



Centers for Medicare & Medicaid Services Office of  
Information Services  
Information Services Design & Development Group 7500 Security  
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Baltimore, MD 21244-1850

**Section 1115 Demonstration Program  
Template**

## **Section 1115 Demonstration Template for New Demonstrations**

**Instructions:** This template is meant to assist states that are developing an application for a new section 1115 demonstration project; submission of the information provided in this template or the attachments does not guarantee approval of a state's demonstration request. CMS will work with states to identify any additional information necessary to consider demonstration requests. Use of this guide/format is not required; it is a tool that states can use at their option. It was designed to help states ensure the application contains the required elements as provided for under 42 CFR 431.412, as well as promote an efficient review process. It can also be used by states as a template for their application; states can add narrative responses to the information requested in the sections below that are applicable to the state's particular application, and complete the charts and check boxes provided. We will continue to improve this guide based on input from states and expect to have an online section 1115 demonstration application available for use in the future.

Please submit applications electronically to [1115DemoRequests@cms.hhs.gov](mailto:1115DemoRequests@cms.hhs.gov) and mail hard copies to:

Ms. Victoria Wachino  
Centers for Medicare & Medicaid Services Children  
and Adults Health Programs Group Mail Stop: S2-01-  
16  
7500 Security Boulevard  
Baltimore, MD 21244

### **Section I - Program Description**

*This section should contain information describing the goals and objectives of the Demonstration, as well as the hypotheses that the Demonstration will test. In accordance with 42 CFR 431.412(a)(i), (v) and (vii), the information identified in this section must be included in a state's application in order to be determined complete. Specifically, this section should:*

- 1) Provide a summary of the proposed Demonstration program, and how it will further the objectives of title XIX and/or title XXI of the Social Security Act (the Act). (This summary will also be posted on Medicaid.gov after the application is submitted. If additional space is needed, please supplement your answer with a Word attachment);
- 2) Include the rationale for the Demonstration (if additional space is needed, please supplement your answer with a Word attachment);
- 3) Describe the hypotheses that will be tested/evaluated during the Demonstration's approval period and the plan by which the State will use to test them (if additional space is needed, please supplement your answer with a Word attachment);
- 4) Describe where the Demonstration will operate, i.e., statewide, or in specific regions within the State. If the Demonstration will not operate statewide, please indicate the

geographic areas/regions of the State where the Demonstration will operate (if additional space is needed, please supplement your answer with a Word attachment);

- 5) Include the proposed timeframe for the Demonstration (if additional space is needed, please supplement your answer with a Word attachment); and
- 6) Describe whether the Demonstration will affect and/or modify other components of the State’s current Medicaid and CHIP programs outside of eligibility, benefits, cost sharing or delivery systems (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response:**

**See attachment entitled: “Modernizing Arizona Medicaid”**

**Section II – Demonstration Eligibility**

*This section should include information on the populations that will participate in the Demonstration, including income level. In accordance with 42 CFR 431.412(a)(ii), the information identified in this section must be included in a state’s application in order to be determined complete. Specifically, this section should:*

- 1) Include a chart identifying any populations whose eligibility will be affected by the Demonstration (an example is provided below; note that populations whose eligibility is not proposed to be changed by the Demonstration do not need to be included). Please refer to Medicaid Eligibility Groups: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Eligibility-Groups.pdf> when describing Medicaid State plan populations, and for an expansion eligibility group, please provide the state name for the groups that is sufficiently descriptive to explain the groups to the public.

**AZ Response:**

**The only population whose eligibility may be affected by the Demonstration are expansion adults 100%-133% FPL in the New Adult Group who fail to make timely payments in the AHCCCS CARE program. See attachment entitled: “Modernizing Arizona Medicaid”**

**Example Eligibility Chart**

| <b>Eligibility Group Name</b>  | <b>Social Security Act and CFR Citations</b>         | <b>Income Level</b>   |
|--|--|-----------------------|
| Transitional Medical Assistance  | 408(a)(11)(A)<br>1931(c)(2)<br>1925<br>1902(a)(52)   | 0 – 100% of the FPL   |
| Families who would qualify for cash assistance if the State had expanded its cash assistance program as allowed under federal law (Parent/Caretaker Relatives) | 1902(a)(10)(A)(ii)(III)<br>42 CFR 435.223<br>1905(a) | 100 – 200% of the FPL |
| Adults without dependent children not otherwise eligible under the State plan  | N/A  | 0-200% of the FPL     |

