AHCCCS Eligibility Modernization Roadmap

Arizona Health Care Cost Containment System (AHCCCS)

AHCCCS/MQD MES Modernization Roadmap Consultant

Contract Number: YH22-0009

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Contents

List of Exhibits

REVISION HISTORY

Version	Effective Date	Revision Owner	Description of Change
0.1	3/12/2025	Estus Stacy	Initial Development and Peer Review
0.2	4/7/2025	Estus Stacy	Modified Draft
1.0	8/7/2025	Kimberly Smith	Modified based on AHCCCS feedback

1. Introduction

The Arizona Health Care Cost Containment System (AHCCCS) selected NTT DATA to develop a comprehensive long-term strategic roadmap for eligibility modernization. This initiative is designed to improve the current infrastructure and optimize technology investments within AHCCCS while supporting Medicaid eligibility processes.

1.1. Purpose and Scope

The Medicaid Eligibility Modernization Roadmap outlines strategic recommendations for AHCCCS to optimize its existing infrastructure and investments while ensuring compliance with Centers for Medicare & Medicaid Services (CMS) directives. This roadmap serves as a framework detailing recommended actions, integrated high-level timelines, and projected cost estimates.

1.2. Intended Audience

This deliverable is intended to be used by the following project stakeholders.

- AHCCCS executive team
- AHCCCS project team
- NTT DATA consulting team

1.3. Deliverable Owners, Approvers, and Reviewers

Role	Responsibilities	Person(s) Assigned
Deliverable Owner (NTT DATA)	Ensures shared expectations are established, agreed upon and documented in advance via the DED; develops the deliverable according to the agreed-upon expectations; addresses feedback and works with the deliverable approver to achieve deliverable acceptance	• Estus Stacy
Deliverable Approver (AHCCCS)	Ensures shared expectations are established, agreed upon and represented in the DED; identifies deliverable reviewers in advance; coordinates the deliverable review and provides consolidated feedback to be addressed by the deliverable owner	• AHCCCS Executive Team
Deliverable Reviewer (AHCCCS)	Reviews the deliverable and provides feedback to the Deliverable Approver(s)	• AHCCCS Project Manager • AHCCCS Business Subject Matter Expert • AHCCCS Technical Subject Matter Expert • AHCCCS Infrastructure Subject Matter Expert • AHCCCS Budget Finance

2. Executive Summary

The Eligibility Modernization Roadmap for the Arizona Health Care Cost Containment System (AHCCCS) provides a strategic framework for the modernization of the eligibility process to improve stakeholder experience and aims to optimize upon technology investments AHCCCS has made to refine the Medicaid eligibility processes. This roadmap serves as a strategic plan for the modernization and transformation of the eligibility system through targeted technology initiatives, specifying recommended actions, high-level timelines, and financial considerations.

The Eligibility Modernization Roadmap includes key foundations for updating the eligibility system: improving processes, optimizing technical investments, ensuring CMS compliance, and enhancing interoperability, while retaining current intellectual properties and leveraging technology investments. These foundations encompass insights gained from the modernization efforts of other states, the maturity and capability level of vendor-provided eligibility solutions, budgetary constraints, and legislative cycles.

2.1. Roadmap Development Activities

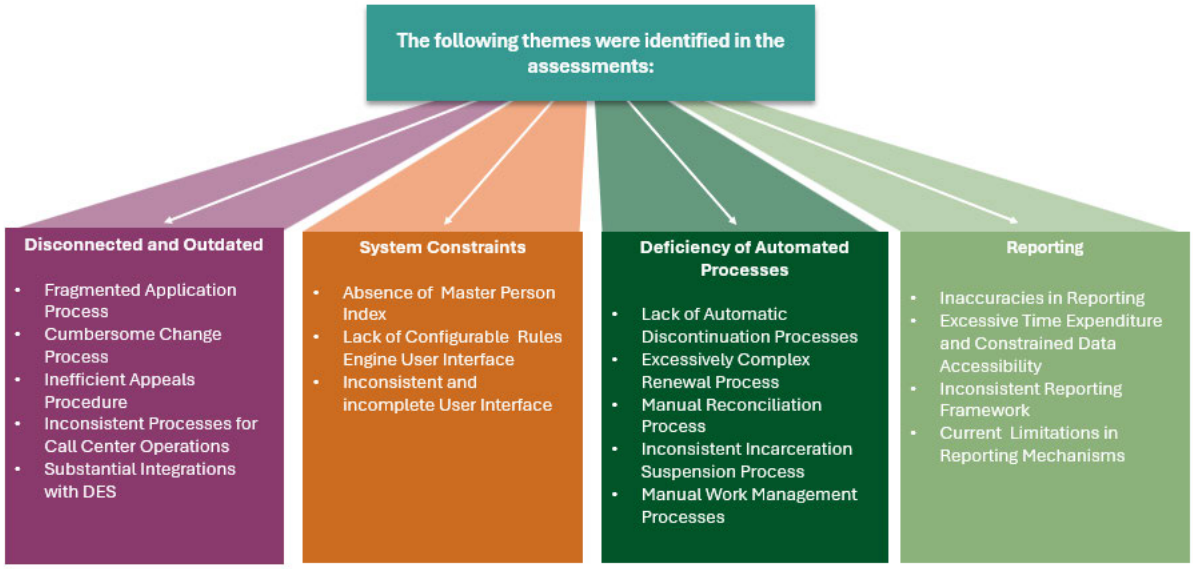
NTT DATA performed the following key activities to develop this Eligibility Modernization Roadmap.

- Validated the agencies' strategic vision, business and information technology goals with AHCCCS.
- Conducted business, information, technical architecture, and organization assessments to identify organizational challenges.
- Convened deep dive sessions with AHCCCS staff to gain a deeper understanding of current and desired future capabilities.
- Evaluated solutions available on the market and vendor capabilities to meet the needs of AHCCCS.
- Conducted a comprehensive requirements analysis to define the needs and expectations for the new eligibility solution. These collaborative sessions validated a shared understanding among stakeholders regarding the project's required functionalities.
- Documented a recommended path forward with solutions to address the organizational challenges, including a high-level timeline and estimated costs associated with implementing the identified solutions.

2.2. Organizational Challenges

This section shows AHCCCS organizational challenges identified through business, information, technical architecture, and organizational assessments. Exhibit 1 shows themes that were identified during the assessment phase.

Exhibit 1:Identified Organizational Challenges



Fragmented Application Process:

- Disjointed workflow: This result of incremental development and reliance on legacy mainframe architecture has led to operational inefficiencies.
- Changes in Circumstances: This requires customers to submit new applications, creating operational inefficiencies. The Appeals Procedure is complex and primarily manual, especially in ALTCS cases.
- Inconsistencies in Call Center Operations: This is due to the dual management of different procedures.
- Extensive integrations with the Department of Economic Security (DES): These are inflexible, particularly regarding the Transfer of Information for Public Services (TIPS) file for public services.
- Inconsistent and incomplete user interface: Several issues found during informational sessions need remediation for a better user experience.

System constraints:

- Eligibility and enrollment processes: involve using multiple applications that do not interconnect, leading to longer processing times.
- Absence of a Master Person Index: causes duplicate records and inconsistencies in data.
- Lack of a configurable Rule's Engine User Interface: limits the efficient management and modification of operational rules.

Deficiency of Automated Processes:

- Lack of Automatic Discontinuation Process: Requires manual intervention for program discontinuations.
- Excessively Complex Renewal Process: Data transmission over multiple weekends causes workflow management issues and early-week case spikes.
- Manual Reconciliation Process: Significant manual effort leads to inefficiencies, delays, and increased workload.
- Inconsistent Suspension Process: Mix of automated and manual processes requires manual intervention for non-eligible individuals.
- Manual Work Management Processes: A mix of automated and manual processes requires manual intervention for ineligible individuals.

Reporting:

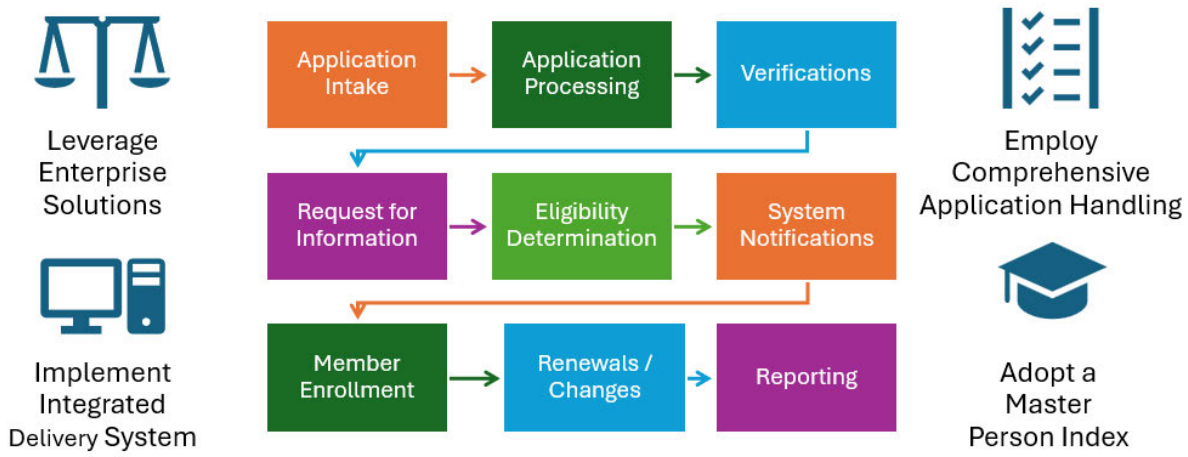
- Inaccuracies in Reporting: The reporting team faces challenges due to ambiguous parameters and inconsistent terminology, which lead to inaccuracies and delays.
- Excessive Time Expenditure and Constrained Data Accessibility: The reporting process requires a lot of manual work, leading to inefficiencies and significant time consumption. Additionally, restricted access to data further complicates tasks and hinders information gathering.

- Inconsistent Reporting Framework: HEAplus lacks a uniform reporting workflow for eligibility processes, hindering operational efficiency and oversight.
- Current Reporting Limitations: AHCCCS often receives requests for detailed reports on member response times and case resolution durations, which standard reporting parameters struggle to handle. Reporting discontinuances remains challenging, and eligibility gaps persist despite SQL improvements. The Rainbow report combines data from HEAplus, PMMIS, and the data warehouse for CMS submissions but still needs manual data integration for compliance and accurate reporting.

2.3. Recommendations for Path Forward

The AHCCCS Eligibility Modernization Roadmap follows the Eligibility Lifecycle, which is comprised of nine distinct components and outlines a high-level framework for the future solution's implementation. AHCCCS developed an envisioned eligibility flow to address organizational challenges with a comprehensive approach to eligibility. For more information on the AHCCCS Envisioned Eligibility Flow, see Exhibit 2.

Exhibit 2: AHCCCS Envisioned Eligibility Flow



To address organizational challenges effectively, the solution must use configurable and scalable methodologies, leverage enterprise solutions, support the implementation of a master person index, facilitate comprehensive application management, and support an integrated delivery system.

Leverage Enterprise Solutions: By employing platforms such as ServiceNow, the System Integrations Platform, the Pre-Paid Medical Management Information System (PMMIS), and the Operational Data Store (ODS), which AHCCCS already uses to enhance operational efficiency and data integrity, AHCCCS can achieve significant improvements in their processes. ServiceNow automates IT service management processes, while the System Integrations Platform facilitates seamless data interchange. PMMIS manages Medicaid claims processing and eligibility verification, and ODS provides real-time data access to support timely reporting. Collectively, these systems enhance data governance and inform strategic decision-making.

Adopt a Master Person Index (MPI): MPI is a fundamental element of the AHCCCS Eligibility modernization initiative. The MPI assigns unique identifiers to streamline data management and improve operational efficiency. It supports accurate record linkage across various systems, reducing duplicates and correcting inaccuracies to maintain data integrity. It enhances data validation and cleansing, promotes interoperability among stakeholders, and addresses incorrect record associations vital for Medicaid eligibility and claims processing. Ultimately, the MPI ensures precise determinations and optimizes service delivery to beneficiaries.

Employ Comprehensive Application Handling: A comprehensive application approach aims to address organizational challenges and improve overall efficiency by streamlining and enhancing the application process for various programs. Integrated application processing allows applicants to apply for multiple programs simultaneously, thereby reducing the need for separate applications and

streamlining the process. Cascading applications ensure automatic referrals to other Medicaid programs for individuals found medically ineligible for ALTCS, without requiring reapplication. The implementation of automated notifications for document verification, along with standardized processes for approval, renewal, and changes, will mitigate existing organizational inefficiencies. A comprehensive dashboard will furnish real-time insights into application statuses, submission timelines, and critical deadlines. This will enhance data governance and reporting capabilities, thereby improving AHCCCS's responsiveness to inquiries and overall operational performance.

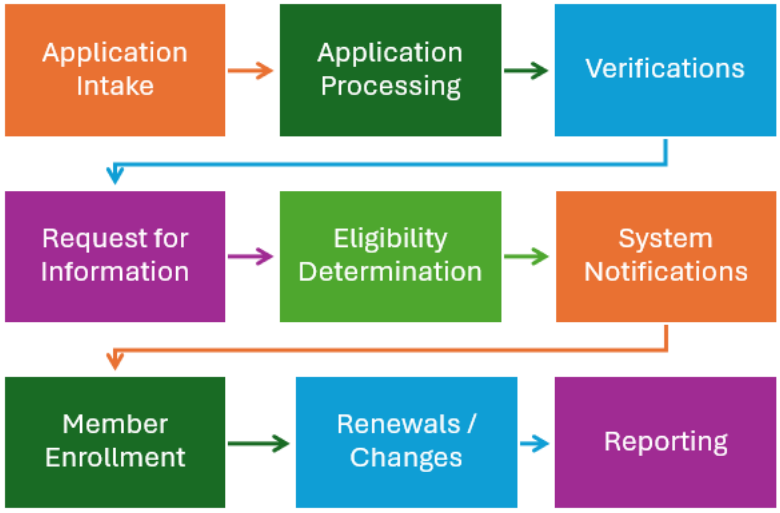
Implement Integrated Delivery System: An integrated delivery system for AHCCCS needs a pre-screening tool to streamline workflows, a configurable business rules engine for processing programs and eligibility procedures, and a workload management system to assign tasks and manage caseloads. These integrations are designed to enhance efficiency by gathering preliminary applicant data, assessing eligibility accurately, processing multiple programs, and managing daily tasks effectively.

3. Review of Current Eligibility and Enrollment System

An evaluation of the current Eligibility and Enrollment system, HEAplus, was conducted through Visioning Sessions with Division of Member and Provider Services (DMPS) leadership and the executive team to validate the agency's strategic vision, business objectives, and IT goals. Information gathering sessions with AHCCCS personnel provided an in-depth understanding of the current system's strengths and weaknesses. These sessions included shadowing system users and meeting with staff who ensure compliance with state and federal requirements. Detailed information on these sessions can be found in Appendix C.

During the assessment of the Eligibility and Enrollment system, the Eligibility lifecycle was formulated. This lifecycle delineates the interactions of the Arizona Medicaid customer from both the customer and case worker perspectives. For more information on the Eligibility Lifecycle see Exhibit 3.

Exhibit 3: AHCCCS Eligibility Lifecycle:



The eligibility lifecycle outlines the future process for benefit application, information verification, and eligibility determination. It integrates case worker and customer workflows to ensure accurate benefit access. The cycle includes Application Intake, Processing, Verification, Request for Information, Eligibility Determination, Notification, Member Enrollment, and Renewals/Changes. Reporting is critical and should be integrated into all phases of the lifecycle.

3.1. Current Eligibility Integration Framework

State of Arizona: AHCCCS oversees the management of Medicaid assistance programs, while DES is responsible for administering the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) programs, and DES Division of Developmental Disabilities (DDD) is responsible for administering medical services for individuals with developmental disabilities with oversight from AHCCCS. The HEAplus system, governed by AHCCCS, functions as an integrated eligibility system designed to streamline the eligibility determination and enrollment processes for various assistance programs. The implementation of this integrated eligibility system necessitated a centralized operational model, resulting in reduced functional independence of individual agencies. Each agency operates under distinct mandates, priorities, and procedural methodologies tailored to address specific programmatic assistance requirements.

