-SFY2015

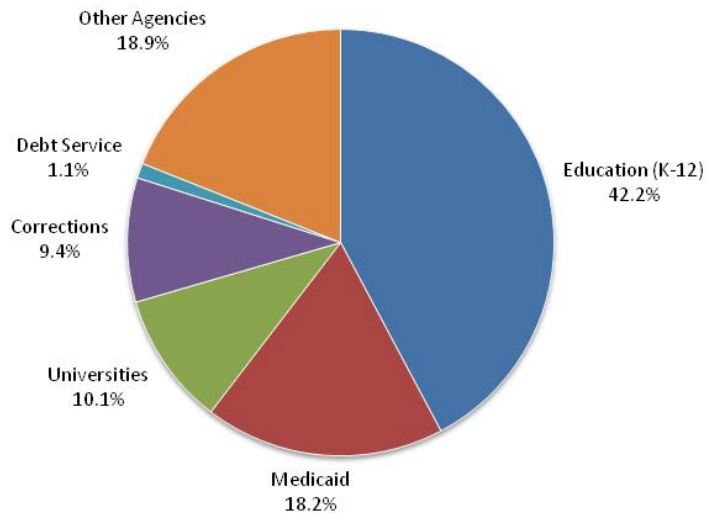




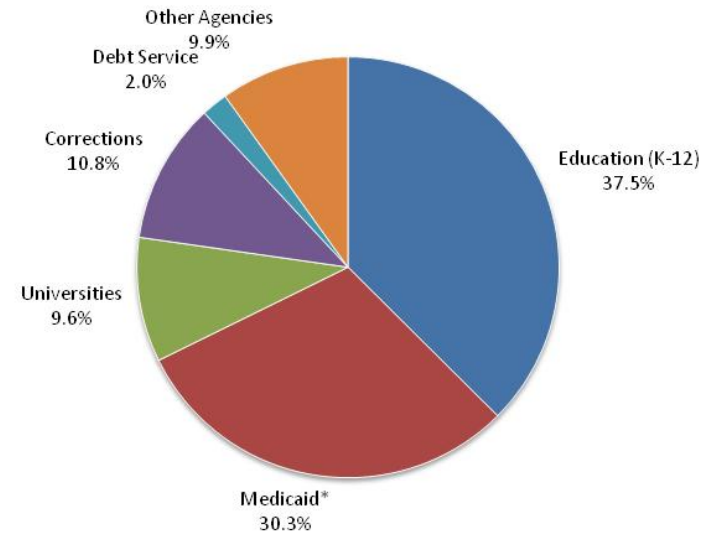
# Expenditure Changes FY 2007-FY 2011



**On-Going FY 2007 General Fund Expenditures**



**On-Going FY 2011 General Fund Expenditures**



\*Medicaid numbers assume regular FMAP



# AHCCCS Budget

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- 3 Options for Policy Makers when dealing with AHCCCS budget reductions
  - Eligibility – Limit - Health Care Reform
  - Payment Rates – Limit–Network & Access to Care
  - Benefits – Limit – Federal Requirements
- Each has limitations but to date all have been utilized
- Program today is over \$800 million less as a result of policy decisions



# AHCCCS Budget changes to Date

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- AHCCCS Program is \$800 million less as a result of policy changes
  - \$413 million in provider reductions
  - \$241 m in institutional rate freezes
  - \$121 m in eligibility reductions
  - \$39 m in benefit changes
  - \$29.5 m in admin reductions
  - \$28 m in increased member cost sharing



# AHCCCS Benefit Changes

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- Federal government establishes mandatory and optional benefits
- October 1, 2010 Benefit Changes - \$10 m General Fund
  - Adult Emergency Dental Care
  - Services provided by Podiatrist
  - Select Transplants - Well Exams - Orthotics
  - Limit Physical Therapy to 15 visits per year
- State has been trying to secure benefit waiver for IHS and 638 Pass through payments



# AHCCCS Budget

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- FY 2012 - \$1 billion shortfall for FMAP
- FY 2012 AHCCCS funding will be one of the biggest issues facing new legislature
- Population Growth Slowing –
  - CY 2008 - 65,000
  - CY 2009 - 210,000
  - CY 2010 – (18,000) – Base up 30,900 - KidsCare (19,600) -FES (29,300)



# AHCCCS Budget Cont.

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- AHCCCS will be implementing provider reductions on April 1, 2011
  - Hospitals up to 5%
  - Other Providers being evaluated
- Looking to establish limit on number of Inpatient Days
- Cost Sharing/Copays - Agency working to maximize
  - Mandatory copays implemented 10-1-10
  - Injunction has prevented implementation for Prop 204 pop.
- Provider Tax continues to be discussed by stakeholders



# Health Care Reform

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- PPACA expands Medicaid to 133% of the federal poverty limit on January 1, 2014.
  - Nationally Medicaid is estimated to grow by 16 million lives
- Create Health Exchange
  - provide tax credit subsidy for individuals from 133% to 400%
  - Nationally Exchanges are expected to cover 24 million lives by 2019
  - State needs to determine who will operate Exchange
- Established Individual Mandate