- 2) Describe the standards and methodologies the state will use to determine eligibility for any populations whose eligibility is changed under the Demonstration, to the extent those standards or methodologies differ from the State plan (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: N/A**

- 3) Specify any enrollment limits that apply for expansion populations under the Demonstration (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: N/A**

- 4) Provide the projected number of individuals who would be eligible for the Demonstration, and indicate if the projections are based on current state programs (i.e., Medicaid State plan, or populations covered using other waiver authority, such as 1915(c)). If applicable, please specify the size of the populations currently served in those programs (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: The projected number of Medicaid State Plan eligible individuals who would be eligible for the AHCCCS CARE program is:**

|                              |                |
|------------------------------|----------------|
| <b>Newly Eligible Adults</b> | <b>62,763</b>  |
| <b>Prop 204 Restoration</b>  | <b>251,987</b> |
| <b>TANF Adult Parents</b>    | <b>256,133</b> |
|                              | <hr/>          |
|                              | <b>570,883</b> |

- 5) To the extent that long term services and supports are furnished (either in institutions or the community), describe how the Demonstration will address post-eligibility treatment of income, if applicable. In addition, indicate whether the Demonstration will utilize spousal impoverishment rules under section 1924, or will utilize regular post-eligibility rules under 42 CFR 435.726 (SSI State and section 1634) or under 42 CFR 435.735 (209b State) (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: AHCCCS CARE members will receive the same services furnished to all other acute care enrollees. All of the same eligibility procedures will be utilized.**

- 6) Describe any changes in eligibility procedures the state will use for populations under the Demonstration, including any eligibility simplifications that require 1115 authority (such as continuous eligibility or express lane eligibility for adults or express lane eligibility for children after 2013) (if additional space is needed, please supplement your answer with a Word attachment); and

**AZ Response: N/A**

- 7) If applicable, describe any eligibility changes that the state is seeking to undertake for the purposes of transitioning Medicaid or CHIP eligibility standards to the methodologies or standards applicable in 2014 (such as financial methodologies for determining eligibility based on modified adjusted gross income), or in light of other changes in 2014 (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response: N/A**

**Section III – Demonstration Benefits and Cost Sharing Requirements**

*This section should include information on the benefits provided under the Demonstration as well as any cost sharing requirements. In accordance with 42 CFR 431.412(a)(ii), the information identified in this section must be included in a state’s application in order to be determined complete. Specifically, this section should:*

- 1) Indicate whether the benefits provided under the Demonstration differ from those provided under the Medicaid and/or CHIP State plan:

**X Yes**                       No (if no, please skip questions 3 – 7)

- 2) Indicate whether the cost sharing requirements under the Demonstration differ from those provided under the Medicaid and/or CHIP State plan:

**X Yes**                       No (if no, please skip questions 8 - 11)

- 3) If changes are proposed, or if different benefit packages will apply to different eligibility groups affected by the Demonstration, please include a chart specifying the benefit package that each eligibility group will receive under the Demonstration (an example is provided):

**AZ Response: There are no changes proposed to the benefits provided under the Demonstration. The benefits chart already in the Demonstration for members enrolled in the Arizona Long Term Care System (ALTCS) is included to reflect the current differences from State Plan services for members at risk of institutionalization. No changes are being proposed to benefits.**

**Example Benefit Package Chart**

| Eligibility Group                              | Benefit Package                      |
|--|--------------------------------------|
| Transitional Medical Assistance                | Full State Plan                      |
| Optional State plan parent/caretaker relatives | Benchmark Equivalent Benefit Package |
| Expansion Adults                               | Demonstration-only Benefit Package   |

**AZ Benefit Package Chart**

| Eligibility Group                            | Benefit Package                         |
|--|---|
| <b>Arizona Long Term Care System (ALTCS)</b> |   |
|  | Acute Hospital Admission                |
|  | Adult Day Health Services               |
|  | Attendant Care                          |
|  | Behavioral Health Services              |
|  | Community Transition Services           |
|  | DME / Medical Supplies                  |
|  | Emergency Alert                         |
|  | Habilitation                            |
|  | Home Delivered Meals                    |
|  | Home Health Agency Services             |
|  | Home Modifications                      |
|  | Home Maker Services                     |
|  | Hospice Services (HCBS & Institutional) |

|  |  |
|--|--|
|  | ICF / MR                               |
|  | Medical Care Acute Services            |
|  | Nursing Facility Services              |
|  | Personal Care                          |
|  | Respite Care (in home)                 |
|  | Respite Care (Institutional)           |
|  | Therapies                              |
|  | Transportation                         |
|  | All Other Medicaid State Plan Services |

