

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

November 14, 2024

Carmen Heredia
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, Arizona 85034

Dear Director Heredia:

The Centers for Medicare & Medicaid Services (CMS) completed its review of the Summative Evaluation Report, which is required by the Special Terms and Conditions (STCs), specifically STC 107 “Summative Evaluation Report” of the state’s section 1115 demonstration, “Arizona Health Care Cost Containment System (AHCCCS)” (Project No: 11-W-00275/09). This report covers the demonstration period from October 1, 2016 through October 28, 2022. CMS determined that the evaluation report, submitted on April 3, 2024 and revised on September 18, 2024 is in alignment with the approved Evaluation Design and the requirements set forth in the STCs, and therefore, approves the state’s Summative Evaluation Report. In accordance with STC 107, the approved evaluation report may now be posted to the state’s Medicaid website within 30 days. CMS will also post the evaluation report on Medicaid.gov.

The report presents many evaluation findings summarized by demonstration component. More than two-thirds of the outcome measures examined as part of AHCCCS Complete Care moved in the desired direction, including measures related to substance use treatment, preventive or wellness services, management of opioid prescriptions, and management of chronic conditions. Among the Arizona Long Term Care System-Elderly and Physical Disabilities demonstration group, analyses indicated that about half of all measures moved in the desired direction, including more preventive visits and screening for breast and cervical cancer, and better management of prescription opioids. For Comprehensive Health Plan beneficiaries, analyses showed that 88 percent of the measures were consistent with the hypotheses, while analyses of the integration of behavioral health services showed that 63 percent of the measures supported the hypotheses. For the Regional Behavioral Health Authorities population, beneficiaries with Serious Mental Illness experienced the same or better management of behavioral health conditions following the integration of acute and behavioral health care. Eliminating Prior Quarter Coverage was associated with stable or slightly increasing enrollment rates and new enrollment rates, and slightly shorter gaps in coverage among those who re-enroll after a gap of up to 6 months. However, enrollment declined among the parent and disabled eligibility groups.

The Targeted Investments (TI) program was associated with an increase in well-child visits, a decrease in emergency department visits, an increase in adults with engagement of treatment for alcohol, opioid, or other drug abuse, and an increase in adults with Opioid Use Disorder receiving medication assisted treatment. Analyses of other TI outcome measures were inconclusive. The COVID-19 public health emergency and subsequent policy responses likely introduced significant confounding with measured outcomes for many of the AHCCCS demonstration components, which limits the ability of the report to draw causal conclusions about the impact of the demonstration. We look forward to future analyses as the state continues to refine demonstration programs during the current approval period.

We look forward to our continued partnership on the AHCCCS section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Brian Zolynas, State Monitoring Lead, CMS Medicaid and CHIP Operations Group