

Arizona Health Care Cost Containment System

Presentation for the Appropriations Committee

Presented January 28 and 29, 2020

AHCCCS-At-A-Glance



**Largest insurer in AZ,
covering nearly 1.9 million
individuals and families**



**>50%
of all births**



**2/3 of nursing
facility days**



**AHCCCS uses federal, state
and county funds to
provide health care
coverage to the State's
Medicaid population**

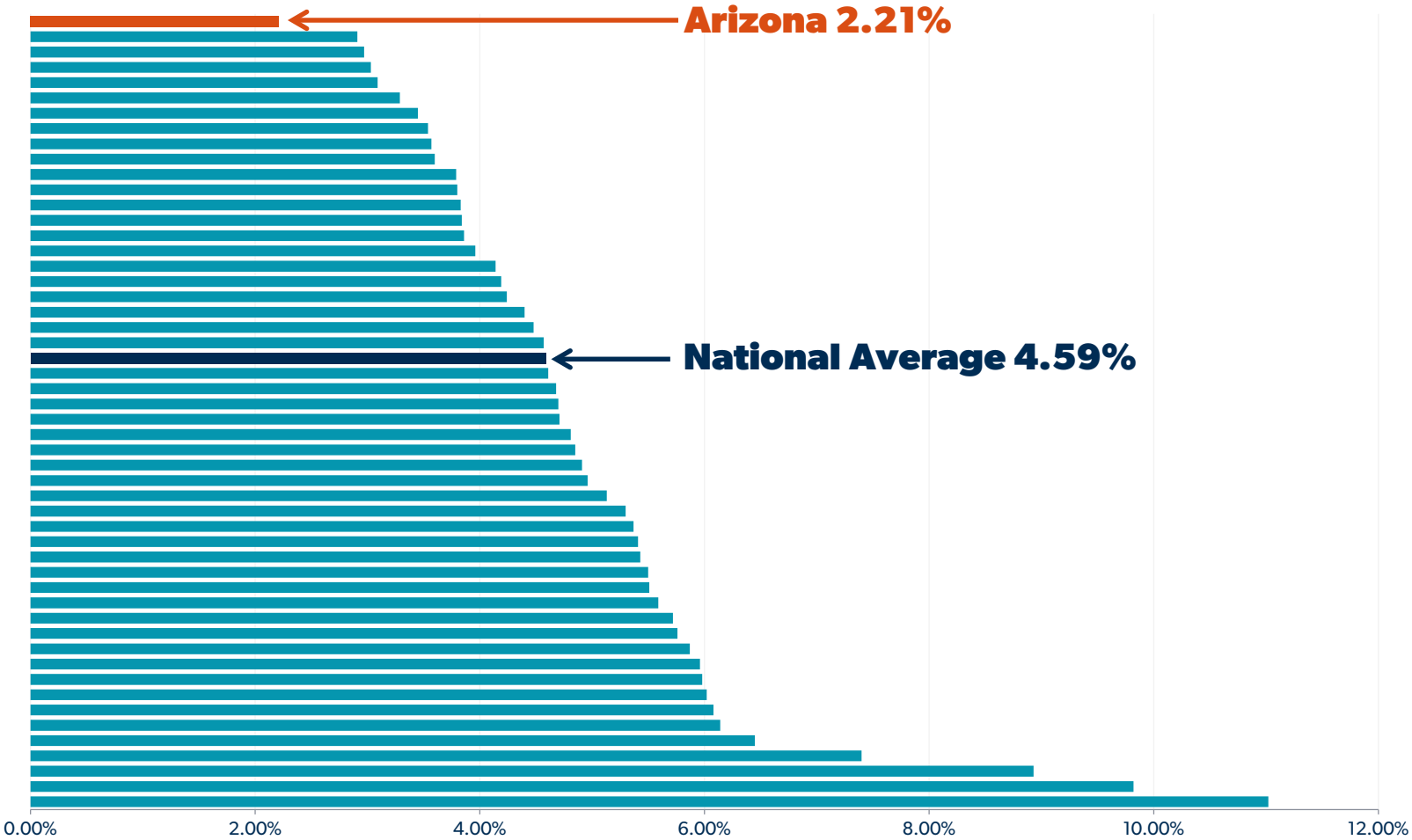


**87,906 Registered
Healthcare Providers**

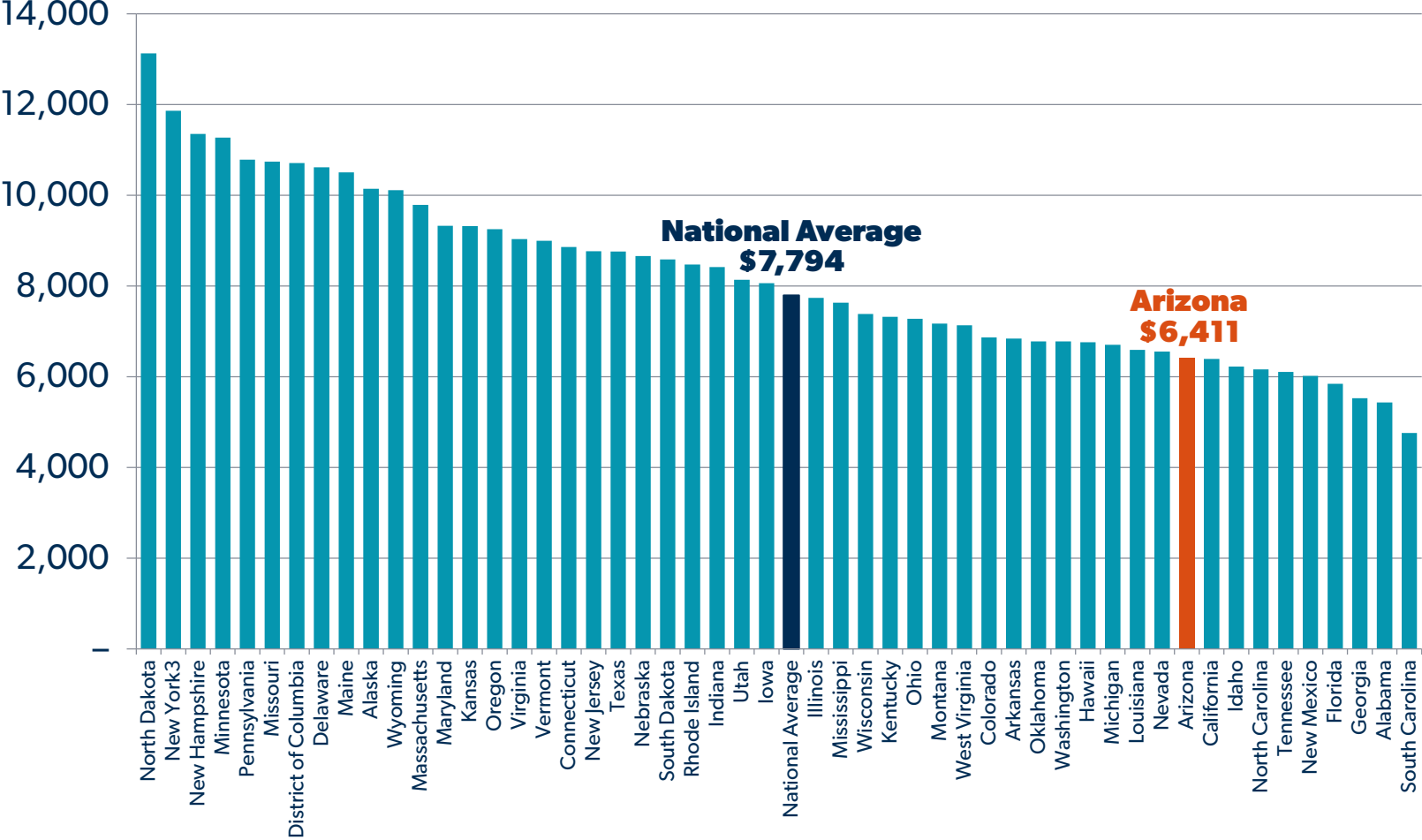