4) If electing benchmark-equivalent coverage for a population, please indicate which standard is being used:

- Federal Employees Health Benefit Package State
- Employee Coverage
- Commercial Health Maintenance Organization
- Secretary Approved

\*\*Please note that, in accordance with section 1937(a)(2)(B) of the Act, the following populations are exempt from benchmark equivalent benefit packages: mandatory pregnant women, blind or disabled individuals, dual eligibles, terminally ill hospice patients, individuals eligible on basis of institutionalization, medically frail and special medical needs individuals, beneficiaries qualifying for long-term care services, children in foster care or receiving adoption assistance, mandatory section 1931 parents, and women in the breast or cervical cancer program. Also, please note that children must be provided full EPSDT benefits in benchmark coverage.

- 5) In addition to the Benefit Specifications and Qualifications form: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/Interim1115-Benefit-Specifications-and-Provider-Qualifications.pdf>, please complete the following chart if the Demonstration will provide benefits that differ from the Medicaid or CHIP State plan, (an example is provided).  
**AZ Response: N/A. The Demonstration will not provide benefits that differ from the Medicaid/CHIP State Plan other than the HCBS Services identified in the chart under response to #3 above.**

**Example Benefit Chart**

| Benefit                     | Description of Amount, Duration and Scope        | Reference            |
|-----------------------------|--|----------------------|
| Inpatient Hospital Services | No limitations – coverage is based on State plan | Mandatory 1905(a)(1) |
| Podiatrist Services         | Limited to 12 visits per year                    | Optional 1905(a)(6)  |

**Benefit Chart**

| Benefit | Description of Amount, Duration and Scope | Reference |
|---------|---|-----------|
|         |   |           |
|         |   |           |
|         |   |           |

**Benefits Not Provided**

| Benefit | Description of Amount, Duration and Scope | Reference |
|---------|---|-----------|
|         |   |           |
|         |   |           |
|         |   |           |

Please refer to List of Medicaid and CHIP Benefits: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Medicaid-and-CHIP-Benefits.pdf>, when completing this chart.

6) Indicate whether Long Term Services and Supports will be provided.

**X Yes** (if yes, please check the services that are being offered)  No

In addition, please complete the: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-LTSS-Benefits.pdf>, and the: <http://www.medicare.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/Long-Term-Services-Benefit-Specifications-and-Provider-Qualifications.pdf>.

**AZ Response: No changes to benefits are being proposed. ALTCS enrolled members receive the full array of HCBS services as under the Demonstration (see #3 above). Acute care enrollees receive the same benefits as under the State Plan and behavioral health benefits as under the State Plan and Demonstration.**

- |   |  |
|---|--|
| <input type="checkbox"/> Homemaker  | <input type="checkbox"/> Home Health Aide Personal                           |
| <input type="checkbox"/> Case Management  | <input type="checkbox"/> Care Services                                       |
| <input type="checkbox"/> Adult Day Health Services Habilitation –                     | <input type="checkbox"/> Habilitation – Residential Habilitation             |
| <input type="checkbox"/> Supported Employment Habilitation –                          |  |
| <input type="checkbox"/> Day Habilitation Habilitation – Other                        | <input type="checkbox"/> Habilitation – Pre-Vocational                       |
| <input type="checkbox"/> Habilitative   | <input type="checkbox"/> Habilitation – Education (non-IDEA Services)        |
| <input type="checkbox"/> Respite  | <input type="checkbox"/> Day Treatment (mental health service)               |
| <input type="checkbox"/> Psychosocial Rehabilitation                                  | <input type="checkbox"/> Clinic Services                                     |
| <input type="checkbox"/> Environmental Modifications (Home Accessibility Adaptations) | <input type="checkbox"/> Vehicle Modifications                               |
| <input type="checkbox"/> Non-Medical Transportation                                   | <input type="checkbox"/> Special Medical Equipment (minor assistive devices) |
| <input type="checkbox"/> Home Delivered Meals Personal                                | <input type="checkbox"/> Assistive Technology                                |
| <input type="checkbox"/> Emergency Response Community                                 | <input type="checkbox"/> Nursing Services Adult                              |
| <input type="checkbox"/> Transition Services Day Supports                             | <input type="checkbox"/> Foster Care   |
| <input type="checkbox"/> (non-habilitative) Supported Living                          | <input type="checkbox"/> Supported Employment                                |
| <input type="checkbox"/> Arrangements Assisted Living                                 | <input type="checkbox"/> Private Duty Nursing Adult                          |
| <input type="checkbox"/>  | <input type="checkbox"/> Companion Services                                  |



- Supports for Consumer Direction/Participant Directed Goods and Services Other
- (please describe)

7) Indicate whether premium assistance for employer sponsored coverage will be available through the Demonstration.