Eligibility Frameworks: The current one-size-fits-all system inadequately addresses the unique characteristics and specialized requirements essential to each agency's assistance programs. This reduction

in agency-specific flexibility leads to operational inefficiencies and reduces the ability of the agencies to pivot independently in this ever-changing regulation environment. The implementation of the integrated eligibility model by Arizona and various other states was predominantly driven by the technological constraints prevalent at the time, combined with the necessity to facilitate a unified application process for multiple assistance programs. This combined approach typically results in higher maintenance costs, increased complexity in cost distribution methodologies, complicated system upgrade requirements, and challenges in the inter-divisional coordination necessary for establishing system change priorities. For AHCCCS, this methodology directly correlates with operational challenges they currently face, including system limitations, fragmentation, outdated technology, and deficiencies in reporting mechanisms. It is imperative that these issues are addressed to enhance the efficiency and effectiveness of the services offered. Strategic planning, investment in advanced technologies (such as AI), and a tailored approach to each agency's needs are essential to overcome these hurdles and improve the overall system performance

3.2. Organizational Successes

During the visioning sessions conducted with AHCCCS leadership to understand and validate the agency's strategic vision, business objectives, and information technology goals, multiple organizational successes were identified. This section provides a detailed analysis of the identified successes. For more information on the identified successes see Exhibit 4.

Exhibit 4: Identified Successes

AHCCCS Management Success: AHCCCS's success can be largely attributed to their unique administrative model of overseeing both the PMMIS and HEAplus system. In contrast, other states typically have separate agencies for managing the MMIS and the eligibility system. This division can lead to differences in strategic priorities, difficulties in identifying clear lines of ownership, complications in data quality, and challenges in system integration. Furthermore, it contributes to creating siloed teams, hindering inter-agency collaboration, and potentially increases the risk for fraud, waste, and abuse. The challenges other states face emphasizes the success of AHCCCS's methodology in managing both healthcare systems to ensure operational efficiency, reduce fraud, waste, abuse, and regulatory compliance.

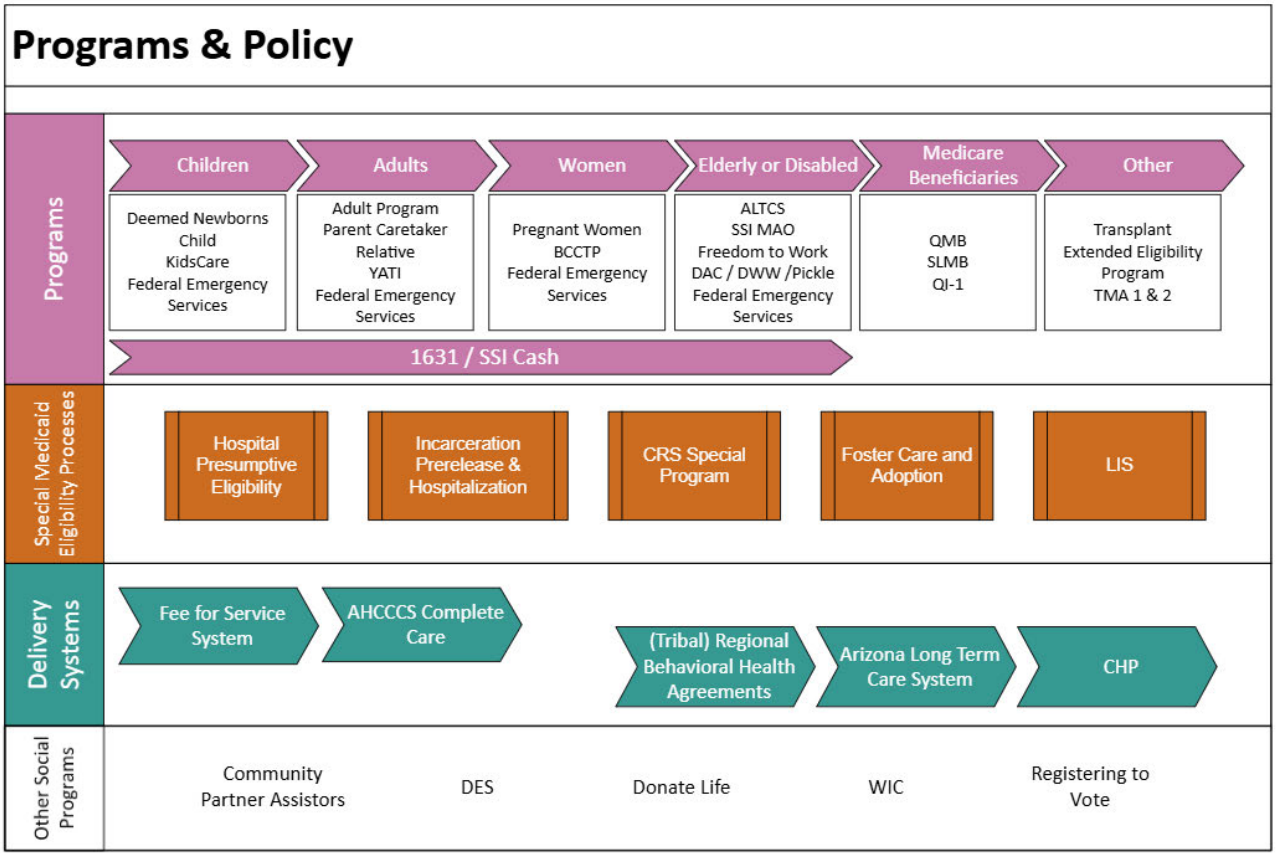
AHCCCS Awards and Recognitions: AHCCCS has been recognized for its outstanding performance in member communication strategies during the post-pandemic enrollment redetermination phase, earning the 2024 National Association of Medicaid Directors (NAMD) Spotlight Award. Arizona was selected as one of three mentor states for the Medicaid and Corrections Policy Academy, funded by the Bureau of Justice Assistance (BJA), for its leadership at the intersection of health care and criminal justice,

including its involvement in the Medicaid Section 1115 Reentry Demonstration. AHCCCS also received the ISM Award of Excellence in the Best Use of Technology-External Focus category from the Information Technology Solutions Management for Human Services (ISM) for its strategic responses to pandemic-related challenges. Leaders among Arizona health officials participated in a roundtable discussion with the U.S. Department of Health and Human Services (HHS) to explore the role of community navigators in facilitating healthcare coverage within communities.

Customer Satisfaction and Technology Innovation: The deployment of artificial intelligence (AI) bots to manage call volume has significantly decreased operational demands on the call center while improving customer satisfaction metrics. This success led to the decision to extend the application of this technology to providers. AHCCCS also reported an 83% rate of auto-processed initial applications for MAGI and KidsCare and a 66% rate for Exparte Renewals for the period of April to December 2024. This achievement is attributable to improved federal and state hub verifications that optimize processing efficiency, resulting in substantial benefits for customers. Additionally, AHCCCS maintains customer satisfaction through diverse communication modalities, disseminating 3 million emails, 6.5 million text messages, and 2.1 million phone calls, culminating in a total of 11.5 million communications during the reporting timeframe of April to December 2024.

Program and Policy Process Development: AHCCCS has achieved significant success with its Medicaid programs, thanks to the effective structuring of its programs and policies pertaining to Medicaid eligibility within the state. During the visioning sessions, AHCCCS formulated a comprehensive overview of the programs and policies associated with HEAplus utilized for eligibility determination processes. For more information on AHCCCS' Programs and Policy see Exhibit 5.

Exhibit 5: Programs & Policy



AHCCCS administers a range of programs that incorporate populations such as children, adults, women, the elderly, disabled individuals, Medicare beneficiaries, and additional Medicaid initiatives including:

- Supplemental Security Income (SSI) cash
- Transplant Extended Eligibility
- Transitional Medicaid Assistance

AHCCCS has defined the specialized Medicaid eligibility processes necessary to provide Medicaid assistance to certain demographics, which include:

- Hospital Presumptive Eligibility
- Incarceration Prerelease & Hospitalization
- the CRS Special Program
- Foster Care and Adoption
- Low-Income Subsidy (LIS) programs

The delivery system options within AHCCCS include both managed care and fee-for-service models, are clearly defined, and are contingent upon the specific customer eligibility criteria for AHCCCS programs. The delivery models include:

- Fee-for-Service
- AHCCCS Complete Care
- Tribal Regional Behavioral Health Agreements
- the Arizona Long Term Care System
- Children's Health Program (CHP)

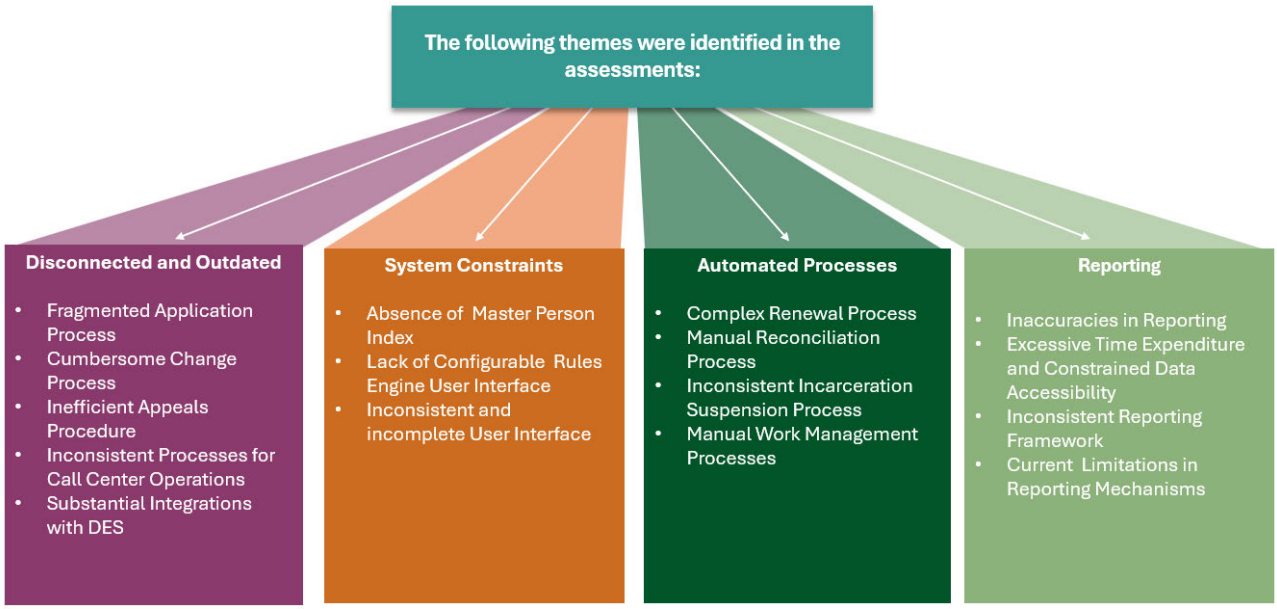
In addition, AHCCCS endorses various social programs aimed at ensuring the delivery of quality services to customers, which involve partnerships with community assistors; the Department of Economic Security (DES); Donate Life; the Women, Infants, and Children (WIC) program; and facilitation of access to voter registration enrollment. 47

3.3. Organizational Challenges

During the visioning sessions conducted with the AHCCCS leadership to understand and validate the agency's strategic vision, business objectives, and information technology goals, a few organizational

challenges were identified. This section provides a detailed analysis of the identified challenges. Exhibit 6 provides a high-level list of the defined organizational challenges.

Exhibit 6: Organizational Challenges



3.3.1 Disconnected and Outdated

Fragmented Application Process: HEAplus operates on an application-based platform, which means customers must submit a new application to access services, whether for initial requests, reporting changes in circumstances, or for eligibility renewals. This current system process leads to an accumulation of applications, resulting in prolonged processing times and disruptions in application continuity. Additionally, the gradual addition of eligibility programs to HEAplus has produced a disjointed and fragmented application workflow. The most significant limitation identified was the approach AHCCCS took in implementing their Acute programs into HEAplus first, and only after that was implemented, did they implement their ALTCS program. The current design of ALTCS applications lacks the functionality to cascade through all Acute programs within HEAplus. Consequently, this results in a non-integrative application methodology, fostering operational silos in the processing workflows for ALTCS and Acute Care applications, which causes operational inconsistencies, functional deficiencies, and an inefficient application process for customers.

Cumbersome Change Process: The current protocol for any changes in customer circumstances is excessively complicated and requires the submission of a new application. This means that a whole new application is received for a customer to just report a job or address change. Although changes are categorized into a separate work queue and are governed by specific processing criteria, the existing workflow is inefficient and overly complex for personnel responsible for identifying the reported change and determining eligibility for the processed change.

Inefficient Appeals Procedure: The current appeals procedure is characterized by complexity and inefficiency, primarily due to the involvement of multiple procedural steps and manual interventions. This inefficiency is particularly pronounced in cases necessitating eligibility modifications after the resolution of an appeal. Additionally, customers are unable to initiate an appeal for an ALTCS case via the HEAplus system. Customers who have ALTCS are required to request an ALTCS appeal by calling or mailing a request to the ALTCS appeals division. This requires staff specialized in handling ALTCS appeals, which contributes to the challenges of appeals management across various programs.

Inconsistent Processes for Call Center Operations: AHCCCS operates three call centers (Medicaid, ALTCS, MASP) and one live chat center. Title 19 is currently managed by DES, while ALTCS and MASP are managed internally by AHCCCS on the Genesis platform. The differences in call center management have

led to technological discrepancies, such as the unavailability of transcription services for the ALTCS and MASP call centers. This constraint affects ALTCS and MASP call centers, as the absence of transcriptions prevents the utilization of technology for the purpose of call summary assistance. The dual management structure also results in discrepancies in operational procedures across the various call centers. Consequently, the dual oversight of call centers by DES and AHCCCS may lead to the adoption of different technological solutions based on their specific operational directives.

Substantial Integrations with DES: The HEAplus eligibility system facilitates numerous integrations with the Department of Economic Security (DES). The most prominent integration is the Transfer of Information for Public Services (TIPS) file, which serves various functions, including the referral process for SNAP and TANF. Additionally, HEAplus transmits referral files to DES specifically for Division of Child Support referrals and to update contact and address information. The existing integrations are comprehensive and are constructed based on rigid technological capabilities. Although there is potential for advancements, they effectively deliver the required information to the relevant agencies. As technology progresses, the integrations should also adapt; however, the underlying principle of information sharing with agencies will remain constant.

3.3.2 System Constraints

Absence of Master Person Index: Without a Master Person Index (MPI), duplicate records and data inconsistencies arise. The current system fails to identify name discrepancies and requires manual reviews that take time away from staff availability to perform other activities. This impacts the accuracy and reliability of eligibility determinations. The MPI is crucial for assigning unique identifiers to maintain accurate records. Its absence leads to duplicate entries and potential errors in eligibility processes.

Lack of Configurable Rules Engine UI: There is a significant gap in the system optimization due to the lack of a configurable UI for the rules engine. The current rules engine is embedded in the HEAplus system and cannot be viewed or updated easily. The absence of visibility significantly hinders efficient management and updates of rules, resulting in a higher need for manual intervention and an increased likelihood of errors.

Inconsistent and Incomplete UI: The user interface presents multiple deficiencies requiring remediation in the next eligibility system. The challenges identified during the informational sessions include:

- State workers are frequently required to manually refresh the user interface to mitigate issues related to case disposition and modifications.
- Transitioning to State Online Query Internet (SOQI) or TALX screens in HEAplus (service that provides employment and income verification) leads to a reset of the verification interface screen, resulting in the loss of any unsaved selections.
- The visual presentation of the Case Summary tab is contingent upon the current application phase.
- Instances of income duplication may arise within the request for information (RFI) framework, characterized by the presence of redundant records from both the hub and customer entries.
- Initiation of SOQI access is not permissible from the SSI MAO interface, necessitating manual documentation procedures.
- The midway verification interface inadequately represents familial relationships.
- The reliability of electronic signatures during audits exhibits inconsistency.
- System-generated RFIs are inconsistent and sometimes miss crucial details like required signatures. Case notes, once created, cannot be changed. To access full documentation, users must download and save files, which is not user-friendly.
- Customers can receive secure emails containing hyperlinks for the submission of requested documents. The subsequent actions required to successfully upload the requested documents through these hyperlinks are often unclear to the user. This has generated calls to the workers to assist the clients in uploading documents.

3.3.3 Automated Processes

Complex Renewal Process: This process involves transmitting a batch file to CMS and sequentially processing the returned data. This is necessary because HEAplus cannot manage the entire dataset at once, and attempting to do so would overwhelm both the eligibility staff and the mail vendor. Currently, AHCCCS prioritizes renewals that do not require a response, leaving address-related exceptions to be resolved in the final weekends. Additionally, the ALTCS and Acute Care programs have misaligned procedural flows, leading to a highly batched process that contributes to case spikes on Mondays and Tuesdays and workflow management issues.