**Payments are made to
15 contracted health plans, who
are responsible for the delivery
of care to members**

Medicaid Administrative Expense Ratio by State

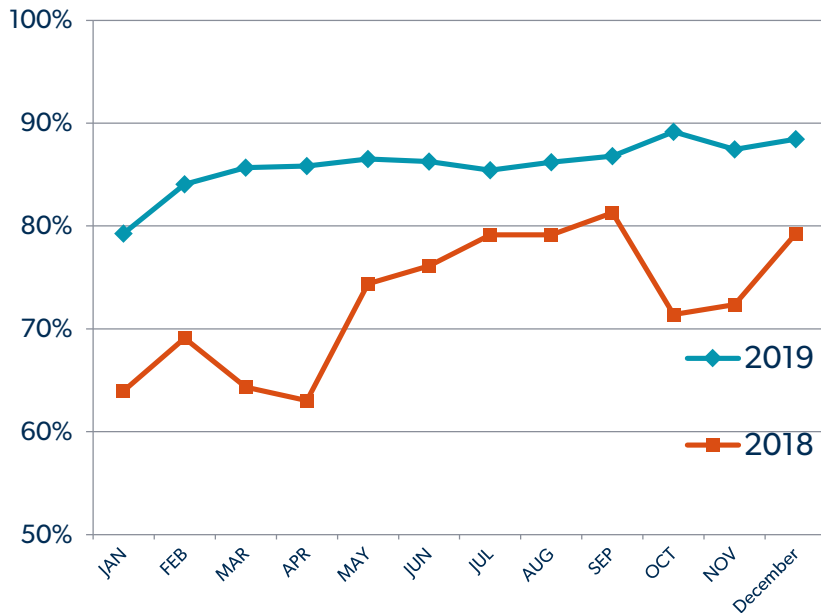


Medicaid Spending Per Member Per Year by State

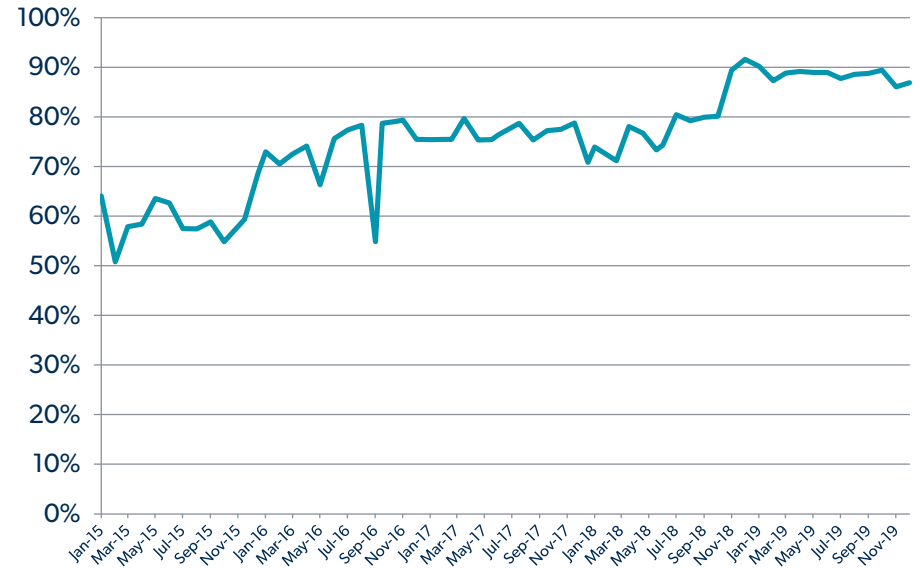