- Yes (if yes, please address the questions below)
- No** (if no, please skip this question)

a) Describe whether the state currently operates a premium assistance program and under which authority, and whether the state is modifying its existing program or creating a new program (if additional space is needed, please supplement your answer with a Word attachment);

- b) Include the minimum employer contribution amount (if additional space is needed, please supplement your answer with a Word attachment);
- c) Describe whether the Demonstration will provide wrap-around benefits and cost-sharing (if additional space is needed, please supplement your answer with a Word attachment); and
- d) Indicate how the cost-effectiveness test will be met (if additional space is needed, please supplement your answer with a Word attachment).

8) If different from the State plan, provide the premium amounts by eligibility group and income level (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response:** See attachment entitled: **“Modernizing Arizona Medicaid”**

9) Include a table if the Demonstration will require copayments, coinsurance and/or deductibles that differ from the Medicaid State plan (an example is provided):

**AZ Response:** Copayment amounts will follow the State Plan amounts. Arizona has a State Plan Amendment currently pending (See SPA 14-014 – ABP Cost-Sharing at <http://www.azahcccs.gov/reporting/PoliciesPlans/StatePlanAmendments.aspx> ). The AHCCCS CARE Demonstration includes exemptions to these amounts. The chart below details copayment amounts that differ from the State Plan pursuant to legislative directives detailed in the narrative “Modernizing Arizona Medicaid.”

**Example Copayment Chart**

| Eligibility Group | Benefit             | Copayment Amount |
|-------------------|---------------------|------------------|
| Childless Adults  | Podiatrist Services | \$3 per visit    |

**AZ Copayment Chart**

| Eligibility Group                                | Benefit  | Copayment Amount |
|--|--|------------------|
| New Adult Group (Childless Adults)<br>0-100% FPL | Non-emergency use of ER if not admitted (1st time) | \$8.00/visit     |
| New Adult Group (Childless Adults)               | Non-emergency use of ER if                         | \$25.00/visit    |

|  |   |   |
|--|---|---|
| 0-100% FPL   | not admitted<br>(after 1st time)  |   |
| New Adult Group (Childless Adults)<br>0-100% FPL   | Non-emergency use of ER if<br>CHC/RHC/UCC w/in 20 miles                             | \$25.00/visit   |
| New Adult Group (Expansion Adults)<br>100-133% FPL | Non-emergency use of ER if<br>not admitted<br>(1st time and any time<br>thereafter) | \$25.00/visit   |
| New Adult Group (Expansion Adults)<br>100-133% FPL | Non-emergency use of ER if<br>CHC/RHC/UCC w/in 20 miles                             | \$25.00/visit   |
| New Adult Group 0-133%                             | Missed Appointments   | Copay amount member would<br>have otherwise paid for the<br>service |

If the state is proposing to impose cost sharing in the nature of deductions, copayments or similar charges beyond what is permitted under the law, the state should also address in its application, in accordance with section 1916(f) of the Act, that its waiver request:

- a) will test a unique and previously untested use of copayments;
- b) is limited to a period of not more than two years;
- c) will provide benefits to recipients of medical assistance which can reasonably be expected to be equivalent to the risks to the recipients;
- d) is based on a reasonable hypothesis which the demonstration is designed to test in a methodologically sound manner, including the use of control groups of similar recipients of medical assistance in the area; and
- e) is voluntary, or makes provision for assumption of liability for preventable damage to the health of recipients of medical assistance resulting from involuntary participation.

**AZ Response: See attachment entitled: “Modernizing Arizona Medicaid”**

Please refer to Information on Cost Sharing <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/Interim1115-Information-on-Cost-Sharing-Requirements.pdf> requirements for further information on statutory exemptions and limitations applicable to certain populations and services.

