



AHCCCS Update



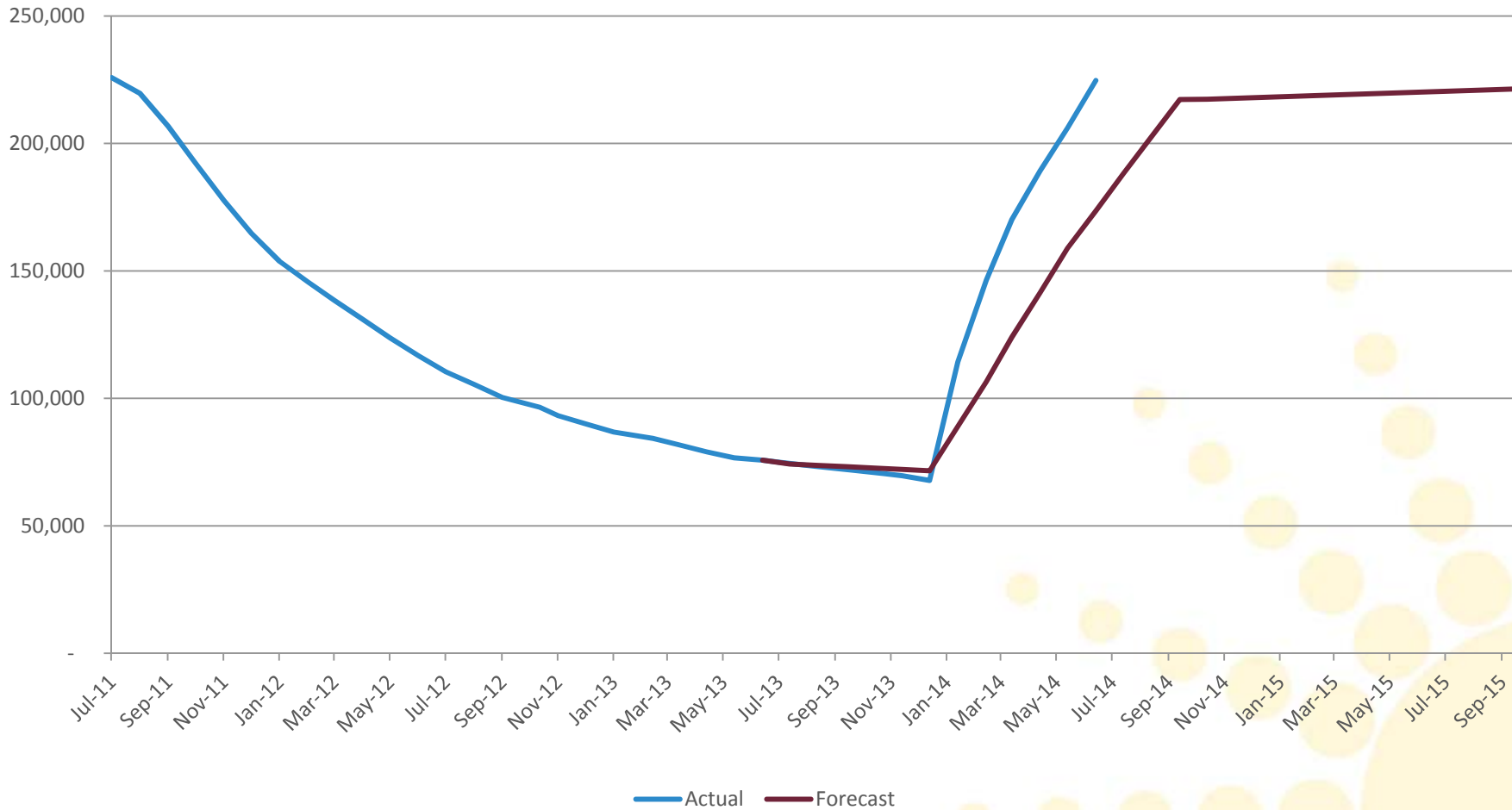
Medicaid Restoration

	12/1/2013	6/1/2014	Change
Prop 204 Restoration	67,770	215,742	147,972
Adult Expansion	0	19,789	19,789
KidsCare	46,761	2,008	-44,753
Family Planning	5,105	0	-5,105
AHCCCS for Families & Children (1931)	672,135	710,268	38,133
All Other	505,379	560,882	55,503
Total Enrollment	1,297,150	1,508,689	211,539

