



Arizona's Section 1115 Waiver Demonstration Annual Report

Federal Fiscal Year 2023
October 1, 2022 – September 30, 2023



Arizona's Section 1115 Waiver Demonstration Annual Report

Table of Contents

I. Introduction	3
II. Waiver Update	3
Waiver Renewal	3
New Waiver Program Implementation Updates	4
New Demonstration Waiver Amendment Proposals	9
III. Operational and Policy Updates	11
Legal Update	11
Litigation Activity	11
Legislative Update	12
Program Integrity Update	12
State Plan Update	20
IV. Evaluation Activities and Findings	24
Waiver Evaluation Update	24
V. Consumer Issues	25
VI. 1115 Waiver Renewal Public Forums	26
Post Award Forum	26
VII. Outreach and Innovation Activities	27
VIII. Notable Achievements	35
IX. Performance Metrics	36
Enrollment Information	36
Individuals with SMI Opt-Out for Cause Report	38
Quality Assurance/Monitoring Activities	40
Managed Care Programs	40
Delivery System Initiatives, Innovations, and Improvements	40
Managed Care Organization Monitoring and Compliance	49
XII. Appendix A: Performance Measure Data	51
Performance Measures	51
Overall Performance Summary	52
ACC/KidsCare	52
DCS CHP	54
ALTCS-EPD	56
ALTCS-DD	58
SMI	60
Form CMS-416	62
Performance Improvement Projects (PIPs)	63
Appendix A	66
XIII. Appendix B: Waiver Public Forum Meeting Slides	89

Arizona's Section 1115 Waiver Demonstration Annual Report

I. Introduction

Since its inception, the Arizona Health Care Cost Containment System (AHCCCS), Arizona's state Medicaid agency, has had the unique distinction of operating a statewide managed care program under the Section 1115 Research and Demonstration Waiver. During its 40 years of operation, the program has proven to effectively deliver high-quality and cost-effective health care services to low-income populations. With a model based on competition and member choice, AHCCCS has been a pioneer in testing health care policies and financing strategies, continuously seeking to improve health care outcomes while containing costs.

On October 14, 2022, the Centers for Medicare and Medicaid Services (CMS) approved an extension of Arizona's 1115 Waiver for a five-year period from October 14, 2022 to September 30, 2027. Under the five-year Waiver Demonstration, programs such as the Housing and Health Opportunities, Targeted Investments 2.0 program, and Indian Health Services (IHS)/638 Tribal dental services were approved for implementation. Arizona continues to make new Waiver program proposals to better serve low-income populations.

Pursuant to the Special Terms and Conditions (STCs), paragraph 85, AHCCCS is required to submit an annual progress report to CMS. The below sections document Arizona's 1115 Waiver updates, operational and policy updates, evaluation activities and findings, consumer issues, Waiver renewal public forum updates, outreach and innovation activities, accomplishments, and performance metrics utilizing quantitative reports, and case study findings.

II. Waiver Update

Waiver Renewal

On October 14, 2022, the Centers for Medicare and Medicaid Services (CMS) approved Arizona's request for a five-year extension of its 1115 Waiver. The Waiver approval is effective October 14, 2022 through Sept. 30, 2027. All documents, including the original and amended Waiver applications and the approval letter from CMS, are posted on the [AHCCCS 1115 Waiver web page](#). This 1115 Waiver approval continues the long-standing authorities and programs that have made Arizona's Medicaid program innovative, effective, and efficient, including integrated managed care for AHCCCS populations through AHCCCS Complete Care (ACC); the Arizona Long Term Care System (ALTCs); the Comprehensive Health Plan (CHP) for children in foster care; and AHCCCS Complete Care, Regional Behavioral Health Agreements (ACC-RBHAs) which provide integrated care for individuals with a Serious Mental Illness (SMI) designation and the Waiver of Retroactive eligibility, which authorizes AHCCCS to limit retroactive coverage to the first day of the month of application for all Medicaid members, except for pregnant women, women who are 60 days or less postpartum, and children under 19 years of age.

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 Section 1115 Waiver Demonstration Annual Report

Arizona's, must establish budget neutrality where Medicaid costs to the federal government are not expected to exceed costs to the federal government in the absence of the demonstration.

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

- Mandatory managed care,
- Home and Community Based Services for individuals in the ALTCS program,
- CHP for children in foster care,
- ACC-RBHAs,
- Continued payments to providers participating in the Targeted Investments Program, and
- Waiver of Prior Quarter Coverage for specific populations.

In addition to renewing these historic programs, this 1115 Waiver includes approval for transformative projects intended to advance member health outcomes including Targeted Investments (TI) 2.0 and Housing and Health Opportunities (H2O) Demonstrations.

New Waiver Program Implementation Updates

Housing and Health Opportunities (H2O)

CMS approved the new H2O Demonstration on October 14, 2022, to further address health-related social needs for vulnerable populations and ensure their access to health care.

For many years, Arizona has prioritized housing and used State General Fund dollars to support rental subsidies for as many people as possible. If AHCCCS were a housing authority, it would be the third largest in the State of Arizona with an annual budget of \$27.7 million in non-Medicaid, state-only funds to provide rent subsidies for almost 2,500 AHCCCS members living with an SMI designation. AHCCCS and its contracted health plans have successfully leveraged this experience to expand the reach of housing opportunities, improve member health outcomes, and reduce overall health care costs.

Recognizing that stable housing is an important component of overall health, CMS approved the H2O Demonstration to strengthen outreach to vulnerable Medicaid members, including those experiencing homelessness, those living with an SMI designation, and young adults transitioning out of the foster care system. AHCCCS will be able to reimburse for up to six months of medically necessary transitional housing specifically for individuals transitioning out of institutional care or congregate settings such as nursing facilities, large group homes, congregate residential settings, Institutions for Mental Diseases (IMDs), correctional facilities, and hospitals; individuals who are homeless, at risk of homelessness, or transitioning out of an emergency shelter as defined by 24 CFR 91.5; and enhance those services that support a member's success in housing (i.e., tenant rights education, eviction prevention, housing transition navigation services, and medically necessary home modifications).

Arizona's Section 1115 Waiver Demonstration Annual Report

In accordance with STCs, AHCCCS has submitted numerous H2O related deliverables to CMS which have further detailed progress made on implementing the new H2O Demonstration. These deliverables include:

- Maintenance of Effort (MOE) which detailed how the State will determine baseline spending for the H2O Program along with responses to CMS questions,
- Approved Designated State Health Programs (DSHP) list along with responses to three separate rounds of CMS questions,
- Report on Average Medicaid to Medicare Fee-for-Service (FFS) Provider Rate Ratio for Primary Care, Behavioral Health, and Obstetric Care,
- Provider Payment Rate Increase Assessment Attestation Table along with responses to CMS questions,
- Protocol for Assessment of Beneficiary Eligibility and Needs, Infrastructure Planning, and Provider Qualifications for H2O services along with responses to two rounds of CMS questions, and
- New Initiatives Implementation Plan.

Of the above submitted deliverables, AHCCCS has received formal approval from CMS on the DSHP List and the Provider Payment Rate Increase Attestation Table and is continually having ongoing conversations on the rest. AHCCCS continues to hold workgroup meetings with internal AHCCCS subject matter experts to further develop key areas of the program.

In total, AHCCCS has now held three rounds of stakeholder feedback sessions including 11 total presentations and a Tribal Consultation where input was received on various components of the program including but not limited to services, eligibility for target populations and prioritizations, provider qualifications, infrastructure, and more.

Due to the unprecedented nature of the H2O Program, CMS and AHCCCS have agreed to postpone the planned start date of the program to October 1, 2024, which will allow CMS adequate review time for previous and future deliverables along with an extended implementation period to ensure the success of the program.

Target Investments (TI) 2.0

On January 18, 2017, CMS approved an amendment to Arizona's 1115 Research and Demonstration Waiver authorizing the TI program. The TI program funds time-limited, outcomes-based projects aimed at building the necessary infrastructure to create and sustain integrated, high-performing health care delivery systems that improve care coordination and drive better health and financial outcomes for some of the most complex and costly AHCCCS populations. The TI Program provides funding for providers who serve the following populations:

- Adults with behavioral health needs,
- Children with behavioral health needs, including children with or at risk for Autism Spectrum Disorder (ASD), and children engaged in the child welfare system, and

Arizona's Section 1115 Waiver Demonstration Annual Report

- Individuals transitioning from incarceration.

Over five years, the program will make up to \$300 million in directed incentive payments to AHCCCS providers who promote the integration of physical and behavioral health care, increase efficiencies in care delivery, and improve health outcomes. The TI program incentivizes providers to collaborate on the development of shared clinical and administrative protocols to enable patient care management across provider systems and networks. Incentive payments are distributed to participating providers through AHCCCS Managed Care Organizations (MCOs) pursuant to 42 CFR 438.6(c). Providers are expected to meet performance improvement targets in order to receive payments. Table 1 displays TI funding by FFY.

Estimated Annual Funding Distribution for the TI Program

Table 1

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Targeted Investments	\$19 M	\$66.5 M	\$85.5 M	\$66.4 M	\$47.5 M	\$285 M
Administrative Expenses	\$1 M	\$3.5 M	\$4.5 M	\$3.5 M	\$2.5 M	\$15 M
Totals	\$20 M	\$70 M	\$90 M	\$70 M	\$50 M	\$300 M

The newly added Year 6, due to the extension of the Waiver, adds one more year of funding which matches the Year 5 total of \$50 million, thus increasing the six year program to \$350 million in total. In Demonstration Years 3 through 5, the State must meet performance measure targets to secure full TI program funding. If the State does not meet certain performance requirements in a given Demonstration year, then the TI program will lose the amount of DSHP funds specified as “at risk” for that year. Due to the impacts of the COVID-19 Public Health Emergency (PHE) impacting Year 3, the requirement for performance measure targets was limited to Years 4 and 5.

Total Computable DSHP at Risk for Each Demonstration Year

Table 2

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Computable DSHP	\$6,274,400	\$21,137,600	\$27,177,000	\$21,137,600	\$15,098,300
Percentage at Risk	0%	0%	0%	15%	20%
Total Amount at Risk	\$0	\$0	\$2,717,700	\$3,170,640	\$3,019,660

The newly added Year 6 due to the extension of the Waiver includes a DSHP computable which matches the Year 5 DSHP computable.

Arizona's Section 1115 Waiver Demonstration Annual Report

TI Program Updates

A summary of the implementation activities AHCCCS conducted for the original Targeted Investment Program (TI 1.0) and the renewal program (TI 2.0) in FFY 2023 include:

TI 1.0

- Allocated and disbursed incentive funding to participants that met Year 5 performance,
- Calculated participant Year 6-end performance measure target attainment results,
- Partnered with Arizona State University (ASU) College of Health Solutions to conduct needs assessments and evaluate participant providers', MCOs', Accountable Care Organizations' (ACOs), and Clinically Integrated Networks' (CIN) experience with the Quality Improvement Collaboratives (QIC) to improve the value of future sessions,
- Collaborated with Contexture, the statewide health information exchange (HIE), to assist program participants with establishing data exchange capabilities and guidance on how to utilize clinical data available most effectively through the HIE, including a learning-lab to improve understanding and functionality of Admission, Discharge, and Transfer (ADT) alerts,
- Developed and enhanced several "Best Practice Audit Guides" including best practice information and resources from QIC presentations and discussions to support and assist program participants performance improvement initiatives,
- Increased dialogue between AHCCCS and MCOs to facilitate alignment between the TI program guidance on enhanced provider level integration and the MCOs' provider network integration initiatives, established their representation in the QIC sessions, and solicited input regarding initiatives to support program sustainability,
- Engaged TI participants through electronic and in-person forums, surveys, and webinars including: 1) monthly newsletters sent to all the participants which includes pertinent information, tips and reminders, program updates, and upcoming due dates; 2) the robust and up-to-date TI web page with resources and communications; and 3) extensive individualized provider assistance by TI staff,
- Launched the Year 6 portal to collect attestation from all TI Participants, and
- Coordinated Primary Care Assignment reconciliation efforts between the Health Plans and TI Participants to increase alignment with expected attribution and payment.

TI 2.0

- Created, revised with stakeholder feedback, and published TI 2.0 eligibility requirements and required documentation,
- Designed and implemented a pre-application document review process to pre-determine eligibility for more than 130 organizations,
- Developed an objective justice application review process to guide a panel of subject matter experts in choosing the best of the TI 2.0 Justice clinic applicants,
- Designed and implemented the application portal,

Arizona's Section 1115 Waiver Demonstration Annual Report

- Finalized 6-year Intergovernmental Service Agreement (ISA) with ASU to conduct quality improvement efforts, calculate performance measures, create CMS aggregate reports, supplement AHCCCS data with external sources, and establish performance measure dashboards showcasing stratified performance of each TI 2.0 participant and AHCCCS aggregate,
- Drafted tentative QIC structure and scheduled an in-person kickoff meeting,
- Drafted and led focus groups to review and revise Year 2 - Year 5 process milestones and document requirements,
- Collaborated with the National Committee for Quality Assurance (NCQA), MCOs, ACOs, CINs, provider organizations, and other key stakeholders to operationalize simultaneous Health Equity Accreditation for each layer of Arizona's health care system and improve coordination for sustainable, effective and efficient efforts to promote health equity,
- Drafted a preliminary set of performance measures and strata for provider incentive measures, 1115 monitoring reports, and pre-prints based on literature and stakeholder feedback,
- Collaborated with Contexture (Arizona HIE) and ASU, Arizona Department of Health Services (ADHS), Arizona Department of Housing, and other data sources to explore future demographic data enrichment strategies and electronic clinical quality measurement (eCQM) opportunities,
- Collaborated internally and with external state agencies, counties, national stewards, and the HIE to explore ways to complement programs with mutual initiatives, such as: the closed-loop referral system (CommunityCares), housing support (e.g., H2O), Community Health Worker/ Representative reimbursement, ADHS (e.g., Data Advisory Committee, ASHline), and NCQA,
- Facilitated dozens of open-registration TI 2.0 Information Sessions as well as individualized presentations to various provider organizations, MCOs, ACOs, CINs, and justice partners to broadcast awareness of the TI 2.0 program and provide technical support with the application, and
- Shared accomplishments to date and future plans via conference attendance (e.g., NCQA Health Innovation Summit, CMS Health Equity Conference) and presentations (e.g., Arizona Health Equity Conference, the annual Institute for Health Improvement forum).

IHS/638 Tribal Dental Services

In 2020, the Arizona State Legislature approved a dental benefit for American Indian/Alaska Native (AI/AN) members that removed a prior \$1,000 limit on services. This Waiver approval allowed AHCCCS to reimburse Indian Health Services and Tribal 638 facilities for dental services provided to AI/AN adults beyond the existing \$1,000 limit. The new policy went into effect in October 2022.

Effective October 14, 2022, the \$1,000 emergency dental services limit for AI/AN members over 21 years of age, and the \$1,000 limit for AI/AN ALTCS members receiving services for medically necessary diagnostic, therapeutic, and preventive dental services at IHS/638 facilities were eliminated. This flexibility applies to medically necessary diagnostic, therapeutic, and preventive dental services for beneficiaries who are AI/AN as long as the services are received at participating IHS facilities and/or Tribal 638 facilities.

Arizona's Section 1115 Waiver Demonstration Annual Report

The \$1,000 limit on emergency services and the \$1,000 dental limit for ALTCS beneficiaries age 21 or older still applies when performed outside of the IHS/638 Tribal facilities.

In Federal Fiscal Year 2023, there was a 21% increase in the number of unique members who received dental care. The number of unduplicated members who received dental care in Federal Fiscal Year 2022 was 9,833. The number of unduplicated members who received dental care in Federal Fiscal Year 2023 was 11,877. Specific service with the largest increases in billed charges between FFY2022 and FFY 2023 include:

- 1) Dental exam and cleaning,
- 2) Dental caries, and
- 3) Screening for dental disorders.

Negotiations Continue on Traditional Healing and In-Reach Services

In its approval notice, CMS recognized AHCCCS' interest in reimbursing for Traditional Healing Services offered by tribal nations and will continue to work with Arizona on this request. Discussions on Traditional Healing Services have continued most recently with AHCCCS, in conjunction with the Traditional Healing Workgroup, answering a variety of questions on proposed services, providers, eligibility, and others.

Additionally, CMS noted its willingness to further explore reimbursement for pre-release services for individuals in federal, state, local, and tribal correctional facilities. In January 2023, CMS approved, for the first time, a California Section 1115 Demonstration amendment that will provide a set of critical pre-release services and care for people returning home from jails and prisons. This was followed by a CMS State Medicaid Directors Letter (SMDL) on April 17, 2023, which outlined expectations, strategies, and recommendations for those states interested in implementing Reentry and Pre-Release Services for justice-involved individuals through a Section 1115 Waiver Amendment. Since the additional guidance was released, AHCCCS is obtaining updated data to further contemplate changes to the original proposal, including potential adjustments to services and timeframe.

New Demonstration Waiver Amendment Proposals

Former Foster Youth Annual Automatic Renewal

On March 28, 2023, AHCCCS submitted the Former Foster Youth Annual Automatic Renewal Demonstration Waiver proposal in alignment with House Bill 2622 passed by Arizona's 55th Legislature. This proposal seeks authority to waive the condition of eligibility in 42 CFR 435.608 requiring Medicaid beneficiaries to apply for other cash benefits for the Former Foster Youth population. AHCCCS currently offers transitional medical care for children leaving foster care that are between the ages 18 to 26. AHCCCS refers to this group as the Young Adult Transitional Insurance (YATI) population. This proposal promotes continuity of care, administrative simplification, and reduces unnecessary eligibility churn. Negotiations on the approval of this proposal are underway between AHCCCS and CMS.

Arizona's Section 1115 Waiver Demonstration Annual Report

Parents as Paid Caregivers (PPCG)

The COVID-19 PHE necessitated new innovations and service delivery models to ensure members continued to receive services if a family decided not to allow Direct Care Workers (DCWs) into their homes or if DCWs decided not to continue working in the home setting to mitigate the risk of exposure. As a result, AHCCCS submitted and received approval for a temporary COVID-19 Appendix K PHE flexibility to allow parents to be reimbursed for the provision of the “extraordinary care” that was required of them throughout the course of the pandemic. The agency received an extension of this flexibility for six months after the end of the PHE on March 22, 2023, extending the program until November 11, 2023, under the same Appendix K authority.

On September 27, 2023, AHCCCS submitted the PPCG Proposal seeking to ensure the continuation of allowing for parents to be reimbursed for the provision of this “extraordinary” attendant care and habilitation services to their minor children past the current expiration date of November 11, 2023, through a section 1115 Demonstration amendment. This proposal was informed by a robust public input process that engaged 1,765 stakeholders, generated 849 pieces of written and verbal input during the forums and other community events, and obtained 739 pieces of written input through the Waiver public input email.

AHCCCS has begun negotiations with CMS on the proposal, and most recently supplied answers to a variety of different questions as it relates to the implementation of the proposed program. CMS also recently granted a temporary extension of the State’s existing COVID-19 Appendix K authority to allow the State and CMS to continue negotiations over the Demonstration amendment application. The COVID-19 Appendix K authority will now expire March 29, 2024, or once the proposal is approved, whichever may come first.

KidsCare Expansion

On November 15, 2023, AHCCCS submitted to CMS the KidsCare Expansion Section 1115 Demonstration Amendment Proposal to seek authority to raise the Children’s Health Insurance Program (CHIP) eligibility thresholds from 200% of the federal poverty level (FPL) to 225% FPL, which is in alignment with Arizona Senate Bill (SB) 1726. Prior to submitting this 1115 Waiver Amendment Request, AHCCCS requested CMS approval to expand KidsCare CHIP financial eligibility through a State Plan Amendment (SPA). However, CMS informed AHCCCS that the State had maxed out its eligibility levels using Title XXI funds under regulatory parameters for CHIP coverage expansions established at Section 2110(b)(1)(B)(ii)(II) of the Social Security Act and 42 CFR 457.310(b)(1)(iii)(A).

Arizona's Section 1115 Waiver Demonstration Annual Report

III. Operational and Policy Updates

Legal Update

The Office of the General Counsel (OGC) provides legal counsel to the agency, is responsible for the rulemaking process, ensures compliance with privacy and public records requirements, and oversees the TXIX Grievance System for the AHCCCS Program. Major components of the Grievance and Appeals System include scheduling State Fair Hearings for disputed matters, the informal adjudication of member appeals and provider claim disputes, and the issuance of AHCCCS Hearing Decisions (also referred to as Director's Decisions). AHCCCS Hearing Decisions represent the agency's final administrative decisions and are issued subsequent to review of the Recommended Decisions made by Administrative Law Judges employed by the State Office of Administrative Hearings, an independent office of state government. Oversight of privacy and confidentiality matters, including HIPAA and Part II compliance issues, is another key responsibility of OGC and is performed by the AHCCCS Privacy Officer.

From October 1, 2022 through September 30, 2023, OGC received 22,907 matters, including member appeals, provider claim disputes, ALTCS trust reviews, and eligibility appeals. Of the 22,907 total cases received during this time period, 257 were member appeals, 19,856 were provider claim disputes, 329 were ALTCS trust reviews, and 2,069 were eligibility appeals. OGC issued 548 Director's Decisions after State Fair hearings were held. In addition, OGC issued 18,124 informal dispositions of disputes filed with the agency. More than 98% of these disputes were resolved at the informal level, thus obviating the need for State Fair Hearings in these cases.

Litigation Activity

The following is a summary of major litigation involving legal challenges to the AHCCCS program during this federal fiscal year (FFY). Major litigation activity during FFY 2023 concerned the following two cases:

- Arizona Alliance of Community Health Centers et al. v AHCCCS, and
- CMS Disallowance of Medicaid School-Based Direct Services Claims

Historical details for the matters were outlined, and are available, in previous annual reports at <https://azahcccs.gov/Resources/Reports/federal.html>.

For the two referenced cases, major litigation developments during this FFY are summarized below.

Arizona Alliance of Community Health Centers et al. v AHCCCS

(Refer to previous annual reports for earlier legal activity)

On November 24, 2022, the Ninth Circuit Court of Appeals denied AHCCCS' Petition for Panel Rehearing, and the matter was remanded to the District Court to determine CMS' rationale for approving Arizona's State Plan's limitations for other FQHC physicians services. Discovery was completed in October 2023. Motion/Cross Motions for Summary Judgment are scheduled for December 2023 and early 2024.

Arizona's Section 1115 Waiver Demonstration Annual Report

CMS Disallowance of Medicaid School-Based Direct Services Claims

(Refer to previous annual reports for earlier legal activity)

On July 20, 2023, the federal District Court upheld the Departmental Appeals Board decision on the merits (which upheld the CMS disallowance). The court also ruled in favor of AHCCCS regarding equitable tolling of the statute and AHCCCS' right to appeal. The agency did not appeal the District Court's decision, and this matter is now closed.

Legislative Update

The Arizona Legislature adjourned Sine Die on July 31, 2023, and passed a number of bills in the 2023 legislative session that will impact the agency, including:

HB 2624 ("AHCCCS; redeterminations") requires AHCCCS to submit a monthly report on redeterminations during the Medicaid Unwinding period, and contains certain requirements related to redeterminations in alignment with AHCCCS' Unwinding plan submitted to CMS.

HB 2432 ("supplemental appropriation; AHCCCS; adjustments") provides expenditure authority to AHCCCS for adjustments in formula requirements.

HB 2826 ("health boards; AHCCCS; continuation") continues the agency through June 30, 2029. In Arizona, state agencies and boards are subject to statutory sunset provisions.

SB 1720/SB 1726 (budget bills) contain appropriations for state agencies and programs. Specific to AHCCCS, the budget included the following items:

- Continued funding for AHCCCS' Medicaid Enterprise System (MES) Modernization, to come into compliance with federal interoperability regulations,
- Provides state-only funding for qualifying Community Health Clinics in low-volume obstetric delivery areas and rural communities for "unreimbursed costs" to pay for on-call OB GYN services,
- Provides time-limited funding to create a separate reimbursement program for rapid whole genome sequencing for certain members under one year of age within inpatient hospital/neonatal intensive care units, subject to CMS approval, and
- Increases eligibility for KIDS CARE (CHIP) from 200% FPL to 225% FPL, contingent upon approval by CMS.

The General Effective Date (GED) was October 30, 2023. The next legislative session will begin in mid-January of 2024.

Program Integrity Update

The Office of Inspector General (OIG) is responsible for and must coordinate activities that promote accountability, integrity, and the detection of fraud, mismanagement, abuse, and waste within the Medicaid program. OIG is a criminal justice agency as defined by Arizona state law. AHCCCS continues to increase its commitment of resources and the development of programs to implement internal controls throughout the Medicaid system to detect, prevent, and investigate cases of suspected fraud, waste, and

Arizona's Section 1115 Waiver Demonstration Annual Report

abuse (FWA). In FFY 2023, OIG achieved a total of \$386,527,746.07 in recoveries and savings for all programs. OIG includes five sections that accomplish different, but interrelated, functions:

Member Compliance Section (MCS)

MCS is divided in two subsections: the Member Criminal Investigations Unit (CIU) and the Fraud Prevention Unit (FPU). Each unit plays a distinctive role in fraud cases involving applicants and enrolled Medicaid members.

Program Integrity Team (PIT)

PIT performs data mining, audits payment data, performs three Program Integrity data audits, and conducts periodic utilization reviews of target providers to identify trends, determine potential fraudulent billing practices, and to use the data to drive case development.

Performance Improvement and Audits Section (PIAS)

PIAS oversees the Corporate Compliance Program as required by federal law and as established in the AHCCCS contracts with MCOs, and has four units: a Compliance and Audit unit, a Post Pay Audit unit, Collections unit, and a Referral Administrative team. PIAS conducts performance improvement projects and independent provider audits.

Provider Compliance Section (PCS)

PCS conducts investigations of external referrals and internally detected cases using data mining (Program Integrity audits) activities. PCS has two components: Provider Compliance Unit (PCU) and a Fee-for-Service (FFS) team. PCS makes independent referrals to the State Medicaid Fraud Control Unit (MFCU) and other State and Federal Law Enforcement authorities when necessary.