10) Indicate if there are any exemptions from the proposed cost sharing (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response: The State is seeking exemptions to State Plan copayment requirements for PCP and OB-GYN visits, persons with Serious Mental Illness and treatment of chronic illness, in addition to preventive and wellness services. (See attachment entitled: “Modernizing Arizona Medicaid.”)**

**Section IV – Delivery System and Payment Rates for Services**

*This section should include information on the means by which benefits will be provided to Demonstration participants. In accordance with 42 CFR 431.412(a)(ii), a description of the proposed healthcare delivery system must be included in a state’s application in order to be determined complete. Specifically, this section should:*

- 1) Indicate whether the delivery system used to provide benefits to Demonstration participants will differ from the Medicaid and/or CHIP State plan:

**Yes**

- No (if no, please skip questions 2 – 7 and the applicable payment rate questions)

- 2) Describe the delivery system reforms that will occur as a result of the Demonstration, and if applicable, how they will support the broader goals for improving quality and value in the health care system. Specifically, include information on the proposed Demonstration’s expected impact on quality, access, cost of care and potential to improve the health status of the populations covered by the Demonstration. Also include information on which populations and geographic areas will be affected by the reforms (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: Arizona’s Demonstration operates a mandatory managed care system. Thus, all participants, except American Indian/Alaska Natives (AI/AN), receive services through a delivery model authorized under the Demonstration. The only proposed delivery system reform is the State’s DSRIP proposal. (See attachment entitled: “Modernizing Arizona Medicaid.”) However, even under the DSRIP, these system reforms will still occur within the broader managed care structure. The improvements to quality, access and cost related to the State’s DSRIP proposal will stem from improved care coordination and better communication between providers. For fee-for-service enrolled AI/AN members, the State’s Medical Home proposal aims to accomplish some of the same care coordination and managed care initiatives that are in place for managed care enrollees. The goal is to address health care disparities for AI/AN members by linking Indian Health Service and Tribal facilities to other providers to strengthen care coordination and build supports for a medical home model.**

- 3) Indicate the delivery system that will be used in the Demonstration by checking one or more of the following boxes:

**X Managed care**

**X Managed Care Organization (MCO),**

- Prepaid** Inpatient Health Plans (PIHP)
- Prepaid Ambulatory Health Plans (PAHP)
- Fee-for-service (including Integrated Care Models)
- 

**X Primary Care Case Management (PCCM) – paid on**

**PMPM basis for IHS and Tribal 638 facilities**

**qualifying as Medical Homes for AI/AN fee-for-service members**

- Health Homes
- Other (please describe)

- 4) If multiple delivery systems will be used, please include a table that depicts the delivery system that will be utilized in the Demonstration for each eligibility group that participates in the Demonstration (an example is provided). Please also include the appropriate authority if the Demonstration will use a delivery system (or is currently seeking one) that is currently authorized under the State plan, section 1915(a) option, section 1915(b) or section 1932 option:

**AZ Response:** Arizona has a small fee-for-service system through which approximately 75% of its AI/AN population are serviced. AI/AN members span all eligibility categories.

**Example Delivery System Chart**

| Eligibility Group                              | Delivery System    | Authority              |
|--|--------------------|------------------------|
| Transitional Medical Assistance                | Fee-for-service    | State plan             |
| Optional State plan parent/caretaker relatives | Managed Care – MCO | Section 1915(b) waiver |
| Childless Adults                               | Managed Care – MCO | 1115                   |

**Delivery System Chart**

| Eligibility Group | Delivery System | Authority |
|-------------------|-----------------|-----------|
|                   |                 |           |
|                   |                 |           |
|                   |                 |           |

- 5) If the Demonstration will utilize a managed care delivery system:
- a) Indicate whether enrollment be voluntary or mandatory. If mandatory, is the state proposing to exempt and/or exclude populations (if additional space is needed, please supplement your answer with a Word attachment)?