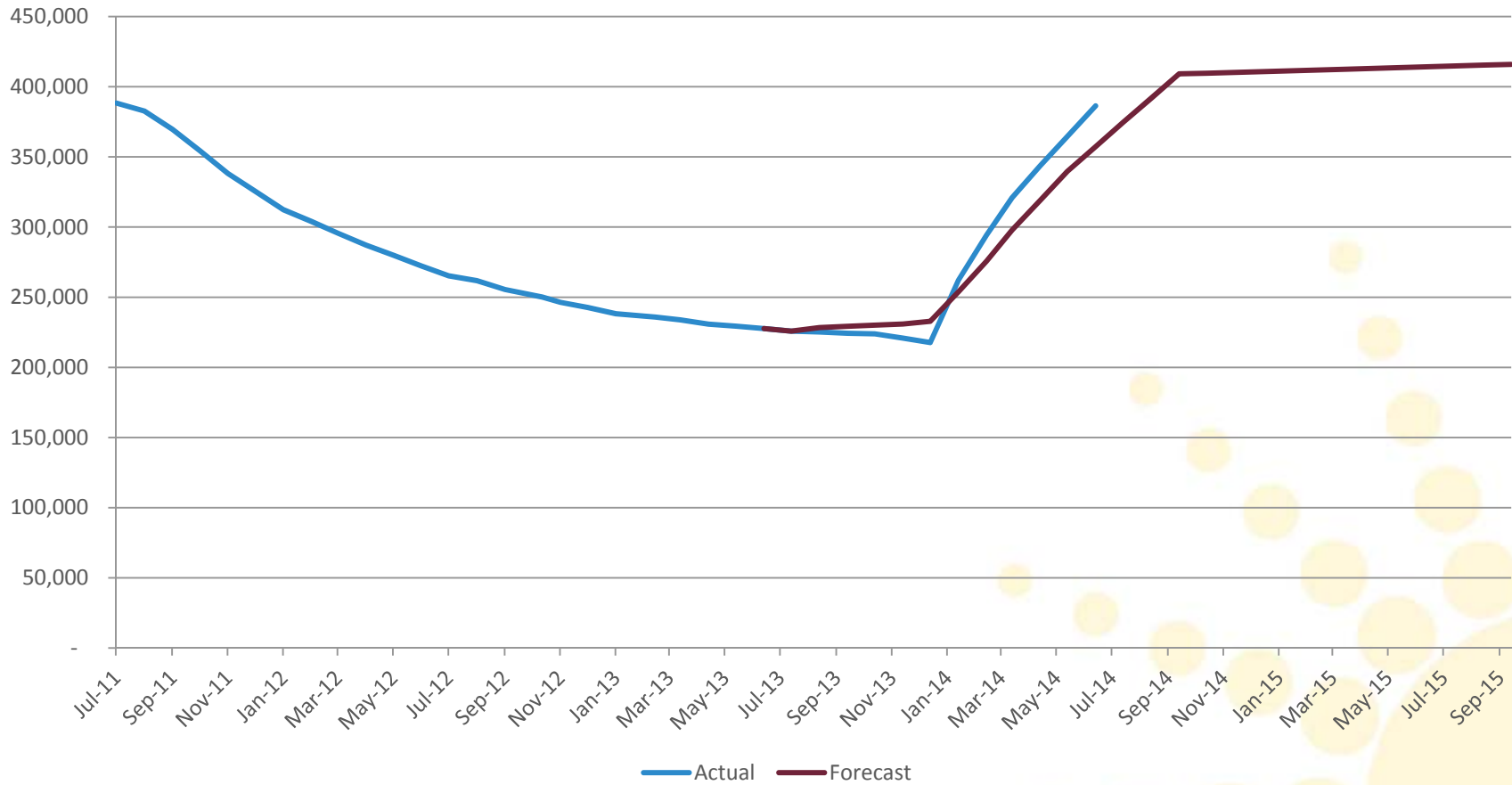
HEAplus Update

- HEAplus went live to public on 10-19-13
- Sending Account Transfers to FFM –
- FFM to State
- Started pilot for roll out to eligibility workers
- Marketplace Enrollment – AZ – 120,071 (4-19-14)
- HHS OIG Review starting already
- Performance Evaluation ongoing