Forensic Accountant Unit (FAU)

FAU provides financial fraud assistance in cases related to Complex Health Care Frauds, Health Care Corporate Compliance Fraud, and Health Care Financial Frauds. FAU makes independent referrals to the State Medicaid Fraud Control Unit (MFCU) and other city, state, and federal law enforcement authorities.

OIG works to continually increase its partnerships among federal, state, and local law enforcement. To support this effort, OIG has developed relationships with several county prosecutors who successfully prosecuted cases involving health care theft, fraudulent schemes, and/or elder abuse prosecutions. OIG's primary goal is to increase associations with county prosecutors to create joint casework and initiatives between agencies. The secondary goal is to identify the subjects who accept plea deals, are convicted, and are sentenced, and to report those individuals to the U.S. Department of Health and Human Services' (HHS) OIG, for potential exclusions. OIG has submitted county prosecutions to HHS OIG for review of potential exclusions.

This year, OIG has developed successful partnerships, and renewed established partnerships, with law enforcement to bolster its ongoing program integrity efforts, including, but not limited to, the following:

Arizona's Section 1115 Waiver Demonstration Annual Report

- **OIG and the Attorney General's Medicaid Fraud Control Unit (MFCU) experienced leadership changes due to elections in the State of Arizona. In January 2023, AHCCCS, MFCU, and Federal Law Enforcement met, to discuss the large number of behavioral health referrals received by the agency. This continued collaboration and communication led to a focused effort on behavioral health fraud throughout the year. In addition to strong commitments for agency to agency interactions, AHCCCS OIG and AGO MFCU presented together at the 2022 NAMPI Conference on *A Comprehensive Approach to Stopping Behavioral Health Medicaid Fraud*. This conference is a national conference where program integrity is a shared conversation with all states and territories, federal partners, and leaders.**
 - [Attorney General Mayes Announces Fraud Charges Against Owners and Biller of Behavioral Health Facility](#)
 - [Arizona Attorney General's Office Announces Sentencing on Nurse Imposter](#)
- **During the year, the Internal Revenue Service (IRS) has connected with OIG to jointly investigate providers of interest. As part of the IRS Task Force, other law enforcement agencies are actively working AHCCCS cases. These agencies include the U.S. Immigration and Customs Enforcement (ICE), Mesa Police Department, and the Gilbert Police Department. Because of this involvement with the IRS's Task Force, several new leads have resulted from this collaboration. OIG currently has several joint cases open with the IRS.**
 - [Mesa woman agrees to forfeit homes, cars, jewelry in connection to AHCCCS fraud case](#)
- **The Federal Bureau of Investigation (FBI) continues to be a strong partner for combatting Medicaid fraud in Arizona. The FBI, in conjunction with other law enforcement agencies, is part of the response for the highlighted Medicaid fraud occurring in Arizona.**
 - [FBI says fake rehab groups try to scam Indigenous community](#)
- **Adult Protective Services (APS) and Law Enforcement Collaboration Meetings: OIG has successfully partnered in the joint monthly law enforcement meetings where APS presents cases to determine if there is overlap, criminal liability, and other items worthy of sharing. This collaboration meeting is also staffed with several county prosecutors, AGO, City of Phoenix Police Department, and the APS investigators. New leads and other items unrelated to FWA were identified through this collaboration. All quality of concern issues were given to OIG and sent to the appropriate AHCCCS teams.**
- **OIG continues to be an active member in a new, undergraduate Health Care Compliance and Regulations degree program as a member of the Advisory Board Committee, and as a faculty member, for Arizona State University (ASU), Edson College of Nursing and Health Innovation. The degree program strives to develop health care compliance professionals with competencies that providers, regulators, investigators, government programs, and enforcement agencies would find relevant to their work, and graduates will have job-ready skills, knowledge, and abilities.**
- **Arizona Department of Health Services (ADHS) and OIG have collaborated to work jointly to remove providers from the AHCCCS system who are no longer licensed and have closed their facilities. ADHS has begun proactively sending OIG Closure notices so that OIG can, in turn,**

Arizona's Section 1115 Waiver Demonstration Annual Report

terminate the Provider Participation Agreements (PPA) for these providers. ADHS and OIG have increased communications between their respective divisions. A signed Memorandum of Understanding (MOU) was obtained that led to the furtherance of the critical information sharing.

- In addition to looking externally for additional partnerships and collaboration, OIG has also looked internally. AHCCCS now has standing weekly FWA meetings with every division of the agency participating in the ongoing discussions of program integrity.

Provider Compliance Section

In FFY 2023, AHCCCS' OIG Provider Compliance Section:

- Accepted 1,640 cases for investigation,
- Referred 346 cases to the Arizona Attorney General's Office (MFCU),
- Achieved a total of 13 convictions, and
- A total of \$212,951,755.92 was recovered and saved with the Provider Compliance Program.

PCS initiated a joint project with the Bureau of Residential Facilities Licensing Team at ADHS to work on behavioral health out-patient treat clinics and integrated clinics. The purpose was to identify providers that were unlicensed, closed, and/or had failed to report the closures to AHCCCS as required in their Provider Participation Agreements (PPA). As a result of this project, a combined 114 providers were terminated generating a cost savings of \$16,506,072.48. Approximately 25 Investigators from OIG and two ADHS employees worked to facilitate this project to completion.

PCS identified a need to conduct site visits on select behavioral health residential facilities, out-patient treatment centers and integrated clinics. Approximately 23 OIG investigators, made up of three teams of investigators, along with three temporary supervisors, were tasked with conducting site visits, interviewing staff, completing a questionnaire, speaking to members when possible, and ensuring quality of care issues were being addressed. The results consisted of:

- 397 site visits,
- 158 visits to behavioral health residential facilities,
- 239 visits to out-patient and integrated care facilities, and
- 126 quality of care referrals to AHCCCS Quality Management Team.

PCS utilized the credible allegation of fraud payment suspension for providers who met the reliable indicia of fraud as defined by 42 CFR 455.23 during the year:

- 295 payment suspensions of behavioral health providers for providing services to AHCCCS members through unlicensed/unqualified personnel, billing for services not provided, failing to adhere to the requirements of AHCCCS provider agreements, creating false documentation, failing to adhere to medical documentation requirements, etc.
- Four payment suspensions of Non-Emergency Medical Transportation (NEMT) companies who billed for services the company knew and/or should have known could not have been provided as claimed.

Arizona's Section 1115 Waiver Demonstration Annual Report

- One payment suspension for a laboratory who was working in conjunction with various behavioral health providers One payment suspension of a Habilitation provider who was billing for services prior to providing the actual services, and in several instances, using members hours before services legitimately began.

OIG also reviewed and performed 72 terminations either in conjunction with or in lieu of the Credible Allegation of Fraud Payment Suspensions.

Wrongful billing under an incorrect provider ID is a consistent error found across several provider types. OIG actively pursues recoups of overpayments related to wrongful billing and if intentional, OIG will refer to MFCU for criminal investigation. Billing under the wrong provider ID is a violation of the Provider Participation Agreement, AHCCCS policies, and is viewed as filing a false claim and potentially a violation of State law. Case examples include, but are not limited to, the following:

- PCS recovered \$366,922.87 from a psychiatrist who was billing for services rendered under the wrong ID. OIG's investigation revealed records were missing, services were rendered by different providers compared to what was billed, and providers were not appropriately credentialed at the time of service. OIG entered into a repayment agreement with the provider.
- PCS investigated a dermatology practice and found the provider was incorrectly billing under the wrong provider ID. This investigation revealed services rendered by mid level practitioners with notes stating to bill under the higher licensed provider; thereby, resulting in a higher reimbursement. This resulted in a preliminary extrapolated loss amount of \$2,481,548.63. [Note-This amount does not identify or include the difference of payment between the levels.]

PCS initiated an investigation into a habilitation provider that received more than 80 referrals. This provider billed 135 AHCCCS members and was paid approximately \$1.8 million. OIG conducted member interviews and intensive document review which preliminarily showcases this provider billed for services never rendered, exhausting hours for members who never received any services or minimal services, billed for services over the identified utilization for each member, and never paid its caregivers for services they rendered. AHCCCS suspended payments through a credible allegation of fraud while the provider is being criminally investigated.

PCS incorporates coding algorithms and flags data to identify cases. Recent examples include:

- Billing for services for a member by one provider while the member is in an inpatient facility, incarcerated, deceased or being treated by a different provider at a completely different location.
- Utilizing a data analytic system to identify providers who bill for certain CPT codes in patterns and in excessive amounts, and unbundled CPT codes such as H0015, H0004, T1016, and H0038.
- Reviewing data outputs to better define potential overlap flags. Redefined identification includes ensuring providers flagged within potential data analytics are also identified as having an open OIG case.

Arizona's Section 1115 Waiver Demonstration Annual Report

Fee for Service Investigations Unit (FIU)

In FFY 2023, FIU, as part of PCS, continues to drive casework. FIU investigates matters related to AHCCCS' Fee-for-Service program as it relates to fraud, waste, and abuse. However, it should be noted that referrals are received from multiple avenues and not just limited to the AHCCCS Division of Fee for Service Management (DFSM) as a referral source. FIU consists of seven investigators, four of whom have extensive, in-depth Fee-for-Service knowledge. FIU works closely with local police departments, MFCU, and federal agencies in working joint investigations and for FFY23 was intimately involved in behavioral health fraud with the rest of PCS in an "all hands-on deck" approach. In addition to the data listed above for PCS, which is inclusive of FIU, the numbers below reflect FIU specific activity.

FFY 2023 activity for FIU not inclusive of PCS includes:

- 193 referrals received and cases opened from AHCCCS DFSM Audit Team.
- 301 referrals resulting in investigations,
- 122 Active Cases141 finished cases,
- 38 suspended cases (referred to law enforcement),
- Two credible allegations of fraud (CAF) payment suspensions related to Non-Emergency Medical Transportation Companies,
- 17 Cases referred to internal AHCCCS Divisions for Quality-of-Care concerns,
- \$74,498.20 in recoveries, and
- \$55,568,175.70 in Program Savings.

Forensic Accountant Unit

The Forensic Accounting Unit (FAU) staffing consisted of three investigators in FY 2023. All three are Certified Fraud Examiners (CFE); and two out of three are Certified Public Accountants (CPA). During the current reporting period, FAU recorded recoveries totaling \$368,339.62 and generated program savings of \$42,452,441.55. The program savings amount increased by a staggering 1,058% over last year.

FAU provided ancillary support to all OIG investigative sections and units through the utilization of a computer application called BankScan. Using BankScan in conjunction with Optical Character Recognition (OCR) software, FAU processed approximately 64,000 individual bank transactions received by the OIG in paper or image-only format. These transactions were converted into a spreadsheet, provided to the investigators for further analysis, and resulted in multiple recoveries, savings, and convictions. By using BankScan, FAU saved the OIG 1,067 investigative hours (approximately 44 days) that would have been required to manually enter the bank transactions into a spreadsheet.

Program Integrity Team (PIT)

PIT handles high-volume data requests from internal and external customers. In FFY 2023, PIT received 70 data requests per month and maintained an average two-day turnaround time. The huge increase from FFY 2022 was due to the volume of investigations required to address the attack on AHCCCS' behavioral health delivery system from a number of fraud rings (PIT received 168 requests in the month

Arizona's Section 1115 Waiver Demonstration Annual Report

of May alone). The National Association of Medicaid Fraud Control Units (NAMFCU) data requests are invariably more complex and require more time to process, but PIT rarely requires a deadline extension. PIT received \$249,591.65 in global settlements from two cases in FFY 2023. PIT currently has 62 pending global settlement cases.

- In addition to fulfilling data requests, PIT analysts conducted investigations resulting in \$5,028.68 in recoveries and reported \$3,802,856.64 in program savings from disenrolled members.
- Program Integrity Audits and Provider Self-Audits produced another \$341,254.15 in recoveries.
- PIT enhanced the comprehensive set of reports that identify fraudulent behavioral health billing. The reports are created for specific providers listed in a request. A new set of ranking reports were also created to track the services most vulnerable to fraudulent billing.
- In response to a recommendation from the Arizona Auditor General, the OIG case management system was enhanced to add case priorities and preliminary investigation tracking. PIT submitted requirements in December 2022 and the enhancements were tested and implemented by March 2023.
- Throughout the year, PIT supported a data analytics project to replace LexisNexis after the company announced they were sunsetting their product in August 2022 (just one month into the new contract). CMS approval was needed for AHCCCS to expedite a replacement by offering the contract to Pulselight (the vendor placing second to LexisNexis in the 2021 RFP). The contract was fully executed on February 28, 2023, and Pulselight's data analytics product (torch) went live on September 29, 2023.

Performance Improvement and Audit Section (PIAS)

In FFY 2023, the Administrative Team processed 5,516 incoming referrals, 97% within 24-hours.

In FFY 2023, the Collections Unit focused on 1,518 cases that were 60 days or more past due, an increase of 13% from FFY 2022.

Additional Collections Unit FFY 2023 accomplishments include:

- \$13,335,011.47 total collections (on-time & past-due),
- 1,564 payments received (on-time & past-due),
- 1,518 60 days+ past-due cases identified,
- 205 60 days+ past-due cases collected, and
- \$1,785,462.23 collected on 60+ past-due cases.

In FFY 2023, the OIG Compliance and Audit Unit completed the following:

- 4 Operational Reviews,
- 14 Deficit Reduction Act (DRA) audits,
- 91 MCO deliverable reviews,

Arizona's Section 1115 Waiver Demonstration Annual Report

- 1 FQHC audit completed and 1 pending,
- 20 Date of Death audits complete with 55 pending,
- 297 Credit Balance audits reviewed, and
- 12 Housing Program site visits.

The Post Pay Audit Unit completed the following in FFY 2023:

- 79 Inpatient audits,
- 262 Provider 2nd Level Non-Criminal Med reviews,
- 8 Housing Program site visits, and
- Post-Pay audit of the Promoting Interoperability (PI) incentive program.

Member Compliance Section (MCS)

The MCS includes two units: the Criminal Investigative Unit (CIU) and the Fraud Prevention Unit (FPU). Combined, these units handled 3,821 cases in FFY 2023 with total recovery and savings of \$13,677,959.99.

- With units in Tucson and Phoenix, FPU closed a total of 3624 cases with a total savings of \$12,135,224.20 in FFY 2023.
- With units in Tucson and Phoenix, CIU closed a total of 197 cases, with total savings and recoveries of \$1,542,735.79 in FFY 2023.

FPU and CIU investigate and review allegations of beneficiary fraud, waste, and abuse for AHCCCS members. Case examples for FFY23 include:

- While the MCS was conducting an investigation of one member, it was discovered that a second member of a separate household living at the same address was not reporting his correct income information. The OIG investigator found that this member was the owner of three businesses. This member's banking information indicated that the member was well over the income limit to qualify for medical benefits causing a loss to AHCCCS of \$35,309. The member retained legal counsel and ultimately agreed to repay the loss he caused.
- The MCS investigated a member who failed to report her marriage in order to obtain medical benefits. The member's spouse was employed earning \$200,000/year. The member reported a home address in Phoenix and submitted handwritten statements that she lived with her sister. During an investigative interview, the member admitted to committing fraud due to not wanting to report living with her spouse. The member was prosecuted and ordered to pay restitution in the amount of \$125,500.02.
- Another investigation discovered the need for a PAS re-assessment which ultimately determined that the member was ineligible for the ALTCS program. Additionally, the member's Authorized Representative requested to have ALTCS benefits discontinued effective immediately. OIG presented findings to the ALTCS office. As a result, the member's benefits were discontinued saving AHCCCS \$104,652.24.

Arizona's Section 1115 Waiver Demonstration Annual Report

- The MCS received a referral that alleged the member may not be a resident of Arizona. The investigation revealed that the member established Colorado residency in November 2022. The Arizona Technical Eligibility Computer System (AZTECS) revealed that the member and her children were actively receiving Nutrition Assistance benefits and using those benefits at various Colorado retailers located within minutes of her new address in Colorado. The investigator was able to obtain strong evidentiary support that led to the discontinuance of the member and her household's medical benefits. This investigation saved the program \$90,225.48.

The OIG Self Disclosure Program incorporates both Title XIX and Non-TXIX program violations. Once an inappropriate payment is discovered by a provider that warrants Self-Disclosure, providers are encouraged to contact OIG as early in the process as possible to maximize the potential benefits of Self-Disclosure. In FFY 2023, OIG realized a total of \$48,313.30 of combined recoveries and program savings for both Title XIX and Non-Title XIX Self Disclosures.

- Accepted 29 Self-Disclosures
 - 28 Title XIX cases
 - 1 Non Title XIX cases
- Achieved \$14, 220.08 in total recoveries
 - \$13,382.55 Title XIX recoveries
 - \$837.53 Non-TXIX recoveries
- Accomplished \$34,093.22 in program savings
 - \$32,418.16 Title XIX program savings
 - \$1675.06 Non-TXIX program savings

OIG is not interested in fundamentally altering the day-to-day business processes of provider organizations for minor or insignificant matters. OIG recognizes that many improper payments are discovered during a provider's internal review or audit process. While providers who identify that they have received improper payments from the AHCCCS program are required to return the overpayments, OIG desires to develop and maintain a fair, rational process that will be mutually beneficial for both the State of Arizona and the concerned provider. The OIG Self-Disclosure process is a proven success and will continue to be successful.

Arizona's Section 1115 Waiver Demonstration Annual Report

State Plan Update

During the reporting period, the following SPAs were filed and/or approved:

Table 3

SPA #	Description	Filed	Approved	Eff. Date
18-009 FQHC Alternative Payment Model	Updates the State Plan Alternative Payment Methodology (APM) for Federally Qualified Health Centers (FQHCs).	9/27/18	11/16/22	10/1/18
20-0018 DSH Pool 5	Updates Disproportionate Share Hospital (DSH) Pool 5 Funding for SFY 2021.	10/1/20	3/8/23	10/1/20
22-0011 GF GME	Updates the State Plan to detail the amounts and methodology related to the General Fund (GF) Graduate Medical Education (GME) program for FY 2023	9/27/22	4/27/23	9/30/22
22-0009 - 12-month Postpartum Continuous Eligibility	Establishes 12-months of postpartum continuous eligibility for pregnant women.	9/12/22	4/4/23	4/1/23
22-0014 DSH Budget (2023)	Updates the State Plan Year (SPY) 2023 DSH Budget.	9/27/22	6/2/23	10/1/22
22-0016 Diabetes Self Management Training	Adds Diabetes Self Management Training to the State Plan.	10/5/22	2/15/23	10/1/22
22-0017 CHIP Continuous Coverage	Provides for 12-months of CHIP Continuous Eligibility, up to age 19.	10/5/22	NA	1/1/24
22-0018 Chiropractors' Services	Adds chiropractors' services, with limitations, to the State Plan.	10/5/22	12/21/22	10/1/22
22-0019 EMT Rates	Updates the State Plan Emergency Medical Transportation Rates for FFY 2023.	10/11/22	11/1/22	10/1/22
22-0020 LTC/Rehab Rates	Updates the State Plan Long Term Care and Rehabilitative Services Rates for FFY 2023.	10/11/22	10/25/22	10/1/22
22-0021 Nursing Facility Rates	Updates the State Plan Nursing Facility rates for FFY 2023.	10/11/22	11/10/22	10/1/22
22-0022 Outpatient Hospital Rates	Updates the State Plan Outpatient Hospital Rates for FFY 2023.	10/11/22	10/24/22	10/1/22

Arizona's Section 1115 Waiver Demonstration Annual Report

SPA #	Description	Filed	Approved	Eff. Date
22-0023 Other Provider Rates	Updates the State Plan Other Provider Rates for FFY 2023.	10/11/22	11/4/22	10/1/22
22-0024 DRG Rates	Updates the State Plan Diagnostic Related Groups (DRG) rates for FFY 2023.	10/11/22	11/10/22	10/1/22
22-0025 NF Supplemental Payment	Adds a nursing facility (NF) supplemental payment to the State Plan.	10/11/22	3/31/23	10/1/22
22-0026 Inpatient Differential Adjusted Payment (DAP)	Establishes an Inpatient Differential Adjustment Payment (DAP) for FFY 2023.	10/19/22	12/5/22	10/1/22
22-0027 Outpatient Differential Adjusted Payment (DAP)	Establishes an Outpatient DAP for FFY 2023.	10/19/22	1/13/23	10/1/22
22-0028 Nursing Facility Differential Adjusted Payment (DAP)	Establishes an Outpatient DAP for FFY 2023.	10/19/22	12/5/22	10/1/22
22-0029 Community Health Worker Services	Adds Community Health Worker services to the State Plan.	12/9/22	2/1/23	TBD
22-0030 Drug Utilization Review (DUR) Program	Describes the state's Drug Utilization Review (DUR) Program for CMS covered outpatient drugs.	12/12/22	3/1/23	10/1/22
22-0031 Drug Signature Requirements	Temporarily waives any signature requirements for the dispensing of drugs during the PHE.	12/14/22	2/1/23	3/1/20
23-0001 APR DRG January Update	Updates APR DRG rates.	3/16/23	4/24/23	1/1/23
23-0002 January Nursing Facility Rate Update	Updates nursing facility rates.	3/16/23	5/1/23	1/1/23
23-0003 Long Acting Reversible Contraceptives (LARC)	Updates the reimbursement methodology for LARC.	3/16/23	NA	1/1/23
23-0004 DSH Medicaid Shortfall Calculation	Updates the DSH Medicaid shortfall calculation.	3/16/23	4/13/23	2/2/23
23-0006 Temporary Suspension of Cost Sharing	Temporarily suspends Medicaid cost sharing until April 1, 2024.	12/14/22	3/24/23	5/12/23

Arizona's Section 1115 Waiver Demonstration Annual Report

SPA #	Description	Filed	Approved	Eff. Date
23-0007 FFCC Eligibility Group	Attests to the state's compliance with the SUPPORT Act requirements for coverage of former foster care children/youth.	3/27/23	6/15/2023	1/1/23
23-0008 COVID Payment	Provides for a COVID-19 related lump-sum payment for select providers.	4/6/23	5/5/23	1/1/23
23-0009 State Agency Roles	Identifies the role of state agencies in determining eligibility and conducting hearings.	4/18/23	NA	4/1/23
23-0010 Alcohol and/or Drug Services, Intensive Outpatient	Updates the reimbursement methodology for alcohol and/or drug services, intensive outpatient.	6/28/23	9/25/23	5/1/23
23-0011 CHIP Income Eligibility	Establishes CHIP eligibility for children up to 225% of the FPL.	8/30/23	NA	NA
23-0012 CHIP Strategic Objectives	Updates KidsCare (CHIP) premiums to include children up to 225% FPL and updates the State Plan Strategic Objectives.	8/30/23	NA	NA
23-0014 General Fund (GF) GME	Details amounts and methodology related to the General Fund GME Program.	9/28/23	NA	9/30/23
23-0015 IGA GME	Details amounts and methodology related to the Intergovernmental Agreement (IGA) GME Program.	9/28/23	NA	9/30/23
23-0016 DSH Budget	Updates the Disproportionate Share Hospital (DSH) Budget in the State Plan.	9/28/23	NA	10/1/23
23-0017 DSH Pool 5	Updates the DSH Pool 5 funding and participating hospitals in the State Plan.	9/28/23	NA	10/1/23
23-0018 Rapid Whole Genome Sequencing	Establishes a payment methodology for rapid whole genome sequencing (RWGS), effective October 30, 2023.	10/13/23	NA	10/30/23
23-0019 Inpatient Differential Adjusted Payment (DAP)	Establishes an inpatient differential adjusted payment (DAP) for FFY 2024.	10/30/23	NA	10/1/23
23-0020 Nursing Facility Differential Adjusted Payment (DAP)	Establishes a nursing facility differential adjusted payment (DAP) for FFY 2024.	10/30/23	NA	10/1/23
23-0021 Outpatient Differential Adjusted Payment (DAP)	Establishes an outpatient differential adjusted payment (DAP) for FFY 2024.	10/30/23	NA	10/1/23

Arizona's Section 1115 Waiver Demonstration Annual Report

IV. Evaluation Activities and Findings

Waiver Evaluation Update

In accordance with the Special Terms and Conditions of the 2016-2022 and 2022-2027 1115 Waiver Demonstrations, AHCCCS must submit a Waiver Evaluation Design, Interim, and Summative Evaluation Reports. AHCCCS has contracted with the Health Services Advisory Group (HSAG) to serve as the independent evaluator for both of Arizona's 1115 Waiver Demonstrations. In SFY 2019, AHCCCS worked with HSAG to develop Evaluation Design Plans for the following programs:

- AHCCCS Complete Care (ACC) Program,
- Arizona Long Term Care System (ALTCS) Program,
- Comprehensive Health Plan (Formerly CMDP),
- Arizona Complete Care, Regional Behavioral Health Agreements (ACC-RHBAs, formerly Authorities)
- TI Program,
- Retroactive Coverage Waiver, and
- AHCCCS Works program.

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 CMS approved the plan on February 1, 2022.

AHCCCS has also continued work with HSAG on the Demonstration's 2016-2022 Summative Evaluation Report, in alignment with the approved Evaluation Design for the programs listed above. The Summative Evaluation Report will include a longer implementation period with more robust analysis and promises to provide additional evidence to support a fuller understanding of the effects of each of the programs included in the Demonstration. This report is due for submission to CMS by April 14, 2024.

The 2022 - 2027 Waiver Evaluation Design Plan was developed and submitted to CMS on September 30, 2023, for all historical programs within Arizona's 1115 Demonstration Waiver. This includes the evaluation design for ACC, ACC-RBHA, ALTCS, CHP, Prior-Quarter Coverage (PQC), and Tribal Dental Authority. CMS also recently released a draft version of the evaluation design technical assistance guide for health-related social need (HRSN) 1115 Demonstrations which is being utilized to develop the evaluation design plan for TI 2.0 and H2O programs which are currently due to CMS on January 31, 2024.