**AZ Response:** Enrollment utilizes a mandatory managed care delivery system. There are exemptions for American Indians, who can choose to receive services through

**Fee-For-Service or Managed Care. Individuals who receive services through the Federal Emergency Services receive such services on a Fee-For-Service basis.**

- b) Indicate whether managed care will be statewide, or will operate in specific areas of the state (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: Managed care is operated statewide.**

- c) Indicate whether there will be a phased-in rollout of managed care (if managed care is not currently in operation or in specific geographic areas of the state. If additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: N/A**

- d) Describe how will the state assure choice of MCOs, access to care and provider network adequacy (if additional space is needed, please supplement your answer with a Word attachment); and

**AZ Response: The contracts between AHCCCS and the MCOs require that contractors have a sufficient network to provide covered services within designated time and distance limits. AHCCCS monitors each contractor's compliance with network standards through quarterly and annual deliverables and annual network plans submitted by each contractor as well as during regular operational and financial reviews. Contractors are required to monitor their networks to ensure provider appointment availability standards for primary care and dental, specialty, and maternity care services are met. AHCCCS also tracks the number of providers who leave a contractor's network due to dissatisfaction with rates.**

- e) Describe how the managed care providers will be selected/procured (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response: AHCCCS utilizes a highly competitive request for proposal (RFP) process to select contracted managed care organizations (MCOs). This process is documents on the AHCCCS website and includes data, information on open and closed solicitations, bidder's library, contract extensions and other information: <http://www.azahcccs.gov/commercial/Purchasing/purchasing.aspx> .**

- 6) Indicate whether any services will not be included under the proposed delivery system and the rationale for the exclusion (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: N/A**

- 7) If the Demonstration will provide personal care and/or long term services and supports, please indicate whether self-direction opportunities are available under the Demonstration. If yes, please describe the opportunities that will be available, and also provide additional information with respect to the person-centered services in the Demonstration and any financial management services that will be provided under the Demonstration (if additional space is needed, please supplement your answer with a Word attachment).

Yes

No

**AZ Response: This response reflects the current ALTCS structure that allows for multiple models, including Self Directed Attendant Care, Agency with Choice and a Traditional agency**

model.

- 8) If fee-for-service payment will be made for any services, specify any deviation from State plan provider payment rates. If the services are not otherwise covered under the State plan, please specify the rate methodology (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: N/A**

- 9) If payment is being made through managed care entities on a capitated basis, specify the methodology for setting capitation rates, and any deviations from the payment and contracting requirements under 42 CFR Part 438 (if additional space is needed, please supplement your answer with a Word attachment); and

**AZ Response: AHCCCS develops capitation rates using generally accepted actuarial principles and practices considered to be actuarially sound as certified by an Actuary. Capitation rates are developed in compliance with CMS requirements in accordance with applicable laws and regulations, appropriate for the Medicaid populations covered under the contracts with the MCOs. In setting these rates, AHCCCS uses historical encounter data to set capitation rates and rate ranges. When setting the Acute Care capitation rate ranges, AHCCCS adjusts the base data when appropriate for reasons including, but not limited to, the following:**

- Completion factors
- Seasonality factors
- True-up factors
- Historical program and fee schedule changes
- Trends

**Program changes are also considered when reviewing the encounter and financial statement information. Actuarial certifications and other information can be found on the AHCCCS website:**

**<http://www.azahcccs.gov/commercial/ContractorResources/capitation/capitationrates.aspx>**

- 10) If quality-based supplemental payments are being made to any providers or class of providers, please describe the methodologies, including the quality markers that will be measured and the data that will be collected (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response: AHCCCS is proposing a DSRIP program that may allow for quality-based supplemental payments to providers. Metrics and methodologies are still under development through a stakeholder process.**

## **Section V – Implementation of Demonstration**

*This section should include the anticipated implementation date, as well as the approach that the State will use to implement the Demonstration. Specifically, this section should:*

- 1) Describe the implementation schedule. If implementation is a phase-in approach, please specify the phases, including starting and completion dates by major component/milestone (if additional space is needed, please supplement your answer with a Word attachment);

**AZ Response: Assuming CMS approval by the October 1, 2016, the current Demonstration expiration date, the State would implement the AHCCCS CARE program upon completion of a contract award for the third party administrator and other time as necessary for the vendor to be ready to launch.**

- 2) Describe how potential Demonstration participants will be notified/enrolled into the Demonstration (if additional space is needed, please supplement your answer with a Word attachment); and

**AZ Response:**

- **AHCCCS will mail letters to existing members transitioning to the AHCCCS CARE program. The letter will contain extensive education on AHCCCS CARE, including a description of the member's rights and responsibilities and instruction on how to pay premium and copay amounts due.**
  - **The AHCCCS website ([www.azahcccs.gov](http://www.azahcccs.gov)) will be updated to include information about AHCCCS CARE including eligibility, cost sharing obligations, and how to apply for the program. Information on AHCCCS CARE will also be posted on the managed care plans' websites and in their member newsletters.**
  - **The State will organize public forums to engage and educate members and their families, providers, and advocates about the AHCCCS CARE program.**
  - **It is desired that the vendor administering the AHCCCS CARE program will also possess the capability to allow members to establish an online account from which members can receive messages electronically, by email or text. The vendor would also be able to provide counseling services regarding options and benefits within the AHCCCS CARE program.**
- 3) If applicable, describe how the state will contract with managed care organizations to provide Demonstration benefits, including whether the state needs to conduct a procurement action (if additional space is needed, please supplement your answer with a Word attachment).