Offering Outstanding Customer Service to Members

Percent of ALTCS Applications Dispositioned in 45 Calendar Days or Less

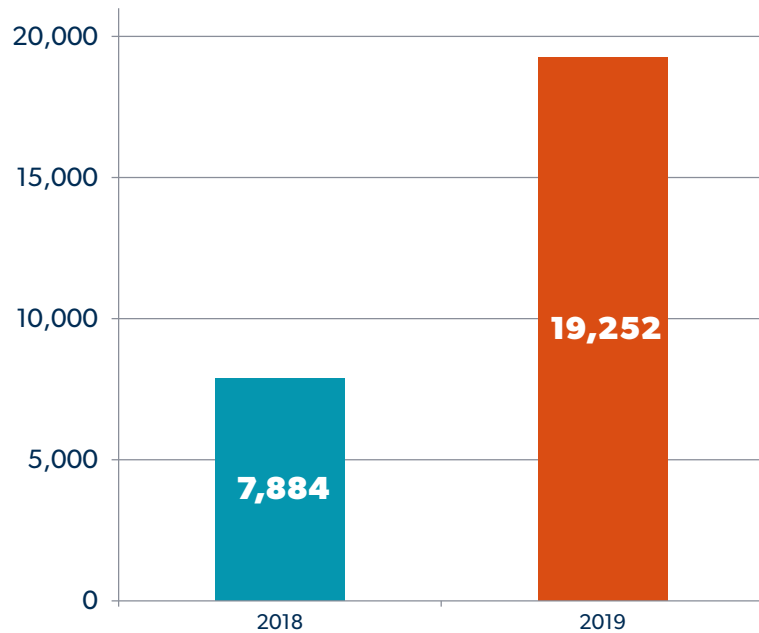


Percent of Automated AHCCCS Renewals



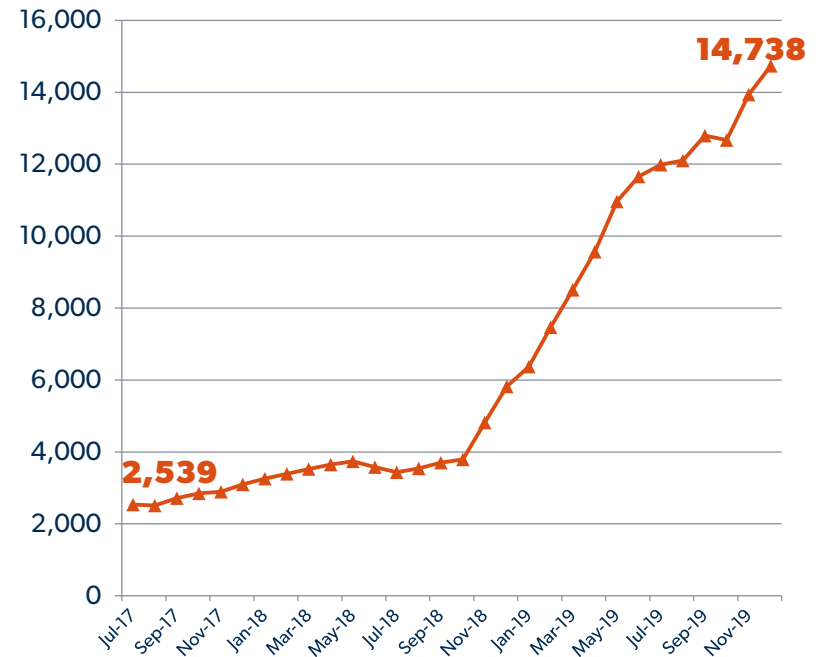
Ensuring Arizonans are Able to Access Critical Care