Arizona's Section 1115 Waiver Demonstration Annual Report

V. Consumer Issues

Table 7 is a summary of advocacy issues received by AHCCCS' Office of Client Advocacy (OCA) in FFY 2023.

Table 7

Advocacy Issues ¹	Quarter 1 10/1/22- 12/31/22	Quarter 2 1/1/23- 3/31/23	Quarter 3 4/1/23- 6/30/23	Quarter 4 7/1/23- 9/30/23	Total
Billing Issues <ul style="list-style-type: none"> ● Member reimbursements ● Unpaid bills 	6	4	2	2	14
Cost Sharing <ul style="list-style-type: none"> ● Co-pays ● Share of Cost (ALTCS) ● Premiums (KidsCare, Medicare) 	5	5	4	0	14
Covered Services	1	1	5	0	7
ALTCS <ul style="list-style-type: none"> ● Resources ● Income ● Medical 	22	11	6	15	54
DES <ul style="list-style-type: none"> ● Income ● Incorrect determination ● Improper referrals 	74	25	36	28	163
KidsCare <ul style="list-style-type: none"> ● Income ● Incorrect determination 	0	1	0	2	3
SSI/Medical Assistance Only <ul style="list-style-type: none"> ● Income ● Not categorically linked 	24	10	25	44	103
Information <ul style="list-style-type: none"> ● Status of application ● Eligibility criteria ● Community resources ● Notification (Did not receive or didn't understand) 	117	158	135	142	552
Medicare <ul style="list-style-type: none"> ● Medicare coverage ● Medicare Savings Program ● Medicare Part D 	6	13	12	26	57
Prescriptions <ul style="list-style-type: none"> ● Prescription coverage ● Prescription denial 	0	0	1	1	2

¹ Categories of good customer service, bad customer service, documentation, policy, and process are captured under the category to which it may relate.

Arizona's Section 1115 Waiver Demonstration Annual Report

Advocacy Issues ¹	Quarter 1 10/1/22- 12/31/22	Quarter 2 1/1/23- 3/31/23	Quarter 3 4/1/23- 6/30/23	Quarter 4 7/1/23- 9/30/23	Total
Fraud-Referred to Office of Inspector General (OIG)	1	1	7	0	9
Quality of Care-Referred to Division of Health Care Management (DHCM)	20	19	22	0	61
Total	276	248	255	260	1,039

Table 8

Issue Originator ²	Quarter 1 10/1/22- 12/31/22	Quarter 2 1/1/23- 3/31/23	Quarter 3 4/1/23- 6/30/23	Quarter 4 7/1/23- 9/30/23	Total
Applicant, Member or Representative	58	15	21	18	112
CMS	0	11	5	1	17
Governor's Office	27	18	24	23	92
Ombudsmen/Advocates/Other Agencies	188	200	200	211	799
Senate & House	3	4	5	7	19
Total	276	248	255	260	1,039

VI. 1115 Waiver Renewal Public Forums

Post Award Forum

AHCCCS hosted various community meetings across the state to provide the public with information about its 1115 Waiver Demonstration Amendment and renewal process. This included new Waiver Amendment Proposals such as Former Foster Youth Annual Automatic Renewal, Parents as Paid Caregivers, and Kidscare Expansion. Across these three separate public input processes, AHCCCS engaged with over 2,000 stakeholders and solicited over 1,700 written and verbal pieces of feedback which were utilized throughout the proposal development and implementation processes.

AHCCCS also hosted numerous public forums to provide updates and solicit feedback on previously approved Waiver programs such as Housing and Health Opportunities (H2O). In total, AHCCCS has held three rounds of H2O specific community forums which have been used to provide updates and solicit feedback on each step of the program's development. These forums engaged 789 stakeholders and solicited over 600 pieces of written comment.

² This data was compiled from the OCA logs by the OCA Client Advocate and the Member Liaison.

Arizona's Section 1115 Waiver Demonstration Annual Report

Updates on the current 1115 Waiver Demonstration and upcoming proposals were provided at all quarterly Tribal consultations in FFY 2023. Additionally, Waiver updates were added to agendas for the State Medicaid Advisory Committee (SMAC), The Office of Individual and Family Affairs (OIFA) Hot Topics, Arizona Advisory Council on Indian Health Care (AACIHC), IHS area directors, and Chief Medical Officer (CMO) meetings on a quarterly basis. AHCCCS also held a Waiver specific OIFA Hot Topics community forum on September 18, 2023, which provided stakeholders with a general overview of the Waiver, current and future initiatives, and solicited feedback on the current progress made by the agency. Further information regarding the State's public input processes can be found under the Outreach and Innovation Activities section.

VII. Outreach and Innovation Activities

The Division of Community Advocacy and Intergovernmental Relations (DCAIR)

DCAIR has three distinct teams that interface with Medicaid beneficiaries and their family members, community members, tribal leaders, and federal and state stakeholders. These three teams oversee federal and tribal policy relations and advocate on behalf of members to ensure that all perspectives and voices are considered in the health care policy and service delivery decision-making process.

The Office of Individual and Family Affairs (OIFA)

OIFA promotes recovery, resiliency, and wellness for individuals with mental health and substance use challenges. OIFA builds partnerships with individuals, families of choice, communities, and organizations. OIFA works to ensure AHCCCS members, and their families, have direct and meaningful input into the behavioral health system policies, programs, and practices that affect their experiences. OIFA utilizes various methods to provide opportunities for community input, including:

- Reaching on average 2000 community members through monthly meetings to share AHCCCS initiatives, and gather input,
- Hosting a monthly OIFA Advisory Committee to bring together leadership of peer and family behavioral health service providers, advocacy groups, and members and families to influence system structures, and benefit from regular contact with AHCCCS Leadership,
- Creating [empowerment tools](#) for members and family members to use when navigating through the Medicaid System. Topics are developed based on community input, and AHCCCS members and family members review the material prior to being posted,
- Offering easy access to the OIFA Team through an [online](#) form for members, family members, and stakeholder to quickly have questions answered or concerns addressed, and
- Providing regular Jacob's Law training sessions for families and stakeholders.

Arizona's Section 1115 Waiver Demonstration Annual Report

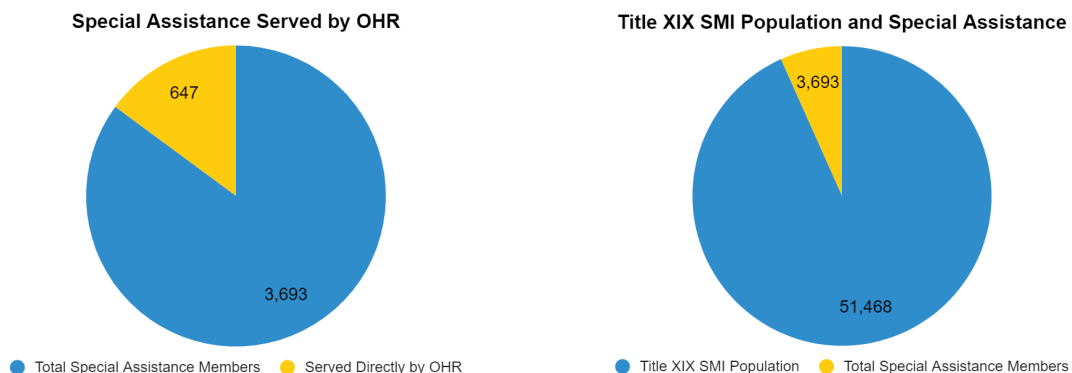
Through the OIFA Alliance, a collaborative relationship between the OIFA departments at the contracted health plans and AHCCCS, the Alliance gathered and met with over 350 members and family members to gather input to form the OIFA Strategic Plan for 2024. This collaboration has proven to be a critical mechanism for making systemic changes and effective transformative improvements. Results since the inception of the OIFA Alliance include:

- Instituting policy change for the OIFA Alliance to have a central role in the review and recognition of Peer Support Employment Training Programs (PSETPs,) and Credentialed Family Support Training agencies,
- Creating a streamlined, standardized auditing tool to use in measuring provider compliance with peer support and family support requirements,
- Developing renewal application criteria and processes for monitoring existing PSETP, and
- Designing transparent processes in evaluating requests for organizations to be recognized as Peer-Run Organizations.

The Office of Human Rights (OHR)

The Office of Human Rights (OHR), established under Arizona Administrative Code (A.A.C.) R9-21-104, is responsible for assisting AHCCCS members living with an SMI designation, promoting their rights, and ensuring access to entitled Medicaid services. OHR promptly identifies and assigns designated representatives to assist these members in participating in treatment planning, discharge planning, and the SMI appeal, grievance, and investigation processes. OHR provides technical assistance to all members with an SMI designation who request it. As of September 30, 2023, 7% of AHCCCS members living with an SMI designation met the criteria for Special Assistance. Of those qualifying for Special Assistance, OHR serves as the designated representative to 17%, while the remainder are supported by court-appointed guardians and/or natural supports who also receive ongoing support from OHR as needed. The OHR advocates work with the members and natural support to promote self-advocacy and behavioral health education. Each advocate strives to empower members and their natural supports to navigate the behavioral health system independently when possible.

Fig.1: Statewide SMI Population/Members Designated to Need Special Assistance as of September 30, 2023



Arizona's Section 1115 Waiver Demonstration Annual Report

OHR tracks all field encounters which can include: an individual's home, community, jail, or hospital visit to a Special Assistance member; clinical staffing for Special Assistance member; meetings and coordination with behavioral health and other providers (such as Arizona Department of Economic Security/Division of Developmental Disabilities (DES/DDD)); grievance and appeal investigations, interviews, informal conferences, and hearings; discharge planning and Individual Service Plan meetings, Adult Recovery Team meetings, intakes and/or transfer meetings with Special Assistance members, meeting for temporary short-term technical assistance (for members with an SMI designation who do not require Special Assistance), and training conducted or received directly related to behavioral health.

OHR offers training opportunities to members, families, natural supports, guardians, and professional stakeholders, which has increased community engagement and increased the number of members who meet special assistance criteria.

OHR hosted 12 trainings from October 1, 2022 through September 30, 2023, providing engagement and education to a total of 1013 attendees for the following topics:

- The Power of Collaboration and Advocacy for Individuals with a SMI,
- Why Assess for Special Assistance for Individuals with a SMI,
- Rights for Individuals with a SMI,
- Provider Case Management for Individuals with a SMI,
- The ISP and Why it Matters for Individuals with a SMI,
- The Role of the Office of Human Rights,
- The Grievance and Appeals Process for Individuals with a SMI,
- Covered Behavioral Health Services for Individuals with a SMI,
- Court-Ordered Evaluation and Treatment, and
- Inpatient Treatment and Discharge Planning for Individuals with a SMI.

Federal Relations

The Federal Relations team develops and manages AHCCCS state and federal legislative initiatives and policies while engaging with community members, Medicaid members, federal partners, and other stakeholders via Tribal Consultation, OHR training, State Medicaid Advisory Committee meetings, and other stakeholder engagement sessions.

The team includes:

- DCAIR's Assistant Director,
- OHR's Administrator,
- OHR's Data Policy Manager,
- Federal Relations Section Lead and Health Policy Advisor,

Arizona's Section 1115 Waiver Demonstration Annual Report

- State Plan Manager and Health Policy Consultant,
- Advocacy Lead (vacant),
- Federal Waiver and Evaluation Administrator,
- Tribal Liaison,
- DCAIR's Project Manager and State Medicaid Advisory Committee (SMAC) Liaison, and
- Data Coordinator (vacant).

In these roles, the Federal Relations staff serve as the liaison and point of contact with CMS on Title XIX and XXI policy issues; maintain regular communication with the Office of the Governor and the State's Health Policy Advisor; coordinate quarterly and ad hoc Tribal Consultation meetings with Arizona tribal communities, Indian Health Services (IHS), including Urban Indian Organizations, and tribally-owned, and/or operated 638 programs and facilities; coordinate quarterly State Medicaid Advisory Committee meetings; and advise the Director and Governor's Office on issues related to health care policy.

With the onset of the COVID-19 pandemic and the declaration of the PHE, the AHCCCS Federal Relations team guided AHCCCS leadership through the federal process of requesting Waivers of Medicaid and Children's Health Insurance Program (CHIP) requirements in order to combat the continued spread of COVID-19. The agency identified more than 50 different programmatic changes that strengthened the provider workforce, removed barriers to care for AHCCCS members, enhanced Medicaid services and support for vulnerable members, and removed cost sharing and other administrative requirements for the duration of the emergency period. The team has continuously supported the agency as many of the programs have and will come to an end with the formal announcement of the end of the PHE on May 11, 2023.

In FFY 2023, AHCCCS submitted several SPAs to implement program changes intended to improve access to and quality of care received by Medicaid and CHIP members. These changes include the addition of services provided by chiropractors as well as diabetes self-management training. In addition, Arizona submitted a SPA to implement 12-month continuous eligibility for all CHIP members and 12-month postpartum continuous eligibility for both Medicaid and CHIP members.

Office of the Director (OOD) Communications

AHCCCS Communications Office fields approximately 50 public inquiries per month, including media relations requests, public records requests, and stakeholder questions. The team creates website content, infographics and fact sheets, presentations, and other tools that help to tell the AHCCCS story, and provides brand management oversight.

AHCCCS creates engaging content on several official social media platforms in order to reach as many diverse audiences as possible. Engagements on Facebook, Instagram, X, LinkedIn, and YouTube continue to increase month over month after topping 67,000 last FFY. In addition, AHCCCS increased followers by almost 5,200 followers and created more than 2,300 posts.

To standardize language in all public-facing publications, the Communications team maintains the Agency Editorial Guide, and provides a formal proofreading process for all external-facing content that has

Arizona's Section 1115 Waiver Demonstration Annual Report

increased consistency and accuracy. Since its implementation, more than 22,700 pages of documents have been through the proofreading process.

DCAIR coordinates efforts with a variety of committees, councils, and stakeholders, ensuring a bi-directional relationship with all stakeholders, including, but not limited to:

- ALTCS Advisory Council meets quarterly to assist the ALTCS program to develop and monitor a work plan that addresses opportunities for new service innovations or systemic issues impacting ALTCS members. The Advisory Council consists of ALTCS members and their family/representatives, MCOs, AHCCCS, providers, and advocacy agencies.
- Behavioral Health Planning Council advises AHCCCS in planning and implementing a comprehensive community-based system of behavioral health and mental health services. The Council reviews the State of Arizona's plans and suggests additions and modifications. An OIFA representative attends these meetings.
- SMAC provides guidance on the strategic direction of Arizona's Medicaid program and input on agency planning efforts and operational protocols that may impact the services and support offered to Medicaid beneficiaries. SMAC advises the AHCCCS leadership, providing insight on a variety of topics including the 1115 Waiver, system transformation efforts, and the prioritization of initiatives aimed at enhancing and/or maintaining the ongoing stability of Arizona's health care delivery system. SMAC meets at least quarterly and is composed of 10 professional members, 10 members of the public, and three ex-officio members. The AHCCCS leadership also attends these meetings.
- The Autism Advisory Committee is charged with making recommendations to the State that strengthen the health care system's ability to respond to the needs of AHCCCS members with, or at risk for, ASD, including those with comorbid diagnoses. The committee focuses on individuals with varying levels of needs across the spectrum and addresses both the early identification of ASD and the development of person-centered care plans. While the committee no longer formally meets on a regular basis, it remains a resource for AHCCCS to reconvene on an ad-hoc basis as relevant policy decisions arise.
- The Arizona Council of Human Services Providers provides a collective voice for members to influence local, state, and federal public policy decisions, both legislatively and administratively. The ability of member agencies to provide high quality, evidence-based programs is dependent on ensuring that adequate funding is available to those who serve our most vulnerable citizens. Council staff establish and maintain strong relationships with elected officials, their staff, and State department staff (Department of Economic Security, Department of Health Services, Administrative Office of the Courts, etc.), and encourage member program staff to do the same on a local level. DCAIR facilitates this meeting.
- AACIHC, composed of tribal leaders and representatives from each federally recognized tribe with land bases in Arizona, works to advocate for increased access to high-quality health care programs that meet the needs of all American Indians in Arizona. As such, the council advises the AHCCCS

Arizona's Section 1115 Waiver Demonstration Annual Report

administration on Title XIX and XXI programs, services, policies, and funding options impacting AI/AN members.

- The OIFA Advisory Council is a monthly meeting consisting of peers, family members, and other community stakeholders. The purpose of this council is to bring together leadership of peer and family behavioral health service providers and peer and family advocacy groups to influence system structures and policies and to benefit from regular contact with each other and with AHCCCS leadership.

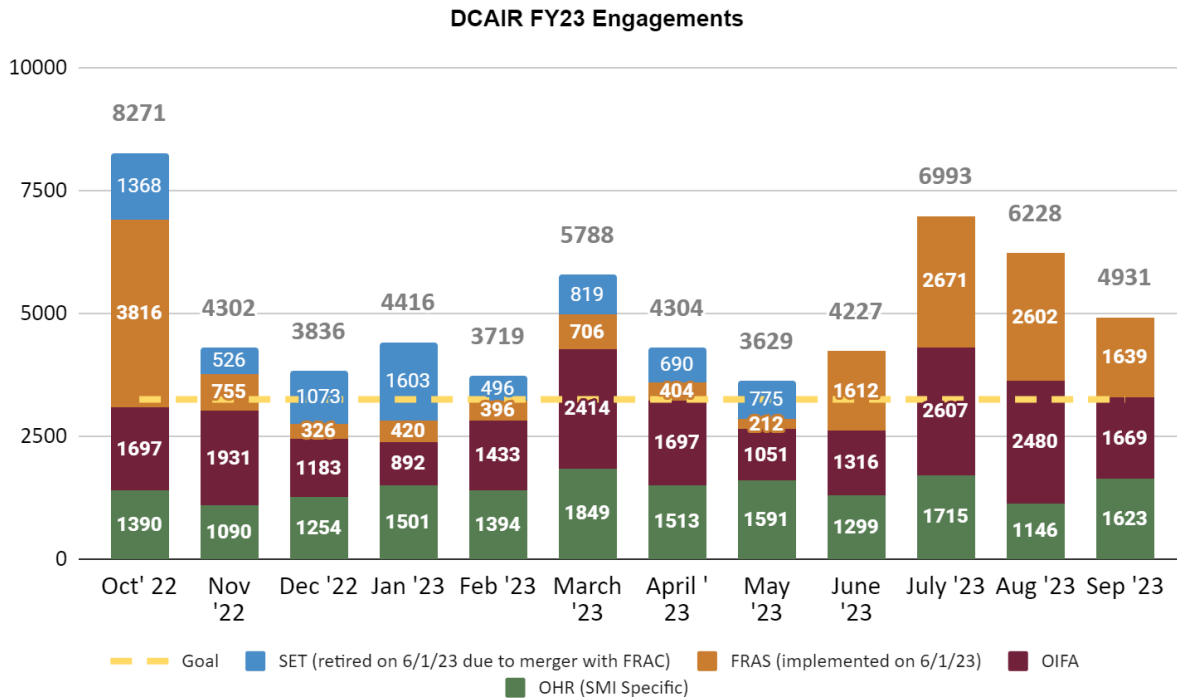
DCAIR often hosts educational forums to inform the community of the latest efforts of the Medicaid program. Forum topics over the past year have included, but are not limited to:

- AHCCCS Provider Enrollment,
- Arizona's 1115 Waiver,
- Unwinding from the COVID-19 PHE,
- Arizona's Olmstead Plan,
- Grants,
- State Plan Amendment,
- Legislative updates,
- Behavioral health initiatives,
- Target Investments,
- Arizona's crisis system,
- The American Rescue Plan (ARP),
- Member Exploitation and Fraud Waste and Abuse,
- Health equity, and
- System oversight and evaluation.

Lastly, DCAIR hosts informative meetings and member listening sessions to receive feedback about continuous improvement, as well as recommendations for system evolution (e.g., policy changes, ways of enhancing integration, and/or methods to simplify system navigation). Thus, as of September 2023, the Special Engagements Team (SET), Federal Relations and Special Engagements (FRAS), OIFA, and OHR teams have engaged with 47,702 community members, stakeholders, and external partners between October 1, 2022 and September 30, 2023, fully illustrating outstanding engagement metrics performance for this division, as shown below.

Arizona's Section 1115 Waiver Demonstration Annual Report

Fig. 2: DCAIR FY23 Engagements



The Division of Member and Provider Services (DMPS)

The Division of Member and Provider Services (DMPS) is responsible for AHCCCS eligibility, the enrollment of members into health plans, and provider registration. DMPS is also responsible for the accuracy of eligibility determinations, including oversight of Medicaid eligibility completed by the Department of Economic Security (DES). DMPS participated in a variety of outreach activities including:

- Ask an Expert meetings: On a monthly basis, AHCCCS holds a one and a half hour-long meeting, Ask an Expert, open to all community assistors. This consists of an open Q&A session for community assistors to ask questions of any type directly to a panel of agency subject matter experts. On average, meeting participation is greater than 200 .
- Quarterly Information Exchange meetings: AHCCCS provides an update to Community Partner-Assistor organizations on changes to the Health-E-Arizona Plus (HEAplus) system and other policies or procedures over the preceding quarter. In addition to a question-and-answer session about the changes, these meetings also include an Ask the Expert segment where community assistors can ask questions directly to a panel of agency subject matter experts. This meeting is two hours long with an average participation of more than 300 .
- Annual Security Training 2022: In 2022, AHCCCS provided a Community Partner-New Assistor Training to refresh understanding of roles and responsibilities and educate community assistors about Health- E-Arizona Plus (HEAPlus) features and navigation and how to obtain technical assistance.

Arizona's Section 1115 Waiver Demonstration Annual Report

- Joint Eligibility Appeals meetings. This joint meeting of staff involved in the eligibility appeal process from AHCCCS and DES to ensure the appeals process and reporting to CMS during the unwinding from the PHE was understood and complied with.
- Provided 24 presentations on general eligibility requirements, renewal policies and processes, enrollment choice and changes, and PHE unwinding related topics in FFY 2023. The presentations were provided to Indian Health Service, Tribal, and Urban Indian health programs (CMS ITU) Regional Training event attendees, the Veterans Administration, the Governor's office on Equal Opportunity, Arizona Department of Administration, the Arizona School for the Deaf and Blind, Refugee Resettlement, Adult and Aging Services, and community forums hosted by DES for legal assistance advocates. Average attendee size was 50. ALTCS Eligibility Overview presentations were provided to an average audience size of 20 attendees.

VIII. Notable Achievements

AHCCCS Made Numerous Operational, Administrative, and Procedural Changes to Stop Fraudulent Behavioral Health Billing

Since identifying complex fraudulent behavioral health provider enrollment and billing activity in 2022, AHCCCS began comprehensive systems evaluations in all areas of the agency to determine a multi-pronged approach to combat what may be determined to be rampant criminal activity, and took swift action to protect members, strengthen system weaknesses, and remove bad acting providers from the program. Some system-wide actions include: emergency rules to exclude providers affiliated with bad actors, a behavioral health provider enrollment moratorium, additional provider assessments and documentation requirements, and establishing set rates for behavioral health codes that paid a percentage of the billed amount.

Arizona Highlighted for Direct Care Worker Training & Recruitment Strategies

Arizona's Home Health Aide/Direct Care Worker Training Program was highlighted by the Direct Service Workforce (DSW) Learning Collaborative, created by the CMS, as a successful training strategy to address the direct care worker training need. This high school-based program qualifies graduates to work as direct care workers in Arizona's networks of long-term care service providers. Each of the 20 high schools currently offering the program are approved by AHCCCS and are currently serving approximately 800 students.

Arizona was also highlighted for a successful recruitment strategy, implemented by AHCCCS' contracted managed care organization, MercyCare, and its provider, Solterra, a senior living company. Together, they launched Careworks. Careworks strives to bring more benefits and services to the DSW such as providing a free tuition platform and hourly compensation for a caregiver certificate.

AHCCCS Connect Launched to Help Members Apply for and Renew Medicaid Coverage

AHCCCS Connect was launched this year to better communicate with members through every step of their Medicaid lifecycle - from initial application through annual renewal. AHCCCS Connect sends personalized program reminders and updates using SMS texts, automated voice calls, and/or emails to members who provide valid phone numbers and/or email addresses. New applicants are automatically added to AHCCCS Connect when they provide an email address and/or cell phone number. Members are able to opt out of AHCCCS Connect at any time, and may rejoin at any time.

AHCCCS Recognized as Healthy Arizona Worksite for Fifth Consecutive Year

AHCCCS received Platinum-level recognition for the fifth consecutive year from the statewide Healthy Arizona Worksites Program for demonstrating data-driven programming and leveraging cross-sector collaborations to improve the health, well-being and equity of employees and the community. The Platinum level award recognizes organizations for addressing health challenges impacting communities across the state.

Arizona’s Section 1115 Waiver Demonstration Annual Report

AHCCCS Awarded \$64.4 Million to HCBS Providers to Strengthen Home and Community Based Services

AHCCCS invested \$64.4 million in funds from the American Rescue Plan (ARP) into the ARP Program Awards to help strengthen Home and Community Based Services (HCBS) in the state. With these funds, HCBS providers will enhance the health, safety, and member experience of children, the elderly, people with disabilities, people living with a SMI designation, and anyone else receiving HCBS in the state. A total of 16.9 million dollars was awarded in Round 1 and up to \$47.5 million will be awarded after Round 2 closes in January 2024.

AHCCCS Helped Launch Psychiatric Access Line for Health Care Providers Who Care for Pregnant and Postpartum Persons with Mental Health Disorders

The Arizona Perinatal Psychiatry Access Line (APAL) launched in June to offer free consultations to providers on how to treat pregnant and postpartum patients experiencing mental health and substance use conditions. Funded through a \$1.6 million grant from AHCCCS, the University of Arizona, College of Medicine – Tucson and Banner - University Medicine created the service amid rising rates of mental illnesses and maternal mortality, and a shortage of psychiatric providers trained to care for pregnant and postpartum individuals. The toll-free APAL number, 1-888-290-1336, connects providers to perinatal psychiatrists to discuss their patient’s case and how to provide the best care.