Manual Reconciliation Process: The reconciliation process requires significant manual intervention. This means that the system lacks automation in reconciling data, leading to a heavy reliance on manual efforts to ensure accuracy and consistency. These inefficiencies can result in delays, errors, and increased workload for staff, as they need to manually verify and correct discrepancies in the data.

Inconsistent Incarceration Suspension Process: The current process involves both automated and manual efforts. Data for individuals eligible for Medicaid at the time of booking or release is transmitted directly to PMMIS to facilitate the processing of suspensions or reinstatements. However, for non-eligible individuals, applications are processed manually by a specialized team at DES, which then refers cases to the team at AHCCCS for finalization. The absence of automatic eligibility suspension necessitates manual intervention.

Manual Work Management Processes: There is presently no systematic mechanism for tracking dispositions; consequently, work management is conducted utilizing spreadsheets. This method is not ideal, as it may lead to inconsistencies and errors. Additionally, problem case tracking occurs via email, which is not the most efficient approach, resulting in limited transparency. Communication regarding the case in question is limited to the initial requester and their supervisor, thereby restricting access to related information for other relevant stakeholders. The differences in processing standards for initial applications, renewal applications, and changes create challenges when managing workloads that include a combination of these categories.

3.3.4 Reporting

Inaccuracies in Reporting: The existing reporting team encounters difficulties stemming from ambiguous parameters and inconsistent terminology, resulting in inaccuracies and delays in report generation. Presently, the production of accurate reports requires significant investment in training business staff on SQL database activities that are outside the scope of expected skillsets. This increases workload and creates inefficiencies in performance.

Excessive Time Expenditure and Constrained Data Accessibility: The current reporting process requires substantial manual input to meet compliance standards, resulting in operational inefficiencies and increased time expenditure. Additionally, limited data accessibility exacerbates complications within the reporting operations, hindering the aggregation and synthesis of essential information. The determination of a member's status at a given timestamp presents challenges due to retroactive date modifications and overlapping eligibility intervals, requiring extensive effort to ensure precision in reporting. A considerable number of reporting tasks remain manual, contributing to inefficiencies and highlighting the necessity for enhanced automation and standardization in reporting methodologies.

Inconsistent Reporting Framework: The organizational workflows for reporting are not consistently implemented in HEAplus for the eligibility process, adversely impacting operational efficiency and oversight mechanisms. This leads to the implementation of redundant manual review procedures, which complicate the reporting process.

Current Limitations in Reporting Mechanisms: AHCCCS receives frequent ad hoc requests for timely reports, which encompass metrics such as response times for members and the duration required by workers to resolve cases. These reports often involve complex distinctions and are inadequately captured in standard reporting mechanisms. A notable challenge exists in the precise definition and reporting of

discontinuances, which may refer either to the decision to discontinue services or to an actual loss of eligibility. Moreover, accurately identifying and reporting gaps and overlaps in eligibility presents difficulties, though advancements have been made in formulating SQL queries to mitigate this concern. The Rainbow report serves as a vehicle for monthly submissions to the CMS, consolidating data sourced from HEAplus, PMMIS, and the data warehouse. This procedure relies on manual intervention to ensure the comprehensive integration of all pertinent data and adherence to CMS reporting standards.

3.4. Summary of AHCCCS Successes and Challenges

AHCCCS has achieved significant success in managing the eligibility and enrollment systems, thanks to its unique administrative model and collaborative partnerships. AHCCCS has received multiple awards and recognitions for its performance, including the 2024 National Association of Medicaid Directors (NAMD) Spotlight Award and the ISM Award of Excellence. The deployment of AI chat bots has improved customer satisfaction and operational efficiency. AHCCCS's Medicaid programs are well-structured, catering to various populations and incorporating specialized eligibility processes.

Several challenges remain within the HEAplus eligibility system. These challenges encompass a disjointed application process, a cumbersome change process, an ineffective appeals mechanism, differing procedures for call center operations, significant integration requirements with DES, an inconsistent and inadequate user interface, operational constraints of the system, a lack of automation, and reliance on manual work management processes. Collectively, this analysis highlights the need for a more cohesive, automated, and user-centric system to enhance efficiency, reduce the manual effort required to ensure accuracy within the Eligibility solution, and better prevent fraud, waste, and abuse.

4. Alternative Approaches

This section outlines the options for system modernization aimed at ensuring the state's continued utilization of its integrated business processes for eligibility determination. Each proposed solution was evaluated by cost and effort, how it aligns to state strategies, how it resolves known issues (system and business), its complexity, its innovation, and the cost of future maintenance and enhancements. Through discussions with the AHCCCS for the future roadmap, with the goal of modernizing both business processes and system technology, it was determined that there are three options to evaluate: re-architecting the current eligibility system, replacing the current system, or enhancing the eligibility system by building upon the current ServiceNow platform. Exhibit 7 represents the alternative approach options available.

Exhibit 7: Alternative Approach Options

Re-architect: Incremental modernization of the HEAplus system would focus on significantly modifying both systems and business functions over time. The strategy would be to improve the user experience, implement a more integrated data and reporting strategy and add flexibility to system configuration and rules engine management. The approach would enable AHCCCS to review and prioritize improvements by implementing changes with the most user benefit first and then implementing more improvements to the application over time.

- **System Replacement**: Replacing the HEAplus system with a new system would allow the state two options. AHCCCS could acquire a Commercial Off-the-Shelf (COTS) product or Software as a Service (SaaS) or could seek a transfer and modify approach from another state. Each approach would ultimately implement a new system that utilizes a modular design within a contemporary framework. The solution chosen would also be highly integrated into the AHCCCS architecture.

Commercial Off-the-Shelf (COTS) or Software as a Service (SaaS): This approach would focus on acquiring software that would meet the state's requirements. Each solution would require a long-term relationship with the vendor for support of the application. Even though the approaches are the similar, the AHCCCS team should consider some significant differences. The COTS approach would be more in line with the eligibility modernization roadmap, as it would be implemented within the state's Azure Cloud. The SaaS solution would be provided within the vendor's domain. The COTS approach would focus on configuration of the software, while the Saas Solution would involve both configuration and state-specific modifications. This approach would also leverage configurations and knowledge from the current award winning system.

  - **Transfer and Modify:** This approach would focus on obtaining a vendor that would take an eligibility application currently working within another state Medicaid program and implementing the application with modifications for AHCCCS. The main advantage of this approach would be that the application would have a base system that is proven to be production ready. The application would be implemented within the AHCCCS cloud and be customized to meet specific AHCCCS requirements.

- **Platform**: Implement the eligibility framework within the Enterprise ServiceNow platform, in which AHCCCS has already heavily invested time and resources. The approach would take advantage of the systematic and operational processes that have already been deployed. The platform approach would align with the eligibility modernization roadmap as it would allow AHCCCS to use existing technology and

would not further increase the diversity of technology solutions within AHCCCS. This approach would allow for review of existing business and operational solutions and allow AHCCCS to implement improvements.

To assess each approach consistently, the same evaluating criteria was used for each approach. Additional details regarding the evaluation criteria can be found in Exhibit 8.

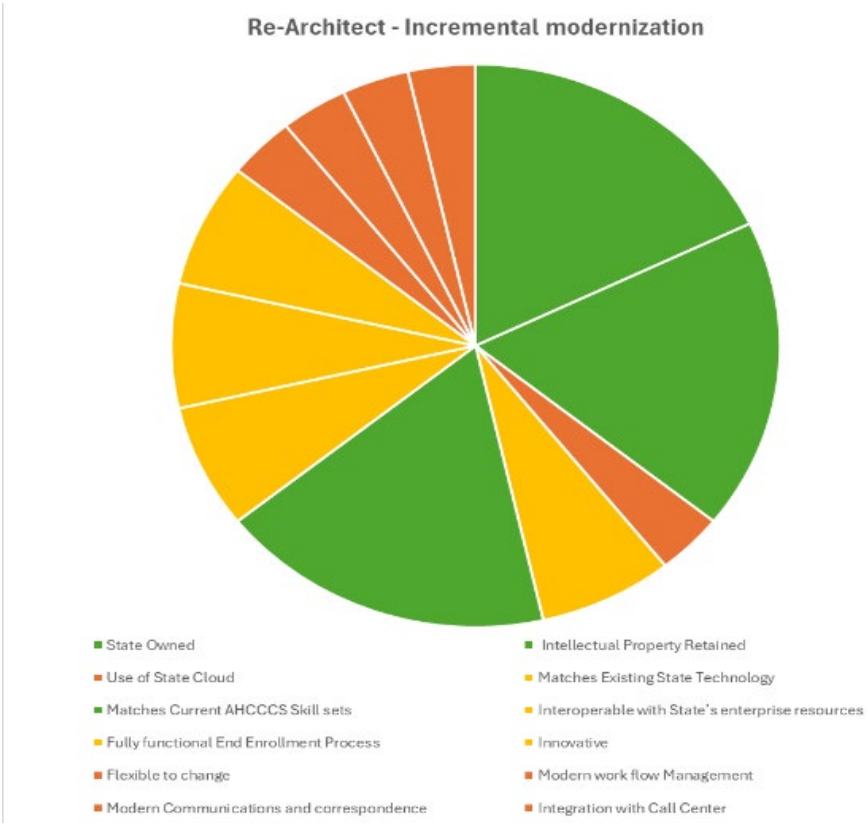
Exhibit 8: Alternative Approach Evaluation Criteria

Approach	Evaluation Criteria
State Owned	Will the solution be ultimately owned by AHCCCS and reduce future maintenance and support cost?
Intellectual Property Retained within the State	Will the solution allow the state to remain the experts in the policy and systems functionality? —for example, it would not create a dependency on an external entity
Use of the State Cloud	Will the solution take advantage and use the state cloud?
How does the solution compare to existing State technology	Will the solution take advantage of existing AHCCCS technology that is being used, or will it add additional maintenance and responsibility?
How does the solution match AHCCCS skillsets	Will the solution be able to be supported by existing staff or will additional skillsets need to be acquired?
Is solution interoperable with other state agencies	Will the solution provide an open platform that enables the exchange of information with other state agencies?
Would the solution provide a fully functional enrollment process from end to end	Will the solution provide a fully functional eligibility and enrollment process, or will it be dependent on support from other applications?
Is the solution innovative and built for the future	Will the solution provide AHCCCS with a solution that is using a future-oriented approach and technology?
Is the solution flexible and easily changed for an ever-changing environment	Will the proposed solution provide a framework that is flexible and easily changed or configurable for future program needs?
Does the solution provide a flexible and definable workflow	Will the solution provide a supported workflow process that will guide state staff through the enrollment of customer?
Does the solution provide AHCCCS with modern communication and correspondence methods	Will the solution provide modern communication and correspondence methods such as mail, email, text messaging, voice, etc.?
Does the solution Integrate with the Call Center	Will the solution easily integrate with the Call Center to exchange call logs, notes, and documents?

4.1. Re-architect Incremental modernization of HEAplus

The Incremental modernization of the HEAplus eligibility system could be implemented through a phased approach. The main idea would be to identify and work to implement changes to the existing system where AHCCCS could see immediate benefit and use each implementation as a building block for future improvements. AHCCCS would be able to see value and experience measurable improvement as the components and operational processes are deployed and utilize their existing investments such as the System Integration Platform (SIP), ServiceNow, and use of the Operational Data Store (ODS). This approach will allow the state to have the ability to implement the changes to go from a customer-centric system to a case-based system. Exhibit 9 displays how this approach compares to the evaluation criteria defined in Exhibit 8. Green indicates a high score, yellow is a medium score, and orange is a low score for the comparison.

Exhibit 9: Rearchitect Evaluation



This solution will provide incremental upgrades to the current HEAplus System. The change will resolve organizational deficiencies (system and operational), modernize the existing infrastructure, and ensure adherence to applicable state and federal regulations. The highlighted changes will include:

- **Updated/modernized rules engine:** Implement modifications to the rules engine so that the rules are no longer defined through system code. The changes would introduce a user interface where the end user could view and define rules with a point and click capability. This could be used to promote standardization of decision elements, which could allow policy changes to be implemented easier and in less time.
- **Increase integration using the System Integration Platform:** This would allow HEAplus to share data more easily with other agencies and the ODS and the Data Warehouse (DW). This would support the agencies' goal of data consolidation and consistency.

- **Consolidate reporting to use the ODS:** Move all HEAplus reporting to use the ODS. This approach would help align the solution with the eligibility modernization roadmap and provide a centralized data pool, which would allow improvements with data accuracy.
- **Modernize the user experience:** Modify the user interface to have more modern look and feel and implement a standard on-line behavior model across the application. This will provide a consistent user workflow and an improved user experience.
- **Make incremental upgrades to the HEAplus system:** Implement pilot tests for each upgrade phase to identify potential issues early and make necessary adjustments. Provide comprehensive training for staff to ensure smooth transitions and effective use of new features.
- **Address organizational deficiencies:** Review and optimize existing processes to align with the new system capabilities. Involve key stakeholders in the planning and implementation phases to ensure their needs and concerns are addressed.
- **Ensure regulatory compliance:** Conduct regular audits to ensure ongoing compliance with applicable regulations. Maintain thorough documentation of all changes and upgrades to facilitate compliance reviews and future updates.

4.1.1 Advantages and Disadvantages of Rearchitecting

Incremental modernization by rearchitecting HEAplus offers a self-controlled approach to upgrading the HEAplus eligibility system. It allows the state to reduce risk, stretch the project cost over time, and provide maximum flexibility for changes. However, it also comes with challenges such as extended timelines, complexity, and resource intensity. AHCCCS should carefully weigh these advantages and disadvantages to determine if this approach aligns with the organizational goals and capabilities. Exhibit 10 describes the advantages and disadvantages of incremental rearchitecting HEAplus.

Exhibit 10: Incremental Rearchitecting HEAplus Advantages and Disadvantages

Advantages	• **Prioritized Plan**: This approach allows AHCCCS to review and plan the modification schedule so that improvements can be implemented in an order that provides the best improvement for the agency. • **Mitigated Risk:** Phased upgrades allow early issue identification and correction, reducing the chance of major failures through pilot testing before full implementation. • **Spend Optimization:** Incremental upgrades spread costs over time, improving budget control and minimizing upfront investment compared to a complete system overhaul. • **Scalability and Adaptability**: Standardized, scalable components enable future enhancements without major re-engineering, supporting ongoing improvements and compliance with changing regulations. • **Stakeholder Involvement:** A gradual upgrade process ensures continuous stakeholder engagement, addressing their needs and facilitating training for a smooth transition to new features. • **Regulatory Compliance and Security**: Regular audits ensure compliance with regulations, while modern infrastructure includes robust security protocols to protect sensitive data.
Disadvantages	• **Extended Implementation Timeline**: Incremental modernization leads to a longer implementation period. • **Implementation Delays**: As each phase is implemented it could face delays such as DDI issues, funding issues, or contract issues. • **Integration Complexity:** Integrating new components with legacy systems is complex and requires significant technical effort, complicating coordination and consistency. • **Resource Allocation Intensive:** Ongoing resources are needed for

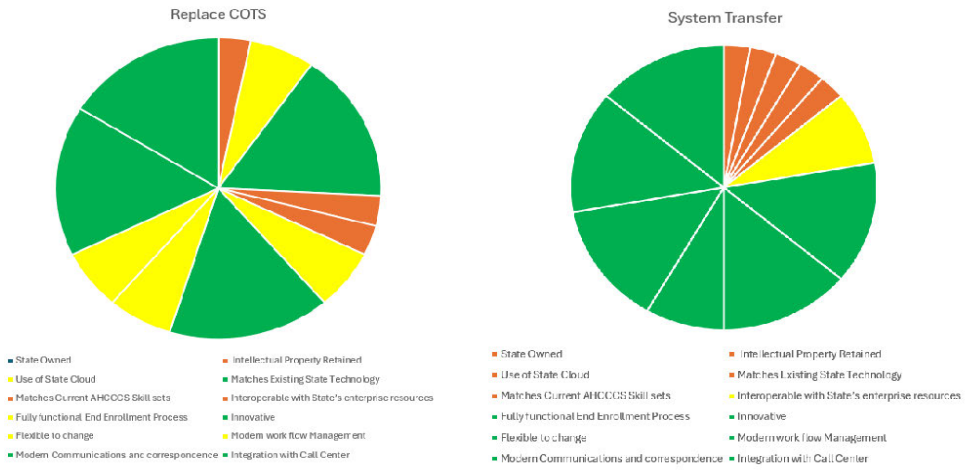
	development, testing, and training while the legacy system remains operational during modernization. • **Cumulative Benefit Realization:** Benefits are incremental and delayed, with portions of the system continuing to use outdated technologies until full modernization is achieved. • **Spend Optimization:** Incremental upgrades distribute expenses over an extended timeframe; however, this approach may result in higher overall costs due to the prolonged duration of funding. Additionally, it presents a risk of encountering financial constraints, which could necessitate the suspension of the project. • **Change Backlog**: This approach does not focus on eliminating the existing backlog of change requests for HEAplus.

