



**Arizona's Section 1115 Waiver Demonstration
Quarterly Report
October 1, 2023 - December 1, 2023**


February 2024





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I. Introduction

Title

Arizona Health Care Cost Containment System - AHCCCS
A Statewide Approach to Cost Effective Health Care Financing
Section 1115 Quarterly Report
Demonstration Year: 41
Federal Fiscal Quarter: 1st (October 1, 2023 - December 1, 2023)

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Date Submitted to CMS

February 29, 2024

Purpose

As written in Special Terms and Conditions (STCs), paragraph 85, the Arizona Health Care Cost Containment System (AHCCCS) submits quarterly progress reports to the Centers for Medicare and Medicaid Services (CMS). Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the demonstration.

II. Waiver Update

Waiver Renewal

On October 14, 2022, AHCCCS received approval for its five-year renewal of Arizona's demonstration project under Section 1115 of the Social Security Act. This renewal is effective through September 30, 2027. 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

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expenditures that would not otherwise qualify for federal participation. Moreover, demonstration projects, including Arizona's, must establish budget neutrality where Medicaid costs to the federal government are not expected to exceed in the absence of the demonstration.

The current 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 Department of Child Safety Comprehensive Health Plan (DCS CHP) for children in foster care; and AHCCCS Complete Care, Regional Behavioral Health Agreements (ACC-RBHAs) which provide integrated care for individuals living with a Serious Mental Illness (SMI) designation; payments to providers participating in the Targeted Investments (TI) 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:

- Authority to enhance and expand housing services and interventions for AHCCCS members who are experiencing homelessness or at risk of becoming homeless through the Housing and Health Opportunities (H2O) program with a target implementation date of October 1, 2024,
- Authority to direct managed care organizations to make specific incentive payments to providers that meet the criteria for receiving these payments with the goal of improving health equity for target populations by addressing health-related social needs (HRSN) through the TI 2.0 Program, and
- Authority to reimburse Indian Health Services (IHS) and Tribal 638 facilities to cover the cost of adult dental services that are eligible for 100 percent FFP, that are in excess of the \$1,000 emergency dental limit for adult members in Arizona's State Plan, and that are in excess of the \$1,000 dental limit for individuals aged 21 or older enrolled in AHCCCS.

In its approval notice, CMS recognized the State's interest in reimbursing for traditional healing services offered by tribal nations and will continue to work with Arizona on this request. Additionally, CMS noted its willingness to further explore reimbursement for pre-release services for individuals in federal, state, local, and tribal correctional facilities.

On March 30, 2023, the State submitted an 1115 Waiver Amendment Proposal in alignment with House Bill 2622 passed by Arizona's 55th Legislature. Subject to approval from CMS, AHCCCS will annually renew the eligibility of an individual who was in the custody of the Arizona Department of Child Safety (DCS) when the individual reached 18 years of age without requiring additional information from the individual until the individual reaches 26 years of age, unless the individual notifies AHCCCS that they moved out of Arizona or has provided information indicating that they may qualify for a different eligibility category. If approved, the amendment will run concurrently with AHCCCS' requested renewal period through September 30, 2027. Negotiations on the approval of this proposal are underway between AHCCCS and CMS.

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More details on Arizona's section 1115 Waiver renewal approval (2022-2027), along with the proposal, approval letter, Special Terms and Conditions, and supplemental documentation can be found on the [AHCCCS Section 1115 Demonstration Waiver \(2022-2027\) web page](#).

On March 17 and March 24, 2020, AHCCCS submitted requests to CMS to waive certain Medicaid and Children's Health Insurance Program (CHIP) requirements in order to combat the continued spread of COVID-19. AHCCCS sought a broad range of emergency authorities to:

- Strengthen the provider workforce and remove barriers to care for AHCCCS members,
- Enhance Medicaid services and supports for vulnerable members for the duration of the emergency period, and
- Remove cost sharing and other administrative requirements to support continued access to services.

CMS approved components of Arizona's requests under the 1135 Waiver, Appendix K, and State Plan, all of which were set to expire with the expiration of the Public Health Emergency (PHE) declaration. AHCCCS' extension of the previously approved Emergency Preparedness and Response Attachment K authority ended on June 30, 2023, which includes the flexibility to allow for parents of minor children and spouses to receive payment for direct care services. AHCCCS will be working on incorporating these services under a future 1115 waiver amendment.

On June 6, 2023, CMS approved Arizona's application request for continuous coverage for individuals determined ineligible for the Children's Health Insurance Program (CHIP) due to change of circumstances. This amendment will allow Arizona to align their policies for young adults in Medicaid and CHIP; thereby, prevent gaps in coverage during the PHE unwinding and redetermination period.

Information regarding the status of AHCCCS Emergency Authority Requests (for the federally declared COVID-19 Public Health Emergency) is available on the [AHCCCS COVID-19 Federal Emergency Authorities Request web page](#).

New Waiver Program Implementation Updates

Housing and Health Opportunities (H2O)

In accordance with STCs, AHCCCS submitted the following H2O related deliverables to CMS in the second 2024 federal fiscal quarter:

- Submitted the New Initiatives Implementation Plan to CMS on October 26, 2023,
- Received CMS approval of the Designated State Health Programs (DSHP) list on October 11, 2023,
- Received CMS approval of the attestation table and information regarding provider rates and required rate increases under STC 60 through 72,
- Replied to CMS questions regarding the New Initiatives Implementation Plan and Protocol for Assessment of Beneficiary Eligibility and Needs, Infrastructure Planning, and Provider Qualifications for H2O services,

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- Held workgroup meetings with internal AHCCCS subject matter experts to continue to develop items related to the 1115 waiver and support the implementation of the H2O Program such as eligible chronic conditions,
- Collaborated internally to start development of a Request for Proposal (RFP) for the third party administrator, now known as the H2O Program Administrator (H2O-PA), and
- Submitted the 1115 State Annual Report to CMS on December 21, 2023.

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 Housing and Health Opportunities (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. CMS has approved extensions for several items including the DSHP Claiming Protocol and 1115 Waiver Evaluation Design.