IX. Performance Metrics

Enrollment Information

Table 9 contains a summary of the number of unduplicated enrollees for FFY 2023 (October 1, 2022—September 30, 2023), by population categories. The table also includes the number of voluntarily and involuntarily disenrolled members during this period.

Table 9

Population Groups	Number of Enrollees	Number Voluntarily Disenrolled	Number Involuntarily Disenrolled
Acute AFDC/SOBRA	1,373,268	18,978	215,183
Acute SSI	235,152	1,055	26,868
Prop 204 Restoration	609,919	7,892	93,276
Adult Expansion	196,239	2,327	70,576
LTC DD	39,855	278	692
LTC EPD	33,754	171	6,642
Non-Waiver	177,297	1,516	34,158

Arizona's Section 1115 Waiver Demonstration Annual Report

Population Groups	Number of Enrollees	Number Voluntarily Disenrolled	Number Involuntarily Disenrolled
Total	2,665,484	32,217	447,395

Table 10 is a snapshot of the number of current enrollees (as of October 1, 2023) by funding categories as requested by CMS.

Table 10

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan ³	1,422,415
Title XXI funded State Plan ⁴	59,673
Title XIX funded Expansion ⁵	604,822
<ul style="list-style-type: none"> ● Prop 204 Restoration (0-100% FPL) 	525,216
<ul style="list-style-type: none"> ● Adult Expansion (100% - 133% FPL) 	79,606
Enrollment Current as of	10/1/2023

³ SSI Cash and Related, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1

⁴ KidsCare

⁵ Prop 204 Restoration & Adult Expansion

Arizona's Section 1115 Waiver Demonstration Annual Report

Individuals with SMI Opt-Out for Cause Report

Figures 3-5 and Table 11 illustrate the number of opt-out requests filed by individuals with an SMI designation in Maricopa County and greater Arizona, broken down by months, health plans, counties, reasons for opt-out requests, opt-out outcome, and post-appeal opt-out outcomes.

Opt Out Charts for FY23 October 2022 – September 2023

Fig. 3: Number of Opt Outs by County/Health Plan

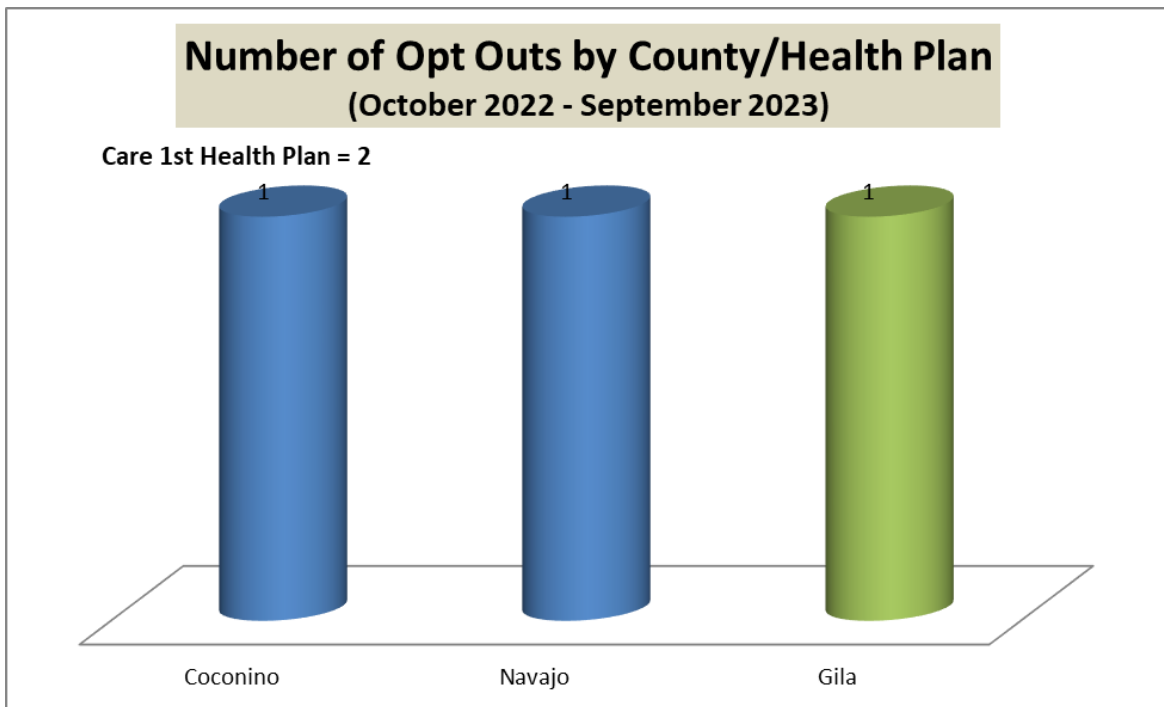


Fig. 4: Initial Opt Out Decisions

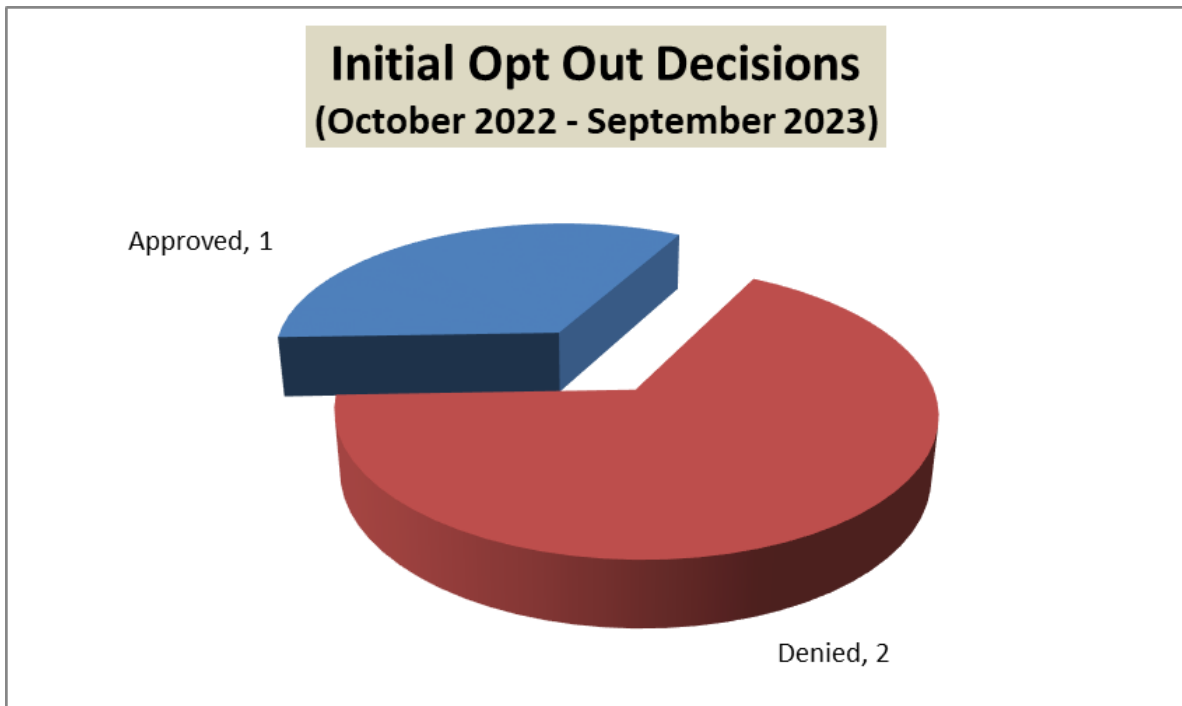
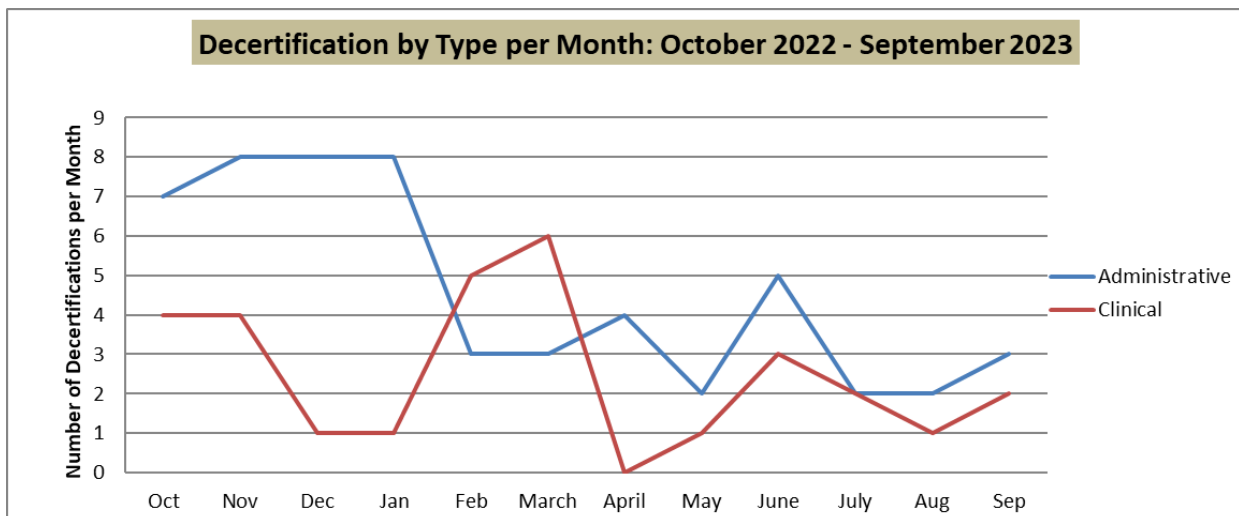


Table 11

Appeal Outcomes (October 2022 - September 2023)			
Approved	Withdrawn	Denied	Pending
0	0	0	0

Fig. 5: Decertification by Type per Month



Arizona's Section 1115 Waiver Demonstration Annual Report

Quality Assurance/Monitoring Activities

This report describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in Special Terms and Conditions of the Arizona Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements as well as 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 Services (DHCS, formerly Division of Health Care Management) and Division of Grants and Innovation (DGI, formerly Division of Grants Administration) including Operations, Compliance, Quality Management (QM), Quality Improvement (QI), Medical Management (MM), Maternal, Child Health/Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT), and Integrated System of Care (ISOC) oversee the reported activities.

Managed Care Programs

AHCCCS maintains overall objectives for its Managed Care Demonstration programs, ACC, ACC-RBHAs, ALTCS for the Elderly and/or Physically Disabled (EPD) and Developmentally Disabled (DD), and the Comprehensive Health Plan (CHP) for children in the foster care system. 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 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

The Abuse and Neglect Prevention Task Force was created in 2019 to ensure the health and safety of Arizona's most at-risk citizens. The Task Force examined a broad range of concerns and opportunities aimed at enhancing the prevention of abuse and neglect and released a series of recommendations for

Arizona's Section 1115 Waiver Demonstration Annual Report

the State to further this goal. This includes a robust public awareness campaign to educate all Arizonans about the prevalence of abuse and neglect, as well as how to prevent, identify and report it.

To this end, the DES partnered with the Governor's Office, AHCCCS, and ADHS to develop the SpeakUpAZ campaign to further this initiative and serve as a resource to the public. The State's goal is for all Arizonans to recognize and report the signs of abuse, neglect, and exploitation, so that all individuals can do their part in protecting adults from harm. The campaign will also serve as a resource for potential victims to know who to turn to for help and support. The campaign includes the SpeakUpAZ.org website, commercials, billboards, social media, and more, to help spread the word across Arizona communities.

The campaign officially launched on June 26, 2023, and will run from June 2023 to February 2024. Additional brand concepts will be added over time and a pre- and post- public survey of 1,000 individuals will also be conducted to measure the effectiveness of the campaign. To date, the following activities have been completed:

1. SpeakUpAZ.org website designed and published.
2. Weekly posts issued to the SpeakUpAZ social media sites (e.g., Facebook, Instagram)
3. Billboards created - Vinyl Billboards - A total of eight across the State in these cities (Holbrook, Chambers, Winslow, Payson, four in Tucson) through February 2024. Electronic Billboards - 10 billboards per week in Maricopa County for 32 weeks (total of 320 billboards) including three electronic billboards at Legends Entertainment District through February 2024 to provide awareness for those attending sporting events in downtown Phoenix such as the Suns basketball and Diamondback baseball games.
4. An additional listening session was conducted with Ombudsmen stakeholders resulting in additional information added to the SpeakUpAZ.org website regarding the Ombudsman service.
5. Television commercials, radio spots, and YouTube Ads are played regularly throughout the State.
6. Sonoran Living Morning Show taping with the DES Executive Deputy Director, Cabinet Executive Officer speaking about the campaign.
7. Roadshow events conducted throughout the State using the promotional van that has been wrapped with the SpeakUpAZ campaign logo. The events are promoted on the social media sites and campaign materials and swag are distributed.

American Rescue Plan (ARP) Act

In January 2022, CMS granted approval of Arizona's ARP Act of 2021 (Pub. L. 117-2) 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's Section 1115 Waiver Demonstration Annual Report

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 a SMI designation, and children with behavioral health needs.

AHCCCS has worked to implement and operationalize activities since the approval of the ARP HCBS Spending Plan. These include the following activities that have been completed as of June 30, 2023:

1. AHCCCS obtained expenditure authority from the State Legislature; upon approval, the agency 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 efficient service delivery. AHCCCS dispersed directed payments for 2022 and 2023. Eligible providers receiving directed payments in 2023 have until the end of February 2024 to expend funds. AHCCCS has begun planning for CY2024 directed payment, with the anticipation that funds will be released to providers in quarter two of 2024.
2. AHCCCS is working with the community colleges to develop partnerships to assist with the implementation of workforce development activities, including tuition assistance and curriculum development for Direct Care Workers (DCWs) and Behavioral Health Technicians/Behavioral Health Professionals (BHT/BHP) providers. AHCCCS has contracted with Maricopa County Community College District (MCCCD), who has partnered with other community college districts in the State, to assist with disbursement of scholarship and tuition assistance funds. AHCCCS has also partnered with MCCCD and Navajo County Community College District (NCCCD) to bolster participation in behavioral health training programs. Community colleges have begun distributing funds starting September 2023 for students enrolled in eligible programs and having attested to serve as HCBS providers in the future.
3. AHCCCS has partnered with DES for several ARP HCBS Spending Plan initiatives. These activities include enhancements to the Disability Benefits website, creation of a central employment repository, and support for the abuse and neglect awareness campaign. AHCCCS will continue to work with DES to ensure that activities are implemented in line with the goals and objectives of the ARP Spending Plan.
4. AHCCCS has partnered with the DES/DDD for several key initiatives outlined in the Spending Plan. This includes development of training modules, such as positive behavior supports, for DES/DDD providers. AHCCCS will continue to provide oversight support to DES/DDD as they work to implement these initiatives.

Arizona's Section 1115 Waiver Demonstration Annual Report

5. AHCCCS has formally partnered with Pipeline AZ to develop a Caregiver Career Development Pathway (Pathway) program. Pathway is designed to encourage individuals to begin a career as a DCW and guide them down their ideal career path through site tours, training, financial resources, etc. AHCCCS is continuing to work with Pipeline AZ to ensure that the Pathway program becomes a pivotal resource in expanding the HCBS workforce. AHCCCS has also set aside funds to provide incentives to providers to participate in Pipeline AZ.
6. AHCCCS is working on several initiatives related to workforce development. This includes implementation of a DAP to providers for the development of a workforce plan. In addition, AHCCCS has been working with a third-party contractor to assess potential data sources for the development of a workforce database. AHCCCS has conducted a preliminary review of the available data and will be working on developing a Power BI dashboard of key workforce metrics.
7. AHCCCS has partnered or is in the process of partnering with several vendors to provide training and curriculum development support. These partners include Arizona State University and the University of New Hampshire's National Center of START Services. AHCCCS anticipates these activities to be completed by September 2024 and will continue to provide oversight support to these partners.
8. AHCCCS partnered with NTT to do a review of the State's Client Assessment and Tracking System and Quality Improvement System. NTT conducted a review and has offered recommendations for next steps. AHCCCS has begun to consider integration of their recommendations in its system. As a result, at this time, work on these initiatives is complete.
9. AHCCCS has partnered with Public Consulting Group (PCG) to administer their ARP Program Awards. These awards allow providers to make key program and infrastructure investments. AHCCCS granted 61 awards totaling approximately \$17M in August 2023. AHCCCS anticipates releasing applications for interested providers for a second round of providers in December 2023.
10. AHCCCS partnered with ADvancing States to assist with timely implementation of Spending Plan initiatives. ADvancing States provided technical assistance and subject matter expertise to support diligent and thoughtful implementation of AHCCCS' Spending Plan in a manner that aligns with existing program goals and that supports long-term innovative growth for the State's HCBS populations. AHCCCS received final recommendations from ADvancing States in June 2023.
11. AHCCCS is working with Accenture to make enhancements to the HEAplus system. This includes upgrades that support members to upload documentation and access correspondence stored in the system as well as translation of member worker screens to Spanish. AHCCCS anticipates completion of these enhancements by September 2024.
12. AHCCCS is also making targeted investments for the PASRR System Portal. AHCCCS is working on making system improvements that would allow several efficiencies for the review of PASRR applications. AHCCCS is currently working to make those adjustments with the goal of a September 30, 2024, completion date.

Arizona's Section 1115 Waiver Demonstration Annual Report

Behavioral Health Clinical Chart Audits

During quarter four, AHCCCS focused on providing technical assistance to the MCOs regarding use of a dedicated audit portal that was described in the quarter three report. The technical assistance provided focused on clarifying procedures for input of chart audit results, data analysis, and available reporting mechanisms. AHCCCS also collaborated with the MCOs to provide additional technical assistance covering newly developed reporting requirements and fidelity to the individual audit elements and guidelines.

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

During quarter four, AHCCCS continued to monitor and coordinate provider training for the CALOCUS and ECSII assessment tools.

AHCCCS has continued to work with its training vendor, Deerfield, to:

1. Ensure providers complete CALOCUS training,
2. Enhance existing tracking documents to facilitate improved analysis of completed CALOCUS trainings,
3. Closely scrutinize training completion criteria, and
4. Ensure that providers attend the entire training before receiving a training certificate.

Additionally, AHCCCS has participated in the CALOCUS workgroup hosted by the Arizona Workforce Development Alliance to ensure appropriate monitoring of training activities. AHCCCS continues to work with Deerfield to identify opportunities to improve the fidelity of CALOCUS training. To help improve MCO monitoring activities, AHCCCS provided a workbook of information to the MCOs that included a list of providers utilizing the online portal built by Deerfield, a list of Electronic Health Records (EHR) that have been approved to integrate CALOCUS, and a list of providers responsible for completing CALOCUS. AHCCCS has provided two technical assistance sessions to the MCOs and requested an ad hoc deliverable to verify that all their subcontracted providers are utilizing CALOCUS as required in contract and policy or are engaged in performance improvement activities due on October 17, 2023.

The deliverable submitted from 10/17/2023 indicates improvement from providers who are administering the CALOCUS as required through either their EHR or the online portal. All health homes are utilizing the CALOCUS and AHCCCS is working to increase the utilization by specialty providers.

AHCCCS has continued to build the necessary components of the ECSII fidelity model. The model will be used to ensure adherence to the ECSII tool at both the provider and MCO levels through a two-tiered process. As mentioned during the quarter three report, this model will incorporate Fidelity Champions at the provider level and Super-Users at the MCO level. The ECSII Fidelity workgroup, consisting of various MCO Workforce Development and AHCCCS staff, met regularly with American Academy of Child and Adolescent Psychiatry (AACAP) to identify and finalize criteria for both the Champions and Super-Users. At the provider level, the Fidelity Champions will be responsible for ensuring staff are conducting the ECSII in a clinically appropriate manner and the Super-Users at the MCO level will provide aggregate

Arizona's Section 1115 Waiver Demonstration Annual Report

oversight of the Fidelity Champions as they implement and monitor ECSII use. Minimum educational and training criteria for the Champions and Super-Users (in addition to required ECSII training via AACAP) have also been established.

The workgroup has also begun to establish ongoing requirements for continued training and coaching to maintain fidelity to the ECSII tool. Ongoing fidelity maintenance efforts will be necessary once the funding for the ECSII AACAP training has expired. These efforts will include refresher training and testing plus clinical supervision and coaching by Fidelity Champions and/or Super-Users.

The number of training completions continues to expand at an average of 18% per month since ECSII training began. Outreach efforts continue via social media, internal presentations to AHCCCS staff and external provider and stakeholder presentations.

Clinical and Operational Significant Policy Changes

AMPM Policy 310-V, Prescription Medications/Pharmacy Services, was revised to align with A.R.S. § 32-3248.01, which are exceptions to the five-day initial opioid supply limit. Additional revisions include clarifying MCO requirements for AHCCCS-approved preferred drugs, adherence to the Arizona Opioid Act, alignment with CMS changes related to the Federal Opioid Legislation, prescription drug counseling, and updating language to include vaccine administration by pharmacy technicians.

AMPM Policy 320-U, Pre-Petition Screening, Court Ordered Evaluation, and Court Ordered Treatment was revised to align with 2022 Arizona Senate Bill 1114 amending A.R.S. § 36-524 to include additional categories for emergent applications.

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

In quarter four, AHCCCS continued its collaboration with ADE and ADHS regarding coordination and improving behavioral health services in schools. AHCCCS has collaborated with ADE on Project AWARE, of which there are two iterations in Arizona. Project AWARE 1 is ending on September 30, 2023. However, the work will continue with Project AWARE 2 through 2026. Project AWARE is a federally funded grant provided by SAMHSA with the goal of improving collaboration between state agencies and local education agencies to build sustainable infrastructure, creating sustainable engagement strategies, and increasing the knowledge and skills of school staff and communities to respond to students experiencing a mental health or wellness need.

Additionally, during quarter four, a Spanish version of the previously deployed School-Based Universal Referral Form, was developed and made available on AHCCCS website. AHCCCS also continues to utilize the School Feedback Form created for schools and districts to provide feedback directly to AHCCCS on how partnerships with community providers are going, barriers being experienced, and an opportunity for local education agencies to request technical assistance if desired. Feedback from the 2023-2024 school year will be analyzed to inform how AHCCCS can improve policy, procedure or guidance offered.

Arizona's Section 1115 Waiver Demonstration Annual Report

Through the School Feedback Form, AHCCCS has been able to respond to the needs of local education agencies and provide information and presentations to schools and districts specific to their communities' needs. Further, AHCCCS and ADE have collaborated to present information to County Educational Service Agencies throughout Arizona on items related to current initiatives, funding sources, and how schools can partner with community mental health providers to support community specific needs. These efforts have led to an increased understanding of the types of services available, funding sources for these services which includes students who may be un/underinsured, and how schools create sustaining partnerships with community mental health providers.

AHCCCS, in collaboration with ADE and ADHS, is co-leading a continuation of the former COIIN Initiative which has been rebranded as the Youth Mental Health Steering Committee. In addition to the three state agencies who lead the group, the Governor's Office as well as Community Based Organizations (CBOs) are invited to collaborate with a goal of coordinating programs, practices and procedures that increase resiliency and improve mental health outcomes of youth and young adults. During the Committee's July meeting, two individual schools and three school districts were recognized as Mental Health Champions for the work they are doing to enhance student understanding, attitudes, and behaviors that promote health and well-being. Beyond this, AHCCCS hosts bi-monthly AHCCCS/ADHS/ADE collaboration meetings to coordinate state agency efforts and messaging as well as provide updates from each respective agency.

Court Ordered Evaluation (COE) and Court Ordered Treatment (COT)

In quarter four, AHCCCS has continued to monitor MCO adherence to Arizona Statutes and Rules to ensure that members are seen in a timely manner for COE and COT. In addition, AHCCCS continues to engage in monthly monitoring of the referral packet quality from each MCO to the third-party contractor responsible for assessing for SMI Determination eligibility, COE, and referral for COT, if determined appropriate. Through the monitoring process, AHCCCS is able to definitively report that most MCOs are submitting complete, quality packets for COE and SMI Eligibility Determination evaluations consistently every month. When a MCO does have any packet quality issues, the third-party contractor offers monthly training, support, and ongoing technical assistance. In addition, Mercy Care, an AHCCCS contracted MCO, is continuing its pilot project with Valleywise Community Health Center to provide onsite inpatient COE while also having onsite virtual hearings with a judge for COT. Data on the overall success of the project is anticipated to be available in 2024. Finally, AHCCCS receives reports every month of all members currently court ordered to attend treatment, with updates on member location, provider, and whether the MCO has engaged the tolling process (to bring the individual back to the court for further review) due to non-adherence to treatment as outlined in the court order.

Targeted Investment (TI) 2.0

On October 14, 2022, CMS approved the five-year TI 2.0 provider incentive program for the ACC and ACC-RBHA lines of business. TI 2.0 aligns with AHCCCS' strategic plan and Arizona's Section 1115 Waiver to support and incentivize providers to develop and enhance comprehensive whole person care systems

Arizona's Section 1115 Waiver Demonstration Annual Report

that effectively address the social risk factors that adversely affect health. Eligible Medicaid provider organizations that meet certain benchmarks will receive financial incentives through the MCOs for developing infrastructure and protocols to optimize coordination of services designed to meet the member's physical health, behavioral health, and Health-Related Social Needs (HRSN) and address identified health inequities among their member population. In closing out the TI 2.0 program application period and laying the foundation for future years of the program during quarter four, the following quality assurance activities were established and conducted:

1. ACOM Policy 325 was developed to delineate MCO requirements for the TI 2.0 Program. The Policy includes requirements for the MCOs to reconcile the member's assigned PCP with the provider that renders services to the member or, when there is no utilization to inform the reconciliation, a PCP near the member's home residence. This promotes accountability and transparency into which PCP is responsible for managing the member's whole person care. The Policy requires MCOs to send AHCCCS a monthly PCP assignment file to validate policy compliance for all ACC and ACC-RBHA members. This file is also used to attribute members to providers and MCOs for NCQA HEDIS performance measures; data dashboards will be created to communicate ongoing performance on a monthly basis.