4.2. System Replacement

The replacement approach could provide AHCCCS with increased functionality, which would modernize the eligibility process. This could be accomplished using one of two strategies: 1) Replace the system with a Commercial Off-the-Shelf (COTS) or Software as a Service (Saas) approach or 2) System Transfer and Modify.

The desire would be that both of the solutions above would transfer the HEAplus system to a new eligibility application. The main differences would be the cost, the application's flexibility for modification, and the implementation periods. This approach would require vendor selection, vendor onboarding, application conversion, and implementation processes. The advantage of replacing the system with a vendor ready solution is that it is able to be implemented and operational in less time than a re-architect approach. Exhibit 11 displays how this approach compares to the evaluation criteria defined in Exhibit 8. Green indicates a high score, yellow is a medium score, and orange is a low score for the comparison.

Exhibit 11: System Replacement Evaluation



4.2.1 COTS/SaaS Approach

Generation and Selection of Product and Vendor: The state would evaluate multiple vendors and functionality of the COTS product and the additional cost of technical support.

Configuration Approach: The state would have to accept that there would be a significant focus and effort on the configuration of the product. Most COTS products are more inflexible to custom modifications, so there may be instances where state policy or operational changes must be made to accommodate the product's capabilities.

GAP analysis of requirements against the COTS product/services: AHCCCS would need to conduct a comparison of the validated requirements to the functionality and business processes provided by the COTS product. If gaps exist (business processes or system functionality), then decisions must be made to adapt to the product.

COTS Payment Structure: AHCCCS would have an upfront cost for the COTS product, and there would be on-going costs for technical and production support. AHCCCS would own the COTS product, which would be implemented within the Azure tenancy.

SaaS Payment Structure: AHCCCS would have an ongoing cost for the SaaS services and system support. The SaaS product would be implemented within the vendor's technical space and not under the control of Azure tenancy.

Definition of Support Roles: COTS operational processes would need to be fully defined, and the roles and responsibility of the vendor and AHCCCS would have to be clearly defined.

4.2.2 System Transfer and Modify

Selection of Vendor: The state would evaluate multiple state solutions and vendors and functionality of the proposed systems they plan to transfer as a base.

Configuration and Modification Approach: It would be anticipated that a transfer system would be somewhat configurable. This approach would require an evaluation of what flexible configuration capabilities exist and what customizations would have to be made to the application to meet AHCCCS' needs.

System Payment Structure: The AHCCCS would have an upfront cost for the implementation and then have ongoing cost for the product and technical support. The agency would also have to plan additional payments for enhancements to the application after the implementation.

4.2.3 Advantages and Disadvantages of System Replacement

The consideration of whether to choose a COTS/SaaS solution or a Transfer and Modify solution is contingent upon what is available on the market. A COTS/SaaS solution is characterized by expedited implementation and established reliability, whereas a transfer and modify approach offers enhanced customization and alignment with unique business specifications. The COTS/SaaS and Transfer and Modify solutions present distinct advantages and disadvantages. Exhibit 12 and Exhibit 13 define the advantages and disadvantages associated with each option.

Exhibit 12: Replacement with COTS/SaaS Solution Advantages and Disadvantages

Advantages	• **Speed of Implementation**: COTS/SaaS solutions are typically faster to deploy since they are pre-built and tested. • **Proven Reliability**: These solutions have a track record of performance and reliability, often backed by vendor support. • **Lower Initial Costs**: Upfront costs can be lower compared to custom development, as you avoid the expenses associated with building from scratch. • **Regular Updates**: Vendors usually provide regular updates and maintenance, ensuring the system stays current with technological advancements. • **Fraud, Waste, and Abuse (FWA): A COTS/SaaS solution**, through economy of scale, **can** enhance the ability to detect fraud, waste, and

	abuse through **automated workflows and improved data management** and monitoring of multiple implementations to continuously enhance the solution against FWA activity**.**
Disadvantages	• **COTS Limit Customization:** COTS solutions may not fully meet all specific state-specific requirements, which would necessitate policy or operational changes to adapt. • **SaaS Limited Customization:** The COTS approach would be more in line with the eligibility modernization Roadmap, as it would be implemented within the state's Azure Cloud. The SaaS solution would be provided within the vendor's domain. The COTS approach would heavily focus on configuration of the software, and the SaaS Solution would focus on both configuration and possible state-specific modifications. • **Dependency on Vendor:** Reliance on the vendor for updates and support can be a drawback if the vendor's priorities change. • **Integration Challenges:** Integrating COTS/SaaS solutions with existing systems can sometimes be complex and require additional effort. • **Ongoing support:** Cost for vendor support of the COTS/SaaS product.

Exhibit 13: Transfer and Modify System Advantages and Disadvantages

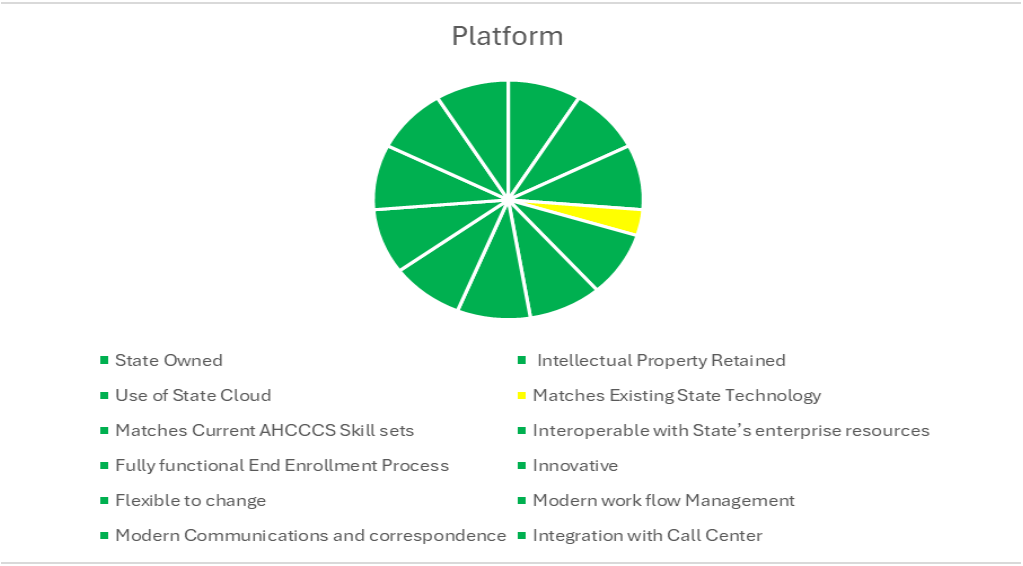
Advantages	• **Tailored Fit**: Transfer systems are customized to meet specific functional requirements, ensuring a perfect fit for the state's needs. • **Flexibility: Transfer systems provide** greater flexibility to adapt and modify the system as requirements evolve over time. • **Control**: **The state would have** full control over the development process, updates, and maintenance. • **Competitive Advantage**: A custom system can provide unique features that offer a competitive edge.
Disadvantages	• **Higher Initial Costs:** The transfer and modification of an existing system can be expensive due to the need for specialized development resources and unique business and technical knowledge of the transfer system. • **Longer Development Time:** This approach will provide a unique solution to AHCCCS and therefore will typically take longer than implementing a COTS solution. This approach allows AHCCCS to seek specific customizations that the vendor must develop and deploy. • **Maintenance Burden:** Ongoing maintenance and updates become a shared responsibility of the organization and the vendor and will require dedicated resources. • **Risk of Project Failure:** Custom projects carry a higher risk of delays, budget overruns, and potential failure.

4.3. Platform an Eligibility System on ServiceNow

The implementation of an eligibility system on the ServiceNow platform will allow the state to take advantage of the current investment in the current AHCCCS architecture and ServiceNow platform. This approach will also allow the state to review current implementations and make improvements to processes, which would lead to improved satisfaction from AHCCCS with the final product. The ServiceNow platform already supplies the necessary components to support the Eligibility functionality. This would provide cost savings as the state would use existing software licenses and hardware. Since AHCCCS already uses the ServiceNow platform, base support structures and operational processes are already in place. This would give the agency the advantage of improving upon rather than developing

new structures and processes. Exhibit 14 displays how this approach compares to the evaluation criteria defined in Exhibit 8. Green indicates a high score, yellow is a medium score, and orange is a low score for the comparison.

Exhibit 14: Platform Evaluation



To achieve the successful transition of a ServiceNow eligibility module, the state must select an implementation vendor that will provide and dedicate highly experienced Medicaid eligibility business analysts to the implementation team. These analysts would play a critical role interpreting requirements and providing support throughout all phases of the project.

The focus of the solution would be to replace the HEAplus system with a ServiceNow solution. The project would implement the eligibility components, as well provide increase integration with System Integration Platform (SIP) and assist AHCCCS with implementing a standard user interface. This solution supports the state's direction of the eligibility modernization roadmap.

4.3.1 Advantages and Disadvantages to Platforming on ServiceNow

The implementation of an eligibility system on the ServiceNow platform represents an innovative methodology intended to enhance operational efficiencies, facilitate reusability, and promote scalability within the eligibility framework. Exhibit 15 describes the advantages and disadvantages of platforming an eligibility system on ServiceNow.

Exhibit 15: Platforming an Eligibility System on ServiceNow Advantages and Disadvantages

Advantages	• **Scalability:** ServiceNow's cloud-based infrastructure allows for easy scaling to accommodate growth and increased demand. • **Integration**: ServiceNow offers pre-built integrations and Application Programming Interfaces (APIs), facilitating seamless data exchange with other systems. These other systems are both internal to AHCCCS and with other state agencies such as DES or the state's citize**n** portal. • **Customization**: The platform supports extensive configuration to tailor workflows, forms, and user interfaces to specific organizational needs. • **Use of Existing Current State Technology**: The platform supports the use of existing state technology. • **Efficiency:** Automating processes and workflows can significantly reduce manual work, leading to increased efficiency and productivity. • **Compliance:** ServiceNow provides robust security and compliance measures,

	helping organizations meet state and federal regulations. • **User Experience:** The platform offers a user-friendly interface and self-service options, improving overall user experience for both employees and customers. • **Existing Components**: ServiceNow already has the components deployed with the current AHCCCS installation. This will reduce risk as there would be less change with this implementation. • **AHCCCS Will Not Be First**: The ServiceNow team reports that there is one state implementation in production, and others in process. • **Fraud, Waste, and Abuse (FWA)**: Platforming the Eligibility system on ServiceNow will improve the ability to identify and address FWA through automated workflows, configurable business rules that can be quickly modified, and enhanced reporting integrated into the platform.
Disadvantages	• **Configuration Limitations:** While configuration is possible, there are limits to how much the underlying code and database can be altered. If items require customization for AHCCCS, it will limit the agency's ability to implement future upgrades. • **Double Dependency on Vendor:** Relying on ServiceNow for maintenance, upgrades, and support can create dependency on the vendor and continued future alignment with the vendor product roadmap. • **Data Migration Challenges:** Migrating data from legacy systems to ServiceNow can be challenging and may require significant effort to ensure data integrity. It is also anticipated that the ServiceNow data structures may be more generic and may require additional effort or default data to map the current data to the new structures. This task must be done by skilled experienced team members from HEAplus and the implementation vendor.

5. Path Forward

NTT DATA has undertaken a comprehensive evaluation of methodologies aimed at modernizing the eligibility system. The primary goal is to address organizational challenges and enhance the efficiency of existing investments for a comprehensive modernization. This initiative focuses on optimizing the Eligibility Lifecycle by improving system modernization, streamlining workflows, utilizing reusable components, and enhancing user experience. The aim is to implement a solution that is efficient, flexible, scalable, secure, and capable of adapting to the organization's evolving needs while leveraging AHCCCS oversight of the eligibility system and PMMIS.

Key components of this approach include leveraging enterprise solutions, adopting a master person index, managing applications comprehensively, and ensuring an integrated delivery system. These elements are designed to streamline processes, minimize inconsistencies, and improve user experiences. This will lead to increased accuracy, enhanced reporting, standardized operations, *robust* security, *prompt* fraud and abuse detection and prevention, *as well as* improved customer service and operational *efficiency through workflow automation and repeatable processes*. Exhibit 16 provides a high-level list of the foundations for the path forward.

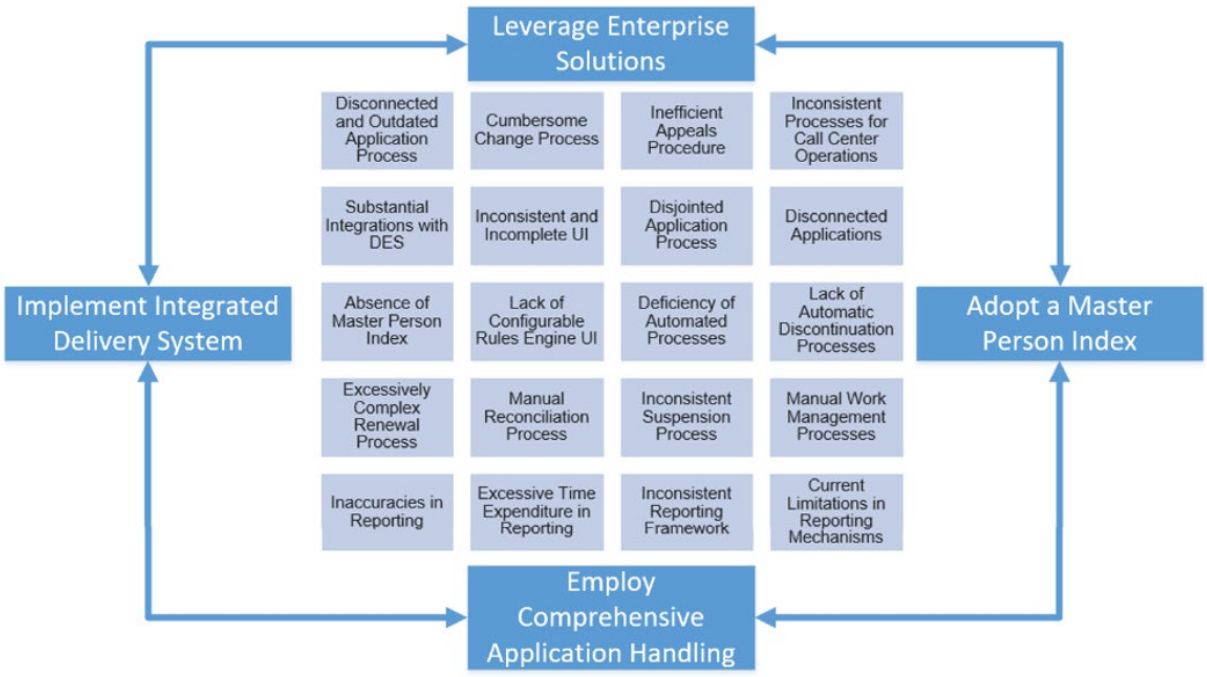
Exhibit 16: Foundations for Path Forward

5.1. Strategies for Mitigating Organizational Challenges

The modernization of the eligibility system will allow for quicker implementation of policy modifications and service improvements, resulting in enhanced service delivery for AHCCCS customers and stakeholders. A key part of this modernization effort will involve engaging with industry experts and stakeholders to ensure the solution meets current and future requirements. By leveraging advanced technologies and best practices, AHCCCS hopes to reduce operational costs, minimize technical debt, and provide a more robust platform for eligibility processes with greater protections for fraud, waste, and abuse.

This transformation is expected to bring substantial enhancements in data management and system integration. Additionally, the modernization of the eligibility system aims to comprehensively process applications and facilitate an integrated delivery system to address the identified organizational challenges. Exhibit 17 outlines the strategies for mitigating the organizational challenges AHCCCS is currently facing with the HEAplus eligibility system.