**Number of Individuals Served by Substance Use Disorder Services Fund
February 1, 2018 – November 30, 2019**



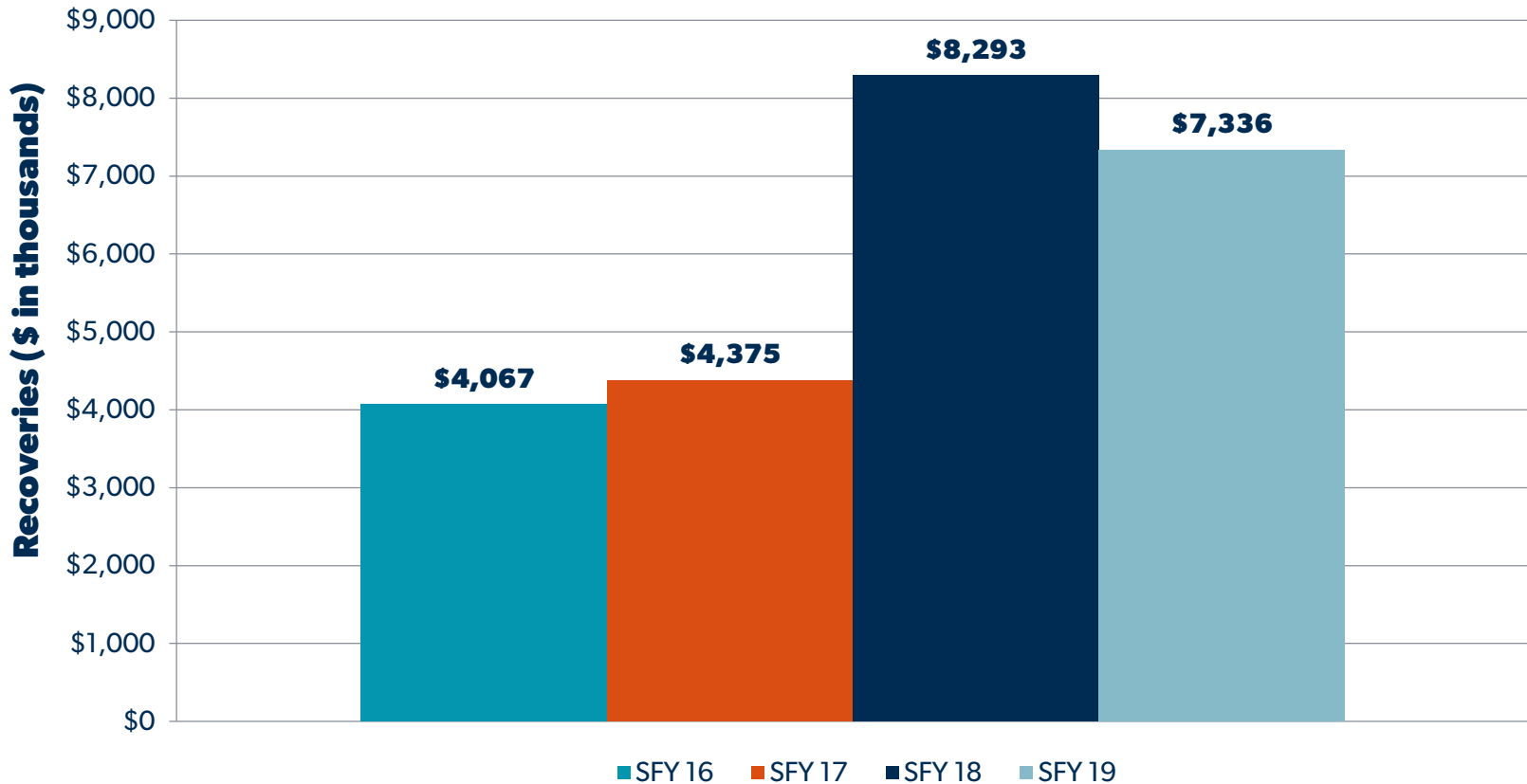
***27,136 total individuals served**

Students Receiving Behavioral Health Services in Schools



Protecting the State Against Fraud, Waste and Abuse

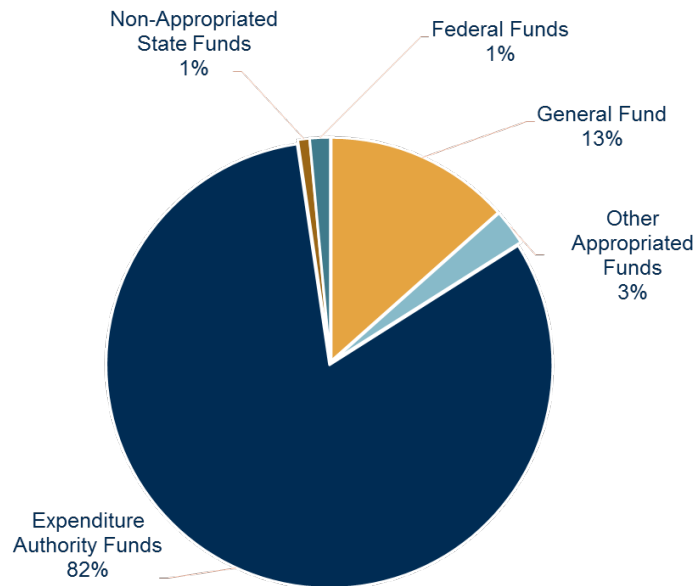
Total Office of the Inspector General Recoveries per SFY



AHCCCS Overview

The Arizona Health Care Cost Containment System (AHCCCS), the State's Medicaid Agency, uses federal, state, and county funds to provide health care coverage to eligible enrollees. Since 1982, when it became the first statewide Medicaid managed care system in the nation, AHCCCS has operated under a federal Research and Demonstration 1115 Waiver authority that allows for the operation of a statewide managed care model.