Target Investments (TI) 2.0

A summary of the implementation activities AHCCCS conducted for the renewal program (TI 2.0) in Quarter 1 include:

- Received and processed hundreds of applications for the TI 2.0 program,
- Coordinated review of 70 justice clinic applications with justice stakeholders to rank and award the best applicants,
- Held TI 2.0 Kickoff meeting on February 5, 2024,
- Created a prototype customer relationship management (CRM) tool to organize and track participation in the program,
- Continued revisions to draft documentation requirements that participants will need to submit to AHCCCS to meet annual requirements,
- Collaborated with Contexture (Arizona Health Information Exchange) and Arizona State University (ASU), Arizona Department of Health Services (ADHS), Arizona Department of Housing (ADH), and other data sources to explore future demographic data enrichment strategies and electronic clinical quality measurement (eCQM) opportunities,
- Collaborated with National Committee for Quality Assurance (NCQA), contracted managed care organizations, their sub-contracted accountable care organizations, provider organizations, and other key stakeholders to operationalize simultaneous Health Equity accreditation for each layer of Arizona's health care system,
- Collaborated with Contexture, state agencies, and counties to explore ways to complement programs with mutual initiatives such as: the closed-loop referral system (CommunityCares), housing support, Community Health Worker/ Representative reimbursement, and Tobacco Cessation, and

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- Facilitated open-registration TI 2.0 Information Sessions as well as individualized presentations to various networks, provider organizations, and justice partners to broadcast awareness of the TI 2.0 program and provide technical support with the application.

Indian Health Service (IHS)/638 Tribal Dental Services

Effective October 14, 2022, the \$1,000 emergency dental services limit for American Indian or Alaska Native (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 preventative dental services at IHS/638 facilities are eliminated. This flexibility applies to medically necessary diagnostic, therapeutic, and preventative dental services for beneficiaries who are AI/AN as long as the services are 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.

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.

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 including 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

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forums and other community events, and obtained 739 pieces of written input through the Waiver public input email.

AHCCCS received approval from CMS on the PPCG demonstration on February 16, 2024. Approval of the PPCG will allow AHCCCS to continue to reimburse legally responsible parents of minor children for providing direct care to their minor children, helping to mitigate the direct care worker shortage and improve access to timely, effective care in the home and community. The amendment also establishes a Family Support service as part of the home and community-based services (HCBS) benefit package. The Family Support service aims to support primary caregivers, including parents, and improve access to timely, effective care in the home and community.

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 February 16, 2024, AHCCCS received approval from CMS on the KidsCare Expansion Section 1115 demonstration Amendment Proposal to raise the CHIP, KidsCare in Arizona, eligibility thresholds from 200% of the FPL to 225% FPL with the flexibility for KidsCare coverage to go up to and include 300 percent of the FPL, subject to approval by the state legislature. The KidsCare Expansion demonstration is in alignment with Arizona Senate Bill (SB) 1726.

III. Operational and Policy Updates

Legislative Update

The Arizona Legislature adjourned Sine Die on July 31, 2023. The General Effective Date (GED) was October 30, 2023. The Arizona Legislature passed a number of bills in the 2023 legislative session that impacted 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,
- **HB2432** ("supplemental appropriation; AHCCCS; adjustments") provides expenditure authority to AHCCCS for adjustments in formula requirements,
- **HB 2826** ("health boards; AHCCCS; continuation") In Arizona, state agencies and boards are subject to statutory sunset provisions. HB 2826 continues the agency through June 30, 2029, and
- **SB 1720/SB 1726** (budget bills) contain appropriations for state agencies and programs. Specific to the AHCCCS Administration, the budget included the following items:
 - Continued funding for AHCCCS' Medicaid Enterprise System (MES) Modernization, to come into compliance with federal interoperability regulations,

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- 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 obstetrician gynecologist (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 Kidscare (CHIP) from 200% FPL to 225% FPL, contingent upon approval by CMS.

The current legislative session began January 8, 2024.

State Plan Update

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

Table 1

SPA #	Description	Filed	Approved	Eff. Date
23-0009 State Agency Roles	Identifies the role of state agencies in determining eligibility and conducting hearings.	4/18/23	12/15/23	4/1/23
23-0018 Rapid Whole Genome Sequencing	Establishes a payment methodology for rapid whole genome sequencing (RWGS).	10/13/23	11/21/23	10/30/23
23-0019 Inpatient Differential Adjusted Payment (DAP)	Establishes an Inpatient Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	1/25/24	10/1/23
23-0020 Nursing Facility Differential Adjusted Payment (DAP)	Establishes a Nursing Facility Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	2/25/24	10/1/23
23-0021 Outpatient Differential Adjusted Payment (DAP)	Establishes an Outpatient Differential Adjustment Payment (DAP) for FFY 2024.	10/30/23	1/25/24	10/1/23
23-0022 EMT Rates	Updates the state plan Emergency Medical Transportation Rates for FFY 2024.	12/19/23	1/24/24	10/1/23
23-0023 LTC/Rehab Rates	Updates the state plan Long Term Care and Rehab Rates for FFY 2024.	12/19/23	N/A	10/1/23
23-0024 Outpatient Hospital Rates	Updates the state plan Outpatient Hospital Rates for FFY 2024.	12/19/23	1/24/24	10/1/23

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SPA #	Description	Filed	Approved	Eff. Date
23-0025 Other Provider Rates	Updates the state plan Other Provider Rates for FFY 2024.	12/19/23	1/24/24	10/1/23
23-0026 APR-DRG Rates	Updates the state plan APR-DRG Rates for FFY 2024.	12/19/23	N/A	10/1/23

IV. Evaluation Activities

Waiver Evaluation Update

CMS has approved extensions for the 1115 Waiver Evaluation Design. AHCCCS is in the process of seeking approval for the H2O Evaluation Design which contains components specific to the new H2O Program. A separate 1115 Waiver Evaluation Design was also created for all other items and the TI Program 2.0 programs. Both the H2O Evaluation Design and 1115 Waiver Evaluation Design were due and submitted by AHCCCS to CMS on January 31, 2024.