Additionally, ACOM Policy 325 encourages MCOs to refer individuals to TI 2.0 justice clinics that partner with criminal justice agencies (e.g., probation, parole, jails, courts) to engage, screen, and coordinate treatment that assist individuals with reentering the community and reduce individual's interactions with the justice system. To validate compliance and attribute membership for MCO and TI 2.0 justice clinic performance measures, MCOs must send a list to AHCCCS of justice-involved members referred to participating justice clinics each month.

2. Outpatient provider organizations applying for TI 2.0 must demonstrate readiness to embark on the rigorous program initiatives (e.g., health equity, addressing health related social needs). Providers must submit processes and protocols related to these initiatives to qualify for the TI 2.0 program. AHCCCS reviews these processes and protocols to ensure each contains required elements that foster accountability and efficacy. For a PCP organization to meet the whole-person care requirement, for example, an applicant's policy and procedures must identify the behavioral health and HRSN screening tools, including the individual conducting the screening, explain when screening is conducted and how results are communicated to the member and documented in the system, and delineate how referrals are made to a service provider that can best meet the member's identified needs.
3. Other deliverables for the TI 2.0 program are under development related to program initiatives for participating provider incentives including enhanced policies and protocols related to program initiatives, NCQA Health Equity Accreditation, reports summarizing internal audit of process and protocol implementation.
4. AHCCCS continues to develop federally-required program metrics and monitoring protocols with CMS. As specified in the Section 1115 Waiver Special Terms and Conditions (STCs) this includes: TI 2.0 Incentivized Metrics and Funding Protocols (STC 51), the New Initiatives Implementation

Arizona's Section 1115 Waiver Demonstration Annual Report

Plan (STC 73), DSHP Metrics and Monitoring Protocols and subsequent quarterly reports (STC 84-85), Section 1115 Waiver Program Evaluation Design and subsequent quarterly-until-annual reports (STC 97-98, 101-102), and Annual Pre-Prints as described in 42 CFR 438.6(c)(1)(i) through (c)(1)(ii) and (c)(1)(iii)(B) through (D).

Innovative Approaches and Continuous Quality Improvement

Data Dashboards

In alignment with strategic and health Information Technology (IT) planning goals for transparency into delivery system performance, AHCCCS has continued ongoing efforts in quarter four with the state's Health Information Exchange (HIE), Contexture, to develop and publish public-facing interactive delivery system utilization dashboards. To date, the partnership with Contexture resulted in a Covid-19 Immunizations dashboard being published to the AHCCCS website and quarter four efforts have substantially moved three additional dashboards: Emergency Department Utilization, Inpatient Admissions, and Telehealth Utilization toward projected implementation in 2024.

Electronic Visit Verification (EVV)

AHCCCS implemented hard claims edits for EVV services on January 1, 2023. To support providers, AHCCCS provided resources to help agencies self-monitor compliance and detect any issues that may be contributing to notifications of claim failures during the hard claim edits period. AHCCCS also released several FAQs and quick reminders based on common questions and issues providers sent to AHCCCS.

AHCCCS is leveraging the EVV mandate to develop a more streamlined reporting approach to ensure, track, and monitor timely service delivery and access to care for members. AHCCCS is currently working with the state sponsored EVV system vendor to make system customizations and standard reports to assist providers and MCOs to streamline administrative processes and to mitigate access to care challenges. The reporting will support monitoring scheduled service visits versus occurrences of late or missed visits and the actions the providers took in response to the member's contingency plan for such occurrences.

AHCCCS created tools and training to assist providers that are using an alternate vendor to ensure their vendor complies with AHCCCS EVV policy requirements. In September, the tools were shared with a small provider cohort to gather feedback on the ease of use. These tools and comprehensive training will be made publicly available pending internal approvals.

Statewide Closed-Loop Referral System (CLRS), CommunityCares

During quarter four, enrollment and utilization increased for the Statewide Closed-Loop Referral System, CommunityCares. As of the date of this report, 162 AHCCCS health care providers and 39 community-based organizations are using the system. To date, AHCCCS health care providers have made 3,418 referrals to community-based organizations to support and improve member Health-Related Social Needs. Contexture, the organization that manages CommunityCares, is actively deploying new outreach

Arizona's Section 1115 Waiver Demonstration Annual Report

and engagement activities to increase the number of organizations using the system to expand the positive impacts the system can provide for AHCCCS members.

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 (PIPs),
5. Data Analysis,
6. Provider Network Time and Distance Standards Monitoring,
7. Appointment Availability, Monitoring, and Reporting,
8. Case Management Ratios,
9. Assessment of Fidelity to Service Delivery for Individuals with a SMI Designation, and
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

Contract Readiness – SMI and Serious Emotional Disturbance (SED) Eligibility Determinations

AHCCCS has continued readiness activities with the contracted vendor, Solari Crisis and Human Services (Solari), to prepare for the launch of the new contract to continue providing SMI Eligibility Determinations and to begin performing SED Eligibility Determinations, starting on October 1, 2023. AHCCCS completed its evaluation of the SED-specific contract addition to assess impacts to the delivery system and quality management processes during quarter four and by the go live date of October 1, 2023. As part of their contract responsibility, Solari will continue to provide clinical and technical training to stakeholders such as MCOs, providers, families, and members to ensure they are aware of the SED and SMI Eligibility Determination processes.

Fidelity to Service Delivery for Individuals with a SMI Designation

In accordance with exit stipulations of class action suit *Arnold v. Sarn*, AHCCCS continues to support the implementation of four Evidence-Based Practices (EBPs) within Maricopa County for individuals living with a SMI. The four EBPs are monitored for fidelity to the SAMHSA ACT Model through reviews conducted by the Western Interstate Commission for Higher Education (WICHE). In quarter four, the annual fidelity report was completed and made available on the AHCCCS website. This annual fidelity

Arizona's Section 1115 Waiver Demonstration Annual Report

report is a culmination of the individual provider reviews completed for the year which identifies strengths, recommendations for improvement, and trends. The annual fidelity report synthesized information from 20 fidelity reviews, including 14 Assertive Community Treatment (ACT) teams, two Consumer Operated Services providers, two Permanent Supportive Housing programs, and two Supported Employment programs. The recommendations from the individual and annual reports will be utilized to improve services so they more closely align with fidelity protocols. In quarter four, AHCCCS continued collaborating with various stakeholders to review trends, identify barriers, and support ongoing efforts to effectively capture services provided to members.

Quality Improvement

AHCCCS implements interventions to monitor, evaluate, and report on performance through several activities which include, but are not limited to, the following:

- *Performance Measure Validation* - During the quarter, AHCCCS continued to work with its External Quality Review Organization (EQRO) to conduct performance measure validation activities to evaluate the accuracy of the MCO Calendar Year (CY) 2022 performance measure data. These efforts remain ongoing; however, it is anticipated that final CY 2022 performance measure rates will be available in December 2023.
- *Performance Improvement Projects* - AHCCCS considers a PIP as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years. While MCOs are required to select and implement internal PIPs to address self-identified opportunities, AHCCCS mandates other program-wide PIPs in which MCOs must participate and monitor performance until each MCO meets requirements for demonstrable and sustained improvement. During the quarter, AHCCCS began working with its EQRO to conduct PIP validation activities for AHCCCS-mandated PIPs underway during the previous 12 months. These efforts remain ongoing; however, it is anticipated that these efforts will conclude by March 2024.

For additional information related to performance measure and PIP indicator rates, as validated by AHCCCS' External Quality Review Organization, refer to Appendix A.

Request for Proposal (RFP) – ALTCS-EPD

AHCCCS continued its activities for the development of an RFP to solicit bids from qualified MCOs for the service delivery of the ALTCS-EPD program. Currently there are three MCOs providing services to the ALTCS-EPD population. The current contracts will expire on September 30, 2024, with the new contract beginning on October 1, 2024. In quarter 4, the RFP, and subsequent amendments to the RFP were issued. Offeror proposals are due October 2, 2023. AHCCCS will be analyzing and comparing MCO skills, experience, and rates to find the right MCO partners and announce the award on December 1, 2023.

XII. Appendix A: Performance Measure Data

AHCCCS is committed to the development of a thoughtful, data-informed delivery system that incorporates Centers for Medicare & Medicaid Services' (CMS) priorities and AHCCCS' business needs, as well as promotes optimal health outcomes for all members. AHCCCS has outlined a clear vision that promotes alignment with National Medicaid Quality Performance and Scorecard Measures, as well as enhanced engagement of contracted Managed Care Organizations (MCOs) and the agency's External Quality Review Organization (EQRO). AHCCCS has undertaken extensive efforts related to the Quality Strategy and other quality improvement activities over the past year. With the Chief Medical Officer's (CMO's) leadership, the Quality Improvement team conducted various quality improvement activities throughout the year. These activities included the initiation of its Quality Strategy Evaluation Update efforts and the continuation of an agency and MCO Quality Improvement Workgroup intended to facilitate collaboration and promote improvement in MCO quality performance. Through this workgroup, AHCCCS facilitated the implementation of a statewide Back-to-School campaign in collaboration with the MCOs.

Performance Measures

AHCCCS worked to strategically align its statewide performance measures with the CMS Child and Adult Core Sets prior to implementation of mandatory child and adult behavioral health measure reporting. AHCCCS included a requirement for its MCOs to achieve National Committee for Quality Assurance (NCQA) First Accreditation [inclusive of the NCQA Medicaid Module and specific to its Medicaid Line(s) of Business] by October 1, 2023.

AHCCCS utilizes historical performance data and national benchmark data (i.e., CMS Medicaid Median and NCQA Healthcare Effectiveness Data and Information Set [HEDIS®])⁶ Medicaid Mean to MCO, population/line of business (LOB), and statewide quality performance. AHCCCS conducted an analysis of program-level performance measure rates for Calendar Year (CY) 2021 (January 1, 2021 to December 31, 2021),⁷ the most recent year for which final performance measure rates are available, for the following populations/LOB:

1. AHCCCS Complete Care (ACC)/KidsCare [Children's Health Insurance Program (CHIP)],
2. Department of Child Safety Comprehensive Health Plan (DCS CHP) - *formerly known as the Comprehensive Medical Dental Program (CMDP) prior to April 1, 2021,*
3. Arizona Long Term Care System, Elderly and Physical Disabilities (ALTCS-EPD),
4. Arizona Long Term Care System, Developmental Disabilities (ALTCS-DD), and
5. SMI.

⁶ The Healthcare Effectiveness Data and Information Set (HEDIS®) is a registered trademark of NCQA

⁷ Final Calendar Year (CY) 2023 Performance Measure rates anticipated to be available in December 2023

Arizona's Section 1115 Waiver Demonstration Annual Report

The performance measure data reflects combined rates/percentages for the Medicaid and KidsCare populations, as applicable to each population/LOB and measure. Continuous enrollment was based on member enrollment with each of the MCOs within the associated population/LOB.

Overall Performance Summary

AHCCCS' program-level CY 2021 performance measure rate analysis compared the program performance measure/submeasure rates with the associated NCQA Medicaid Mean, as appropriate. The DCS CHP program had the largest percentage of measures that met or exceeded the 2020 NCQA Medicaid Mean at 87.9%, followed by the ALTCS-DD program at 69.8%, then the ALTCS-EPD program at 60.9%, the ACC/KidsCare program at 40.8%, and the SMI program at 36%.

It is important to note that the COVID-19 PHE may have had an impact on performance for various measures included within this report (for all populations/LOB). Despite efforts and initiatives targeted towards the provision of telehealth services, members may have had difficulties accessing care due to the COVID-19 PHE, as some in-person services were temporarily suspended during either the measurement period and/or related lookback period.

Please refer to the following subsections for population/LOB-specific performance summaries and Appendix A for additional details related to rate reporting.

ACC/KidsCare

The ACC MCOs provide integrated care addressing the physical and behavioral health needs for the majority of Medicaid-eligible children and adults, as well as addressing the physical and behavioral health needs for the majority of KidsCare-eligible children (under age 19).

ACC/KidsCare Performance Summary

The following subsections provide performance analysis (inclusive of strengths and noted areas of opportunities), comparison of current and previous year's performance, and current and planned quality improvement related initiatives.

Performance Analysis

AHCCCS conducted an analysis of the ACC/KidsCare program performance based on CY 2021 performance measure data. This analysis compared the ACC performance measure/submeasure rates with the associated NCQA Medicaid Mean, as appropriate. Of the 49 ACC CY 2021 performance measures/submeasures compared to the *NCQA State of Health Care Quality Report*, 40.8 % of the performance measures reported met or exceeded the 2020 NCQA Medicaid Mean; whereas, 42.1% of the 57 performance measures compared to the 2020 Child and Adult Health Care Quality Measures Quality data met or exceeded the CMS Medicaid Median. For the 33 performance measures compared to both the NCQA Medicaid Mean and the CMS Medicaid Median based on measure specification alignment, 39.4% met or exceeded both associated benchmarks.

Arizona's Section 1115 Waiver Demonstration Annual Report

Overall, the ACC/KidsCare program demonstrated strength for the following performance measures when compared to the 2021 NCQA Medicaid Mean:⁸

- Follow-Up Care for Children Prescribed Attention-Deficit/Hyperactivity Disorder (ADHD) Medication,
- Immunizations for Adolescents - Meningococcal (MCV4),
- Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing, and
- Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics.

When comparing the ACC/KidsCare program-level performance with the 2021 NCQA Medicaid Mean, the following program performance measure/submeasure rates were substantially below the associated NCQA Medicaid Mean and, as such, were identified as areas of opportunity.⁹

- Adherence to Antipsychotic Medications in Adults with Schizophrenia,
- Prenatal and Postpartum Care – Postpartum Care, and
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - Body Mass Index (BMI) Percentile Documentation.

Of note, the associated methodologies and benchmark reporting allow for reporting based on either administrative or hybrid methodologies for the following measures: Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents, Prenatal and Postpartum Care, Controlling High Blood Pressure, and Childhood Immunization Status; the ACC/KidsCare population/ LOB rate utilized mixed methodologies as some of the MCOs utilized hybrid methodology whereas others utilized administrative methodology to calculate and report the measures. It is AHCCCS' expectation that the MCOs calculate and report all measures in accordance with AHCCCS instructions; this includes the use of hybrid methodologies to calculate measures where allowable in the associated technical specifications and required by AHCCCS. The inability or failure by an MCO to report rates in this manner may result in regulatory action.

Previous Year Performance Comparison

In comparison to last year's annual reporting, the ACC/KidsCare program rates for the Cervical Cancer Screening, Controlling High Blood Pressure, and Timeliness of Prenatal Care measures demonstrated an improvement in performance and no longer met the agency's criteria for inclusion as an identified area of opportunity within the CMS Annual Report. Similarly, two measures identified as ACC/KidsCare program strengths were maintained, and two new measures were added for this year. One of the newly added measures was the Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood

⁸ Program-level performance exceeded the associated 2021 NCQA Medicaid Mean published in the NCQA State of Health Care Quality Report by at least 7.0%.

⁹ Program-level performance did not meet the associated 2021 NCQA Medicaid Mean as published in the NCQA State of Health Care Quality Report by at least 7.0%.

Arizona's Section 1115 Waiver Demonstration Annual Report

Glucose and Cholesterol Testing measure which demonstrated an improvement in performance of 8.7% from the previous year. No new measures were added to the list of identified areas of opportunity when compared to last year's reporting.

Current and Planned Initiatives

While no new measures were added to the list of identified areas of opportunity when compared to last year's reporting, AHCCCS previously identified an opportunity for improvement in well-child and adolescent well-care rates for MCOs providing care and services to children and adolescents. As such, AHCCCS implemented a Back to Basics Performance Improvement Project (PIP) in CYE 2019 which aims to improve the overall well-being of children and adolescents. This PIP focuses on improving the rates of Well-Child Visits in the First 30 Months of Life: Rate 1 (15 Months) and Child and Adolescent Well-Care Visits.¹⁰ Increasing the rates for these measures may impact other measures and focus areas including, but not limited to, childhood and adolescent immunizations, weight assessment and counseling for nutrition and physical activity, and developmental screenings.

Additionally, AHCCCS initiated a Back-to-School Campaign with participation from the MCOs aimed to improve child and adolescent well care visit rates through the use of member incentives. Campaign planning efforts occurred throughout Calendar Year 2022, with campaign implementation occurring in the Summer of 2023. The campaign's impact on performance will be evaluated in Spring of 2024.

AHCCCS had also identified an opportunity for improvement related to prenatal and postpartum visits. As such, AHCCCS implemented a Prenatal and Postpartum Care PIP in CYE 2022 which aims to improve the number and percent of members with live birth deliveries that 1) received a prenatal care visit, and 2) received a postpartum visit. AHCCCS anticipates having baseline data, reflective of CY 2022 performance, available in December 2023.

DCS CHP

Children in foster care began receiving care and services through an integrated delivery model beginning April 1, 2021. Prior to this date, Arizona children involved in the foster care system received physical health care services through the DCS CHP (formerly known as CMDP) and received behavioral health care through the AHCCCS Complete Care, Regional Behavioral Health Agreements (ACC-RBHAs, formerly Regional Behavioral Health Authorities [RBHAs]). Please refer to Appendix A for additional details related to rate reporting.

¹⁰ Annual Dental Visits (ADV) measure discontinued effective CY 2022 due to measure retirement by the associated measure steward.

Arizona's Section 1115 Waiver Demonstration Annual Report

DCS CHP Performance Summary

The following subsections provide performance analysis (inclusive of strengths and noted areas of opportunities), comparison of current and previous year's performance, and current and planned quality improvement related initiatives.

Performance Analysis

AHCCCS conducted an analysis of the DCS CHP performance based on CYE 2021 performance measure data. This analysis compared the DCS CHP performance measure rates with the associated NCQA Medicaid Mean, as appropriate. Of the 33 DCS CHP performance measures/submeasures compared to the *NCQA State of Health Care Quality Report*, 87.9% of the performance measures reported met or exceeded the 2021 NCQA Medicaid Mean; whereas, 70.4% of the 27 performance measures compared to the 2020 Child and Adult Health Care Quality Measures Quality data met or exceeded the CMS Medicaid Median. For the 20 performance measures compared to both the NCQA Medicaid Mean and the CMS Medicaid Median based on measure specification alignment, 75% met or exceeded both associated benchmarks.

Overall, the DCS CHP program demonstrated strength when compared to the ACC program performance as 85.7% of the performance measure rates met or exceeded the ACC program aggregate. The DCS CHP program demonstrated strengths for the following performance measures when compared to the 2021 NCQA Medicaid Mean:

- Annual Dental Visits,
- Child and Adolescent Well-Care Visits,
- Childhood Immunization Status - Diphtheria, Tetanus, Acellular Pertussis (DTAP); Hepatitis A (HEP A); Haemophilus Influenza Type B (HiB); Influenza; Measles, Mumps, Rubella (MMR) Varicella (VZV),
- Follow-Up After ED Visit for Mental Illness,
- Follow-Up After Hospitalization for Mental Illness,
- Follow-Up Care for Children Prescribed ADHD Medication,
- Immunizations for Adolescents,
- Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing,
- Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics, and
- Well-Child Visits in the First 30 Months of Life: 30 Months.

In addition, the DCS CHP behavioral health services exceeded the NCQA Medicaid Mean for all behavioral health measures, at times exceeding the NCQA Medicaid Mean by more than 35%.

Arizona's Section 1115 Waiver Demonstration Annual Report

Noted areas of opportunity include the following performance measure:

- Childhood Immunization Status - Rotavirus (RV),
- Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - Body Mass Index (BMI) Percentile Documentation, and
- Well-Child Visits in the First 30 Months of Life: 15 Months.

Previous Year Performance Comparison

In comparison to last year's annual reporting, two measures identified as DCS CHP program strengths were maintained, and seven new measures were added for this year, most of which were behavioral health focused measures that are considered newly added services under the integrated DCS CHP program structure implemented on April 1, 2021. The remaining measure added was Immunization for Adolescents which demonstrated an average increase of 6.3% across the associated submeasures when compared to last year's reporting. Within the noted areas of opportunity, two new measures were added: Childhood Immunization Status – RV and Well-Child Visits in the First 30 Months of Life: 15 Months. While the Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - BMI Percentile Documentation was maintained as an area of opportunity, an increase of 3.0% in performance was noted.

Current and Planned Initiatives

The DCS CHP population was included in the Back-to-School Campaign and is included in the Back to Basics PIP which aims to improve the rates of Well-Child Visits in the First 30 Months of Life: Rate 1 (15 Months) and Child and Adolescent Well-Care Visits measures. Increasing the rates for these measures may impact other measures and focus areas including, but not limited to, childhood and adolescent immunizations, weight assessment and counseling for nutrition and physical activity, and developmental screenings.

ALTCS-EPD

The ALTCS-EPD program delivers long term, acute, behavioral health, and case management services to eligible members who are elderly and who have physical disabilities.

ALTCS-EPD Performance Summary

The following subsections provide performance analysis (inclusive of strengths and noted areas of opportunities), comparison of current and previous year's performance, and current and planned quality improvement related initiatives.

Arizona's Section 1115 Waiver Demonstration Annual Report

Performance Analysis

AHCCCS conducted an analysis of the ALTCS-EPD program performance based on CY 2021 performance measure data. This analysis compared the ACC performance measure/submeasure rates with the associated NCQA Medicaid Mean, as appropriate. Of the 23 ALTCS-EPD performance measures compared to the *NCQA State of Health Care Quality Report*, 60.9% of the performance measures reported met or exceeded the 2021 NCQA Medicaid Mean; whereas, 45.2% of the 31 performance measures compared to the 2020 Child and Adult Health Care Quality Measures Quality data met or exceeded the CMS Medicaid Median. For the 19 performance measures compared to both the NCQA Medicaid Mean and the CMS Medicaid Median based on measure specification alignment, 52.6% met or exceeded both associated benchmarks. Overall, the ALTCS-EPD program demonstrated strength for the following performance measures when compared to the 2021 NCQA Medicaid Mean:

- Adherence to Antipsychotic Medications for Individuals with Schizophrenia,
- Adults' Access to Preventive/Ambulatory Health Services,
- Antidepressant Medication Management,
- Controlling High Blood Pressure,
- Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications, and
- Follow-Up After ED Visit for Mental Illness.

Noted areas of opportunity include the following performance measures:

- Breast Cancer Screening,
- Cervical Cancer Screening,
- Child and Adolescent Well-Care Visits,
- Chlamydia Screening in Women,
- Follow-Up After Hospitalization for Mental Illness – 30 Day, and
- Initiation and Engagement of Alcohol and Other Drug (AOD) Abuse or Dependence Treatment - Engagement of AOD (Total).

Previous Year Performance Comparison

In comparison to last year's annual reporting, all four measures identified as ALTCS-EPD program strengths were maintained. Three new measures were added for this year including the Comprehensive Diabetes Care measure which demonstrated a 6.4% improvement from the previous year's performance. Within the noted areas of opportunity, two new measures were added. The first being the Child and Adolescent Well-Care Visits measure, for which the ALTCS-EPD program performance remained consistent but did not demonstrate the same level of improvement as seen with the 2021 NCQA Medicaid Mean when compared to the previous year, and the Chlamydia Screening in Women measure

Arizona's Section 1115 Waiver Demonstration Annual Report

that demonstrated an 8.2% improvement from the previous year's performance but fell significantly below the NCQA Medicaid Mean.¹¹

Current and Planned Initiatives

AHCCCS previously implemented a Breast Cancer Screening PIP for the ALTCS-EPD program aimed at improving the rates of breast cancer screening in members. AHCCCS anticipates having remeasurement year one data, reflective of CY 2022 performance, available in December 2023. In addition to the above PIP, AHCCCS included the Breast Cancer Screening measure as part of its VBP initiative for the ALTCS-EPD LOB starting in CY 2021 and the Cervical Cancer Screening measure as part of its VBP initiative starting in CY 2023. Similarly, the ALTCS-EPD MCOs whose performance did not meet the 2021 NCQA Medicaid Mean for any given measure were required to implement a corrective action plan with newly identified interventions that would be implemented with the goal of improving performance for each including those measures identified as areas of opportunity. AHCCCS will continue to monitor each ALTCS-EPD MCO's progress in meeting this goal and work internally to determine what additional initiatives will be required during the upcoming year to address the areas of opportunity .

ALTCS-DD

The ALTCS-DD program delivers long term, acute, behavioral health, and case management services to eligible members with developmental disabilities. ALTCS-DD members have historically received acute and behavioral health care services through the Department of Economic Security (DES)/Division of Developmental Disabilities (DDD)-subcontracted health plans. As of October 1, 2019, ALTCS-DD members receive integrated care and services through the DES/DDD-subcontracted health plans which are responsible for physical and behavioral health care. DES/DDD has maintained responsibility for case management, Home and Community Based Services (HCBS), and therapy services (for members under the age of 21).

ALTCS-DD Performance Summary

The following subsections provide performance analysis (inclusive of strengths and noted areas of opportunities), comparison of current and previous year's performance, and current and planned quality improvement related initiatives.

Performance Analysis

AHCCCS conducted an analysis of the ALTCS-DD program performance based on CY 2021 performance measure data. This analysis compared the ALTCS-DD performance measure/submeasure rates with the associated NCQA Medicaid Mean, as appropriate. Of the 43 ALTCS-DD performance measures/submeasures compared to the *NCQA State of Health Care Quality Report*, 69.8% of the

¹¹ While valid for reporting, this rate is associated with a small denominator which could present more variation when compared to benchmarks and/or conducting year-to-year comparisons.

Arizona's Section 1115 Waiver Demonstration Annual Report

performance measures reported met or exceeded the 2020 NCQA Medicaid Mean; whereas, 67.5% of the 40 performance measures compared to the 2020 Child and Adult Health Care Quality Measures Quality data met or exceeded the CMS Medicaid Median. For the 27 performance measures compared to both the NCQA Medicaid Mean and the CMS Medicaid Median based on measure specification alignment, 66.7% met or exceeded both associated benchmarks.