Exhibit 17: Strategies for Mitigating Organizational Challenges



5.1.1 Employ Comprehensive Application Handling

Employing comprehensive application handling will involve several key components to streamline and enhance the application process for various programs:

- **Integrated Application processing:** The goal is to create a unified application process where applicants can apply for multiple programs simultaneously, such as acute Medicaid, ALTCS, and other specific programs. This approach aims to reduce the need for multiple separate applications and streamline the application process. Applications can be received through various sources, including Federally Facilitated Marketplace (FFM), fax, e-mail, US mail, in-office, and State Data Exchange (SDX). The system should accurately capture and report these sources to improve data granularity and reporting accuracy. See Appendix E for more details on the application process.
- **Cascading Application:** Automatic cascading through other Medicaid programs for individuals found medically ineligible for ALTCS without reapplication. Additionally, the system should facilitate referrals between different programs and notify applicants about their application status, required documentation, and potential eligibility for other programs.
- **Automatic Suspension:** The automatic suspension protocols should be embedded within the eligibility management system and designed specifically to address suspensions related to incarceration and other unique situations. The system must be able to manage these specialized eligibility processes efficiently to ensure timely and accurate suspensions. For example, cases involving incarceration necessitate a tailored approach to ensure that individuals are properly suspended from eligibility during their time of incarceration. This step is essential for maintaining the integrity of the eligibility system and reducing the risk of benefit misuse.

5.1.2 Implement Integrated Delivery System

Implementing an Integrated Delivery System will optimize the application workflow and enhance operational efficiency within AHCCCS. This system encompasses several key components, including a robust pre-screening tool, workflow management, and a configurable business rules engine, all aimed at streamlining the application process and improving service delivery.

- **Robust Pre-Screening tool:** The requirement for a more sophisticated pre-screening tool is essential to optimize the application workflow and enhance operational efficiency. The pre-screening mechanism should gather preliminary data regarding applicants, assess potential eligibility for various programs, and direct users to the appropriate application pathways. This methodology is intended to minimize the need for multiple discrete applications and ensure that applicants are immediately channelled to the correct programs. The pre-screening tool should also incorporate the specialized Medicaid eligibility processes, including hospital presumptive eligibility, circumstances of incarceration, and the Children's Referral Services (CRS), which necessitate additional procedural steps and documentation.
- **Workflow Management**: The Workload Management System should allow assigning tasks based on user-defined parameters and enable users to track and manage their caseloads effectively. The system should allow eligibility workers to track their daily completed tasks (dispositions, RFIs) instead of using spreadsheets.
- **Configurable Business Rules Engine:** The business rules engine must be designed to efficiently process multiple programs aimed at various groups, including children, adults, women, the elderly, and individuals with disabilities, while also providing support for Medicare savings. Additionally, it must support specialized eligibility procedures such as hospital presumptive eligibility, incarceration status, and Federal Emergency Services (FES) criteria. The implementation of a visible and configurable business rules engine is significant for enabling the integration of applications across various programs. This initiative will provide oversight for AHCCCS and facilitate the establishment of configurable business rules that will support a front-door model, enabling users to submit applications for multiple programs through a single interface. The objective of this integration is to optimize the application workflow and enhance operational efficiency by minimizing the necessity for redundant application submissions across disparate systems. Furthermore, the Business Rules Engine should be configured for ease of use, allowing for straightforward updates and modifications in response to evolving requirements.

5.1.3 Leverage Enterprise Solutions

AHCCCS Enterprise Solutions comprise an assortment of systems and platforms engineered to optimize operational efficiency and ensure data integrity within AHCCCS. The components of these solutions include:

- **ServiceNow:** platform automates information technology service management workflows, employing various modules to standardize and enhance operational processes across AHCCCS divisions and external stakeholders.
- **System Integrations Platform (SIP):** architecture facilitates seamless data interchange, serving as the foundational interface that connects both internal and external systems.
- **Prepaid Medical Management Information System (PMMIS):** oversees Medicaid claims processing and eligibility verification operations.
- **Operational Data Store (ODS):** repository provides real-time data access, supporting timely reporting mechanisms and improving data governance protocols.
- **Electronic Document Management System (EDMS):** is used for storing all AHCCCS electronic documents.

5.1.4 Adopt a Master Person Index

Adopting a Master Person Index (MPI) offers several significant benefits to AHCCCS. These benefits include improved data accuracy and completeness, enhanced interoperability, operational efficiency, identity management, cost savings, and better service delivery.

- **Improved Data Accuracy and Completeness**: By assigning a unique digital identifier to each individual, the MPI ensures that records are accurately matched across various systems and databases. This reduces the risk of duplicates and incomplete records, leading to more reliable data.

- **Enhanced Interoperability**: The MPI facilitates seamless data exchange among different agencies, systems, and community partners. This interoperability ensures that all relevant information about an individual is accessible across various platforms, improving coordination and service delivery.
- **Operational Efficiency**: Automatic record linkage provided by the MPI minimizes the need for manual data entry and reconciliation. This automation conserves time, reduces error rates, and lowers operational costs, leading to greater efficiency in managing eligibility and other processes.
- **Identity Management**: The MPI improves the identification of individuals by correlating them with existing information. This ensures that individuals are accurately identified and associated with their records, reducing the workload for post-processing reconciliation. MPI is different than the AHCCCS ID currently HEAplus uses and AHCCCS ID for their systems; however, the AHCCCS ID is not used across all state systems, which leads to inaccuracies and duplicates.
- **Cost Savings**: By reducing manual data entry and reconciliation efforts, the MPI leads to cost savings for AHCCCS. The improved data accuracy and completeness also contribute to more efficient resource allocation and management.
- **Better Service Delivery**: With comprehensive and accurate individual information readily accessible, AHCCCS can provide better and more timely services to Arizona citizens seeking assistance. This enhances the overall effectiveness of the healthcare system.

5.2. Current Organizational Strengths for Future Eligibility Solution

AHCCCS has established and refined numerous critical processes, encompassing both current system functionalities and supporting functionalities, to bolster the organization's ability to strategically maintain and enhance the efficacy of the upcoming eligibility solution.

5.2.1 Current System Functions

Robust Application Process for Acute: AHCCCS currently has a very robust application process for the Acute program flow. This process allows for cascading program flow, which allows the customer to submit one application and be determined for all possible programs. AHCCCS wants to take this process and ensure that it's expanded to all Medicaid Programs.

No Touch Applications: AHCCCS has a high rate of no touch applications. This can be attributed to the innovative identity proofing process and the robust amount of HUB verifications. AHCCCS has also applied this logic to their renewals, resulting in a high rate of no touch renewals.

System Environments: The current system includes several distinct environments: development (Dev), quality assurance (QA), user acceptance testing (UAT), and production. Each environment fulfills unique operational roles and utilizes specific tools designed to meet system needs. There is a strong emphasis on automating the testing process as much as possible to reduce manual intervention and improve operational efficiency. This automation includes the use of tools for automated regression testing. This practice helps in identifying potential conflicts and ensuring the stability of the system. Additionally, a separate training environment is established to mirror real-world scenarios, allowing staff to train without affecting production data. This environment is equipped with tools for creating test applications and simulating interactions with external systems. The robust system environments are something that AHCCCS would like to continue, having experienced significant success with their current processes.

UI Experiences: Implement functionality that preserves specific user interface features for eligibility workers, including case disposition tracking for work assignments, workload assignment visualizations, a messaging center, a budget calculation tool, and integration with external systems such as PMMIS, SLQI, and TALX.

5.2.2 Current Supporting Functions

Call Centers: AHCCCS manages three distinct call centers to support the Medicaid demographic: the DES Call Center, the ALTCS Call Center, and the MASP Call Center. These call centers currently

operate on the Gynesis platform. Additionally, AHCCCS offers live chat functionality and an interactive chatbot system aimed at assisting Medicaid participants with their inquiries and needs. While these services operate under separate contractual agreements, it is essential to evaluate their integration into the comprehensive solution provided by the new eligibility vendor.

Correspondence: AHCCCS is mandated to comply with both state and federal regulations that require the provision of various communication channels for Medicaid participants, encompassing postal correspondence, text messages, electronic mail, telephonic communication, and faxes. Currently, AHCCCS engages two print vendors and seeks to ascertain that the vendor solution possesses the capability to support multiple print vendors while ensuring that the output files are standardized across platforms.

Infrastructure: AHCCCS currently owns and oversees the HEAplus eligibility management system. The prospective infrastructure solution is intended for AHCCCS to retain ownership and management; however, this is contingent upon a thorough evaluation to determine the optimal solution.

System File Transfers: AHCCCS currently facilitates the transmission of multiple system files from HEAplus to various supporting systems. The vendor solution will be required to implement file transfer capabilities via the SI platform to legacy systems and manage relevant file types, such as letters, while also supporting alternative data transmission methods, including APIs. The vendor must ensure that enrollment files are transmitted in a manner that aligns with the existing processes utilized for transferring data from HEAplus to PMMIS and can adjust to future modernizations to optimize data sharing. Furthermore, the vendor should possess the capability to transmit the letter generation file to the designated print vendors, relay the ProComm files to the appropriate vendors, convey the premium payment file to the premium payment processing system, and transfer other files to supporting systems, such as DES, as specified by the state.

5.3. Eligibility Framework Consideration

AHCCCS Evaluation: As AHCCCS assesses prospective requirements for its eligibility framework, a fundamental consideration is whether to maintain an integrated eligibility model or to pursue a more streamlined, flexible alternative. Recent advancements in technology indicate that an integrated eligibility system is not essential for delivering a "no wrong door" experience for Arizona citizens. This objective can be fulfilled through real-time integration with DES and other state portals, which would facilitate applications for multiple assistance programs while allowing for division and system autonomy.

Eligibility Framework Options: A Medicaid-specific infrastructure could facilitate a more effective method for securing federal funding allocated exclusively for Medicaid-related programs. This approach would enhance the operational autonomy of AHCCCS, enabling them to customize processes in accordance with the comprehensive directives, priorities, and procedural requirements that govern Medicaid assistance programs. In contrast, an integrated system may provide opportunities for cost-sharing and the variation of funding streams. However, integrated systems frequently introduce complexities related to the cost allocation of funds, intricate workflows, ongoing financial oversight, and challenges in operational implementation, which can pose significant risks. AHCCCS must carefully assess the potential limitations and complexities associated with implementing an integrated eligibility system in relation to its benefits, especially in contrast to a Medicaid-specific framework. The Eligibility integration system concerns and funding complexity considerations highlight why AHCCCS might prefer to maintain a separate, Medicaid-specific eligibility system. For additional insights into funding complexities and issues related to eligibility integration systems, refer to Exhibit 18 and Exhibit 19.

Exhibit 18: Eligibility Integration System Concerns:

Area	Concern
Cost and Resource Allocation	High initial implementation costs Ongoing maintenance and upgrade expenses

	Potential need for additional staff training
Complexity of Integration	More complex system architecture integrating multiple programs Potential for increased errors or system failures affective multiple programs Difficulties in aligning different program rules and requirements
Loss of Program-Specific Control	Reduced flexibility in making Medicaid-specific system changes Potential compromises on Medicaid-specific features to accommodate other programs
Data Privacy and Security Concerns	Increased risk of data breaches due to more extensive data sharing Challenges in maintaining program-specific data protection standards
Performance Issues	Risk of system slowdowns or crashes affective multiple programs simultaneously Potential for Medicaid operations to be impacted by issues in other programs
Compliance Challenges	Difficulty in ensuring compliance with Medicaid-specific regulations within a broader system Potential conflicts between Medicaid requirements and those of other programs
Dependency on Other Programs	Medicaid operations could be affected by changes or issues in other programs Potential delays in Medicaid-specific updates due to integrated system constraints
Reduced Specialization	Loss of Medicaid-specific optimizations and efficiencies Potential compromise on Medicaid-centric user experience
Political and Administrative Hurdles	Challenges in getting agreements across different agencies or departments Challenges in aligning different agency priorities Potential for political disagreements over system governance and funding
Timeline and Implementation Risks	Longer implementation timelines for integrated systems Higher risk of project delays or failures due to increased complexity

Vendor Lock-In	Difficulty in changing vendors or systems once integrated Potential loss of negotiating power with system providers
Reporting and Analytics Challenges	Complexity in generating Medicaid-specific reports from an integrated system Potential loss of granular Medicaid data analysis capabilities
Organizational Culture and Change Management	Challenges in aligning different organizational cultures and processes
Fraud, Waste & Abuse	Higher numbers of members and providers accessing the system, increasing the risk of Fraud, Waste & Abuse within an integrated system Increased risk of noncompliance with established rules and regulation

Exhibit 19: Funding Complexity Considerations:

Area	Medicaid-Specific System	Integrated System
Enhanced Federal Funding Rates	Eligible for 90% federal match for design, development, and installation (DDI) 75% federal match for ongoing maintenance and operations (M&O)	90% federal match for DDI of Medicaid components 75% federal match for M&O of Medicaid components Lower match rates (typically 50%) for non-Medicaid components
Cost Allocation	Simpler cost allocation as all costs are Medicaid-related	Requires complex cost allocation methodologies to determine Medicaid vs. non-Medicaid expenses Must allocate costs across multiple programs, potentially reducing the overall federal contribution
Funding Availability	Funding limited to Medicaid-related expenses	Potential access to additional funding sources from other programs (e.g., SNAP, TANF) May leverage funds from multiple federal agencies
Approval Process	Simpler approval process, primarily through CMS	More complex approval process involving multiple federal agencies May require additional documentation and justification from the state when gaps and descrepancies are identified bewteen CMS and FNS expectations.
Ongoing Federal Support	Focused support from CMS for Medicaid-related issues	Potential for broader federal support across multiple programs May benefit from cross-program initiatives and funding opportunities
Funding Flexibility	Limited to Medicaid-specific enhancements and updates	Potential for more flexible use of funds across program areas Opportunity to leverage shared services and infrastructure
Reporting and Compliance	Focused on Medicaid-specific reporting requirements	More complex reporting to multiple federal agencies Need to demonstrate appropriate cost allocation and program-specific benefits
Long-term Funding Considerations	Consistent funding model focused on Medicaid needs	Potential for long-term cost savings through shared infrastructure Risk of funding fluctuations based on changes in multiple programs
Innovation Funding	Access to Medicaid-specific innovation grants and initiatives	Potential access to a broader range of innovation funding across multiple programs
Maintenance and Upgrade Funding	Clearer funding path for Medicaid-specific upgrades	May require negotiation across programs for system-wide upgrades Potential for shared costs, but also more complex funding arrangements

The deliberation between these models requires consideration of not only initial funding differences but also their long-term financial implications and operational needs. Therefore, choosing against an integrated eligibility system should not be interpreted as a withdrawal from progress or efficiency; rather, it reflects a thorough assessment of the state's unique context, needs, and operational capabilities, ensuring that the chosen approach aligns with the primary goal of delivering effective, secure, and equitable services to all citizens. A Medicaid-specific framework could offer a more efficient mechanism for obtaining federal funding explicitly designated for Medicaid components. This tactic would grant AHCCCS enhanced operational autonomy, enabling customization of its system to accommodate the diverse mandates, priorities, and procedural requirements critical to Medicaid assistance programs.

5.4. Artificial Intelligence and Eligibility

Current Focus on AI: The most popular topic in technology today and in the foreseeable future is artificial intelligence (AI) and business process automation. While daily news and discussions are heavily focused on artificial intelligence, especially generative AI (GenAI), the adoption rate into mainstream business use has been at a much slower pace. Many organizations are fearful or uncomfortable with the “black box” aspect of this technology. AI technology can provide amazing benefits to AHCCCS and the customers they serve. The one important item to stress to the organization and to each business area is that AI technology is only an assistant to the operator. The tool is not meant to be a replacement for human interaction or to make ultimate decisions on eligibility. Some of the possible examples of how AHCCCS could use AI technology are as follows:

- **Automated Language Translation:** This would help the AHCCCS teams and call center to communicate easier. The customers whom the department serves would have more positive interactions and gain assistance more easily. It could also provide additional opportunities for AHCCCS Staff that may have been limited because of language barriers.
- **Identify Fraud and Abuse**: The use of an AI tool could help the organization to identify issues with fraudulent billing practices or customer abuse of benefits.
- **Assist with Customer Assignment:** The tool could use data from previous enrollments, patient conditions, and previous and current services to automatically route members with special circumstances or special needs to trained staff that is more adapted to assist with the enrollment or answer eligibility questions.
- **Analyze Customer Social Determinates**: The tool could assist in the review of past customer histories and case histories and help support staff assign the customer into specialized programs and identify community supports that could improve health outcomes.
- **Analyze members with frequent enrollment changes:** The tool could assist the department in identifying system or procedural problems that cause members to be continually enrolled and disenrolled. This would help relieve issues with the customers not receiving services and save support staff time.
- **Call Center Operations:** AI tools will provide call transcription with call summarization.
- **Systems Development Life Cycle**: Process Automation and GenAI ability to standardize, enhance, and fully automate DevOps processes, templates, and pipelines. An AI solution would provide the ability to generate source code, perform test case development. synthetic data creation, and automated regression testing.
- **Systems Security and Monitoring**: An AI solution can actively scan logs and provide alerts to live staff, augmenting workflow activities.
- **Business and System Documentation**: AI tools can assist with the generation of business and system documentation by scanning business rules, policies, data, and source code.