V. Consumer Issues

Table 2 summarizes advocacy issues received by the Office of Client Advocacy (OCA) for the quarter October 1, 2023 – December 31, 2023. The originators of the issues are identified in Table 3.

Table 2

Advocacy Issues ¹	October	November	December	Total
Billing Issues	0	2	2	4
<ul style="list-style-type: none"> ● Member Reimbursements ● Unpaid bills 				
Cost Sharing	0	0	0	0
<ul style="list-style-type: none"> ● Co-pays ● Share of cost (ALTCS) ● Premiums (KidsCare, Medicare) 				
Covered Services	0	0	0	0
ALTCS	7	1	7	15
<ul style="list-style-type: none"> ● Resources ● Income ● Medical 				

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

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Advocacy Issues ¹	October	November	December	Total
DES <ul style="list-style-type: none"> ● Income ● Incorrect determination ● Improper referrals 	36	22	10	68
KidsCare <ul style="list-style-type: none"> ● Income ● Incorrect determination 	1	0	0	1
SSI/Medical Assistance Only <ul style="list-style-type: none"> ● Income ● Not categorically linked 	6	7	0	13
Information <ul style="list-style-type: none"> ● Status of application ● Eligibility criteria ● Community resources ● Notification (did not receive or didn't understand) 	39	40	22	101
Medicare <ul style="list-style-type: none"> ● Medicare coverage ● Medicare Savings Program ● Medicare Part D 	9	7	4	20
Prescriptions <ul style="list-style-type: none"> ● Prescription coverage ● Prescription denial 	0	0	0	0
Fraud-Referred to Office of Inspector General (OIG)	0	0	0	0
Quality of Care-Referred to Division of Health Care Management (DHCM)	0	0	0	0
Total	98	79	45	222

Table 3

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Issue Originator ²	October	November	December	Total
Applicant, Member, or Representative	5	7	2	14
CMS	1	1	2	4
Governor's Office	25	13	5	43
Ombudsmen/Advocates/Other Agencies	62	53	35	150
Senate & House	5	5	1	11
Total	98	79	45	222

VI. Performance Metrics

Enrollment Information

Table 4 contains a summary of the number of unduplicated enrollees for October 1, 2023, through December 31, 2023, by population categories. The table also includes the number of voluntarily and involuntarily disenrolled members during this period.

Table 4

Population Groups	Number of Enrollees	Number Voluntarily Disenrolled	Number Involuntarily Disenrolled
Acute AFDC/SOBRA	1,217,736	3,797	60,409
Acute SSI	215,541	246	7,830
Prop 204 Restoration	551,812	2,131	26,124
Adult Expansion	136,180	422	11,340
LTC DD	40,131	62	254
LTC EPD	29,162	36	1,865
Non-Waiver	150,848	396	11,716
Total	2,341,410	7,090	119,538

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

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Table 5 is a snapshot of the number of current enrollees (as of January 1, 2024) by funding categories, as requested by CMS.

Table 5

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan	1,377,603
Title XXI funded State Plan	60,824
Title XIX funded Expansion	604,130
<ul style="list-style-type: none"> ● Prop 204 Restoration (0-100% FPL) 	525,974
<ul style="list-style-type: none"> ● Adult Expansion (100% - 133% FPL) 	78,156
Enrollment Current as of	January 1, 2024

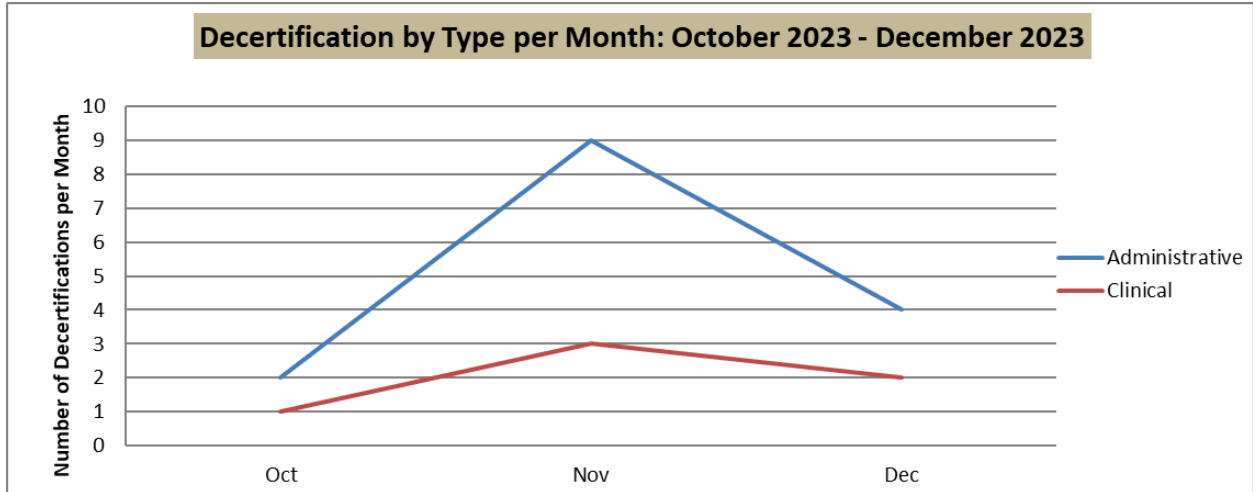
Individuals with SMI Opt-Out for Cause Report

Fig. 1: Opt Outs by Month: October 2023 - December 2023



Fig. 2: Decertification by Type per Month: Opt Outs by Month: October 2023 - December 2023

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VII. Quality Assurance and Monitoring Activities

Introduction

This report describes AHCCCS' quality assurance and monitoring activities that occurred during the quarter, as required in Special Terms and Conditions (STCs) of the Arizona Section 1115 Waiver. This report highlights activities related to delivery system initiatives, innovations, and improvements as well as Managed Care Organization (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/EPSTD), and Integrated System of Care (ISOC) oversee the reported activities.

Managed Care Programs

AHCCCS maintains overall objectives for its Managed Care demonstration programs such as ACC plans with ACC-RBHAs, ALTCS for the Elderly and/or Physically Disabled (EPD) and Developmentally Disabled (DD), and DCS 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 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.