Overall, the ALTCS-DD program demonstrated strength for the following performance measures when compared to the 2021 NCQA Medicaid Mean:

- Annual Dental Visits,
- Adherence to Antipsychotic Medications for Individuals with Schizophrenia,
- Adults' Access to Preventive/Ambulatory Health Services,
- Antidepressant Medication Management,
- Asthma Medication Ratio,
- Childhood Immunization Status – Diphtheria, Tetanus, Acellular Pertussis (DTAP); Haemophilus Influenza Type B (HiB); Hepatitis A (HEP A); Influenza; Pneumococcal Conjugate (PCV); and Combo 3,
- Controlling High Blood Pressure,
- Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medication,
- Follow-Up After ED Visit for Mental Illness,
- Follow-Up After Hospitalization for Mental Illness,
- Follow-Up Care for Children Prescribed ADHD Medication - Initiation Phase, and
- Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing.

Noted areas of opportunity include the following performance measures:

- Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis,
- Cervical Cancer Screening,
- Childhood Immunization Status – Rotavirus (RV),
- Chlamydia Screening in Women,
- Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment - Initiation of AOD,
- Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics, and
- Well-Child Visits in the First 30 Months of Life: 15 Months.

Arizona's Section 1115 Waiver Demonstration Annual Report

Previous Year Performance Comparison

In comparison to last year's annual reporting, all measures identified as ALTCS-DD program strengths were maintained with two new measures added for this year including the Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing measure which demonstrated a 9.5% improvement from the previous year's performance. Within the noted areas of opportunity, two new measures and one submeasure were added with one measure being the Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis measure for which CY 2021 served as a baseline measurement period. While the Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment - Initiation of AOD measure experienced a decline in performance of 5.8%, it was noted that the Well-Child Visits in the First 30 Months of Life: 15 Months rate demonstrated a 13.8% improvement from the previous year performance¹².

Current and Planned Initiatives

The ALTCS-DD population was included in the Back-to-School Campaign and is included in the Back to Basics PIP which aims to improve the rates of Well-Child Visits in the First 30 Months of Life: Rate 1 (15 Months) and Child and Adolescent Well-Care Visits. As with other populations/LOB, increasing the rates for these measures may impact other measures and focus areas including, but not limited to, childhood and adolescent immunizations, weight assessment and counseling for nutrition and physical activity, and developmental screenings.

Additionally, the following measures are included as part of an open corrective action plan for which newly identified interventions will be implemented with the goal of improving performance for each: Cervical Cancer Screening, Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment, and Well-Child Visits in the First 30 Months of Life: 15 Months. AHCCCS will continue to monitor the ALTCS-DD programs' progress in meeting this goal and work internally to determine what additional initiatives will be required during the upcoming year to address the other areas of opportunity.

SMI

During CYE 2022, members with an SMI designation received integrated physical and behavioral health services through the ACC-RBHAs.¹³

¹² While valid for reporting, this rate is associated with a small denominator which could present more variation when compared to benchmarks and/or conducting year-to-year comparisons.

¹³ Effective October 1, 2022, the acronym 'RBHA' changed from Regional Behavioral Health Authority to Regional Behavioral Health Agreement. Services are provided by AHCCCS Complete Care Contractors with Regional Behavioral Health Agreements (ACC-RBHAs).

Arizona's Section 1115 Waiver Demonstration Annual Report

SMI Performance Summary

The following subsections provide performance analysis (inclusive of strengths and noted areas of opportunities), comparison of current and previous year's performance, and current and planned quality improvement related initiatives.

Performance Analysis

AHCCCS conducted an analysis of the SMI program performance based on CY 2021 performance measure data. This analysis compared the SMI program performance measure/submeasure rates with the associated NCQA Medicaid Mean, as appropriate. Of the 25 SMI program performance measures compared to the *NCQA State of Health Care Quality Report*, 36% of the performance measures reported met or exceeded the 2021 NCQA Medicaid Mean; whereas, 45.7% of the 35 performance measures compared to the 2020 Child and Adult Health Care Quality Measures Quality data met or exceeded the CMS Medicaid Median. For the 21 performance measures compared to both the NCQA Medicaid Mean and the CMS Medicaid Median based on measure specification alignment, 38.1% met or exceeded both associated benchmarks.

Overall, the SMI program demonstrated strength for the following performance measures when compared to the 2021 NCQA Medicaid Mean:

- Follow-Up After ED Visit for AOD Abuse or Dependence – 30 Day,
- Adults' Access to Preventive/Ambulatory Health Services,
- Follow-Up After ED Visit for Mental Illness, and
- Follow-Up After Hospitalization for Mental Illness.

Noted areas of opportunity include the following performance measures:

- Breast Cancer Screening,
- Cervical Cancer Screening, and
- Prenatal and Postpartum Care.

Previous Year Performance Comparison

In comparison to last year's annual reporting, all measures identified as SMI program strengths were maintained and one new measure was added. Measures identified as SMI program areas of opportunities remained consistent with the exception of the Cervical Cancer Screening measure which was added; however, it was noted that all measures within the noted areas of opportunity experienced a decline in performance ranging from 1.8%-7.1% when compared to the previous year's performance.

Arizona's Section 1115 Waiver Demonstration Annual Report

Current and Planned Initiatives

With the identified areas of opportunity noted above, AHCCCS implemented a Preventive Screening PIP for the SMI Integrated population which aims to improve the rates of breast cancer and cervical cancer screenings. AHCCCS anticipates having remeasurement year one data, reflective of CY 2022 performance, available in December 2023.

In addition, the SMI population is included within the Prenatal and Postpartum Care PIP which aims to improve the number and percent of members with live birth deliveries that 1) received a prenatal care visit, and 2) received a postpartum visit. AHCCCS anticipates having baseline data, reflective of CY 2022 performance, available in December 2023.

Form CMS-416

AHCCCS Medicaid and KidsCare rates for Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Participation, Total Eligibles Receiving Preventive Dental Services, and Total Eligibles Receiving Any Dental Services are included in Table 12. This data is reflective of Federal Fiscal Year (FFY) 2022 (October 1, 2021 to September 30, 2022) and is inclusive of the information reported to CMS on the annual Form CMS-416 Report. Please note that although KidsCare is not formally reported to CMS via the CMS-416 Report, AHCCCS monitors this population using the same methodology as the Form CMS-416 Report for comparison purposes.

Table 12

	FFY 2021	FFY 2022
Medicaid CMS-416 Rates		
EPSDT Participation (%)	45.9%	47.3%
Total Eligibles Receiving Preventive Dental Services (%)	44.8%	45.4%
Total Eligibles Receiving Any Dental Services (%)	46.2%	46.9%
KidsCare CMS-416 Rates		
EPSDT Participation (%)	51.6%	51.6%
Total Eligibles Receiving Preventive Dental Services (%)	47.7%	47.7%
Total Eligibles Receiving Any Dental Services (%)	50.3%	50.5%

March 2020 marked the beginning of the COVID-19 PHE. Based on analysis of the FFY 2020 and FFY 2021 data, the COVID-19 PHE negatively impacted Form CMS-416 rates, most notably for EPSDT participation. While the Medicaid and KidsCare CMS-416 rates remained relatively consistent for FFY 2021 and FFY 2022, the Medicaid EPSDT Participation rate increased 1.4%.

Arizona's Section 1115 Waiver Demonstration Annual Report

Performance Improvement Projects (PIPs)

AHCCCS had the following PIPs in place during CYE 2022 (October 1, 2021 to September 30, 2022).

Back to Basics PIP

Population: ACC/KidsCare, DCS CHP, and ALTCS-DD

The purpose of this PIP is to increase the number of well-child visits (15-month rate), child and adolescent well-care visits, and annual dental visits. The goal is to demonstrate a statistically significant increase in the number and percentage of child and adolescent well-child/well-care visits, as well as a statistically significant increase in the number and percentage of children and adolescents receiving an annual dental visit, followed by sustained improvement for one consecutive year.

Table 13

Back to Basics	CYE 2019 Rate	CYE 2022 Rate ¹	CYE 2023 Rate	Year to Year Change ²
ACC/KidsCare				
Well-Child Visits: 15 Month Rate	64.1%	Rate Pending	Rate Pending	Not Available
Child and Adolescent Well-Care Visits	49.9%	Rate Pending	Rate Pending	Not Available
Annual Dental Visits	60.1%	Rate Pending	Rate Pending	Not Available
DCS CHP				
Well-Child Visits: 15 Month Rate	N/A	Rate Pending	Rate Pending	Not Available
Child and Adolescent Well-Care Visits	72.6%	Rate Pending	Rate Pending	Not Available
Annual Dental Visits	74.7%	Rate Pending	Rate Pending	Not Available

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-DD				
Well-Child Visits: 15 Month Rate	N/A	Rate Pending	Rate Pending	Not Available
Child and Adolescent Well-Care Visits	50.7%	Rate Pending	Rate Pending	Not Available
Annual Dental Visits	52.7%	Rate Pending	Rate Pending	Not Available

¹ Final Calendar Year (CY) 2022 Performance Measure rates anticipated to be available in December 2023.

² Year to Year Change is not available.

Breast Cancer Screening PIP

Population: ALTCS-EPD

The purpose of this PIP is to increase the number and percentage of breast cancer screenings. The goal is to demonstrate a statistically significant increase, followed by sustained improvement for one consecutive year, for breast cancer screenings.

Table 14

Breast Cancer Screening	CYE 2019 Rate	CYE 2022 Rate ¹	CYE 2023 Rate	Year to Year Change ²
ALTCS-EPD				
Breast Cancer Screening	36.5%	Rate Pending	Rate Pending	Not Available

¹ Final Calendar Year (CY) 2022 Performance Measure rates anticipated to be available in December 2023.

² Year to Year Change is not available.

Preventive Screening PIP

Population: SMI

The purpose of this PIP is to increase the number and percentage of breast cancer and cervical cancer screenings. The goal is to demonstrate a statistically significant increase, followed by sustained improvement for one consecutive year, for breast cancer and cervical cancer screenings.

Arizona's Section 1115 Waiver Demonstration Annual Report

Table 15

Preventive Screening	CYE 2019 Rate	CYE 2022 Rate ¹	CYE 2023 Rate	Year to Year Change ²
SMI				
Breast Cancer Screening	36.9%	Rate Pending	Rate Pending	Not Available
Cervical Cancer Screening	43.2%	Rate Pending	Rate Pending	Not Available

¹ Final Calendar Year (CY) 2022 Performance Measure rates anticipated to be available in December 2023.

² Year to Year Change is not available.

Additionally, AHCCCS initiated the following Performance Improvement Project with a baseline year of CY 2022.

Prenatal and Postpartum Care PIP

Population(s): ACC and SMI

To improve health outcomes for members and infants, this performance improvement project focuses on increasing the number and percent of members with live birth deliveries that, 1) received a prenatal care visit, and 2) received a postpartum visit. The goal of this project is to demonstrate a statistically significant increase in the number and percent of members with live birth deliveries that, 1) received a prenatal care visit, and 2) received a postpartum visit, followed by sustained improvement for one consecutive year. The baseline year for this PIP is CY 2022 for which data is anticipated to be available in December 2023.

Arizona's Section 1115 Waiver Demonstration Annual Report

Appendix A

The following tables in Appendix A include performance measure data for each population/LOB as well as the associated 2021 NCQA Medicaid Mean data published and accessible through the *NCQA State of Health Care Quality Report*.

Table 16

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Adherence to Antipsychotic Medications in Adults with Schizophrenia	47.8%	▼	N
Adults' Access to Preventive/Ambulatory Health Services	70.9%	▼	N
Ambulatory Care: ED Visits ¹ - Rate Per 1,000 Member Months [^]	39.3	—	N/A
Annual Dental Visits	52.5%	▲	Y
Antidepressant Medication Management - Effective Acute Phase Treatment	59.1%	▲	N
Antidepressant Medication Management - Effective Continuation Phase Treatment	41.4%	▲	N
Asthma in Younger Adults Admission Rate - Reported Per 100,000 Member Months [^]	3.1	—	N/A
Asthma Medication Ratio ¹	64.2%	▼	N
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis ¹	50.6%	—	N

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Breast Cancer Screening	49.4%	▶	N
Cervical Cancer Screening	52.4%	▲	N
Child and Adolescent Well-Care Visits (Total)	44.9%	▲	N
Childhood Immunization Status - Combo 10	32.6%	▶	N
Childhood Immunization Status - Combo 3	61.2%	▼	N
Childhood Immunization Status - Diphtheria, Tetanus, Acellular Pertussis (DTAP)	66.4%	▼	N
Childhood Immunization Status - Haemophilus Influenza Type B (HiB)	81.3%	▼	N
Childhood Immunization Status - Hepatitis A (HEP A)	78.5%	▼	N
Childhood Immunization Status - Hepatitis B (HEP B)	83.1%	▼	N
Childhood Immunization Status - Inactivated Polio Virus (IPV)	82.5%	▼	N
Childhood Immunization Status - Influenza	40.8%	▼	N
Childhood Immunization Status - Measles, Mumps, Rubella (MMR)	80.3%	▼	N
Childhood Immunization Status - Pneumococcal Conjugate (PCV)	67.5%	▼	N

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Childhood Immunization Status - Rotavirus (RV)	67.5%	▼	N
Childhood Immunization Status - Varicella (VZV)	79.9%	▼	N
Chlamydia Screening in Women ¹	51.9%	▶	N
Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate - Per 100,000 Member Months [^]	21.6	—	N/A
Comprehensive Diabetes Care - Hemoglobin A1c (HbA1c) Poor Control (>9.0%) [^]	42.1%	▲	Y
Concurrent Use of Opioids and Benzodiazepines [^]	5.7%	▲	N/A
Contraceptive Care – All Women – Long-Acting Reversible Contraceptive (LARC) Ages 21-44	4.6%	▼	N/A
Contraceptive Care – All Women – LARC Ages 15-20	3.0%	▼	N/A
Contraceptive Care – All Women – Most of Moderately Effective Method of Contraceptive (MMEC) Ages 21-44	22.0%	▼	N/A
Contraceptive Care – All Women – MMEC Ages 15-20	18.0%	▼	N/A
Contraceptive Care – Postpartum Women – LARC Ages 15-20 – 3 Day	1.1%	▶	N/A

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Contraceptive Care – Postpartum Women – LARC Ages 15-20 – 60 Day	8.9%	▶	N/A
Contraceptive Care – Postpartum Women – LARC Ages 21-44 – 3 Day	0.7%	▶	N/A
Contraceptive Care – Postpartum Women – LARC Ages 21-44 – 60 Day	6.8%	▼	N/A
Contraceptive Care – Postpartum Women – MMEC Ages 15-20 – 3 Day	2.3%	▶	N/A
Contraceptive Care – Postpartum Women – MMEC Ages 15-20 – 60 Day	24.3%	▼	N/A
Contraceptive Care – Postpartum Women – MMEC Ages 21-44 – 3 Day	6.8%	▼	N/A
Contraceptive Care – Postpartum Women – MMEC Ages 21-44 – 60 Day	24.9%	▼	N/A
Controlling High Blood Pressure	52.5%	▲	N
Developmental Screening in the First Three Years of Life (Total)	39.5%	▲	N/A
Diabetes Care for People with SMI- HbA1c Poor Control (>9.0%) [^]	41.6%	▲	N/A
Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who are Using Antipsychotic Medication	78.2%	▶	N
Diabetes Short-Term Complications Admission Rate – Per 100,000 Member Months [^]	15.5	—	N/A

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Follow-Up After ED Visit for AOD Abuse or Dependence ¹ – 30 Day	22.2%	▼	Y
Follow-Up After ED Visit for AOD Abuse or Dependence ¹ – 7 Day	15.8%	▼	Y
Follow-Up After ED Visit for Mental Illness ¹ – 30 Day	55.7%	▼	Y
Follow-Up After ED Visit for Mental Illness ¹ – 7 Day	45.4%	▶	Y
Follow-Up After Hospitalization for Mental Illness ¹ – 30 Day	58.8%	▶	Y
Follow-Up After Hospitalization for Mental Illness ¹ – 7 Day	42.5%	▼	Y
Follow-Up Care for Children Prescribed ADHD Medication – Continuation and Maintenance Phase	67.1%	▶	Y
Follow-Up Care for Children Prescribed ADHD Medication – Initiation Phase	53.8%	▼	Y
Heart Failure Admission Rate – Per 100,000 Member Months [^]	29.2	—	N/A
Immunizations for Adolescents – Combo 2	39.4%	▼	Y
Immunizations for Adolescents – Human Papillomavirus (HPV)	40.7%	▼	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Immunizations for Adolescents – Meningococcal (MCV4)	86.3%	▼	Y
Immunizations for Adolescents – Tetanus, Diphtheria Toxoids, Acellular Pertussis (TDAP)	86.9%	▼	Y
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ¹ – Engagement of AOD (Total)	18.1%	▲	Y
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ¹ – Initiation of AOD (Total)	48.4%	▲	Y
Inpatient Utilization: Total Inpatient – Days per 1,000 Member Months	32.2	—	N/A
Mental Health Utilization – Any Services (Total)	10.3%	—	N/A
Metabolic Monitoring for Children and Adolescents on Antipsychotics – Blood Glucose and Cholesterol Testing	44.8%	▲	Y
Oral Evaluation, Dental Services	29.0%	—	N/A
Plan All-Cause Readmissions – Observed Readmissions [^]	9.4%	▶	Y
Prenatal and Postpartum Care – Postpartum Care	65.2%	▶	N
Prenatal and Postpartum Care – Timeliness of Prenatal Care	79.4%	▲	N

Arizona's Section 1115 Waiver Demonstration Annual Report

ACC Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Sealant Receipt on Permanent First Molars- All Four Molars Sealed	18.4%	▲	N/A
Sealant Receipt on Permanent First Molars- At Least one Sealant	35.0%	▲	N/A
Topical Fluoride for Children – Dental Health or Oral Health	19.0%	—	N/A
Topical Fluoride for Children – Oral Health	9.2%	—	N/A
Topical Fluoride for Children- Dental Health	10.0%	—	N/A
Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics	67.8%	▶	Y
Use of Opioids at High Dosage [^]	8.6%	—	N
Use of Pharmacotherapy for Opioid Use Disorder	59.6%	▲	N/A
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents – Body Mass Index (BMI) Percentile Documentation	63.8%	▲	N
Well-Child Visits in the First 30 Months of Life: 15 Months	59.8%	▲	Y
Well-Child Visits in the First 30 Months of Life: 30 Months	62.5%	▲	N

¹ Age range reflective of NCQA HEDIS® methodology

N/A has been included for measures where an NCQA Medicaid Mean is not available

[^] A lower rate indicates better performance

▲ Indicates statistically significant improvement in performance when compared to the previous year

Arizona's Section 1115 Waiver Demonstration Annual Report

▼ Indicates statistically significant decline in performance when compared to the previous year
 ► Indicates no statistically significant change in performance when compared to the previous year
 — Indicates statistical significance is not available

Table 17

DCS CHP Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Ambulatory Care: ED Visits ² - Rate Per 1,000 Member Months [^]	37.5	—	N/A
Annual Dental Visits	91.5%	▲	Y
Asthma Medication Ratio ²	70.5%*	►	Y
Child and Adolescent Well-Care Visits (Total)	66.9%	►	Y
Childhood Immunization Status - Combo 10	38.6%	►	Y
Childhood Immunization Status - Combo 3	65.4%	▼	Y
Childhood Immunization Status - Diphtheria, Tetanus, Acellular Pertussis (DTAP)	79.8%	►	Y
Childhood Immunization Status - Haemophilus Influenza Type B (HiB)	92.1%	▼	Y
Childhood Immunization Status - Hepatitis A (HEP A)	93.4%	►	Y
Childhood Immunization Status - Hepatitis B (HEP B)	90.4%	▼	Y
Childhood Immunization Status - Inactivated Polio Virus (IPV)	91.2%	▼	Y
Childhood Immunization Status - Influenza	54.8%	►	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

DCS CHP Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Childhood Immunization Status - Measles, Mumps, Rubella (MMR)	93.9%	▶	Y
Childhood Immunization Status - Pneumococcal Conjugate (PCV)	73.7%	▼	Y
Childhood Immunization Status - Rotavirus (RV)	54.4%	▼	N
Childhood Immunization Status - Varicella (VZV)	94.3%	▶	Y
Chlamydia Screening in Women ²	53.5%	▶	N
Developmental Screening in the First Three Years of Life (Total)	51.9%	▼	N/A
Follow-Up After ED Visit for Mental Illness ² - 30 Day	92.9%	—	Y
Follow-Up After ED Visit for Mental Illness ² - 7 Day	75.6%	—	Y
Follow-Up After Hospitalization for Mental Illness ² - 30 Day	87.5%	—	Y
Follow-Up After Hospitalization for Mental Illness ² - 7 Day	70.7%	—	Y
Follow-Up Care for Children Prescribed ADHD Medication - Continuation and Maintenance Phase	89.0%	—	Y
Follow-Up Care for Children Prescribed ADHD Medication - Initiation Phase	86.5%	—	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

DCS CHP Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Immunizations for Adolescents - Combo 2	70.9%	▲	Y
Immunizations for Adolescents - Human Papillomavirus (HPV)	71.9%	▲	Y
Immunizations for Adolescents - Meningococcal (MCV4)	100.0%	▲	Y
Immunizations for Adolescents - Tetanus, Diphtheria Toxoids, Acellular Pertussis (TDAP)	98.5%	▶	Y
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ² – Engagement of AOD (Total)	14.3%	—	Y
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ² – Initiation of AOD (Total)	40.4%	—	Y
Inpatient Utilization: Total Inpatient - Days per 1,000 Member Months	17.5	—	N/A
Mental Health Utilization - Any Service (Total)	64.9%	—	N/A
Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing	52.9%	—	Y
Oral Evaluation, Dental Services	57.9%	—	N/A

Arizona's Section 1115 Waiver Demonstration Annual Report

DCS CHP Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Sealant Receipt on Permanent First Molars- All Four Molars Sealed	32.0%	▼	N/A
Sealant Receipt on Permanent First Molars- At Least one Sealant	54.3%	▼	N/A
Topical Fluoride for Children - Dental Health or Oral Health	27.2%	—	N/A
Topical Fluoride for Children - Oral Health	1.5%	—	N/A
Topical Fluoride for Children- Dental Health	22.6%	—	N/A
Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics	79.4%	—	Y
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - Body Mass Index (BMI) Percentile Documentation	36.0%	▲	N
Well-Child Visits in the First 30 Months of Life: 15 Months	46.7%	▼	N
Well-Child Visits in the First 30 Months of Life: 30 Months	80.3%	▶	Y

¹ Population primarily includes members under 18 years of age with some exceptions

² Age range reflective of NCQA HEDIS® methodology

N/A has been included for measures where an NCQA Medicaid Mean is not available

*While valid for reporting, this rate is associated with a small denominator which could present more variation when compared to benchmarks and/or conducting year-to-year comparisons.

▲ A lower rate indicates better performance

▲ Indicates statistically significant improvement in performance when compared to the previous year

▼ Indicates statistically significant decline in performance when compared to the previous year

▶ Indicates no statistically significant change in performance when compared to the previous year

— Indicates statistical significance is not available

Arizona's Section 1115 Waiver Demonstration Annual Report

Table 18

ALTCS-EPD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Adherence to Antipsychotic Medications for Individuals With Schizophrenia	78.0%	▼	Y
Adults' Access to Preventive/Ambulatory Health Services	91.5%	▶	Y
Ambulatory Care: ED Visits ¹ - Rate Per 1,000 Member Months [^]	56.6	—	N/A
Antidepressant Medication Management - Effective Acute Phase Treatment	72.0%	▶	Y
Antidepressant Medication Management - Effective Continuation Phase Treatment	62.6%	▶	Y
Asthma Medication Ratio ¹	69.0%	▶	Y
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis ¹	54.9%*	—	N
Breast Cancer Screening	35.4%	▶	N
Cervical Cancer Screening	28.8%	▶	N
Child and Adolescent Well-Care Visits (Total)	41.5%	▶	N
Chlamydia Screening in Women ¹	26.9%*	▶	N
Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate - Per 100,000 Member Months [^]	53.1	—	N/A
Comprehensive Diabetes Care - Hemoglobin A1c (HbA1c) Poor Control (>9.0%) [^]	33.0%	▲	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-EPD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Concurrent Use of Opioids and Benzodiazepines^	16.9%	▶	N/A
Contraceptive Care - All Women - LARC Ages 21-44	2.2%	—	N/A
Contraceptive Care - All Women - MMEC Ages 21 - 44	15.5%	▶	N/A
Contraceptive Care - All Women - MMEC Ages 15-20	15.7%	▶	N/A
Controlling High Blood Pressure	68.2%	▲	Y
COPD or Asthma in Older Adults Admission Rate - Per 100,000 Member Months	53.1	—	N/A
Diabetes Care for People with SMI- HbA1c Poor Control (>9.0%)	31.5%	▶	N/A
Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications	91.0%	▼	Y
Diabetes Short-Term Complications Admission Rate - Per 100,000 Member Months^	15.4	—	N/A
Follow-Up After ED Visit for AOD Abuse or Dependence ¹ - 30 Day	22.2%*	▶	Y
Follow-Up After ED Visit for Mental Illness ¹ - 30 Day	62.5%*	▶	Y
Follow-Up After ED Visit for Mental Illness ¹ - 7 Day	50.0%*	▶	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-EPD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Follow-Up After Hospitalization for Mental Illness ¹ - 30 Day	51.6%	▶	N
Follow-Up After Hospitalization for Mental Illness ¹ - 7 Day	44.4%	▶	Y
Heart Failure Admission Rate - Per 1,000 Member Months [^]	166.2	—	N/A
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ¹ - Engagement of AOD (Total)	5.8%	▶	N
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ¹ - Initiation of AOD (Total)	48.9%	▶	Y
Inpatient Utilization: Total Inpatient - Days per 1,000 Member Months	289.2	—	N/A
Mental Health Utilization - Any Service (Total)	22.5%	—	N/A
Oral Evaluation, Dental Services	18.8%	—	N/A
Plan All-Cause Readmissions - Observed Readmissions [^]	9.9%	▶	Y
Topical Fluoride for Children - Dental Health or Oral Health	16.9%	—	N/A
Topical Fluoride for Children - Oral Health	9.1%	—	N/A
Topical Fluoride for Children- Dental Health	5.2%	—	N/A
Use of Opioids at High Dosage [^]	11.9%	—	N

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-EPD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Use of Pharmacotherapy for Opioid Use Disorder	15.7%	▶	N/A
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - Body Mass Index (BMI) Percentile Documentation	75.3%	▶	N

N/A has been included for measures where an NCQA Medicaid Mean is not available

¹ Age range reflective of NCQA HEDIS® methodology

*While valid for reporting, this rate is associated with a small denominator which could present more variation when compared to benchmarks and/or conducting year-to-year comparisons.

