

Notice:

Pursuant to the Special Terms and Conditions of Arizona's approved demonstration project, , the Arizona Health Care Cost Containment System (AHCCCS), Arizona's Medicaid Agency, is required to submit a public notice consistent with 42 C.F.R 431.408 of its intent to submit a Section 1115 Waiver Amendment to the Center of Medicare and Medicaid Services (CMS). AHCCCS is requesting an amendment to the 1115 Research and Demonstration Waiver to seek a waiver of the Institution for Mental Disease (IMD) exclusion for all Medicaid beneficiaries aged 21-64, regardless of delivery system. The objective of this waiver is to maintain and enhance beneficiary access to behavioral health services in appropriate settings and ensure that individuals receive care in the facility most appropriate to their needs. Specifically, the waiver of the IMD exclusion would allow psychiatric facilities (i.e. hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment or care of persons with mental diseases, including medical attention, nursing care and related services) to be able to provide reimbursable services to Medicaid recipients for stays in excess of fifteen (15) days.

Proposed Cost Sharing Requirements under the Demonstration as Amended: The cost sharing requirements for persons impacted by this proposed demonstration amendment will not change from the State's current program features as described in the current State Plan and Demonstration.

Proposed Changes to the Delivery System under the Demonstration as Amended: The delivery system for persons impacted by this proposed demonstration amendment will be expanded to include services provided in IMDs.

Proposed Changes to Benefit Coverage under the Demonstration as Amended: Arizona is seeking expenditure authority for otherwise-covered services provided to all Medicaid-eligible individuals aged 21 through 64 who receive inpatient services in an Institution for Mental Disease (IMD), regardless of delivery system, as a mechanism to increase access to residential treatment services across the State. In addition, for managed care enrollees, services in an IMD for any length of stay would be permissible as services in lieu of State Plan services based on the State's actuarial certification that the actual cost of IMD services is more cost effective than services in a setting that is not an IMD.

Hypothesis and Evaluation Parameters of the Demonstration: The demonstration will test whether authorizing expenditure authority for services in IMD will result in enhanced beneficiary access to behavioral health services in appropriate settings and assure that individuals receive care in the facility most appropriate to their needs.

Specific Waiver and Expenditure Authorities: AHCCCS is seeking expenditure authority under the 1115 Research and Demonstration Waiver to claim expenditures by the State for mental health and substance abuse disorders in IMDs—which are not otherwise included as expenditures under Section 1903—and to have those expenditures regarded as expenditures under the State's Title XIX plan.

Public hearings (also called community forums) where the public can provide comments and questions about the proposed waiver amendment will be held during the following times and locations:

Date: Tuesday, February 14, 2017

Location: Tucson, Arizona

Address: Pima County Library— Lower Level 1 Meeting Room, 101 N. Stone Ave. Tucson, AZ 85701

Time: 1:30 pm – 3:00 pm

Date: Wednesday, February 15, 2017

Location: Phoenix, Arizona

Address: AHCCCS—Gold Room, 701 E. Jefferson St, Phoenix, AZ 85034

Time: 1:00 pm – 3:00 pm

Call-in information: 1-877-820-7831 Participation Passcode: 976852

Date: Thursday, February 16, 2017

Location: Flagstaff, Arizona

Address: Flagstaff AquaPlex— 1702 N Fourth St, Flagstaff, AZ 86004

Time: 1:00 pm – 2:30 pm

Comments and questions about the proposed Demonstration application can also be submitted by e-mail to: PublicInput@azahcccs.gov or by mail to: AHCCCS c/o Office of Intergovernmental Relations; 801 E. Jefferson Street, MD 4200, Phoenix, AZ 85034. All comments must be received by **March 20, 2017**. More information about the proposed waiver amendment, including the proposed waiver application and the full public notice and public input process, can be found on the AHCCCS website at:

<https://azahcccs.gov/Resources/Federal/PendingWaivers/imdwaiveramendment.html>