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AHCCCS currently holds contracts with MCOs as outlined in the table below.

Table 6

Managed Care Organization (MCO)	Geographical Service Area (GSA)			
	Line of Business	Central ¹	North ²	South ³
Arizona Complete Health-Complete Care Plan	ACC & ACC-RBHA	X*		X PIMA COUNTY ONLY
Care1st Health Plan	ACC & ACC-RBHA		X	
Mercy Care	ACC & ACC-RBHA	X		
Banner University Family Care	ACC	X		X
Health Choice Arizona	ACC	X	X	
Molina Healthcare	ACC	X		
UnitedHealthcare Community Plan	ACC	X		
Banner University Family Care	ALTCS-EPD	X		X
Mercy Care	ALTCS-EPD	X		
UnitedHealthcare Community Plan	ALTCS-EPD	X	X	
Department of Economic Security/Division of Developmental Disabilities	ALTCS/DDD	X	X	X
Department of Child Safety, Comprehensive Health Plan	DCS/CHP	X	X	X

1 Maricopa, Gila, Pinal excluding ZIP codes 85542, 85192, and 85550
2 Mohave, Coconino, Apache, Navajo, Yavapai
3 Cochise, Graham, Greenlee, La Paz, Santa Cruz, Yuma Including zip codes 85542, 85192, and 85550
**Arizona Complete Health-Complete Care Plan is only responsible for ACC contract requirements in this GSA.*

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

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Although AHCCCS' formal responsibility to the Abuse and Neglect Prevention Task Force activities ended with the change in Governorship, AHCCCS has continued to participate in the community level workgroup activities that have voluntarily continued. Three workgroups that have continued include:

1. Training and Prevention Workgroup's purpose is to identify and review training materials specific to sexual abuse for the Intellectual and Developmental Disabilities (IDD) population. The workgroup has identified materials for individuals living with IDD, their parents and caregivers, in addition to provider staff, schools, and other stakeholders that may interface with individuals living with IDD. The workgroup meets on a monthly basis.
2. Trauma Informed Care for IDD Workgroup's purpose is to identify gaps in understanding related to utilizing trauma informed models when working with IDD individuals that have been abused. The workgroup meets on a monthly basis.
3. The Trauma Informed Approach Collaborative Council (TIACC) was formed during the timeframe of the Governor's abuse and neglect prevention initiative, but the TIACC has continued to expand and coalesce Arizona activities related to utilization of trauma informed models for individuals living with IDD and other disabilities. The workgroup interacts with various providers and state agencies, community members, family members, and others. They have developed a formal Governance Committee and a charter that oversees the TIACC's work on a statewide level. AHCCCS remains involved to ensure bidirectional communication occurs with TIACC and its members on a routine basis.

In addition to the three workgroups described above, the Arizona Sexual Violence & Disability Network held its first annual conference on September 14, 2023 to bring community stakeholders together to elevate the importance of meeting the needs of IDD individuals that have been sexually abused. AHCCCS was involved in planning topics and was also in attendance to demonstrate the value of animal assisted therapy as a method used for trauma reduction.

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 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

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the center of the efforts outlined in this spending plan, specifically seniors, individuals living with disabilities, individuals living with an 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 Arizona 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 (DCWs) 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 is finalizing the CY2024 directed payment, with the anticipation that funds will be released to providers in quarter two of 2024.
2. AHCCCS is partnering with Arizona's community colleges on two initiatives that are intended to improve the capability and commitment of the HCBS health care workforce. The first partnership; the Career, Education and Training (CET) initiative offers scholarships and tuition assistance for students in over 40 eligible healthcare degree and certificate programs throughout Arizona as well as an in-service training curriculum development component for the LTSS and Behavioral Health workforces. To coordinate the activities of all of the participating community college districts, AHCCCS has contracted with Maricopa County Community College District (MCCCD), who has partnered with five other community college districts in the state, to assist with disbursement of scholarship and tuition assistance funds as well as to lend their curriculum development and instructional design expertise to the development of the previously mentioned in-service training programs. The second partnership, referred to as the Behavioral Health Program Expansion initiative, is the result of legislation (HB2691) that required AHCCCS to partner with MCCCD and Northern Pioneer Community College in Navajo County (NPC) to bolster participation in behavioral health academic education and training programs.

The Community colleges began distributing funds starting September 2023 for students enrolled in eligible programs. The CET scholarship program will terminate with the end of AHCCCS' ARP spending authority on September 30, 2024. If the legislature chooses; the HB2691 Behavioral Health Program Expansion Initiative can be extended until December 31, 2025. There are work requirements for students participating in the CET and the HB 2691 scholarship and tuition assistance programs. The CET scholarship and tuition assistance program requires students to attest that they intend to serve as HCBS providers upon completing their education. HB2691 requires students participating in the Behavioral Health Expansion Project to commit to working for a minimum of two years or the length of their financially supported AHCCCS Scholarship, whichever is longer.

3. AHCCCS has partnered with the Arizona Department of Economic Security (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

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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 Department of Economic Security, Division of Developmental Disabilities (DES/DDD) for several key initiatives outlined in the Spending Plan. This includes development of training modules, such as positive behavior support and dual diagnosis support for DES/DDD providers. AHCCCS will continue to provide oversight support to DES/DDD as they work to implement these initiatives.
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 Differential Adjustment Payment (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 contractors to provide training and curriculum development support. These partners include Arizona State University (ASU), the University of New Hampshire's National Center of START Services, and the Association for Talent Development (ATD). 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 their 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 released applications for interested providers for a second round of providers in December 2023 to be closed in January 2024. AHCCCS plans on awarding a second round in quarter two of 2024.
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.

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Behavioral Health Clinical Chart Audits

AHCCCS continued to collaborate with MCOs to enhance chart audit requirements and data analytic expectations. Ongoing technical assistance occurred as MCOs identified the need for clarification of audit requirements and timeframes for completion of the audit process. The MCOs formalized and submitted their processes for inter-rater reliability. Additionally, they verified that MCO staff conducting the audit met requirements for experience and clinical expertise as outlined in AHCCCS contract and policy. Feedback from MCOs indicated development of the audit portal significantly enhanced ease of audit completion.