The list above provides just a few examples of how AI technology could assist in the eligibility and enrollment business areas. This technology is new and exciting. Many organizations have a heightened desire to take advantage and integrate these tools into their daily operations. It is recommended that AHCCCS first define a detailed policy on how AI should be used across the enterprise. NTT DATA’s survey of October 2024 estimated that 72% of organizations that desire to employ its use have not formally published a policy on its

use. Developing a published policy would help set the direction for AHCCCS business areas and would reduce fear of its use. The following tasks should be considered when implementing an AI tool:

- **Define specific policies that outline where it can and cannot be used:** Identify the key business areas where there would be an immediate positive impact to organizations. These improvements would be achieved through operational improvements and benefits to the end customer.
- **Focus on existing and future data:** The key component of a successful implementation of an AI tool is clean and verified data. The AHCCCS team should work to define a governance structure and data policies that will consolidate the data and ensure data integrity. The current data streams need to be reviewed, and strategies should be implemented to improve data quality for the future.
- **Secure and Scalable Platform**: AHCCCS has already started this process with the ServiceNow implementation. The current platform team will be tasked with evaluating how it can be securely used by protecting the disclosure of protected health information and provide a barrier from the accidental infection from viruses. They will also making sure the solution complies with regulations and ethical standards.
- **Implement Staff Training**: Providing comprehensive training and support on AI solutions ensures that state workers can effectively utilize AI tools in their daily operations. This training will help them understand the capabilities and limitations of AI, allowing them to leverage these technologies to their full potential. The training would also enhance AHCCCS capability to review internal functional designs or confidently review AI proposals from vendors.
- **Implement a Governance and Compliance board:** For AI adoption in public healthcare, it's essential to establish governance, standards, usage policies, training, and security to mitigate data breaches while ensuring compliance with regulations like HIPAA. Vendor-embedded solutions typically carry lower risks than in-house options. Medicaid agencies must first implement necessary controls and procedures to address legal and ethical issues.
- **Implement a Continuous AI Assessment Team:** AI applications are constantly adding data or establishing new interfaces with existing data, and the AI responses need to be monitored to ensure responses are accurate and continue to be consistent with AHCCCS policy. The team would help identify and mitigate biases, promote equitable treatment, and ensure informed decision-making. Additionally, the team would be responsible for setting up procedures and use cases that can be periodically executed and evaluated for accuracy. The team would also be responsible for setting up corrective action plans when predefined use cases no longer work as expected.

5.5. Risk Assessment of Modernizing the Eligibility System

Exhibit 20 identifies several risks associated with modernizing an eligibility system:

Exhibit 20: Risk Assessment

Risk	Description	Recommended Risk Response
Data Management and Security	Modernizing the eligibility system could pose significant risks in terms of data management and security. Ensuring that all necessary controls, policies, and procedures are in place to address both legal and ethical concerns is crucial to prevent the inappropriate and unexpected release of organizational information or HIPAA-protected data.	Implement robust data management and security protocols. This includes encryption, access controls, and regular audits to ensure compliance with legal and ethical standards, such as HIPAA.

Risk	Description	Recommended Risk Response
Operational Efficiency	While the transformation aims to streamline operational workflows and enhance the overall user experience, there is a risk that the new system may not fully meet the dynamic requirements of the organization and its stakeholders. This could lead to inefficiencies and potential disruptions in service delivery.	Conduct thorough needs assessments and continuous feedback loops with stakeholders to ensure the new system meets dynamic requirements. Regularly review and optimize workflows to prevent inefficiencies.
Technical Debt	The modernization effort involves leveraging advanced technologies and best practices to reduce operational costs and minimize technical debt. However, if not managed properly, the integration process could introduce new technical debt, complicating future maintenance and updates.	Adopt best practices for software development and integration to minimize technical debt. This includes using and monitoring for standardized coding practices, thorough documentation, and regular code reviews.
Implementation Challenges	Engaging with industry experts and stakeholders is essential to ensure the new system meets current and future requirements. However, there is a risk that the collaboration process may face challenges, such as misalignment of goals or delays in decision-making, which could impact the project's success.	Foster strong collaboration with industry experts and stakeholders. Establish clear communication channels and decision-making processes to align goals and address potential delays promptly.
System Integration	The Modernization of the eligibility system and integration with other systems (e.g., PMMIS) requires careful planning and execution. Any issues in the integration process could lead to data inconsistencies, errors, and potential disruptions in service delivery.	Plan and execute the integration carefully, using proven methodologies and tools. Conduct extensive testing to identify and resolve data inconsistencies and errors before full deployment.
Adoption of AI and GenAI	The slow internal corporate adoption of AI and GenAI solutions poses a risk to the project's success. While vendor-embedded solutions can reduce some risks, Medicaid agencies must ensure that all necessary controls, policies, and procedures are in place to address both legal and ethical concerns.	Ensure that AI and GenAI solutions are implemented responsibly. This involves setting up governance frameworks, providing training, and continuously monitoring AI systems to address any ethical or legal concerns, as well as carefully managing staff and public trust where applicable.

5.6. Alignment to Goals

The AHCCCS 2025 - 2029 strategic plan is organized around Access to Care and Quality of Care, and each goal summarizes a set of agency priorities. Overall, the strategic goals and priorities that address information technology place a heavy emphasis on procuring and building systems that are configurable, interoperable, flexible, replaceable, secure, and based on standard technologies that are mature and have a broad presence in the marketplace.

The Eligibility Modernization Roadmap aligns with the objectives outlined in the AHCCCS 2025-2029 strategic plan. It aims to modernize the Eligibility System by implementing a solution consistent with the technological concepts presented in the strategic plan. Additionally, it offers various options for consideration by AHCCCS. Exhibit 21 describes each of the objectives in the strategic plan in greater detail, and outlines activities that are associated with each strategic goal.

Exhibit 211: AHCCCS Strategic Goals along with Priorities and Initiatives

AHCCCS Strategic Goal	Priorities and Initiatives
Advance whole-person care	Support participation in the Closed-Loop Referral System
Lower the uninsured rate	Reduce the uninsured rate among those earning < 138% of the federal poverty level (FPL)
Maintain a Strong Provider Network	Establish a baseline of provider satisfaction, analyze dissatisfiers, and develop and deploy plans to address key issues
Support Preventive Care	Reinstate pre-Covid accountability mechanisms for managed care organizations (MCOs) as outlined in the MCO contracts for value-based purchasing initiatives.
Maintain High Member Satisfaction	Monitor and maintain world-class member satisfaction rate of 85%.
Strengthen Program Integrity	Implement the pre-pay and post-pay system to evaluate claims payments.
Reduce Fraud, Waste and Abuse	Implement robust verification processes to reduce excessive services, improper billing or overcharging for care.
Enhance Interoperability	Enhance interoperability to effectively communicate with healthcare systems, integrate seamlessly with state portals, and state & federal databases to increase visibility for accuracy in eligibility determinations.

In addition to the 2025-2029 strategic plan, AHCCCS published its Health IT strategy for 2022-2026, demonstrating the alignment of the health information technology (HIT) strategy with the state's health information exchange (HIE) strategy. Exhibit 22 outlines five goals that AHCCCS aims to achieve through the development and execution of this Eligibility Modernization Roadmap.

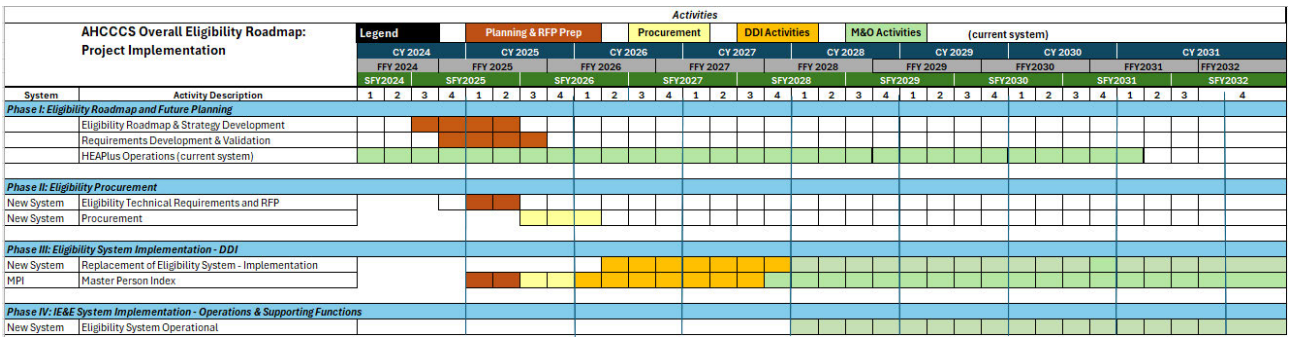
Exhibit 22: AHCCCS Health IT Priorities and Goals

Priority: Continue Health IT Collaboration		
Goal 1	Establish cross-agency collaborations to maximize utilization of Contexture to advance interoperability across the enterprise, the state, and the community.	
	Strategy 1.1	AHCCCS actively participates in ongoing statewide health IT governance, operations, and business development.
	Strategy 1.2	AHCCCS regularly reviews and evaluates Medicaid and state agency data access and sharing needs.
	Strategy 1.3	AHCCCS coordinates with Contexture to engage community stakeholders to understand health IT opportunities and challenges.
Priority: Create Efficiencies and Improve Healthcare Quality		
Goal 2	Support data integration to enhance the data exchange infrastructure.	
	Strategy 2.1	Enhance Arizona's data sharing capabilities to advance public health infrastructure modernization.
	Strategy 2.2	Extend Arizona's data sharing capabilities to enable informed clinical decision making and advance health equity.
Goal 3	Increase provider access to care information in a standardized format.	
	Strategy 3.1	Develop and deploy technology and policy infrastructure to support data sharing.
	Strategy 3.2	Maximize available funding to advance the data sharing infrastructure.
	Strategy 3.3	Support Contexture to incentivize HIE utilization to improve quality and address health disparities.
Priority: Improve Data Quality and Modernization		
Goal 4	Improve operations by modernizing agency technology.	
	Strategy 4.1	Assess and enhance the AHCCCS MES infrastructure and environment.
	Strategy 4.2	Create and enhance agency dashboards for improved visibility and analytics.
Goal 5	Increase agency data access and information exchange.	
	Strategy 5.1	Develop and deploy technology and policy infrastructure to support data sharing.
	Strategy 5.2	Maximize available funding to advance the data sharing infrastructure.

5.7. High Level Timelines

The Eligibility timeline represents a phased approach to the implementation of the solution, from planning through maintenance and operations. Preparation activities, including strategic planning and procurement, occur through FY25, with an anticipated two-year Design, Development and Implementation (DDI) period to begin in FY26, through FY27, with the system fully functional by FY28. The estimated high-level timeline represents a full four years of maintenance and operations (M&O) of the system. Concurrently, AHCCCS will plan for and procure a Master Person Index (MPI), with anticipated DDI completed by mid-FY27, with integration with the Eligibility system. This ensures a centralized approach to identity management and builds efficiencies for data management, data quality, and manual data verification. For more information on the high-level timeline see Exhibit 23.

Exhibit 23: High Level Timeline

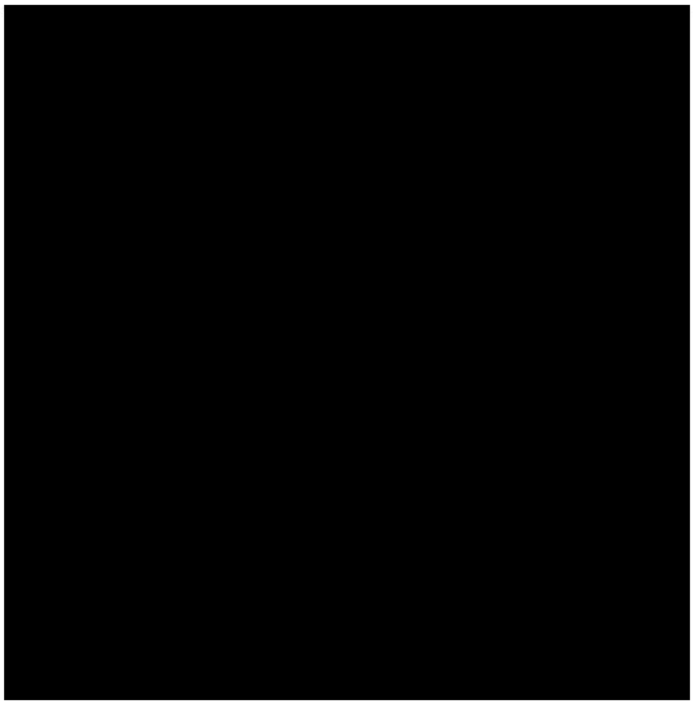


5.8. Estimated Costs

Cost considerations are based on an expected two-year Development, Design, and Implementation (DDI) phase followed by a four-year M&O period, with a focus on both direct and indirect expenses. During the DDI phase, cost typically includes personnel, software licenses, hardware, and any necessary training. The M&O

phase will generally involve ongoing costs such as system support, updates and operational staffing [redacted]

[redacted]



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5.8.1 Cost Structure

AHCCCS costs are allocated using the AHCCCS- Medicaid/M-CHIP/KidsCare Ratio Allocation. Costs are allocated to benefiting programs based on enrollment as a proportion of all individuals enrolled in AHCCCS Medicaid, M-CHIP, and KidsCare programs. In the first business days of each month, AHCCCS takes the previous months' enrollment numbers for Medicaid and divides this by the total enrollment number. The calculated ratio is then applied to the related cost of the month to Medicaid. This methodology is included in the AHCCCS Cost Public Assistance Allocation Plan (PACAP). The AHCCCS Enrollment Report is produced on a monthly basis, and agency-wide cost allocation percentages are updated to reflect the most current enrollment statistics. The allocation of project costs included is estimated based on the AHCCCS Enrollment

Report for October 2022. Actual costs will be allocated based on the actual AHCCCS Enrollment Report and Enrollment Allocation for the period. If during the project period AHCCCS realizes that certain parts or module will benefit not only Medicaid but other non-Medicaid or state programs, AHCCCS will charge the cost either directly to the benefitting program(s) or allocate the cost by using the AHCCCS-wide Enrollment methodology for shared modules.

5.9. Next Steps

Next steps for AHCCCS include both strategic and tactical activities. AHCCCS leadership must evaluate the considerations for a path forward laid out in the Eligibility Modernization Roadmap to determine the best approach, secure funding, and commit to a procurement to solicit proposals from qualified vendors. Concurrently, AHCCCS must begin planning activities to ensure that vendor onboarding, contract management, and resource allocation are in place to support implementation and operations. AHCCCS must plan Organizational Change Management and work with teams across the agency to plan and complete readiness activities for utilizing the new system.

- **Engage Strategic Leadership** AHCCCS established an Executive Steering Committee and a Working Steering Committee to guide the prioritization of work and provide oversight of day-to-day project activities across the Agency. The Eligibility team should engage the Steering Committees to gain executive championship of the project and to ensure that teams are kept apprised of work as it is planned and executed. This ensures that resources can be allocated in advance and necessary pivots made to accommodate project tasks. Keeping the Steering Committees informed helps maintain approval and manage risks and roadblocks as they are identified. The Steering Committees should be engaged early and often throughout the course of the project to align expectations, ensure transparency, and garner continued executive support.
- **Conduct Procurement** Tactical next steps include working with state and federal leaders to secure funding and conducting procurement activities to select the solution that best meets the needs of AHCCCS. Requirements for the new solution have been reviewed and validated, with signoff from business and technical teams. AHCCCS should evaluate all procurement vehicles, including NASPO, RFPs, and other state procurement mechanisms; and conduct solicitation and evaluation activities that ultimately result in a contract with an Eligibility solution vendor; and begin implementation.

Appendix A Arizona Acronyms

This appendix defines the acronyms used in this deliverable.

Acronym	Description
ALTCS	Arizona Long Term Care System
AHCCCS	Arizona Health Care Cost Containment System
API	Application Programming Interface
CMS	Centers for Medicare & Medicaid Services
COTS	Commercial-of-the-shelf
DED	Deliverable Expectation Document
DES	Department of Economic Security
DDI	Design Development and Implementation
DW	Data Warehouse
FWA	Fraud. Waste, and Abuse
HIE	Health Information Exchange
HIT	Health Information Technology
ISD	Information Services Division
ITSM	IT Service Management
IT	Information Technology
MES	Medicaid Enterprise Systems
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System
SaaS	Software as a Service
SOQI	State Online Query Internet
TALX	Income verification interface
TC	Test Cases
TIPS	Transfer of Information for Public Service
UAT	User Acceptance Test

UI	User Interface

Appendix B Arizona Documentation

This appendix lists the Arizona documentation that AHCCCS Leadership provided in support of preparing the AHCCCS Eligibility Modernization Roadmap.