FY 2020 Budget



Fund Source	Amount
General Fund	\$1,760,748,100
Other Appropriated Funds	\$339,302,400
Expenditure Authority Funds	\$10,704,296,800
Non-Appropriated State Funds	\$110,247,600
Federal Grants Funding	\$193,461,800
Total Funds	\$13,108,056,700

FY 2021 Executive Budget Overview

FY 2021 Executive Budget

	General Fund	Other Funds	Non-Appropriated Funds
FY 2020 Base Appropriations	\$1,760,748,100	\$339,302,400	\$796,797,500
FY 2020 Supplemental Funding	24,500,000	0	311,700,000
Baseline Adjustments	201,442,076	(8,835,700)	759,605,100
BHS Transfer to DES DDD	(8,684,700)	0	(19,771,100)
Continuing Access to Substance Abuse Services	0	6,000,000	0
PMMIS IT Roadmap Consultant	78,000	0	702,000
IT Systems Operating Costs	3,005,700	0	8,966,400
Remove One-Time Funding	(750,000)	(2,068,000)	(7,810,000)
Technical Adjustments	2,900	0	(2,900)
CRS Base Modification (Technical Adjustment)	0	0	0
Graduate Medical Education Funding (Technical Adjustment)	0	0	0
FY 2021 Executive Budget:	\$1,980,342,076	\$4,903,700	\$1,850,187,000

FY 2021 Executive Budget: General Fund

FY 2020 Changes

- \$24,500,000 Supplemental
 - Caseload and Medical Cost increases above the budgeted projections

FY 2021 Baseline Changes

- Baseline Adjustments \$201,442,076
 - Appropriated General Fund to fully fund estimated caseload and capitation changes
- BHS Transfer to DES DDD \$(8,684,700)
 - Decrease in funding to annualize the transfer of Behavioral Health Services from AHCCCS to the Department of Economic Security (DES)
- Remove One-Time Funding \$(750,000)
 - Remove one-time General Fund appropriation for Community Health Centers

FY 2021 Initiatives

- PMMIS Roadmap Consultant \$78,000
 - Funding a consultant to build a IT roadmap for the replacement of the AHCCCS PMMIS System

FY 2021 Executive Budget: General Fund (continued)

FY 2021 Initiatives (continued)

- IT Operating Costs \$3,005,700
 - Operating costs of three federally required information technology systems: Asset Verification, Electronic Visit Verification, and Provider Management.
- GME Technical Adjustment \$0
 - Reverses the \$3 million advance appropriation for Graduate Medical Education (GME) programs originally contemplated in the enacted FY 2020 Budget
 - Shifts the FY 2021 advance appropriation of \$6 million to FY 2022 and the FY 2022 advance appropriation of \$9 million to FY 2023, to correspond with the updated spending plan
- CRS Base Modification Technical Adjustment \$0
 - Neutral shift in funding across appropriations to realign administrative expenditures for Children's Rehabilitative Services (CRS) to the correct special line item (SLI)
- Technical Adjustments \$2,900
 - Increase in funding for Rural Hospital payments and Disproportionate Share Hospital payments, due to a reduction from 70.02% to 70.01% in the Federal Medical Assistance Percentage (FMAP) for Federal Fiscal Year (FFY) 2021

FY 2021 Executive Budget: Other Appropriated Funds

FY 2020 Changes

- None

FY 2021 Baseline Changes

- Caseload and Capitation Growth \$(8,835,700)
 - Fully fund estimated caseload and capitation changes from Tobacco Tax funds and the KidsCare Fund
- Remove One-Time Funding \$(2,068,000)
 - Remove one-time appropriation from the Prescription Drug Rebate Fund for IT operating costs

FY 2021 Initiatives

- Continuing Access to Substance Used Disorder Services \$6,000,000
 - Executive supports an ongoing appropriation from the Medical Marijuana Fund to continue providing services to uninsured or under-insured Arizonans seeking substance use disorder services

More Information

For further information on AHCCCS find us at:

<https://www.azahcccs.gov/>

For further information on the FY 2021 Executive Budget:

<http://www.azospb.gov/Documents/2020/FY%202021%20Agency%20Detail%20Book.pdf>