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

The CALOCUS is a standardized assessment tool that provides determination of the appropriate intensity of services needed by a child or adolescent and their family, and guides provision of ongoing service planning and treatment outcome monitoring in all clinical and community-based settings. During this quarter, AHCCCS engaged in multiple enhancement efforts regarding use of CALOCUS. First, AHCCCS continued its efforts to track completion of CALOCUS training. Secondly, AHCCCS has collaborated with the MCOs to ensure that all providers responsible for completing CALOCUS have staff who are trained on CALOCUS and who have access to complete CALOCUS in either the Deerfield portal or within the member's electronic health record. Based on results of an ad hoc deliverable request, AHCCCS identified that the MCOs and providers needed clarification regarding appropriate entry of the CALOCUS into the Deerfield portal versus the member's electronic health record. Relevant technical assistance was provided to the MCOs and they were directed to share that same technical assistance to those providers that were not compliant with the CALOCUS requirements.

Additional efforts for enhanced use of the CALOCUS included revision of the CALOCUS FAQs. Updated processes were added to the FAQs and content was realigned to respond to multiple questions regarding use of electronic health records for entering CALOCUS scores. Lastly, AHCCCS coordinated with Deerfield as the administrator of the training content, to develop a post-test that will be used to measure understanding and fidelity to use of the CALOCUS tool. AHCCCS anticipates completion and implementation of the post-test during the second quarter.

AHCCCS has continued to build the necessary components of the ECSII fidelity model. The ECSII is a standardized, biopsychosocial assessment tool to help anyone who provides services to infants, toddlers, and children from ages 0 to 5. For ECSII implementation, AHCCCS continued to address use of the training program provided through American Academy of Child and Adolescent Psychiatry (AACAP). Monthly training reports were monitored and use of AACAP's training program has continued to increase. For September 2023 through December 2023, the number of behavioral health providers who completed ECSII training increased from 252 to 296. AHCCCS also coordinated closely with AACAP to develop processes and guidance documents to promote and measure fidelity to the use of the ECSII tool. Meetings have taken place twice monthly, which have produced multiple fidelity materials including:

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1. Requirements for expertise of the provider staff that monitor fidelity to ECSII Service Intensity scoring.
2. Criteria and processes for monitoring by MCO staff of provider fidelity monitoring activities.
3. Guidance documents that provide mechanisms to ensure fidelity between the ECSII Service Intensity score and care plan development for the children and their families or caregivers. The guidance documents provide detailed guidance to those staff that utilize the ECSII so adherence to ECSII fidelity can be monitored according to AACAP criteria. The documents also facilitate identification of needed clinical support when fidelity to the ECSII Service Intensity scoring processes is not being met.

Child and Family Team Practice

AHCCCS has continued its efforts to improve Child and Family Team (CFT) practice in quarter one. Following statewide implementation of a two day in-person CFT facilitator training, workforce development and the AHCCCS Integrated System of Care team have partnered with community colleges and Career and Technical Education (CTE) programs to include the required training in degree and certification programs. Workforce development has completed the content for stakeholder training that will inform various roles in the CFT practice. AHCCCS finalized a contract with the National Wraparound Implementation Center (NWIC) in October 2023 to implement high fidelity wraparound for members that qualify for high needs case management and therefore more frequent CFT meetings. Wraparound is a nationally recognized evidence-based practice that AHCCCS plans to utilize to increase the quality of CFT practice for members with the greatest needs and at-risk of out of home placement. Additionally, AHCCCS has purchased a preventative coordination of care model called FOCUS that will provide additional support and intervention prior to children being at-risk for out of home placement. Adding these two additional care coordination models will create a tiered system that targets care coordination of CFT practice based on the needs of the child and family, while creating advancement opportunities for care coordination staff. AHCCCS is collaborating with its MCOs to determine how the CALOCUS will be used to assess and identify the appropriate level of care coordination for each member. The initial phase of this contract includes an evaluation of current state policies, procedures, and providers' fidelity to the requirements, which will result in a written report to include system recommendations. Throughout quarter one, AHCCCS has provided documents and information to assist in completing NWIC evaluation tools as well as facilitating communication with providers for NWIC to conduct fidelity audits. AHCCCS is also participating in the completion of readiness tools which in combination with the evaluation will inform implementation of these models.

Clinical and Operational Significant Policy Changes

In quarter one, AHCCCS completed the following significant policy changes:

1. AMPM Policy 430, Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Services was revised to include a requirement for a SUD screening beginning at age 12 and to highlight the importance of screening for Social Determinants of Health (SDOH) and trauma.
2. AMPM Policy 510, Primary Care Providers was revised to strengthen coordination and collaboration between Primary Care Providers (PCPs) and Behavioral Health Providers (BHPs).

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3. AMPM Policy 580, Child and Family Team, is a new policy establishing the foundations of CFT practice that provides a universal CFT system of care, indicators that contribute to the complexity of needs for the child and family, how the CALOCUS is utilized, and how the essential CFT practice activities are implemented on individualized needs.

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

At the Arizona Suicide Prevention Hope Conference in October, AHCCCS and ADE educated community members and school professionals on the implementation of funding available through AHCCCS and means of connecting students to behavioral health services in Arizona. During the New Orleans Advancing School Mental Health Conference in December, the AHCCCS/ADE team presented: *Partnerships with Purpose Building Capacity to Respond to Mental Health Concerns While Reducing Administrative Burden*, an initiative to educate professionals who may be interested in partnerships and collaboration.

AHCCCS and ADE started development of an electronic consent form that will help expedite the student referral system utilizing the software platform *BHWorks*. Currently parents/guardians can receive, sign, and return electronic consent forms to Local Education Agencies (LEAs) within minutes. AHCCCS and ADE worked collaboratively to review, make necessary updates, approve, and repost the *School and Behavioral Health Partnerships: A Resource Guide* on the AHCCCS and ADE websites. The document is currently live for public use.