Title	Description
RFP_AZ_HIX Traceability Matrix	The AZHIX Traceability Matrix encompasses the business area, module/functional area, and requirement descriptions pertinent to the HEAplus system requirements
Medicaid-CHIP Business Rules	The Medicaid-CHIP Business Rules encompasses the business rules for all programs and how they function in the HEAplus system
Report List Details	The Report list provides all reports related to AHCCCS and HEAplus reporting with descriptions of how they are delivered
HEAplus Hub Source Matrix	The HEAplus Hub Source Matrix provides details for all verification sources AZ currently uses for eligibility determinations.
HEAplus System Diagram	The HEAplus System Diagram provides details on the HEAplus Network Security Boundaries.
(ACUTE) Renewal Processing Table	The (ACUTE) Renewal Processing Table provides information that details how renewals are processed for renewals.
(ALTCS) Renewal Processing Table	The (ALTCS) Renewal Processing Table provides information that details how renewals are processed for renewals.
Disposition Reason Codes Matrix	The Disposition Reason Code Matrix provides details of how AHCCCS completes dispositions within HEAplus.
Eligibility Key Hierarch in Excel	The Eligibility Key Hierarch in Excel provides details of how the programs are keyed for eligibility in PMMIS.
Eligibility Requirements ALTCS high Level	The Eligibility Requirements ALTCS high Level provides details of how eligibility is determined for ALTCS.
Eligibility Requirements	Eligibility Requirements provide details of how eligibility is determined for ACUTE programs.

Appendix C Informational Sessions

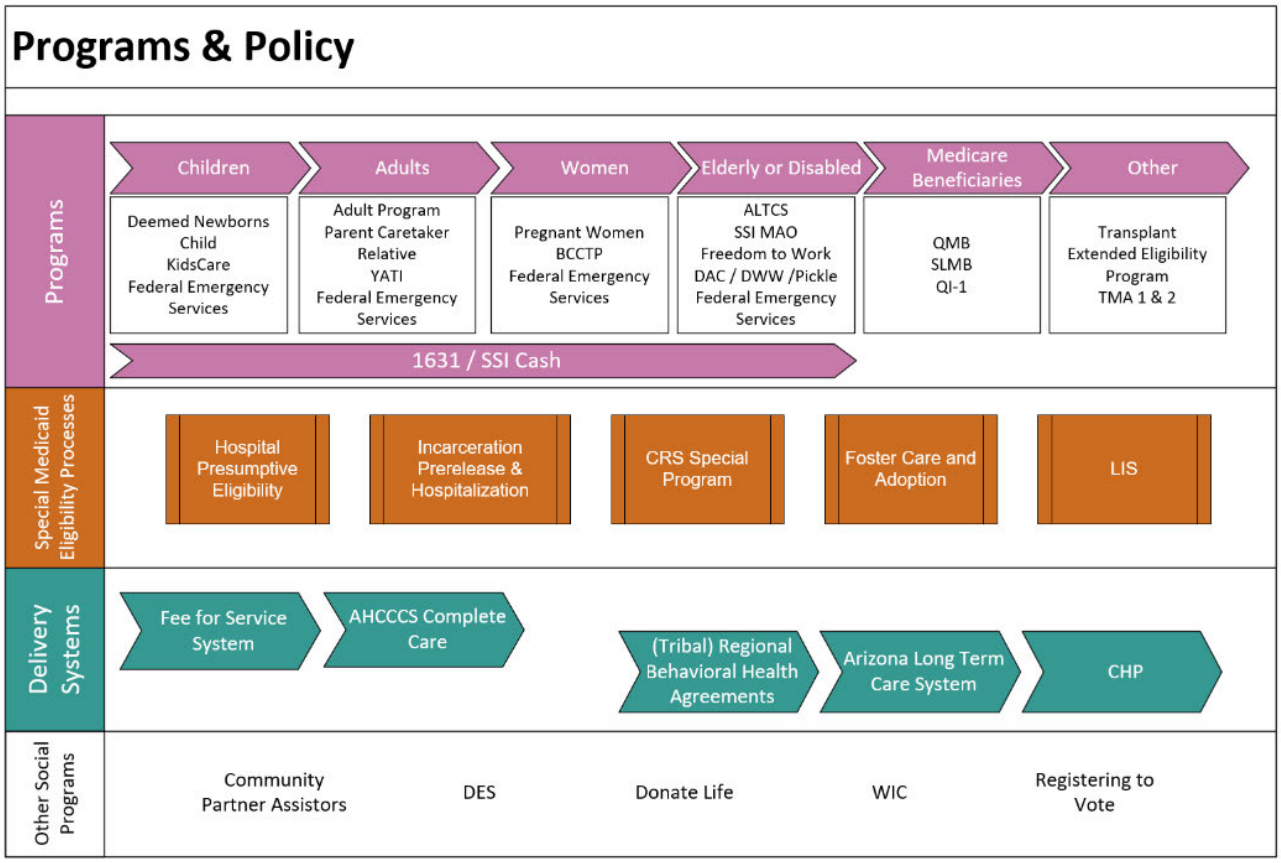
This appendix includes the information session and topics that were held with AHCCCS Leadership in support of preparing the Eligibility Modernization Roadmap.

Session Name	Topics	Date
Eligibility Visioning Planning	• Application Lifecycle • Eligibility Key Components	October 25, 2024
Eligibility Visioning Session 1	• Program and Policy • Key Components	October 29, 2024
Eligibility Visioning Session 2	• Application Intake	October 31, 2024
Eligibility Visioning Session 3	• Application Processing	November 4, 2024
Eligibility Visioning Session 4	• Verifications • Changes • Renewals	November 6, 2024
Eligibility Visioning Session 5	• Renewals • Changes	November 7, 2024
Eligibility Visioning Session 6	• Supporting Functions	November 8, 2024
Eligibility Informational/Shadowing Session 1	• Reviewed HEAplus system functionalities and workflows. • Analyzed two intake cases	November 12, 2024
Eligibility Informational/Shadowing Session 2	• Two renewal cases (BCCPT and Adult) • Two dispositions of cases (denials) (FTW and SSI MAO) • One intake case (FTW)	November 13, 2024
Eligibility Informational/Shadowing Session 3	• Intake (1)- Programs FTW and SSI MAO • Changes (2) Authorized Representative change and Income Change	November 14, 2024
Eligibility Informational/Shadowing Session 4	• LIS Applications (3) -SSI MAO and Medicare Savings • Intake (1)- Medicare Savings	November 15, 2024
Eligibility Visioning Session 7	• Outcomes • Migrations	November 15, 2024
Eligibility Visioning Session 8	• Reporting	November 18, 2024

Session Name	Topics	Date
Eligibility Visioning Session 9	• Supporting Processes	November 22, 2024
Eligibility Visioning Debrief	• Organizational Challenges • Recommended Solutions	December 6, 2024

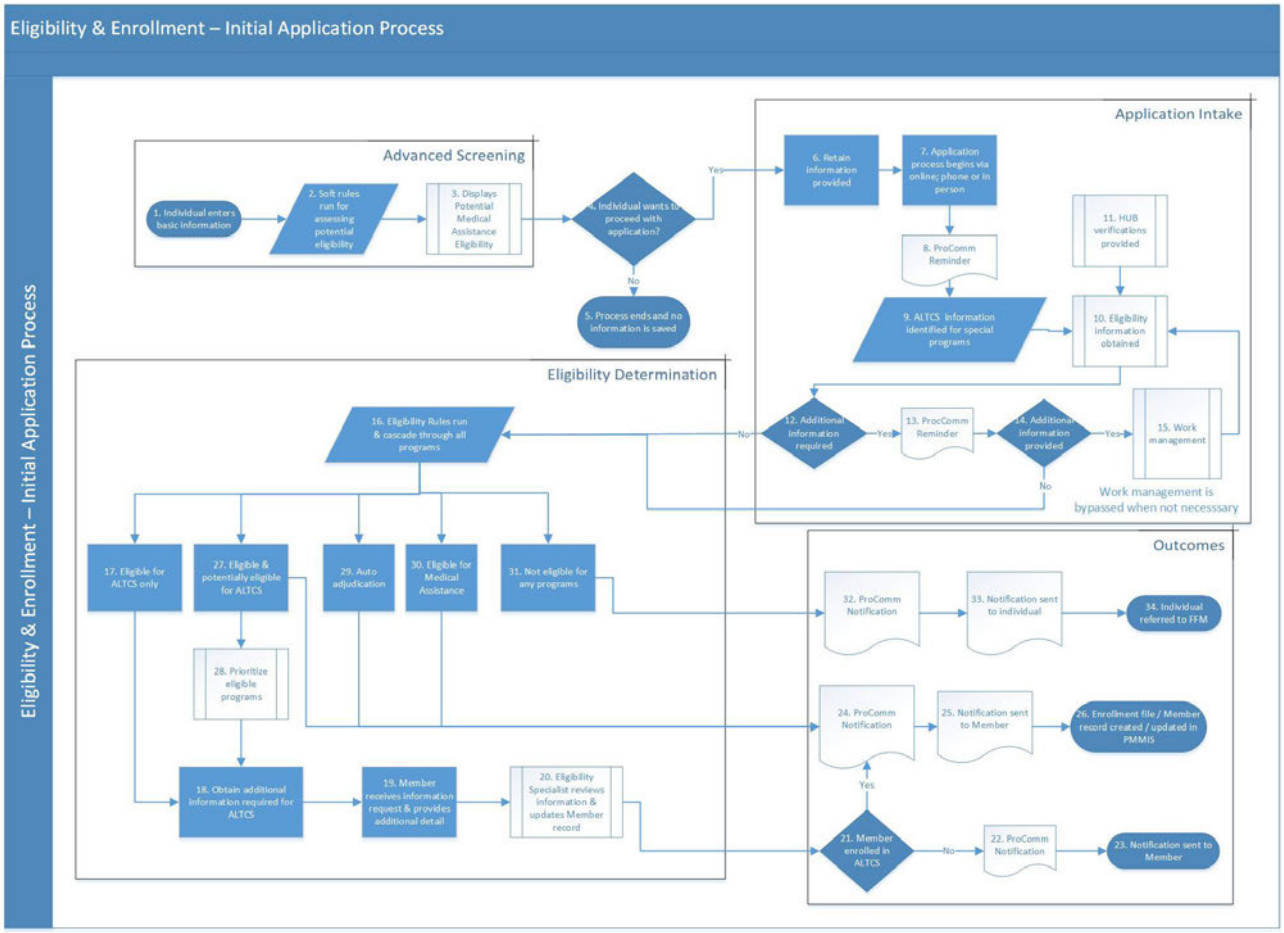
Appendix D Program & Policy

The Eligibility Programs & Policy flowchart provides an overview of the programs administered by the AHCCCS.



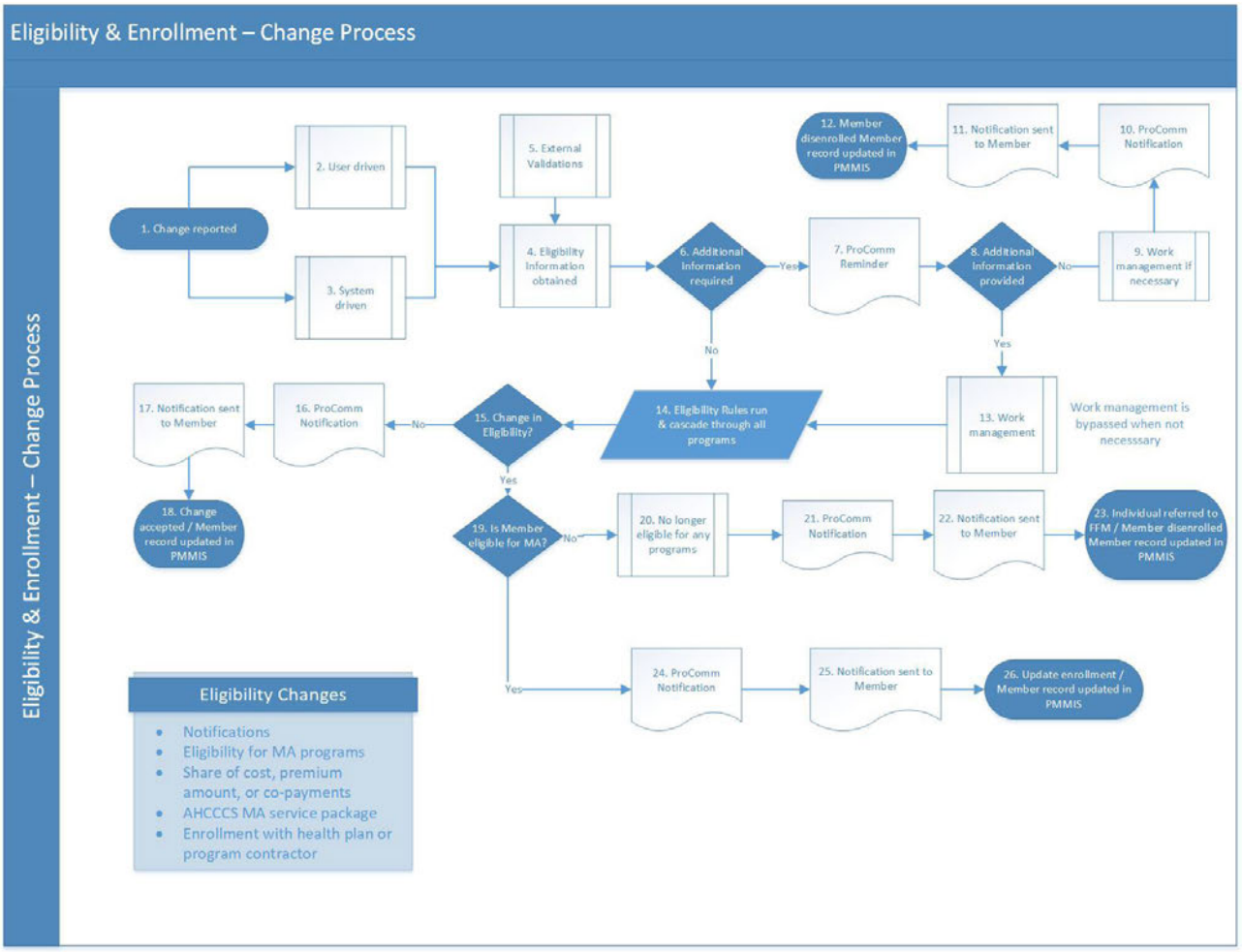
Appendix E Initial Application Process

The Initial Application Process flowchart offers a high-level perspective of AHCCCS' desire for a comprehensive application process.