^ A lower rate indicates better performance

▲ Indicates statistically significant improvement in performance when compared to the previous year

▼ Indicates statistically significant decline in performance when compared to the previous year

▶ Indicates no statistically significant change in performance when compared to the previous year

— Indicates statistical significance is not available

Table 19

ALTCS-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Adherence to Antipsychotic Medications for Individuals With Schizophrenia	86.5%	▶	Y
Adults' Access to Preventive/Ambulatory Health Services	87.9%	▼	Y
Ambulatory Care: ED Visits ¹ - Rate Per 1,000 Member Months [^]	29.9	—	N/A
Annual Dental Visits	53.9%	▲	Y
Antidepressant Medication Management - Effective Acute Phase Treatment	73.8%	▶	Y
Antidepressant Medication Management - Effective Continuation Phase Treatment	62.1%	▶	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Asthma Medication Ratio ¹	81.2%	▶	Y
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis ¹	45.8%	—	N
Breast Cancer Screening	48.9%	▶	N
Cervical Cancer Screening	19.5%	▼	N
Child and Adolescent Well-Care Visits (Total)	50.4%	▲	Y
Childhood Immunization Status - Combo 10	31.0%	▶	N
Childhood Immunization Status - Combo 3	77.5%	▶	Y
Childhood Immunization Status - Diphtheria, Tetanus, Acellular Pertussis (DTAP)	84.5%	▶	Y
Childhood Immunization Status - Haemophilus Influenza Type B (HiB)	91.5%	▶	Y
Childhood Immunization Status - Hepatitis A (HEP A)	88.7%	▶	Y
Childhood Immunization Status - Hepatitis B (HEP B)	87.3%	▶	Y
Childhood Immunization Status - Inactivated Polio Virus (IPV)	90.8%	▶	Y
Childhood Immunization Status - Influenza	70.4%	▶	Y
Childhood Immunization Status - Measles, Mumps, Rubella (MMR)	89.4%	▶	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Childhood Immunization Status - Pneumococcal Conjugate (PCV)	81.7%	▶	Y
Childhood Immunization Status - Rotavirus (RV)	43.0%	▶	N
Childhood Immunization Status - Varicella (VZV)	89.4%	▶	Y
Chlamydia Screening in Women ¹	15.4%	▶	N
Comprehensive Diabetes Care- Hemoglobin A1c (HbA1c) Poor Control (>9.0%) [^]	21.8%	▶	Y
Concurrent Use of Opioids and Benzodiazepines [^]	14.6%	▶	N/A
Contraceptive Care - All Women - LARC Ages 21 - 44	1.7%	▶	N/A
Contraceptive Care - All Women - LARC Ages 15-20	1.9%	▶	N/A
Contraceptive Care - All Women - MMEC Ages 21 - 44	25.7%	▶	N/A
Contraceptive Care - All Women - MMEC Ages 15-20	20.6%	▶	N/A
Controlling High Blood Pressure	75.5%	▲	Y
Developmental Screening in the First Three Years of Life (Total)	47.8%	▶	N/A
Diabetes Care for People with SMI- HbA1c Poor Control (>9.0%) [^]	18.2%	▲	N/A

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Diabetes Screening for People With Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medication	87.5%	▶	Y
Diabetes Short-Term Complications Admission Rate - Per 100,000 Member Months [^]	5.6	—	N/A
Follow-Up After ED Visit for Mental Illness ¹ - 30 Day	80.2%	▶	Y
Follow-Up After ED Visit for Mental Illness ¹ - 7 Day	61.8%	▶	Y
Follow-Up After Hospitalization for Mental Illness ¹ - 30 Day	85.6%	▶	Y
Follow-Up After Hospitalization for Mental Illness ¹ - 7 Day	68.0%	▶	Y
Follow-Up Care for Children Prescribed ADHD Medication - Continuation and Maintenance Phase	54.8%	▶	Y
Follow-Up Care for Children Prescribed ADHD Medication - Initiation Phase	52.3%	▶	Y
Heart Failure Admission Rate - Per 100,000 Member Months [^]	6.1	▶	N/A
Immunizations for Adolescents - Combo 2	31.8%	▶	N
Immunizations for Adolescents - Human Papillomavirus (HPV)	32.5%	▶	N
Immunizations for Adolescents - Meningococcal (MCV4)	84.5%	▶	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCS-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Immunizations for Adolescents - Tetanus, Diphtheria Toxoids, Acellular Pertussis (TDAP)	86.6%	▶	Y
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ¹ - Initiation of AOD (Total)	33.0%	▶	N
Inpatient Utilization: Total Inpatient - Days per 1,000 Member Months	56.3	—	N/A
Mental Health Utilization - Any Service (Total)	27.0%	—	N/A
Metabolic Monitoring for Children and Adolescents on Antipsychotics - Blood Glucose and Cholesterol Testing	45.2%	▲	Y
Oral Evaluation, Dental Services	17.2%	—	N/A
Plan All-Cause Readmissions - Observed Readmissions [^]	10.5%	▶	N
Sealant Receipt on Permanent First Molars- All Four Molars Sealed	12.3%	▶	N/A
Sealant Receipt on Permanent First Molars- At Least one Sealant	18.6%	▶	N/A
Topical Fluoride for Children - Dental Health or Oral Health	20.0%	—	N/A
Topical Fluoride for Children - Dental Health or Oral Health	5.9%	—	N/A
Topical Fluoride for Children - Oral Health	12.3%	—	N/A

Arizona's Section 1115 Waiver Demonstration Annual Report

ALTCs-DD Performance Measure Rates	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Use of First-Line Psychosocial Care for Children and Adolescents on Antipsychotics	22.2%	▶	N
Weight Assessment and Counseling for Nutrition and Physical Activity for Children/Adolescents - Body Mass Index (BMI) Percentile Documentation	79.8%	▲	Y
Well-Child Visits in the First 30 Months of Life: 15 Months	40.0%*	▶	N
Well-Child Visits in the First 30 Months of Life: 30 Months	61.7%	▶	N

¹ Age range reflective of NCQA HEDIS® methodology

N/A has been included for measures where an NCQA Medicaid Mean is not available

*While valid for reporting, this rate is associated with a small denominator which could present more variation when compared to benchmarks and/or conducting year-to-year comparisons.

^ A lower rate indicates better performance

▲ Indicates statistically significant improvement in performance when compared to the previous year

▼ Indicates statistically significant decline in performance when compared to the previous year

▶ Indicates no statistically significant change in performance when compared to the previous year

— Indicates statistical significance is not available

Table 20

SMI Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Adherence to Antipsychotic Medications for Individuals With Schizophrenia	57.6%	▶	N
Adults' Access to Preventive/Ambulatory Health Services	88.8%	▼	Y
Ambulatory Care: ED Visits ² - Rate Per 1,000 Member Months [^]	100.6	—	NA

Arizona's Section 1115 Waiver Demonstration Annual Report

SMI Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Antidepressant Medication Management - Effective Acute Phase Treatment	57.2%	▲	N
Antidepressant Medication Management - Effective Continuation Phase Treatment	43.3%	▲	N
Asthma in Younger Adults Admission Rate - Reported Per 100,000 Member Months [^]	14.9	—	NA
Asthma Medication Ratio ²	60.0%	▶	N
Avoidance of Antibiotic Treatment for Acute Bronchitis/Bronchiolitis ²	51.4%	—	N
Breast Cancer Screening	34.3%	▼	N
Cervical Cancer Screening	44.4%	▼	N
Chlamydia Screening in Women ²	50.8%	▶	N
Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate - Per 100,000 Member Months [^]	50.2	—	NA
Comprehensive Diabetes Care—Hemoglobin A1c (HbA1c) Poor Control (>9.0%) [^]	38.0%	▲	Y
Concurrent Use of Opioids and Benzodiazepines [^]	10.3%	▲	NA
Contraceptive Care - All Women - LARC Ages 21-44	3.3%	▶	NA
Contraceptive Care - All Women – LARC Ages 15-20	6.0%	▶	NA

Arizona's Section 1115 Waiver Demonstration Annual Report

SMI Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Contraceptive Care – All Women – MMEC Ages 21-44	17.2%	▼	NA
Contraceptive Care – All Women - MMEC Ages 15-20	27.9%	▶	NA
Contraceptive Care - Postpartum Women - LARC Ages 21-44 - 60 Day	12.2%	▲	NA
Contraceptive Care - Postpartum Women - MMEC Ages 21-44 - 3 Day	13.3%	▶	NA
Contraceptive Care - Postpartum Women - MMEC Ages 21-44 - 60 Day	31.8%	▶	NA
Controlling High Blood Pressure	54.3%	▲	N
Diabetes Care for People with SMI—HbA1c Poor Control (>9.0%) [^]	35.5	▶	NA
Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who Are Using Antipsychotic Medications	80.8%	▲	Y
Diabetes Short-Term Complications Admission Rate - Per 100,000 Member Months [^]	44.7	—	NA
Follow-Up After ED Visit for AOD Abuse or Dependence ² - 30 Day	27.6%	▶	Y
Follow-Up After ED Visit for AOD Abuse or Dependence ² - 7 Day	19.8%	▶	Y
Follow-Up After ED Visit for Mental Illness ² - 30 Day	70.1%	▼	Y

Arizona's Section 1115 Waiver Demonstration Annual Report

SMI Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Follow-Up After ED Visit for Mental Illness ² - 7 Day	53.9%	▼	Y
Follow-Up After Hospitalization for Mental Illness ² - 30 Day	81.2%	▶	Y
Follow-Up After Hospitalization for Mental Illness ² - 7 Day	64.3%	▼	Y
Heart Failure Admission Rate - Per 1,000 Member Months [^]	56.3	—	NA
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ² - Engagement of AOD (Total)	12.4%	▶	N
Initiation and Engagement of Alcohol and Other Drug Abuse or Dependence Treatment ² - Initiation of AOD (Total)	43.4%	▲	N
Inpatient Utilization: Total Inpatient - Days per 1,000 Member Months	93.5	—	NA
Mental Health Utilization: Any Service (Total)	81.8%	—	NA
Oral Evaluation, Dental Services	18.1%	—	N
Plan All-Cause Readmissions - Observed Readmissions [^]	14.6%	▶	N
Prenatal and Postpartum Care - Postpartum Care	57.1%	▶	N
Prenatal and Postpartum Care - Timeliness of Prenatal Care	74.8%	▶	N
Use of Opioids at High Dosage [^]	10.8%	—	N

Arizona's Section 1115 Waiver Demonstration Annual Report

SMI Performance Measure Rates ¹	CY 2021 Rates	Year-to-Year Comparison: Statistical Significance	Exceeded the 2021 NCQA Medicaid Mean
Use of Pharmacotherapy for Opioid Use Disorder	38.2%	▲	NA

¹ Population includes members 18 years of age and older

² Age range reflective of NCQA HEDIS® methodology

N/A has been included for measures where an NCQA Medicaid Mean is not available

^ A lower rate indicates better performance

▲ Indicates statistically significant improvement in performance when compared to the previous year

▼ Indicates statistically significant decline in performance when compared to the previous year

► Indicates no statistically significant change in performance when compared to the previous year

— Indicates statistical significance is not available

XIII. Appendix B: Waiver Public Forum Meeting Slides

Pursuant to the terms and conditions that govern Arizona's Demonstration, below is the documentation of its compliance with Demonstration Public Notice Requirements. AHCCCS presented the details of Arizona's 1115 Demonstration Waiver Renewal and provided implementation updates for newly approved programs at a variety of different public forums including but not limited to Tribal Consultations, the State Medicaid Advisory Committee (SMAC), AHCCCS Hot Topics, and more. Included below are a few of the slideshow presentations.

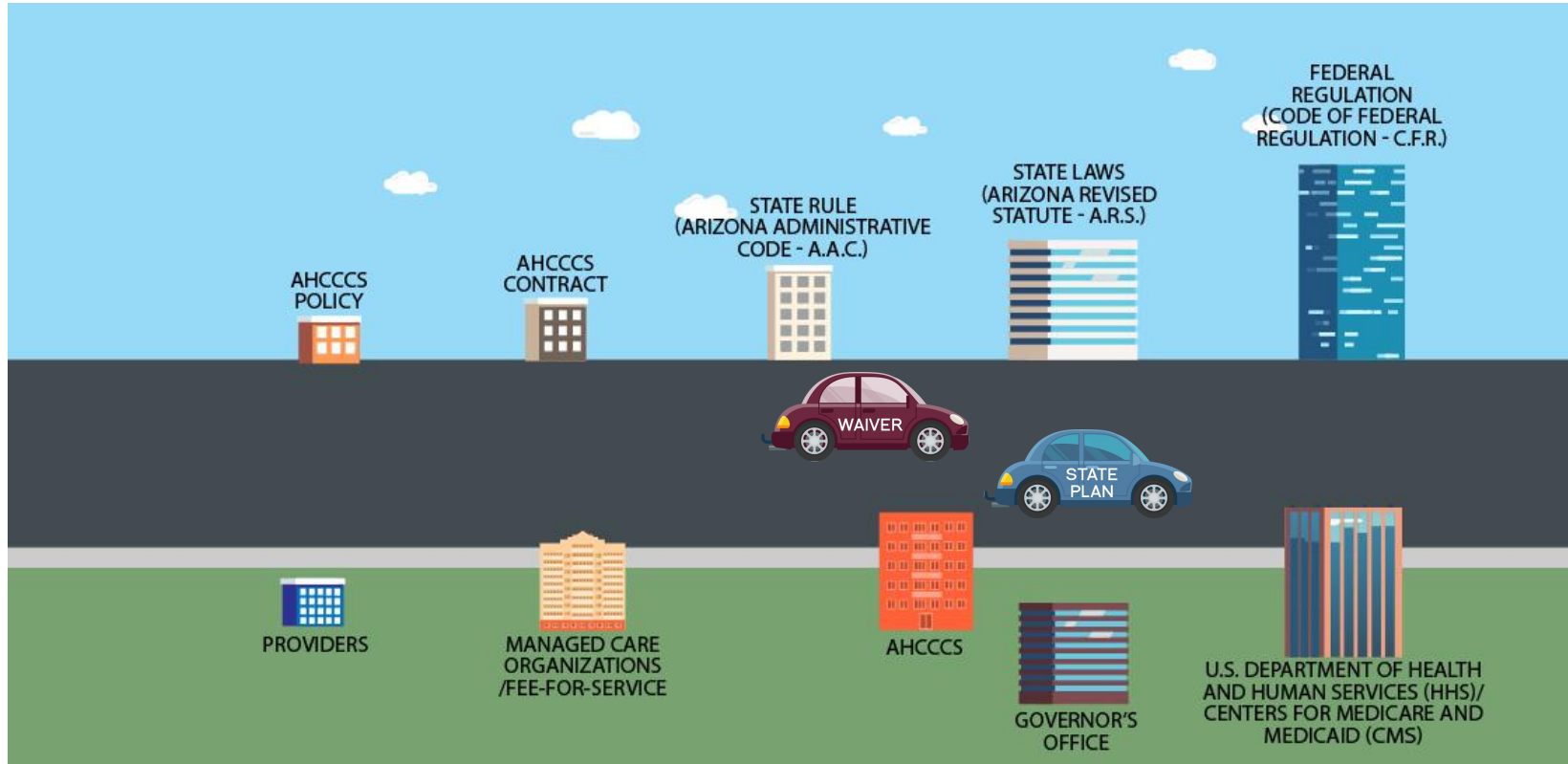


Overview and Upcoming Initiatives for the AHCCCS 1115 Demonstration Waiver

Shreya Arakere, Federal Waiver and Evaluation Administrator
Division of Community Advocacy and Intergovernmental Relations



Making Healthcare Change



Section 1115 of the Social Security Act

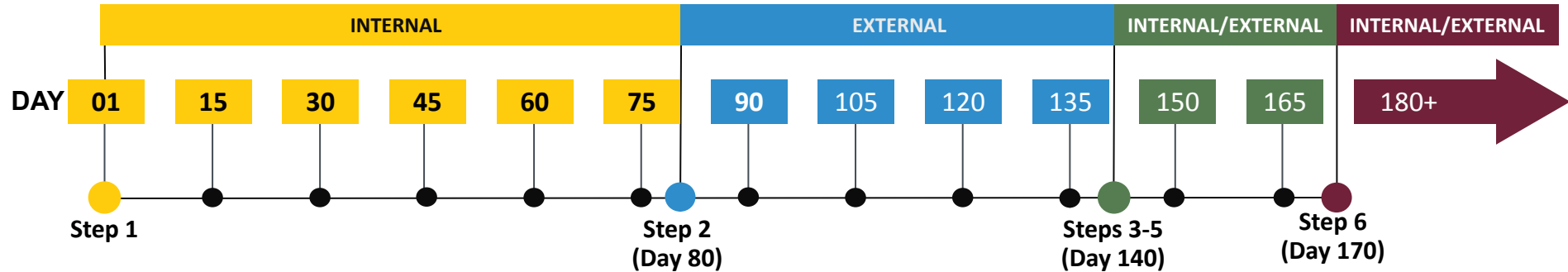
- Allows states flexibility to design Demonstration projects that promote the objectives of the Medicaid program,
- Demonstration projects are typically approved for a five-year period and can be renewed every five years, and
- Must be budget neutral, meaning that federal spending under the waiver cannot exceed what it would have been in absence of the waiver.

Waiver Process Timeline

- ✓ Waiver Conceptualization & Draft (≈ 50 pages)
- ✓ Formulate Hypothesis, Narrative, Evaluation Design
- ✓ Calculate Budget Neutrality
- ✓ Complete Review Process
- ✓ Prep for Public Input
- ✓ Collaboration with Subject Matter Experts (SMEs)
- ✓ Create Necessary Announcements

- ✓ Public Input Process
- ✓ Post to the website
- ✓ 30-day public comment period begins, includes minimum of 2 public hearings
- ✓ Tribal Consultation

- ✓ Review all public comment
- ✓ Draft Modifications based on stakeholder input
- ✓ Communications with Stakeholders
- ✓ Waiver Finalization
- ✓ Submit to CMS
- ✓ Begin negotiation process
- ✓ ≈ 6-12 months from submission date



1115 Waiver Renewal Approval

- On Oct.14, 2022 CMS approved Arizona's request for a five-year extension of its 1115 Waiver
 - October 14, 2022 through Sept. 30, 2027
- Continues:
 - Retroactive Eligibility
 - HCBS
 - Managed Care
 - ACC
 - ALTCS
 - CHP
 - ACC-RBHA




Independent Evaluation

- AHCCCS contracted with Health Services Advisory Group (HSAG) to conduct an independent evaluation of Arizona's current Demonstration.
- Evaluation consist of three main phases of work:
 - **Phase I:** Develop the Evaluation Design Plans
 - **Phase II:** Conduct Interim Evaluations & Develop Interim Evaluation Reports
 - **Phase III:** Conduct Summative Evaluations & Develop Summative Evaluation Report



New 1115 Waiver Initiatives



1115 Waiver Renewal Approval- Dental for AI/AN Adults

- Authorizes payment for medically necessary diagnostic, therapeutic, and preventative dental services for American Indian/Alaskan Native (AI/AN) beneficiaries.
- Reimbursement for services beyond the current \$1,000 dental limit for individuals age 21 or older when provided by Indian Health Services or tribally operated 638 facility.

Targeted Investments 2.0

- \$250 million authorized by CMS in October, 2022 as a part of 1115 waiver .
- Five year project providing resources to PCP and BH outpatient providers to support
 - Effective coordination with health care providers and community partners, and
 - Identify and reduce inequitable health outcomes of their patient population.
- Incentive payments based on meeting process- based milestones and performance measure targets.

AHCCCS Housing & Health Opportunities (H2O) Demonstration Goals

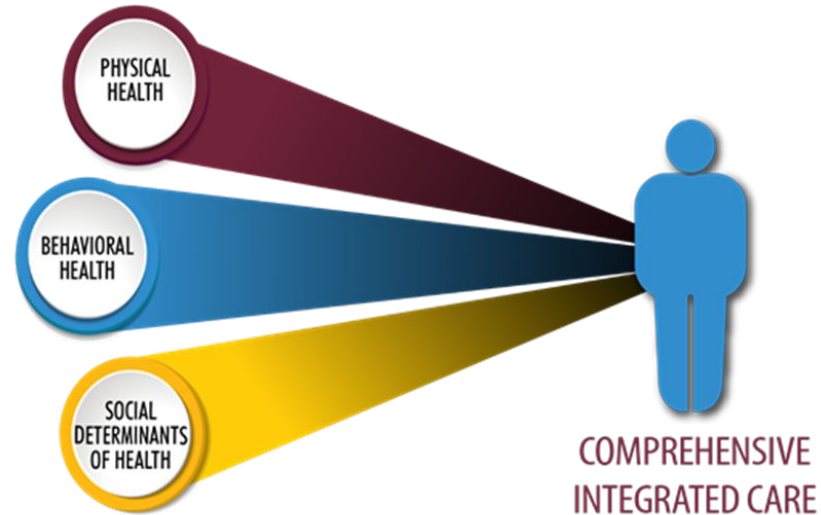
Increase positive
health and
wellbeing outcomes
for target
populations

Reduce the cost of
care for individuals
successfully housed

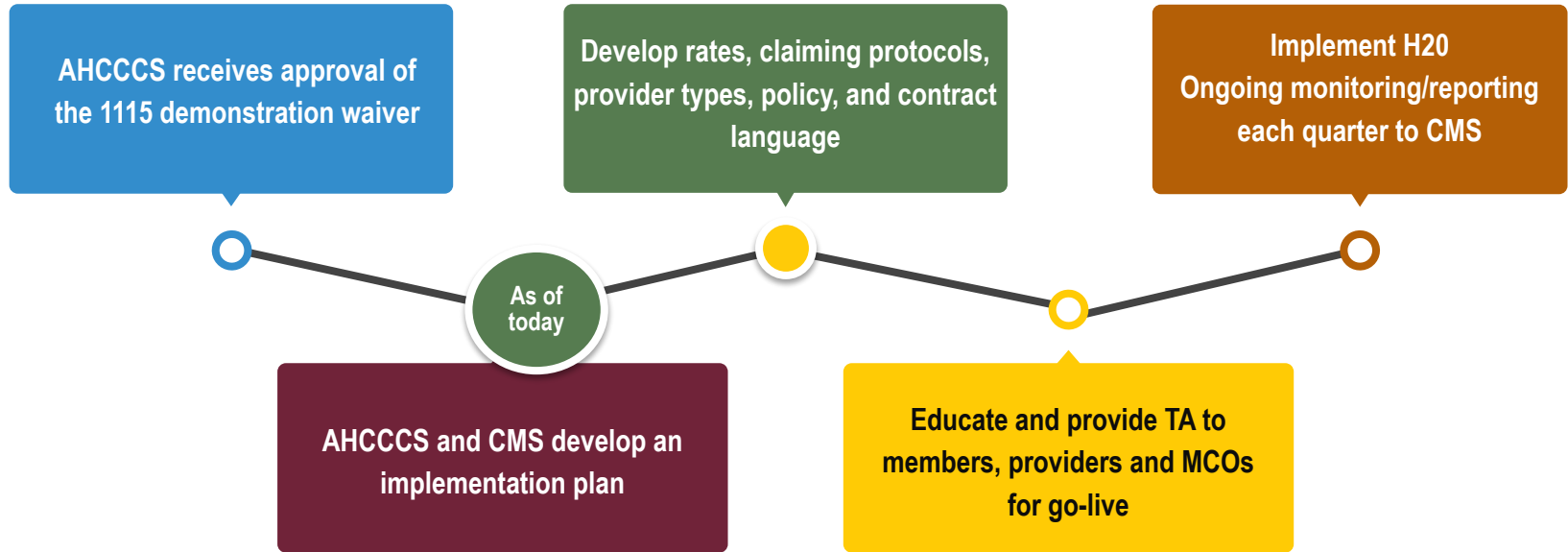
Reduce
homelessness and
maintain housing
stability

Services

- Outreach and Education Services
- Transitional Housing - 6 Months
 - Transitional Housing Setting (Enhanced Shelter)
 - Apartment or Rental Unit (Rental Assistance)
- One-time Transition and Moving Costs
- Home Accessibility Modifications and Remediation
- Housing Pre-Tenancy Services
- Housing Tenancy Services




Waiver Implementation - H20



**Deliverables are ongoing throughout the entire demonstration period.

Future 1115 Waiver Initiatives

Parents as Paid Caregivers

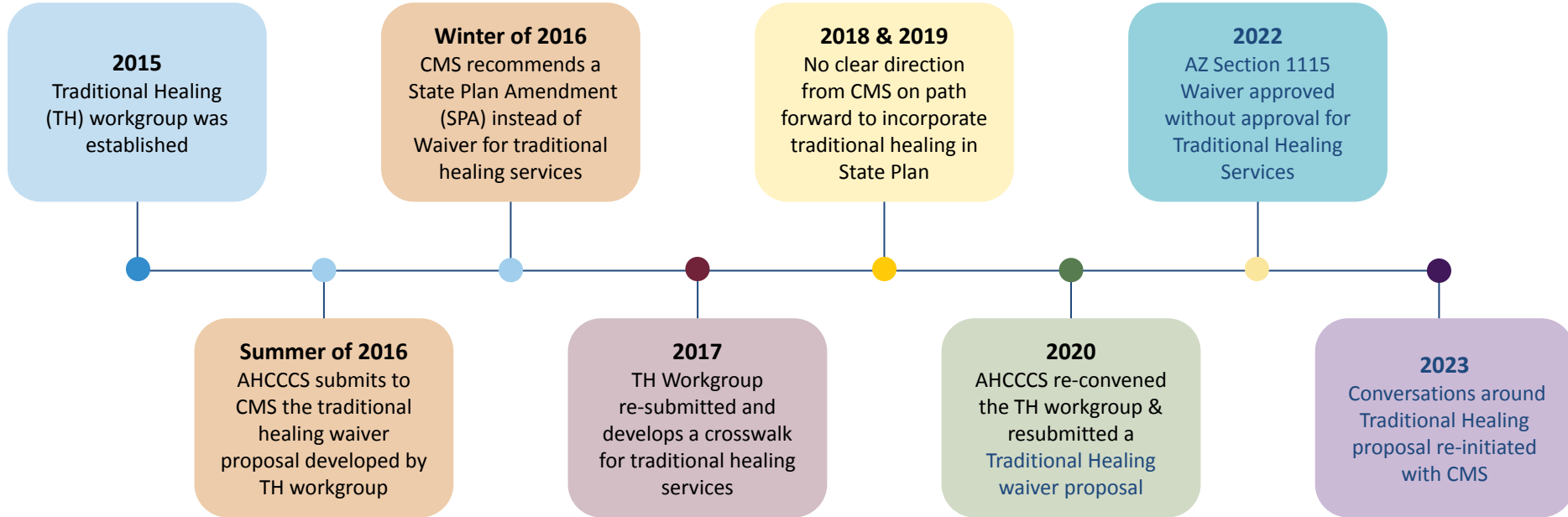


Pre-PHE (1988-2020)	During-PHE (2020-2023)	After-PHE (2023- →)
<p>No ability for parents to be paid as caregivers for their minor children</p> <p>Ability for parents of adult children (and other family members) to provide care has been a long standing feature of the ALTCS program</p>	<p>Parents as Paid Caregivers of their Minor Children- Temporary flexibility offered by CMS to address challenges presented by PHE.</p> <p>Includes:</p> <ul style="list-style-type: none"> - Paying parents for services such as attendant care and habilitation - No hourly limitations <p>Parents of adult children (and other family members) remained in place</p>	<p>Proposal looks to continue aspects of the program including:</p> <ul style="list-style-type: none"> - Paying parents for attendant care and habilitation - 40 hour limitation for parents with a phase down approach - Inclusion of family support services for ALTCS members and families <p>Parents of adult children (and other family members) will remain in place</p>

Re-entry Amendment

- Originally included within the H2O proposal, a new CMS SMDL was released in April of 2023. As a result, AHCCCS has decided to revise its proposal to include:
 - Eligible populations with complex medical and behavioral health conditions,
 - Services such as
 - Targeted Case Management,
 - Medication Assisted Treatment (MAT),
 - 30-day supply of prescription medications,
 - Durable Medical Equipment (DME), peer support services, rehabilitation services, and medical respite, and
 - Participating facilities such as state prisons, county/city jails, and youth correctional facilities.