AHCCCS, ADHS, and ADE, and have an ongoing collaboration as required by Arizona's Mitch Warnock Act under state statute, ARS 15-120, which mandates that all Arizona school staff who interact with students in grades six through 12 receive suicide prevention training at least once every three years. This group began collaborative discussion about MIND4HEALTH, a free suicide prevention curriculum of the Indigenous nations' origin and values and evaluated if it meets criteria of the Mitch Warnock Act. Additionally, in collaboration with ADE and AHCCCS, members of the ISOC team facilitated training of 34 school staff and community members on suicide prevention training, called "Safe Talk." This suicide training is in line with the Mitch Warnock Act.

The *School Mental Health Champion Award* is a collaborative initiative of AHCCCS, ADHS, and ADE, in which the collaborative recognizes LEAs for the excellent behavioral health work conducted in schools for Arizona students and their families. During the last quarter, the team revamped the *School Mental Health Champion Application* to be inclusive of all Arizona's LEAs and came to consensus that in the future awardees will be recognized during professional organization annual conferences such as the *AZ School Counselor Association* and *School Social Work Association of Arizona*.

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

The pilot project between Mercy Care and Valleywise to utilize technology and remote engagement to complete COE/COT hearings will expire this year as Maricopa County wishes to resume all in-person

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hearings. AHCCCS continues to work with Mercy Care and Valleywise to attempt to continue the pilot project as it appears to have a positive impact by decreasing the frequency of 72-hour time out petitions. AHCCCS continues to receive documentation of and monitor both applications for pre-petition screening as well as COE. AHCCCS also receives monthly documentation regarding individuals court-ordered to treatment, those who are attending treatment and abiding by the court order, and those who currently have a tolled period of COT.

AHCCCS also worked with Mercy Care and Valleywise along with the Phoenix Police Department to collaborate and problem solve challenges resulting from a lack of process servers to formally serve members court ordered to evaluation or treatment. The collaboration has resulted in a prospective piece of new legislation in 2024 that would allow for a broader range of individuals who can serve members for COE/COT follow-up.

AHCCCS also continues to act in an advisory capacity with the Arizona State Supreme Court Rule 11 Workgroup/Taskforce to implement best practices and support all Arizona counties in addressing the needs of individuals who meet Arizona Revised Statute Title 36 Criminal Court requirements for defendants with serious mental illness. AHCCCS engages in ongoing discussions and collaborations with the taskforce and any subsequent workgroups as requested and has been able to influence changes and improvements to strategies statewide that address the needs of individuals living with Serious Mental Illness (SMI) who are also involved with the criminal justice system.

Targeted Investment(s) 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 the Arizona Section 1115 Waiver to support and incentivize providers to develop and enhance comprehensive whole person care systems 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 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 one of the federal fiscal year, the following quality assurance activities were established and conducted:

1. Consistent with ACOM Policy 325 requirements, MCOs began submitting monthly PCP assignment reports to AHCCCS in December 2023. This reporting will be used for PCP attribution methodologies as well as validating MCO compliance with ACOM Policy 325 PCP assignment reconciliation processes. AHCCCS intends to begin analyzing this file and providing feedback to MCOs by quarter three of this federal fiscal year. MCOs are expected to be in full compliance by the beginning of the next federal fiscal year. These reports will continue until September 2027.

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2. ACOM Policy 325 also 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. AHCCCS finalized the file layout for this report and file sharing logistics as it confirmed which clinics would be participating in TI 2.0 Justice initiative federal fiscal year quarter one. AHCCCS expects to receive the first test file by February 12, 2024, and the first production file by March 12, 2024.
3. Outpatient provider organizations applying for TI 2.0 demonstrated readiness to embark on this rigorous program and focused initiatives (e.g., health equity, addressing HRSN). Providers submitted processes and protocols related to the initiatives to qualify for the TI 2.0 program. AHCCCS reviewed 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. AHCCCS has reviewed and provided feedback on these processes and protocols, and participants are now required to implement them by September 30, 2024.
4. 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, and reports summarizing internal audit of process and protocol implementation.

AHCCCS continues to develop federally required program metrics and monitoring protocols with CMS. As specified in the Arizona Section 1115 Waiver STCs this includes: TI 2.0 Incentivized Metrics and Funding Protocols (STC 51), the New Initiatives Implementation Plan (STC 73), DSHP Metrics and Monitoring Protocols and subsequent quarterly reports (STC 84-85), Arizona 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

HCBS Rules

On March 17, 2023, CMS remarked on the compliance milestone for the HCBS Settings Rules (HCBS Rules) intended to afford members access to the full benefits of community living. More than seven years ago, AHCCCS began working with a wide range of stakeholders representing the long-term care community to assess the State's compliance with the HCBS Rules and identify further opportunities to enhance member integration experience and outcomes by building off Arizona's long-standing history of the provision of Home and Community Based Services (HCBS). AHCCCS submitted Arizona's Systemic

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Assessment and Transition Plan to CMS in October 2015. Subsequently, a few iterations of the Transition Plan have been updated and informed by stakeholder input and AHCCCS received final approval of the Arizona Transition Plan on January 20, 2023.

In January 2023, CMS' approval of the Transition Plan solely addressed the State's compliance with applicable Medicaid authorities and the State's process for assessing setting compliance, including settings that meet the criteria for Heightened Scrutiny. CMS' review of settings submitted for Heightened Scrutiny and subsequent determinations are separate and distinct from final approval of the Transition Plan. If States want to preserve settings presumed institutional in nature and the State asserts the setting complies with the HCBS Rules, the States must submit evidence to CMS to make a final determination. CMS determines whether the evidence supports that the setting is or can become compliant with the HCBS Rules. Given the March 17, 2023 deadline has passed, and CMS had not yet requested evidentiary documentation packages for a sampling of settings meeting Heightened Scrutiny, a Corrective Action Plan (CAP) was warranted to afford CMS more time to review the State's assessment documentation and either affirm the State's findings or require remediation for identified settings. CMS approved the CAP on April 17, 2023. AHCCCS subsequently posted the approved CAP to the AHCCCS HCBS web page.