# Health Care Reform

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Several Components exist in Arizona

- Population Expansion – Childless adults
- Appropriate Payment to ensure access
- Emphasize home and community services
- Develop models to meet challenges of dual eligible population



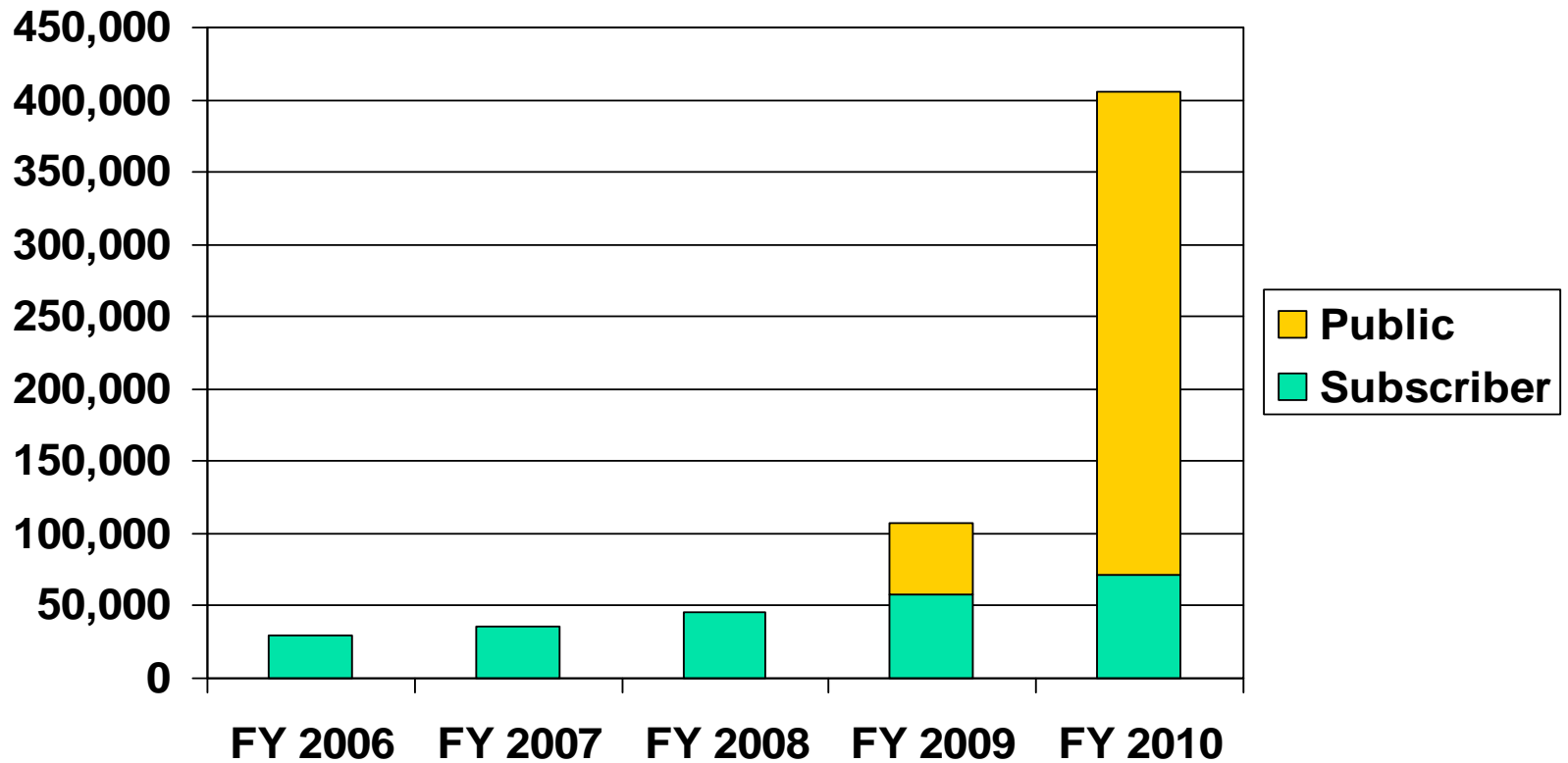


# Health Insurance Exchange

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- Nationally anticipated to enroll up to 24 m
- Provide electronic marketplace for those receiving subsidy
- Legislation establishes variety of plans
- Exchange is responsible for regulating plans offered
- Exchange is responsible for interfacing with Medicaid to determine if eligible

# Health E-Arizona Applications





# Exchange Policy Questions

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- Should the State Run an Exchange?
- If Yes where should it be housed? – Insurance – AHCCCS – New Entity
- How do we get a decision by the Spring of 2011?
- What is role of AHCCCS in exchange and can current member enrollment infrastructure be leveraged?
- How can product on the Exchange be established to meet unique needs of American Indians?
- With Exchange implementation on 1-1-2014 has the purpose for HCG ended?

# AHCCCS Staffing Levels