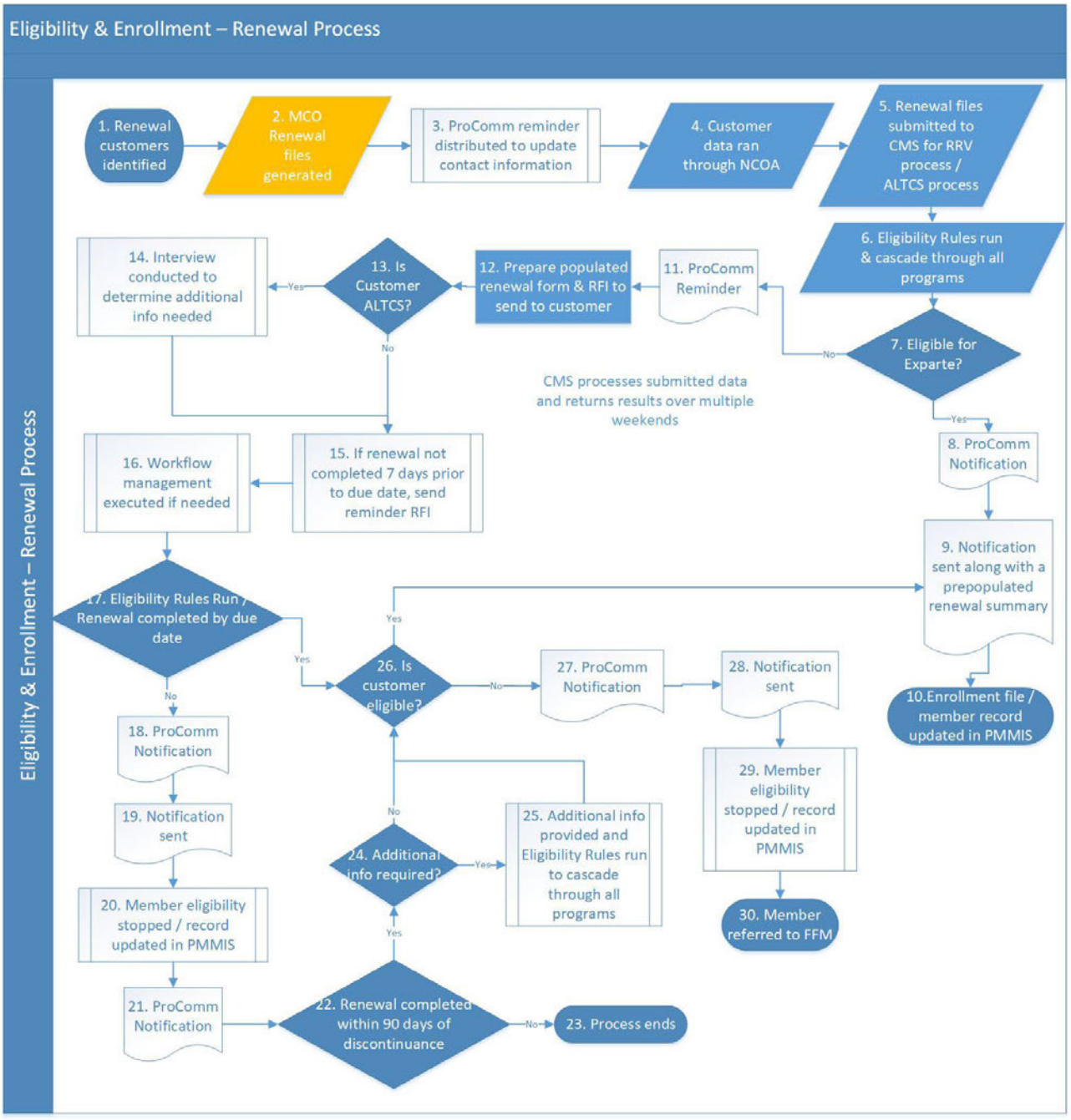
Appendix F Change Process

The Change Process flowchart offers a high-level perspective of AHCCCS' desire for a comprehensive change process.



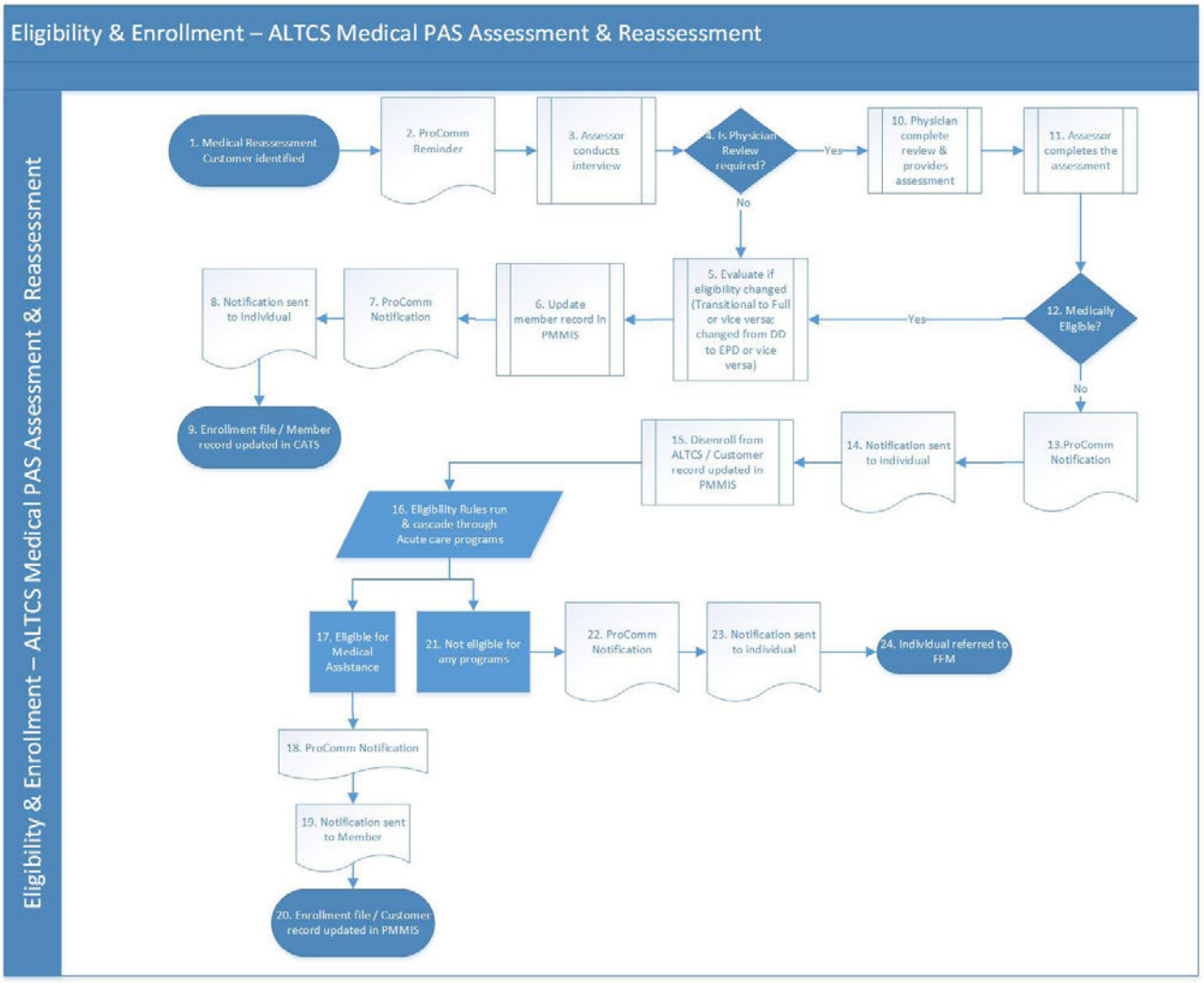
Appendix G Renewal Process

The Renewal Process flowchart offers a high-level perspective of AHCCCS' desire for a comprehensive renewal process.



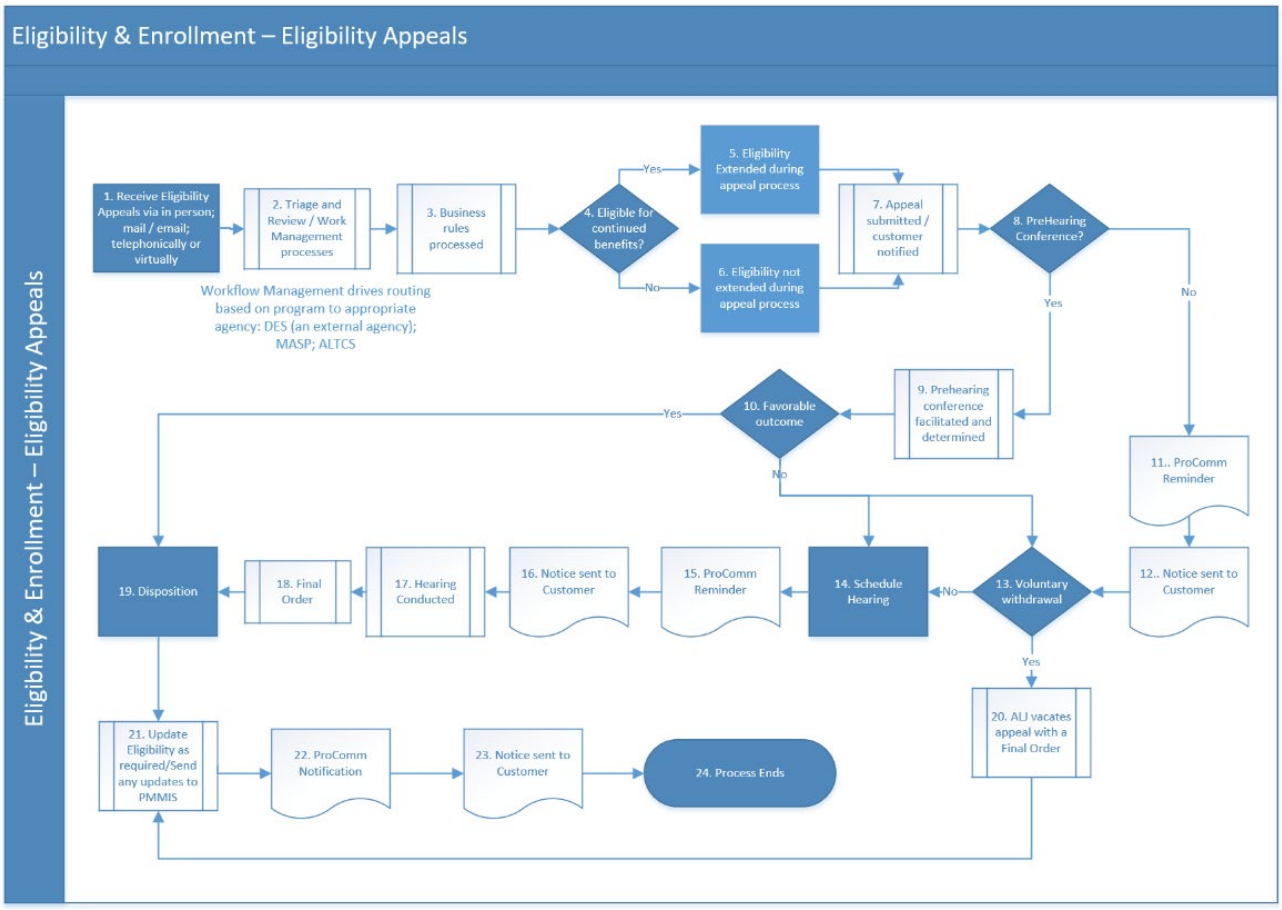
Appendix H ALTCS Medical PAS Assessment & Reassessment

ALTCS Medical PAS Assessment & Reassessment flowchart offers a high-level perspective of AHCCCS' need for an integrated ALTCS Medical PAS Assessment and Reassessment process.



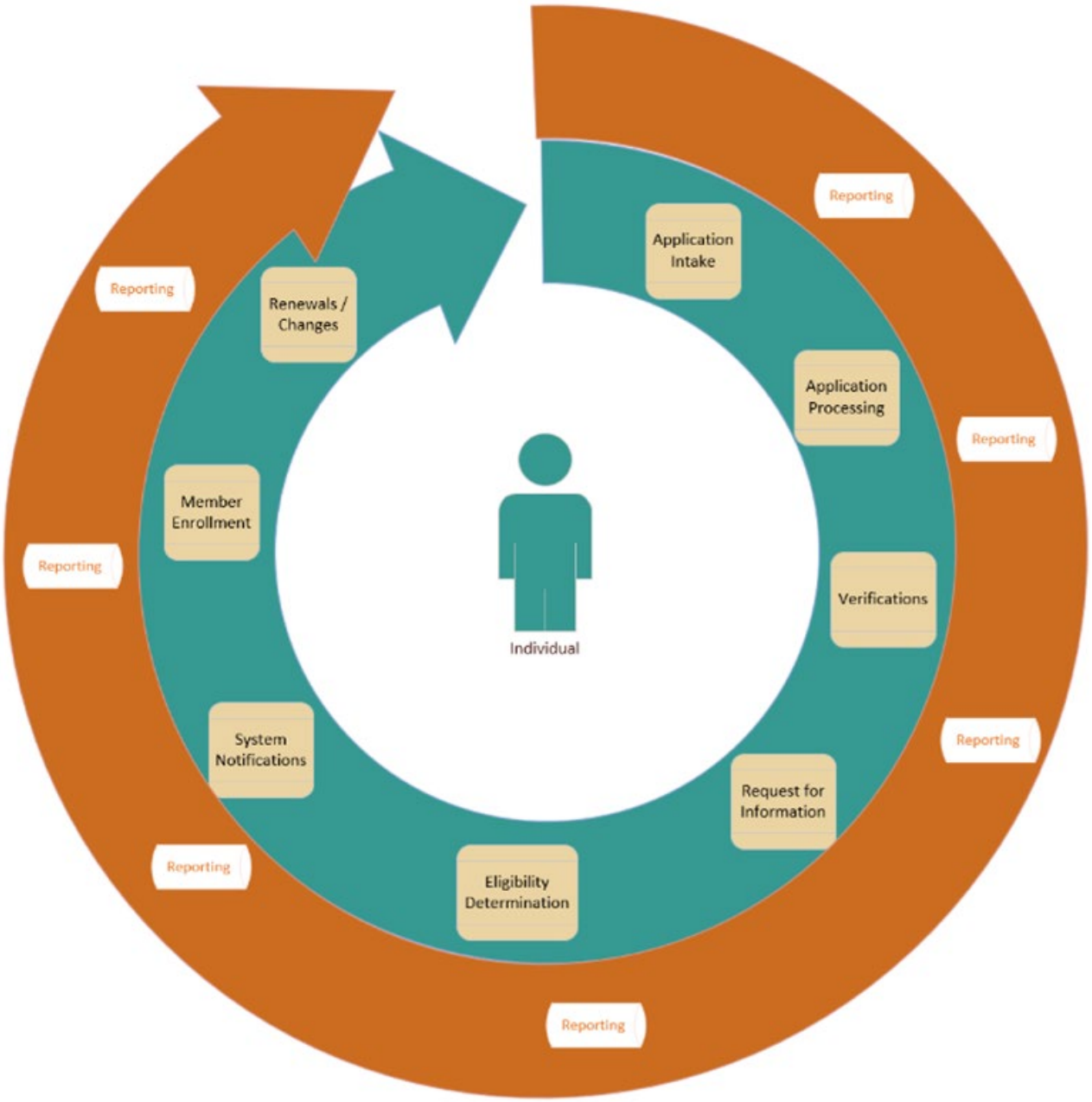
Appendix I Eligibility Appeals

The Eligibility Appeals flowchart offers a high-level perspective of AHCCCS' need for a comprehensive eligibility appeals process.



Appendix J Eligibility Lifecycle

The Eligibility lifecycle graphic offers a high-level perspective of AHCCCS' comprehensive eligibility process.



Appendix K Eligibility Lifecycle Terminology

Eligibility lifecycle terminology offers a high-level definition of AHCCCS' terminology for each step in the eligibility process.

AHCCCS Eligibility Lifecycle Terminology	
Application Intake	The Application Intake phase of the lifecycle is the process of initial application for benefits by a current or potential customer. The Application Intake process must be a robust process that enables a customer to securely create an account, enter their information, save their information and application in progress, and ultimately apply for benefits.
Application Processing	The Application Processing phase of the life cycle represents the workflow of a state worker and encompasses varying levels of customer communication and support. Application Processing supports day-to-day workflow of state workers who are processing applications.
Verifications	The verification process involves the assessment of specific eligibility criteria, including but not limited to income, disability status, social security number, and age, necessitating the provision of supporting documentation to validate the accuracy of these factors. This verification is essential for making an eligibility determination regarding an application, case, modification, or renewal.
Request for Information	The Request for Information process represents all communications with a customer to obtain additional information. The solution should support the ability for a case worker to call a client, document notes, request documents to verify personal data such as identity and income, and to securely store the information received. The Request for Information process should enable case workers to securely communicate with customers through multiple methods and should allow a customer to determine their preferred method of communication.
Eligibility Determination	Eligibility determination is the process of assessing whether an individual meets the specific criteria required to qualify for a particular Medicaid program. This process involves evaluating various eligibility factors such as income, age, residency, and other relevant criteria to determine if the applicant is eligible for the program.
System Notifications	System Notifications are categorized into specific classifications (e.g., approvals, denials) and are configured for dissemination through multiple channels (e.g., mail, electronic formats). Additionally, they must incorporate pertinent information regarding appeal rights where applicable and comply with established data retention protocols for the preservation of notifications.
Member Enrollment	Member enrollment is the process in which a customer is found eligible for a specific Medicaid program, and that transaction is sent to PMMIS for benefit management and services.
Renewals and Changes	Renewals refer to systematic evaluations performed at specified intervals to re-evaluate a customer's eligibility for Medicaid programs. and changes are evaluations that are conducted when AHCCCS receives a change in eligibility factors (i.e. income, disability) that could impact a customer's eligibility for Medicaid Programs. Changes refer to re-evaluations performed by AHCCCS when it receives changes in eligibility criteria (such as income or disability status) that may influence an individual's qualification for Medicaid programs.
Reporting	Reporting eligibility entails systematic documentation and communication of customer's eligibility status for various programs or services. This process guarantees that all pertinent data is accurately collected, analyzed, and disseminated to stakeholders, including governmental agencies, program administrators, and other relevant entities.