Quarter one activities include the following: on October 26, 2023, CMS officially requested evidentiary packages for 18 settings. AHCCCS submitted the packages back to CMS on December 11, 2023, with the CAP timeline. Once CMS returns their findings to AHCCCS, we will have 12 months to remediate any issues and achieve full HCBS Rule compliance.

Whole Person Care

The AHCCCS Whole Person Care Initiative (WPCI) is AHCCCS' next step in integrated care and is focused on improving the HRSN of members. WPCI includes the following areas of focus: improving member connection to services for housing/homelessness, food insecurity, transportation, employment, utility assistance, social isolation/social support, interpersonal and physical safety, justice/legal involvement, access to safe outdoor spaces, and screening and referring members to HRSN utilizing the Statewide Closed-Loop Referral System called CommunityCares. This quarter's updates for a few of these key areas are described below.

1. Whole Person Care - Employment

AHCCCS is working with the Arizona Department of Economic Security (DES) to explore ways each county could use the Statewide Closed-Loop Referral System (CommunityCares) to connect members to HRSN. We are exploring ways for specific DES sites to be recipients of referrals for members with employment needs. Additionally, AHCCCS continues to provide a robust network of employment services available to members interested in gaining employment, including partnership with DES and their Vocational Rehabilitation program through an Interagency Service Agreement (ISA) that provides specialty supports for members with SMI determinations.

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2. Whole Person Care - Food Insecurity

Research shows individuals who are enrolled in Medicaid and who are also enrolled in governmental nutrition programs including the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families Program (TANF), and/or the Women, Infants and Children Program (WIC) have better health outcomes than if they are only enrolled in one program. In Arizona, the SNAP and TANF Programs are provided by DES, and WIC is provided by ADHS. AHCCCS has begun working with DES and ADHS to begin receiving data for members enrolled in SNAP, TANF, and WIC who are also eligible for H2O Waiver Program services. This data will be used to increase the number of H2O members enrolled in SNAP/TANF/WIC, if the member is eligible for these programs.

3. Whole Person Care - Housing/Homelessness

An integral area of focus in whole person care is to improve member access and support for housing, especially for members with an SMI designation who are experiencing homelessness. AHCCCS has been working to develop the new services for the H2O Waiver Program. This quarter, AHCCCS completed the H2O Implementation Plan and submitted it to CMS for review, it includes procuring an H2O Program Administrator to serve as a single point of contact for the state to administer the H2O benefits. AHCCCS understands the importance of quality supportive services paired with rental subsidies when supporting members with chronic conditions and has expanded efforts to provide permanent supportive housing services throughout the state. AHCCCS awarded Mental Health Block Grant (MHBG) funds to two of the RBHAs to expand permanent supported housing in the North and South GSAs, the service providers will be responsible for adhering to the SAMHSA Evidence-Based Practices (EBP) for Permanent Supportive Housing (PSH), including low staff to member ratios. Additionally, AHCCCS is working on a project to create a data warehouse for information from Arizona's three Homeless Management Information Systems (HMIS) and AHCCCS member data, with appropriate member consent. This project, known as the Data Warehouse for Enterprise Linkage (DWEL), is currently building infrastructure and processes for the exchange of data.

4. Whole Person Care – Justice Initiatives

As a key component of Whole Person Care and Health Equity initiatives, AHCCCS has developed collaborative partnerships with a growing number of Arizona's justice system stakeholders. Shared goals include diverting individuals from entering the justice system and providing efficient and cost-effective health care resources in support of men, women, and children transitioning out of the justice system. A disproportionate number of justice-involved individuals are in critical need of health care services and support. Many of these individuals are eligible for assistance through AHCCCS and available services may include help with physical health and behavioral health needs, substance use treatment, housing assistance, employment assistance, crisis services, peer support, and other supportive services to address HRSN.

AHCCCS-contracted MCOs employ a dedicated Justice Liaison who performs pre-release care coordination called "reach-in." The AHCCCS Justice Administrator oversees these activities to ensure that adequate and comprehensive care coordination is occurring prior to, during, and following release for members who meet reach-in criteria. An important part of reach-in coordination is ensuring that an

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initial appointment with an appropriate provider or providers (based upon a member's needs) occurs within seven business days of a member's release from a carceral setting.

AHCCCS is working on a project to more effectively capture quarterly reach-in activities completed by the MCOs by validating whether reach-in resulted in a timely appointment, validating provider visits, and identifying areas for improvement surrounding engagement with justice partners. These enhancements will allow AHCCCS to measure the effectiveness of reach-in and proactively address any barriers in the care coordination of justice-involved AHCCCS members.

5. Whole Person Care - Safe Outdoor Spaces

AHCCCS is exploring a partnership with the Arizona State Parks and Trails agency for the free Parks Rx Program, which provides tools for providers to encourage members to utilize the outdoors to improve their physical and mental health. Time spent outdoors can improve vitamin D levels, cognition, strength, balance, coordination, and distance vision; it can also reduce blood pressure, depression and anxiety, sadness, anger, and fatigue. In children, time outdoors contributes to improved cognitive, emotional, social, and educational development. It is important to note that ParksRx is a modality offered in addition to, not in place of, other available traditional care modalities.

6. Whole Person Care - Social Isolation/Social Support

AHCCCS is creating new services to reduce social isolation among our members in long-term care. The new services will be provided under the AHCCCS current habilitation services and will include the option for members to receive services provided by an individual with similar lived disability or aging related experience. AHCCCS has been gathering stakeholder feedback about the services and forthcoming policy to ensure services are appropriate and beneficial. AHCCCS is also collaborating with internal experts in long-term care and the research organization ADvancing States to collect information on best practices.