Traditional Healing Timeline



Traditional Healing

- Tribes that reside in the state of Arizona utilize traditional healing practices
- Supported primarily through tribal funds, various pilot programs, grants, and individual personal resources
- AHCCCS is seeking waiver authority to reimburse traditional healing services and claim FFP for these services when provided by I/T/U facilities at the 100% FMAP
- The goal of this Demonstration is to improve the health outcomes of AHCCCS members by making traditional healing services available in, at, or as part of services offered by I/T/U facilities and clinics in a complementary fashion with allopathic medicine (i.e. Western medical approaches).

Former Foster Youth Annual Automatic Renewal - Current Program Overview

- Eligible Group: Youth who age out of foster care and are on Medicaid when they reach the age of majority.
- This is otherwise known as the ‘Young Adult Transitional Insurance (YATI)’ group.
- Maintaining eligibility: Young Adult Transitional Insurance (YATI) eligibility will be automatically renewed without requiring additional information from the individual until the individual reaches 26 years of age.

Importance of and How to Use the 1115 Waiver

1115 Waiver - Public Engagement

- All 1115 Waiver Amendments must undergo at least a 30 day public engagement process.
- Public comment is input given by the public on any proposed government action and can be sent on behalf of yourself or a group (such as an organization or community).
 - Public comment can be sent to waiverpublicinput@azahcccs.gov
- AHCCCS has a [web page](#) showcasing all pending waiver amendments.
- All public engagement is reviewed by the corresponding AHCCCS staff.

1115 Waiver - Public Engagement

Public comment:

- allows AHCCCS to better understand the needs of members and stakeholder,
- allows stakeholders to share unique lived experiences to impact future policy and programmatic decisions,
- is often used in every step of the amendment process, from the initial draft to the final implementation, and
- is open to everyone for any range of formality. All comments are important, have great influence on the agency, and are encouraged!



Housing and Health Opportunities (H2O)

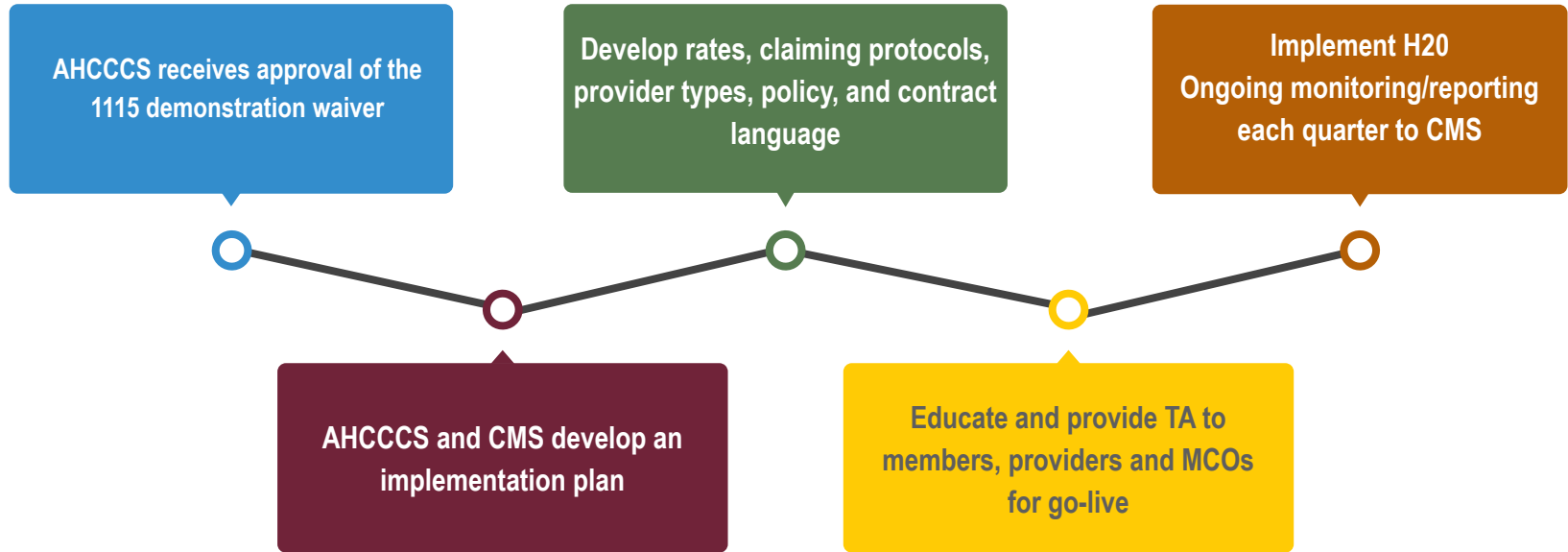
Waiver Update

Division of Community Advocacy and Intergovernmental Relations

Section 1115 of the Social Security Act

- Allows states flexibility to design Demonstration projects that promote the objectives of the Medicaid program.
- Demonstration projects are typically approved for a five year period and can be renewed every five years.
- Must be budget neutral meaning that federal spending under the waiver cannot exceed what it would have been in absence of the waiver.

Waiver Implementation - H20



**Deliverables are ongoing throughout the entire demonstration period.

A close-up photograph of a hand holding a set of keys. The keys are attached to a wooden keychain shaped like a house. The background is a soft, out-of-focus light color.

1115 Waiver Renewal Approval- Housing and Health Opportunities (H2O)

Services

- Temporary housing for up to 6 months
- Housing transition navigation/ supports
- Medically necessary home accessibility modifications and remediation services.
- Case management
- Outreach

** Funding for H2O services may not supplant other available funding sources such as housing supports available to beneficiaries through local, state, or federal programs.

H2O Services

- Rent/temporary housing for up to 6 months
 - Specifically for individuals transitioning out of institutional care or congregate settings such as nursing facilities, large group homes, congregate residential settings, Institutions for Mental Diseases (IMDs), correctional facilities, and hospitals; individuals who are homeless, at risk of homelessness, or transitioning out of an emergency shelter; and individuals transitioning out of the child welfare system including foster care.

H2O Services

- Housing transition navigation/supports
 - Utility costs including activation expenses and back payments to secure utilities, limited to individuals receiving rent/temporary housing;
 - Pre-tenancy and tenancy sustaining services, including tenant rights education and eviction prevention;
 - Housing transition navigation services;
 - One-time transition and moving costs; and
 - Housing deposits to secure housing, including application and inspection fees and fees to secure needed identification.

H2O Services

- Medically necessary home accessibility modifications and remediation services.
- Case management
- Outreach and education including linkages to other state and federal benefit programs, benefit program application assistance, and benefit program application fees.

A close-up photograph of a hand holding a set of keys. The keys are silver and attached to a wooden keychain shaped like a house. The background is a soft, out-of-focus grey.

1115 Waiver Renewal Approval- Housing and Health Opportunities (H2O)

Eligibility for H2O Services

- Expenditures for HRSN services may be made for targeted populations with a documented medical need for the services and the services must be determined medically appropriate.

H2O Services Eligibility

- Eligibility for these HRSN services shall be identified as having met one of each of the following criteria from the sections below:
 - Homelessness – beneficiaries must be experiencing homelessness or at risk of homelessness, as defined by the U.S. Department of Housing and Urban Development (HUD) in 24 CFR 91.5; and
 - Clinical and social risk criteria – beneficiaries must have a health need as documented in their medical record, including but not limited to: a serious mental illness (SMI), high-cost high needs chronic health conditions or comorbidities, or enrolled in ALTCS.

H2O Services Eligibility

- Medicaid eligible individuals must be assessed for a need for housing-related services and supports and have an identified need for a housing related goal included within their medical record.
- Medical appropriateness must be based on clinical and social risk factors, as documented in the beneficiary's medical record (e.g., housing assessment, individual service plan, etc.)
- A service plan is necessary for each individual determined to be eligible for HRSN services.
 - Service plan will be reviewed and revised upon reassessment of need at least every 12 months, when the individual's circumstances or needs change significantly, or at the request of the individual.

A close-up photograph of a hand holding a key. The keychain is a small, light-colored wooden house with a square window. The background is a soft, out-of-focus grey.

1115 Waiver Renewal Approval- Housing and Health Opportunities (H2O)

Infrastructure

- Technology
- Development of business or operational practices
- Workforce development
- Outreach, education, and stakeholder convening

H2O Infrastructure

- Technology
 - Electronic referral systems, shared data platforms, HIE modifications or integrations, screening tool and/or case management systems, databases/data warehouses, data analytics and reporting, or data protections and privacy, accounting and billing systems.
- Development of business or operational practices
 - Procurement and planning, developing policies and workflows for referral management, privacy, quality improvement, trauma-informed practices, evaluation, and member navigation.


H2O Infrastructure

- Workforce development
 - Cultural competency training, trauma-informed training, traditional health worker certification, training staff on new policies and procedures.
- Outreach, education, and stakeholder convening



Evaluation of H20

The AHCCCS H20 demonstration will...

- 
- A photograph of a hand holding a set of keys, with another hand open below it, symbolizing offering or providing something.
- Improve health outcomes for AHCCCS members.
 - Improve management of behavioral health conditions for AHCCCS members.
 - Improve management of chronic conditions for AHCCCS members.
 - Decrease avoidable hospital utilization including emergency department utilization.
 - Increase utilization of primary care and preventative health services.
 - Reduce homelessness and homeless recidivism of AHCCCS members.
 - Yield improved member satisfaction with care.
 - Improve ongoing housing stability for AHCCCS members.
 - Increase timely housing placement for AHCCCS members.
 - Increase engagement and assessment of Medicaid eligible but unenrolled individuals who are experiencing chronic homelessness.
 - Improve discharge coordination of identified homeless members and reduce discharges to homelessness.
 - Yield cost-effective care for AHCCCS members.
 - Provide a successful transition to permanent housing or most appropriate level of care.

Data and Sources for Evaluation

Data will be drawn from a variety of sources including, but not limited to:

- Member surveys,
- State eligibility and enrollment data,
- Claims/encounter data,
- Administrative program data (PMMIS),
- T-MSIS,
- National/regional benchmarks,
- Key informant interviews & focus groups,
- Leasing and housing data from AHCCCS housing programs,
- Permanent supportive housing fidelity reporting,
- Data from Homeless Management Information System (HMIS) and other system coordination.



State Medicaid Advisory Committee (SMAC) Quarterly Meeting

January 11, 2023

2022 Accomplishments

- Obtained approval of [1115 Waiver renewal](#) package
 - Housing and Health Opportunities (H2O)
 - Extension of Targeted Investments Program
- Received 2022 [Medicaid Innovations Award](#) from the Robert Wood Johnson Foundation and the National Academy for State Health Policy, recognizing AHCCCS' work to [advance whole person care](#)
- Received Centers for Medicare and Medicaid Services (CMS) approval of American Rescue Plan Act (ARP) [spending plan](#) to allocate \$1.5B to improving HCBS programs
- Implemented the AHCCCS Complete Care Regional Behavioral Health Agreement (ACC-RBHA) line of business and integrated 424 American Indian and Alaska Native individuals with an SMI designation into the American Indian Health Program on October 1, 2022



2022 Accomplishments

- Helped to create the Arizona Perinatal Access Line to provide real time perinatal psychiatric consultation to primary care practitioners serving pregnant and postpartum members
- Launched the AHCCCS Virtual Assistant (AVA) to handle the 25 most-asked eligibility-related questions, resulting in an 12% reduction in calls to the Division of Member and Provider Services' member contact unit
- Allocated over \$25 million in [Substance Abuse Block Grant COVID-19 Supplemental Funds](#) for substance use harm reduction efforts, treatment and recovery services as well as primary prevention services, and \$30 million in Mental Health Block Grant funding to support and expand the spectrum of mental health services available to children and adults
- Expanded recovery housing options and funded the first mobile Medication Assisted Treatment (MAT) unit with State Opioid Relief grant dollars



On the Horizon

- 1115 waiver implementation
- End of continuous enrollment; re-initiation of standard redetermination protocols, including disenrollments for those no longer eligible for Medicaid - April 1, 2023
- American Rescue Plan Act Section 9817 HCBS Funding Plan implementation:
 - Second HCBS provider directed payment and implementation of grants program scheduled for spring 2023
- Medicaid Enterprise System Roadmap finalized and published in March 2023
- Continued preparations for ALTCS bid (contracts term on 9/30/24)



Waiver Update

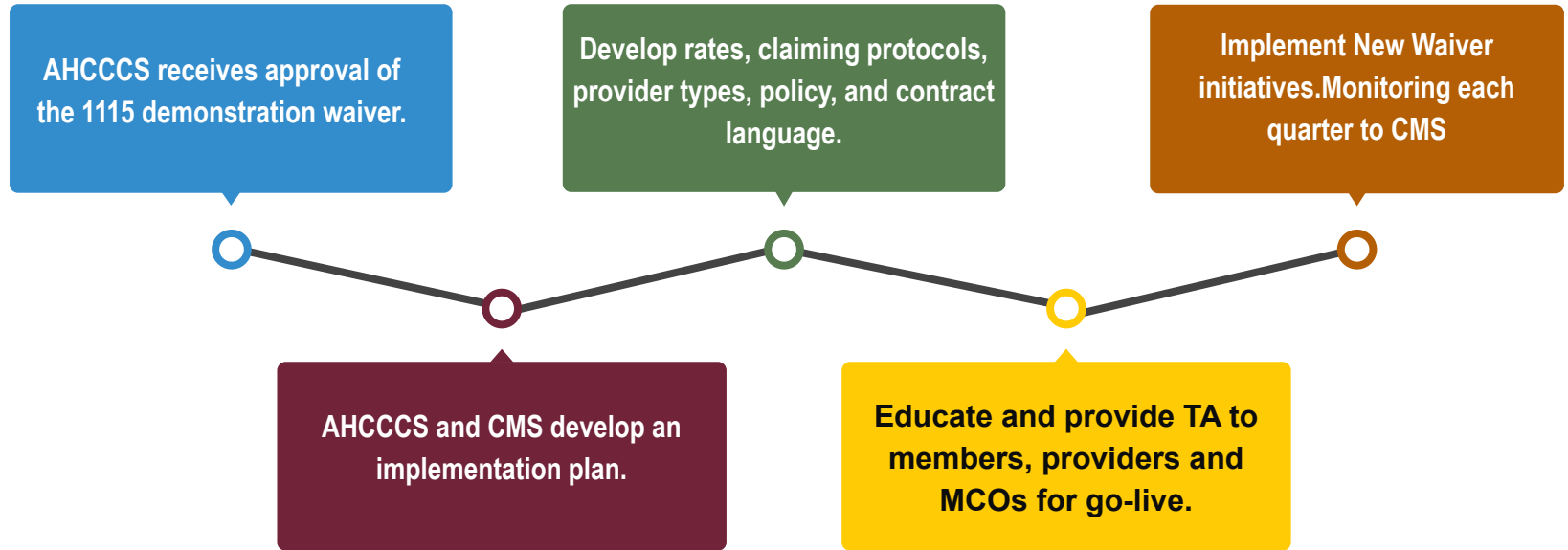
Shreya Arakere, Federal Waiver and Evaluation
Administrator

Division of Community Advocacy and
Intergovernmental Relations

Section 1115 of the Social Security Act

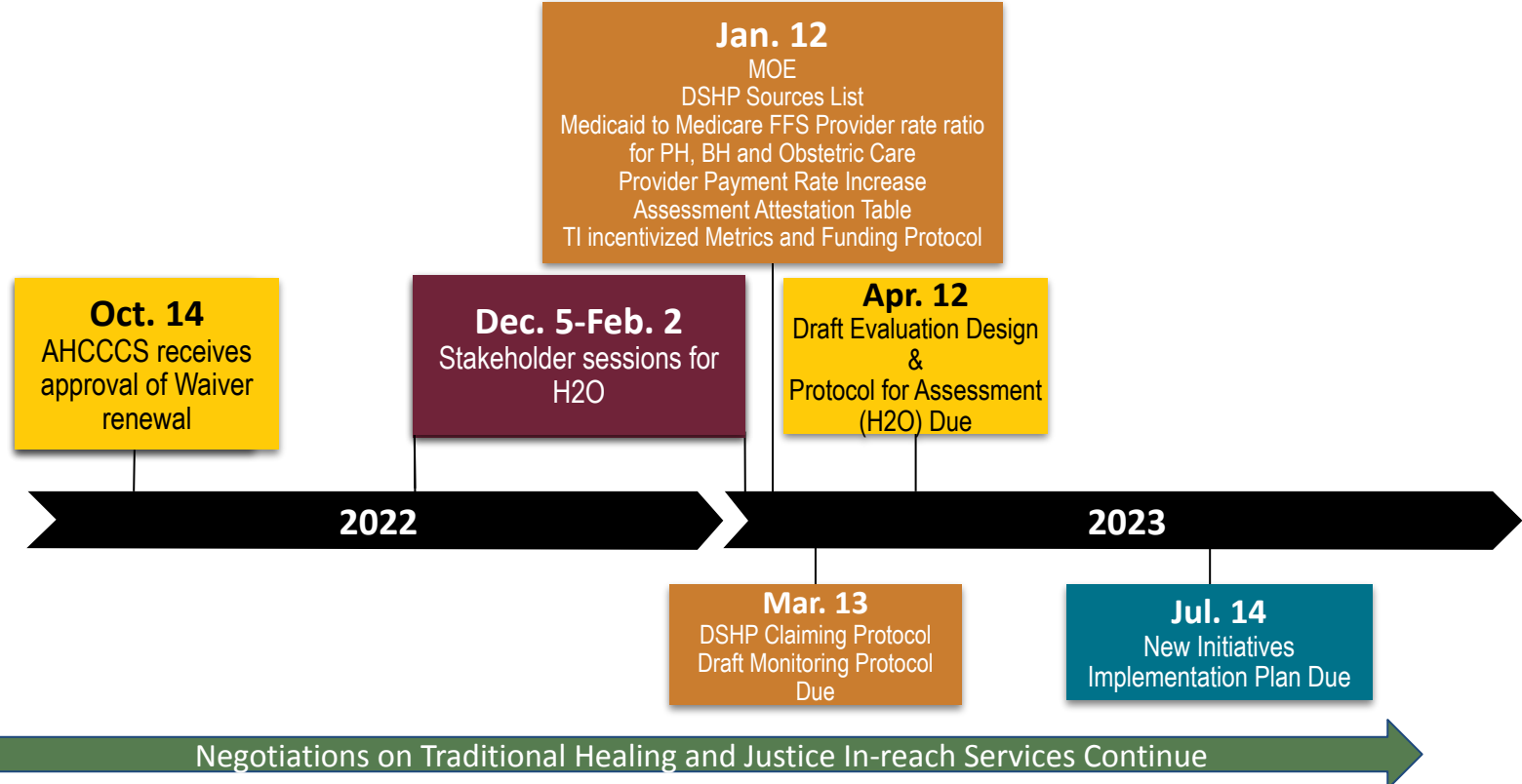
- Allows states flexibility to design Demonstration projects that promote the objectives of the Medicaid program,
- Demonstration projects are typically approved for a five-year period and can be renewed every five years, and
- Must be budget neutral, meaning that federal spending under the waiver cannot exceed what it would have been in absence of the waiver.

Waiver Implementation



**Deliverables are ongoing throughout the entire demonstration period.

Arizona's 1115 Waiver Renewal Timeline



Former Foster Youth Annual Automatic Renewal

Former Foster Youth Annual Automatic Renewal: What is changing?

- Maintaining eligibility: Young Adult Transitional Insurance (YATI) eligibility will be automatically renewed without requiring additional information from the individual until the individual reaches 26 years of age.
- Effective Date: Effective upon CMS approval and completion of necessary operational and system modifications.

Former Foster Youth Annual Automatic Renewal- Eligibility Limitations

Coverage may end if:

- The individual reaches 26 years of age,
- The individual ceases to be a resident of the state,
- AHCCCS determines that eligibility was determined incorrectly because of agency error or fraud, abuse or perjury attributed to the individual, or
- The individual dies.

Former Foster Youth Annual Automatic Renewal - Future Steps

Upon CMS approval, the following operational and system modifications will be implemented:

1. System programming to stop generating requests for information related to TPL and application for potential benefits,
2. Policy revisions,
3. Training updates and staff training on policy change, and
4. Develop and deploy communication plan.

Waiver Proposal/SUPPORT Act Comparison

Authority	Provision	What Changes?	Impact on other YATI initiatives
SUPPORT Act	Youth who received Medicaid at the time they aged out of foster care may qualify for Former Foster Youth (FFY) eligibility, regardless of their state of residence when they aged out.	Provides eligibility under YATI for youth who aged out of care in other states after 12/31/2022.	No impact on proposed renewal changes for Former Foster Youth.
SUPPORT Act	Youth can be eligible for, but not enrolled in, another mandatory group and still be enrolled in the FFY group	State option: May enroll youth who become FFY-eligible after 12/31/2022 in YATI, even if eligible for another group, e.g. Caretaker Relative, Child, Pregnant Woman.	No impact on proposed renewal changes for Former Foster Youth.
1115 Waiver/ A.R.S. § 36-2903.04	Renew eligibility under <u>A.R.S. § 2901(6)(a)(iii)</u> * automatically without requiring additional information unless the youth provides notice of moving out of state or that they may qualify for a different eligibility category.	Once determined eligible for YATI, that eligibility will continue uninterrupted until the youth turns 26, moves out of state, or provides information that puts them in a different category.	No direct conflict with SUPPORT Act provisions

* Under twenty-six years of age and who was in the custody of the department of child safety pursuant to title 8, chapter 4 when the person became eighteen years of age

Public Comments

Public comments or written testimony from tribes and I/T/Us may be submitted to AHCCCS via:

waiverpublicinput@azahcccs.gov

AHCCCS, c/o Division of Community Advocacy and
Intergovernmental Relations,
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034



Resources

Former Foster Youth Amendment Resources

- More information on the Former Foster Youth Annual Automatic Renewal can be found at <https://www.azahcccs.gov/YATIWaiverRequest>.
- The web page includes a summary of Arizona's Demonstration amendment request & the schedule (dates and times) of public forums across the state.

1115 Waiver Renewal Approval Resources

The Waiver approval is effective October 14, 2022 through Sept. 30, 2027.


All documents, including the original and amended waiver applications and the approval letter from CMS, are posted on the [AHCCCS 1115 Waiver web page](#).

TI 2.0 Resources

Visit the Targeted Investments web page:

www.azahcccs.gov/TargetedInvestments

Sign up for the Targeted Investments Newsletter:

Subscribe to TI News 

Email the Targeted Investments Team Inbox:

Targeted.Investments@AZAHCCCS.gov

Open Discussion



IHS/638 Tribal Dental Benefit

Changes to \$1,000 Dental Limit

- Effective 10/14/2022
- Applies to:
 - Medically necessary diagnostic, therapeutic, and preventative dental services, and
 - Beneficiaries who are American Indian or Alaska Native (AI/AN).
- Services must be received at participating IHS facilities and/or Tribal 638 facilities.
- The \$1,000 limit on emergency services and the \$1,000 dental limit for ALTCS beneficiaries age 21 or older still applies when performed outside of the IHS/638 Tribal facilities.