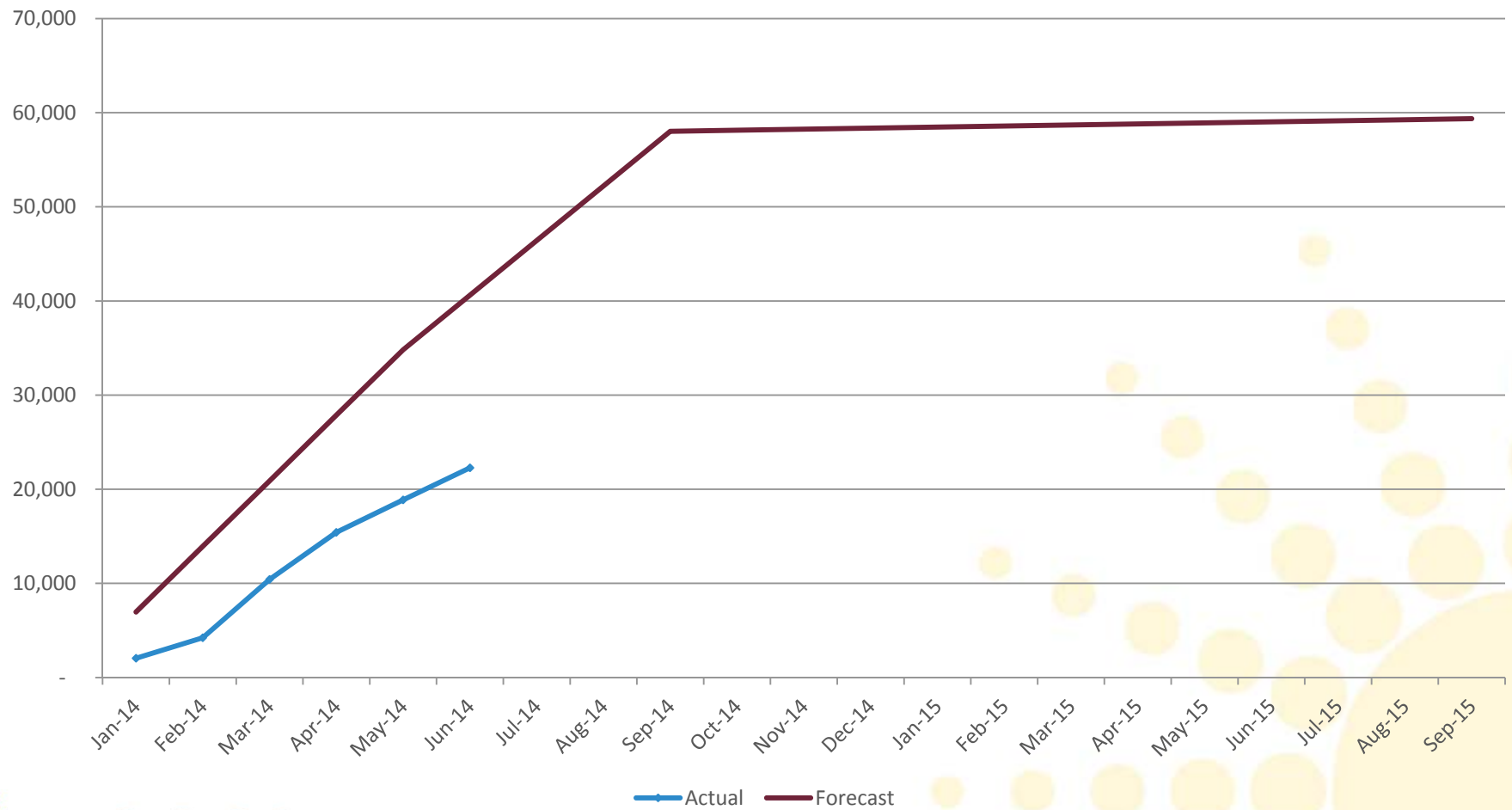
Prop 204 Adult Restoration



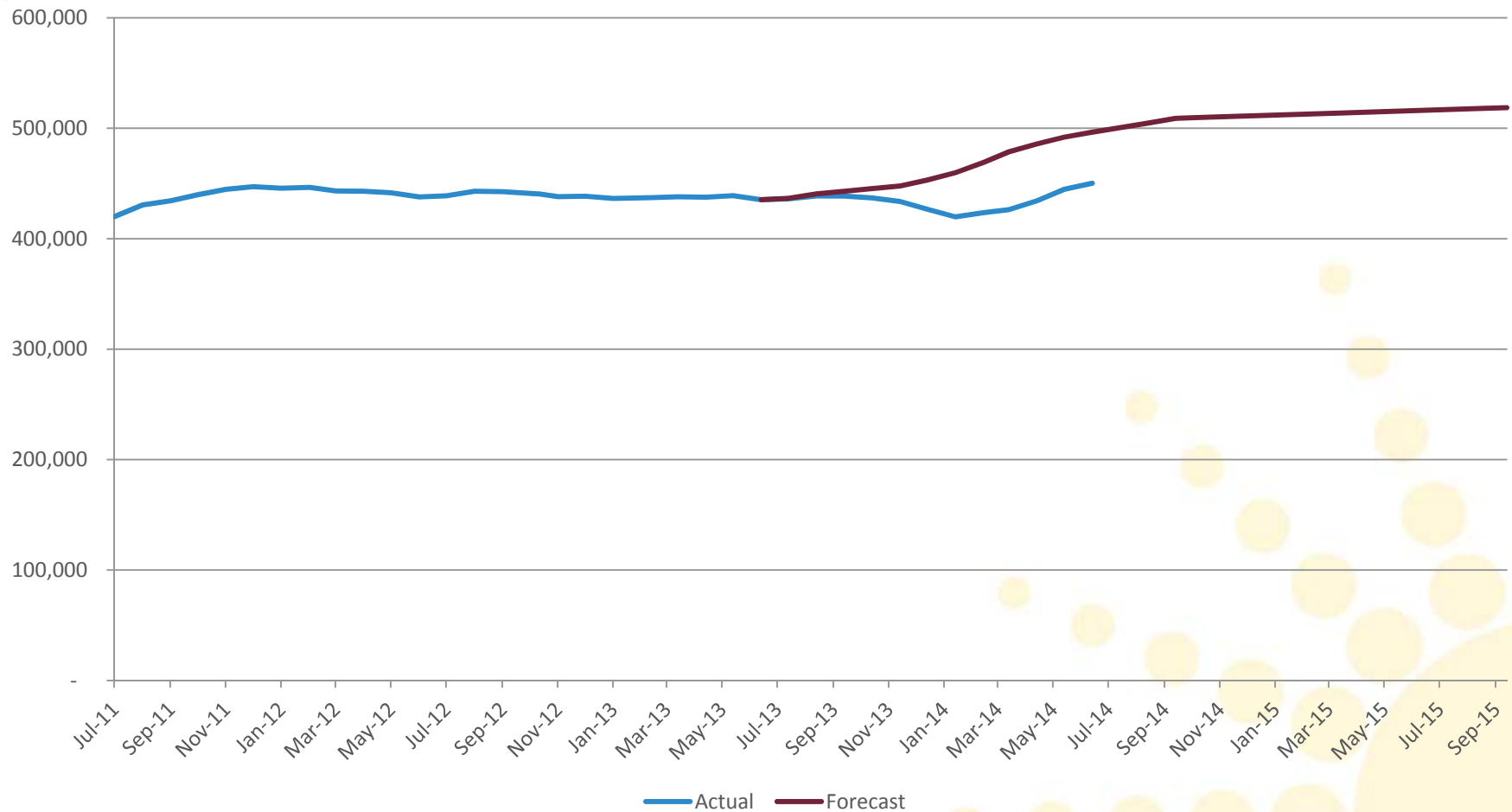
Total Prop 204 Population



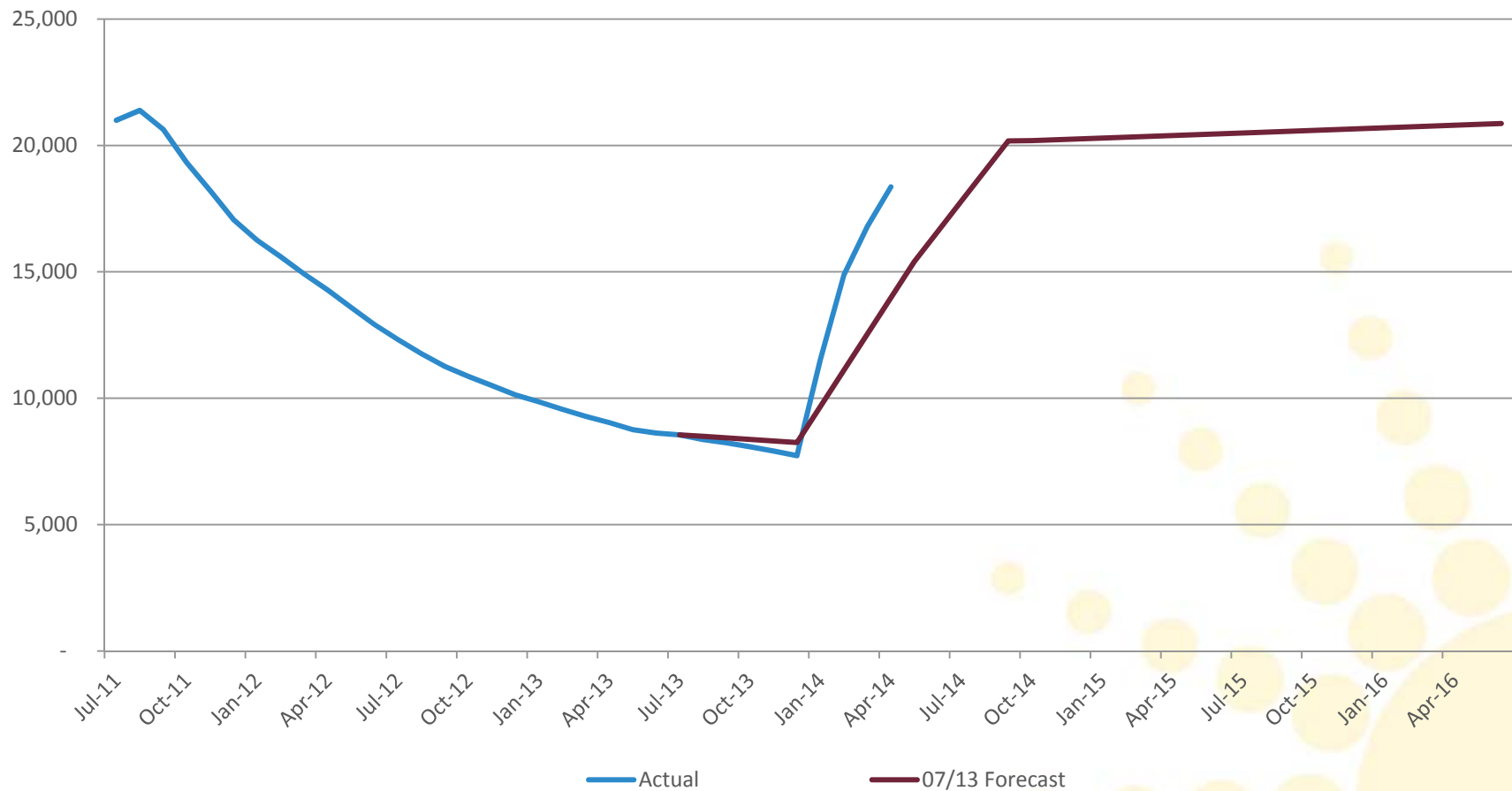
AHCCCS Adult Expansion



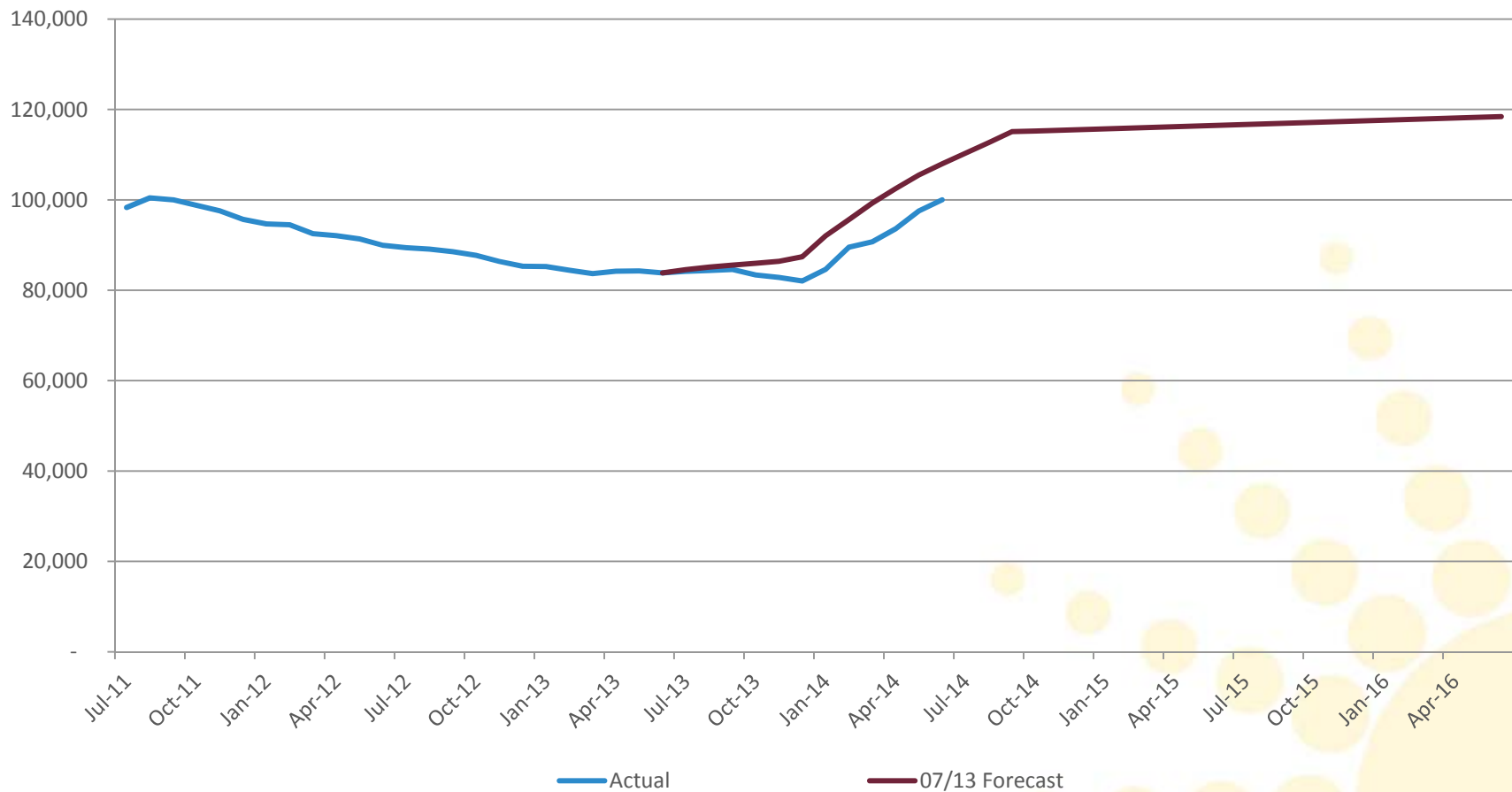
AHCCCS Traditional Families



AIHP – Adults Restored Coverage



AIHP Enrollment



Hospital Assessment & Litigation

Assessment