7. Whole Person Care - Statewide Closed-Loop Referral System

An important part of the Whole Person Care Initiative includes the Statewide Closed-Loop Referral System, known as CommunityCares, which allows providers to screen and refer members to HRSN. To date the system has been used to provide 9,179 referrals to HRSN services. The top five referrals were for food assistance, housing/shelter, utility assistance, clothing/diapers/infant supplies/household goods, and transportation, all of which have tremendous impact on member physical and mental health. In quarter one, CommunityCares continued to see increased enrollment and utilization. To date, there are 298 AHCCCS health care providers and 79 community-based organizations using the system. A new Differential Adjusted Payment (DAP) Program was released to encourage providers to utilize the system. Additionally, non-Medicaid financial incentives are available for community-based organizations to onboard the system. AHCCCS meets regularly with the organization that manages CommunityCares and is developing Key Performance Indicators (KPIs) for monitoring the system's successes and challenges. In tandem with CommunityCares, AHCCCS also began working with a unique referral service called *Be Connected*, which helps connect members who are military veterans and their families to local community resources available to veterans. AHCCCS' MCOs began using this service this quarter.

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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
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 Serious Mental Illness Designation
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

ALTCES-EPD Request for Proposal

On December 1, 2024, AHCCCS awarded two statewide contracts to Health Net Access, Inc. (dba Arizona Complete Health-Complete Care Plan) and Arizona Physicians IPA, Inc. (dba UnitedHealthcare Community Plan) for the ALTCES-EPD Program under Solicitation #YH24-0001. Contracts are effective October 1, 2024. Subsequently, three entities filed protests of the awards and these matters are now subject to the AHCCCS protest process set forth in A.A.C. R9-28-601 et seq and R9-22-601 et seq.

MCO Operational Reviews

AHCCCS conducts compliance reviews (i.e., Operational Reviews [ORs]) to evaluate MCO compliance related to availability and quality of services, including implementation of policies, procedures, and progress toward plans of correction to improve quality of care and service for members. AHCCCS conducts a complete OR every three years via a desk review and virtual meetings with the MCOs. During quarter one AHCCCS conducted the following ORs:

1. December 2023 – Care1st Health Plan, ACC-RBHA.
2. December 2023 – Arizona Complete Health-Complete Care Plan, ACC-RBHA.

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

AHCCCS continues to monitor the SMI and SED Eligibility Determination contract with the contracted vendor, Solari Crisis and Human Services (Solari). In November 2023, AHCCCS conducted a study of Solari's SED/SMI portal for improvement opportunities. Subsequently, AHCCCS required Solari to input

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updates to the portal main page and update provider setting options to ease provider use. AHCCCS is maintaining monthly meetings with Solari in order to review the SED and SMI Eligibility Determination Processes as they relate to entry of determination date alignment with packet submission for MHBG SED fund use, ability for verbal consent on Health Care Decision Maker forms due to practicality purposes, and upcoming quarterly deliverables expected in January 2024 regarding progress trends with the SED process. AHCCCS continues discussion and coordination with internal and external stakeholders in a variety of forums related to the justice population and gaps associated with member care for justice-involved youth in rural detention facilities to streamline the funding stream process. To promote education with new processes, AHCCCS updated the SED Eligibility Determinations FAQs and SMI Eligibility Determination FAQs, available on the AHCCCS website, to include grievance and appeal language as well as assisted the AHCCCS Office of Individual and Family Affairs (OIFA) with a family/community pamphlet for SED Determination guidance. Additionally, AHCCCS is distributing a list of children who have an SED flag indicated on their file in the AHCCCS system to give to the identified enrolled MCO for monitoring. MCOs will utilize the list to ensure continued access to care and continuity of services for those children that will not have turned age 18 by September 30, 2024.

Quality Improvement

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

1. 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 continued to work with its External Quality Review Organization (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.

2. Performance Measure Reporting

During the quarter, AHCCCS reported available data for the FFY 2023 Child and Adult Core Set measures within the CMS Quality Measure Reporting system. Data from this submission will be included within the Medicaid and CHIP Scorecard.

VIII. Random Moment Time Study

Arizona Health Care Cost Containment System (AHCCCS) Quarterly Random Moment Time Study Report

October – December 2023

The October - December 2023 (Quarter 1) quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative service, direct service, and personal care time study cost pools.

Active Participants

The “*Medicaid Administrative Claiming Program Guide*” mandates that all school district employees identified by the district’s RMTS coordinator as being qualified to provide direct services or administrative activities participate in a RMTS. Staff rosters are updated by RMTS coordinators on a quarterly basis to ensure accuracy of participants in the time study. Table 7 shows the number of participants in the administrative service, direct service, and personal care time study staff pools at the beginning of the quarter.

Table 7

Staff Pool	October 2023 – December 2023
Administrative	2,668
Direct Service	3,707
Personal Care	6,094

Sampling Requirements

To achieve statistical validity, maintain program efficiencies, and reduce unnecessary district administrative burden, AHCCCS implements a consistent sampling methodology for all activity codes and groups to be used. AHCCCS has constructed the RMTS sampling methodology to achieve a level of precision of +/- 2% with a 95% confidence level for activities.

Statistical calculations show that a minimum sample of 2,401 completed moments each quarter, per cost pool, is adequate to obtain this precision when the total pool of moments is greater than 3,839,197. Additional moments are selected each quarter to account for invalid moments.

Moment Response

For each of the three cost pools, more moments are generated than are needed for statistical validity, as allowed by the Time Study Implementation Guide approved by CMS. This oversample allows for the occurrence of invalid moments, which are observations that cannot be used for analysis (i.e., moments

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selected for staff no longer at the school district, who changed jobs and are no longer in an allowable position and their old position has not been filled or were not working and were unpaid).

Tables 8, 9, and 10 demonstrate that the administrative service, direct service, and personal care time study achieved statistical validity in quarter 1. The response rate reflects the number of valid responses received divided by the total number of valid moments generated per cost pool per quarter.

Administrative Service

Table 8

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
October 2023 – December	3,000	2,671	2,606	97.57%

Direct Service

Table 9

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
October 2023 – December	3,300	2,745	2,668	97.19%

Personal Care

Table 10

Quarter	Moments Generated	Valid Moments	Valid Responses Received	Response Rate
October 2023 – December	3,500	2,834	2,587	91.28%

As these results illustrate, the administrative service, direct service, and personal care time study reached statistical validity for the quarter with more than 2,401 valid responses received.