

Arizona 1115 Waiver Amendment Request Adding Coverage Opportunities under the Demonstration's City of Phoenix Safety Net Care Pool Program

I. Summary

The Arizona Health Care Cost Containment System (AHCCCS) is requesting an amendment that would allow the State to expand its current authority to provide Medicaid and CHIP coverage to additional groups under the City of Phoenix Safety Net Care Pool (SNCP) Demonstration. Under the current authority, funds were set aside to provide coverage to children in KidsCare II as well as to parents who become childless adults because of a lack of a deprived child. Because KidsCare II enrollment did not take up the entire amount of coverage funding set aside, there are opportunities to use those funds elsewhere.

This amendment request is intended to allow the State to use additional City of Phoenix SNCP monies set aside for coverage to extend coverage as follows:

- **Provide one additional month of KidsCare II coverage for current enrollees over 133% FPL.** The State would like to provide an additional period of transition to the Marketplace for those households that will not move into Medicaid as part child expansion.
- **Transition individuals awaiting a disability determination for SSI-MAO into childless adults starting December 1, 2013.** These are individuals who would otherwise be eligible for Medicaid coverage as childless adults but cannot enroll because of the freeze.

II. Overview

The Safety Net Care Pool (SNCP) has provided a positive opportunity to extend healthcare coverage to approximately 40,000 children eligible for the State's CHIP program, known as KidsCare II. In addition, the SNCP has allowed the State to cover critical populations, such as parents who become childless adults when a child ages out of Medicaid, among other reasons. Because KidsCare II enrollment did not reach the levels needed to use the coverage monies set aside through the City of Phoenix SNCP, the State has identified two important opportunities to provide additional coverage and maintain the commitment to coverage through the SNCP.

KidsCare II coverage is set to expire December 31, 2013. Approximately half of the 40,000 children enrolled will be subsumed into Medicaid as part of the child expansion – these are children ages 6 to 18 that are from 100% to 133% FPL. However, the concern is for the children in households over 133% who would otherwise be transitioning into the Marketplace. Considering the issues with healthcare.gov and other matters, the State believes that additional time is appropriate for these families to be successful in their transition to Marketplace coverage. Therefore, the State would like to use existing coverage monies to provide one additional month of KidsCare II coverage for those children over 133%. This means that KidsCare II will remain operational for the month of January, 2014.

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In addition, the State is seeking to open up childless adult coverage for a group of individuals who would otherwise have been eligible as childless adults but for the enrollment freeze. These individuals applied and were denied as childless adults, but then claimed a disability in an effort to be considered for Medicaid eligibility under the State’s aged, blind, disabled category known as SSI-MAO. Many of these individuals will simply not meet the federal criteria for disability, but still have critical healthcare needs. The State has sufficient funds to cover this group using the remainder of the City of Phoenix SNCP coverage funds so that childless adult coverage can be available to this group starting December 1, 2013. There are approximately 12,129 adults in this category.

III. Public Process

The State will post this proposal to its 1115 Demonstration page on the AHCCCS website for public comment.

IV. Data Analysis- “With Waiver” vs. “Without Waiver”

The State is providing a revised budget neutrality document that will incorporate this and other aspects of the State’s Transition Plan amendments.

V. Allotment Neutrality

The State does not anticipate any change to allotment neutrality since the same services will be provided and the same populations are being served.

VI. Details

Currently, STC #26 outlines the coverage opportunities related to funding provided through the City of Phoenix SNCP participating providers in paragraphs 26(i) and 26(j). A corresponding change to STC 17(b) adding a new subparagraph (v) is also needed. The State is seeking to amend these paragraphs as follows:

STC 26:

i) **Contribution to the KidsCare II Program.** The eligible governmental entities in subparagraph (f) funding the non-federal share of SNCP payments to Safety Net Hospital Systems identified in sections A through C of Attachment J will provide IGTs to fund the non-federal share of KidsCare II Program expenditures for 21,700 children, estimated at up to \$76,991,169 total computable. In addition, the eligible governmental entities in subparagraph (f) funding the non-federal share of SNCP payments to City of Phoenix providers identified in section D of Attachment J will provide IGTs to fund the non-

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federal share of KidsCare II Program expenditures for an additional 33,191 children estimated at up to \$64,361,700 total computable. The eligible governmental entities in subparagraph (f) funding the non-federal share of SNCP payments to City of Phoenix providers identified in section D of Attachment J will provide IGTs to fund the non-federal share of KidsCare II Program expenditures for one additional month of coverage (January 2014) for an estimated 20,000 children in households over 133% FPL at up to \$4,389,400 total computable.

j) Contribution to AHCCCS Coverage Expansion for Certain Adults without Dependent Children. The eligible governmental entities in subparagraph (f) funding the non-Federal share of SNCP payments to City of Phoenix providers will provide IGTs to fund the non-federal share of AHCCCS expenditures described in 17(b)(i~~vii~~) for the projected 13,000 adults that will lose Medicaid eligibility under 1931 state plan authority due to lack of a dependent child, estimated at up to \$43,063,000 total computable. The eligible governmental entities in subparagraph (f) funding the non-Federal share of SNCP payments to City of Phoenix providers will provide IGTs to fund the non-federal share of AHCCCS expenditures described in 17(b)(v) for the projected 12,129 adults who are awaiting a disability determination but would otherwise be eligible as childless adults up to a total computable of \$44.7 million.

STC 17(b)

(v) Subject to available funding provided by governmental entities pursuant to an IGT agreement as specified in paragraph 26(j), and the notification described above in subparagraph (ii), the state will open enrollment to adults awaiting a disability determination who would otherwise be eligible for coverage, but are unable to enroll due to the state’s determination to close enrollment to new childless adults. The affected adults will obtain their AHCCCS coverage beginning December 1, 2013, assuming all other eligibility criteria is met (e.g., income), and will be notified of their eligibility determination as a childless adult and that a disability determination for coverage in the State’s SSI-MAO (aged, blind, disabled) category is no longer needed. Funding is anticipated to support enrollment of a target number of 12,129 adults.

VII. Evaluation Design

The State would apply the same evaluation criteria to this proposal that it currently applies to this Demonstration.