- AHCCCS worked with consultant and hospital stakeholders
- Assessed \$75 m in FY 2014
- Model shows no systems negatively impacted
- Finalized new rate for 7-1-14 – \$233 million

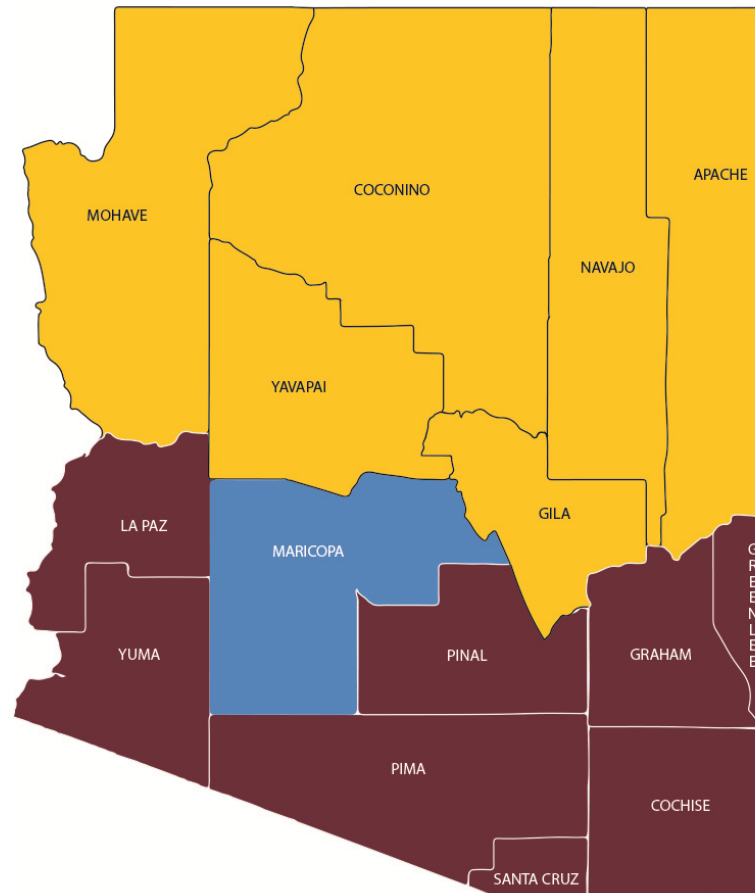
Litigation

- Lawsuit brought by 36 Republican Legislators
- Hearing held on Dec. 13th to determine standing
- Won at Superior Court – Standing
- Lost Standing at Court of Appeals
- Supreme Court Review to hear case August 26th

Legislative Session

- AHCCCS Budget had savings (\$60 m)
- Assumes 3% cap rate growth
- No new funding for employee compensation
- NF – BH – DD provider rate increases
- Insulin Pumps only benefit added

DHS Procurements



North includes San Carlos Apache Tribe in Graham county with zip codes 85530 and 85550

DHS Greater AZ Guidance

1. Serious Mental Illness (SMI) Eligibility Determination will not be a Regional Behavioral Health Authority (RBHA) function.
2. GMH/SA Duals will have behavioral health services integrated into AHCCCS acute plans.
3. The Greater Arizona RFP will include integration of behavioral and physical health for the SMI population similar to the Geographical Service Area (GSA) 6 Contract.
4. The preferred GSA model will be a north/south split. The north/south split is contingent upon a waiver being granted by the Centers for Medicare and Medicaid Services (CMS) concerning choice of plans for acute care. If a waiver is not granted the GSA model will provide for member choice within the defined GSA(s).

DHS Greater AZ Guidance Cont.

5. It is the intent of the ADHS to make every attempt to align GSA's so that tribal nations will be kept whole in the assignment to a RB
6. Delivery of Crisis Services within Greater Arizona is dependent upon the CMS waiver determination. If a waiver is granted the crisis system will be the responsibility of each individual RBHA awarded a contract. If a waiver is not granted the RBHAs that are awarded contracts may be required to jointly create and manage a crisis system through a joint governance agreement as delineated within the RFP.
7. A RBHA will not be allowed to be awarded or hold a contract in more than one (1) GSA. For the purposes of this section a RBHA includes any entity holding a substantial financial, operational or organizational attachment to another entity operating as a RBHA within Arizona
8. Decisions around Dual Eligible-Special Needs Plan D-SNP. See Attachment

SIM Overview

- CMS established State Innovation Model (SIM) Initiative for multi-payer efforts around payment reform and health system transformation.
- Goal is to achieve statewide transformation for the preponderance of care delivered within the state and:
 - Improve health
 - Transform delivery system
 - Lower costs

SIM Overview – Delivery System Reform

- CMS has identified goals for delivery system transformation – states must work toward engaging providers in:

Delivery System Transformation	
Providers participate in integrated or virtually integrated delivery models	Providers use HIT to improve quality
>80% of provider payments from all payers are value based, non-FFS structures	Adequate healthcare workforce
Every state resident has accountable (quality and cost) PCP	Providers perform at top of license and board certification
Care coordinated across providers and settings	Consistently high performance in quality and cost measures
High level of patient engagement (with quantifiable results)	Population health measures integrated into delivery system
Data used to drive health system processes	

SIM Round 2

- Round 2 applications due July 21, 2014 – Model Test award period of 48 months
- Model Design: Up to \$30 million for up to 15 states (\$1-\$3 million per state)
- Model Test: Up to \$700 million for up to 12 states (\$20-\$100 million per state based on state population and scope of proposal)

Proposed Arizona Strategy

- Arizona well-positioned to focused on driving innovation by expanding successful public private partnership
- Proposal would build on numerous existing initiatives to:
 - Reduce fragmentation
 - Integrate the delivery system
 - Align incentives to reduce costs and improve quality
- Align with (without duplicating) other efforts such as Medicare initiatives, where possible

Proposed Arizona Strategy *(ctd.)*

Focus Areas	
Integration and Coordination for AHCCCS members and Dual Eligibles	Justice System Transitions
Superutilizers	Workforce Strategies
QHP Coordination	Alignment with Public Health Efforts
American Indian Care Coordination	Evaluation

Proposed Arizona Strategy *(ctd.)*

Examples of Potential Funding Targets

HIT for BH Providers	Build upon SHIP strategies
Grants to major providers who partner with BH providers on integration and data sharing	Evaluation of effective provider practices and clinical training for integrated delivery system.
Funding for plans that partner with RBHAs on VBP	Care Coordination Efforts between QHPs, AHCCCS plans, RBHAs, other?
American Indian Care Coordination Infrastructure – sharing between key I.H.S. 638 and non-tribal providers	Evaluation

Sovaldi

- Have had 18,000 Hep C members past 2 years
- 25% Duals
- Need National dialogue on pricing and medical management policies
- NGA/NAMD hosting session in June
- Have 127 members authorized
- Policy update

Sovaldi Con't.

	Low	High
Treatment Cost – post Rebate	\$52,500	\$112,500
20% of Known Hep C Population	117,119,520	250,970,400
Entire Known Hep C population	585,597,600	1,254,852,000