**AZ Response: AHCCCS will work with its current contracted managed care organizations which already provide benefits to this population. No procurements for the managed care system are needed at this time. AHCCCS will need to conduct a procurement action to engage a third party administrator to manage the AHCCCS CARE accounts.**

## **Section VI – Demonstration Financing and Budget Neutrality**

*This section should include a narrative of how the Demonstration will be financed as well as the expenditure data that accompanies this application. The State must include 5 years of historical data, as well as projections on member month enrollment. In accordance with 42 CFR 431.412(a)(iii) and (iv), historical and projected expenditures as well as projected enrollment for the proposed demonstration project must be included in a state's application in order to be determined complete. The additional information requested will be needed before the application can be acted upon.*

Please complete the Demonstration financing and budget neutrality forms, respectively, and include with the narrative discussion. The Financing Form: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/Interim1115-Demo-Financing-Form.pdf> includes a set of standard financing questions typically raised in new section 1115 demonstrations; not all will be applicable to every demonstration application. The Budget Neutrality form and spreadsheet: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/Interim1115-Budget-Neutrality-Form.pdf> includes a set of questions with respect to historical expenditure data as well as projected Demonstration expenditures.

**AZ Response: Forthcoming**

## **Section VII – List of Proposed Waivers and Expenditure Authorities**

*This section should include a preliminary list of waivers and expenditures authorities related to title XIX and XXI authority that the State believes it will need to operate its Demonstration. In accordance with 42 CFR 431.412(a)(vi), this section must be included in a state's application in order to be determined complete. Specifically, this section should:*

- 1) Provide a list of proposed waivers and expenditure authorities; and
- 2) Describe why the state is requesting the waiver or expenditure authority, and how it will be used.

Please refer to the list of title XIX and XXI waivers and expenditure authorities: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Downloads/List-of-Waivers-and-Expenditure-Authorities.pdf> that the state can reference to help complete this section. CMS will work with the State during the review process to determine the appropriate waivers and expenditures needed to ensure proper administration of the Demonstration.

**AZ Response: See attached Waiver and Expenditure Authority table**



## **Section VIII – Public Notice**

*This section should include information on how the state solicited public comment during the development of the application in accordance with the requirements under 42 CFR 431.408. For specific information regarding the provision of state public notice and comment process, please click on the following link to view the section 1115 Transparency final rule and corresponding State Health Official Letter:*

<http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Section-1115-Demonstrations.html>

Please include the following elements as provided for in 42 CFR 431.408 when developing this section:

- 1) Start and end dates of the state’s public comment period (if additional space is needed, please supplement your answer with a Word attachment);  
**AZ Response:** The Public Comment period will begin with Community Forums held throughout the State during the month of August. The first forum begins August 18, 2015. The draft application and attachments will be posted to the AHCCCS website at that time. The public comment period will close September 25, 2015. See the following link for more information on dates and locations:  
<http://www.azahcccs.gov/publicnotices/Downloads/WaiverForumFlyer.pdf>
- 2) Certification that the state provided public notice of the application, along with a link to the state’s web site and a notice in the state’s Administrative Record or newspaper of widest circulation 30 days prior to submitting the application to CMS (if additional space is needed, please supplement your answer with a Word attachment);  
**AZ Response:** The DRAFT Waiver application will be published on the AHCCCS Website August 18, 2015 at the link below. The presentation reviewed during the forums will also be posted to the AHCCCS website. Information about the State’s application, forums schedule and email address for submitting public comment was published in an article in *The Arizona Republic* on August 17, 2015. AHCCCS will also publish a notice in *The Arizona Republic*, the newspaper of widest circulation, 30 days prior to submittal.  
<http://www.azahcccs.gov/shared/FiveYear.aspx>
- 3) Certification that the state convened at least 2 public hearings, of which one hearing included teleconferencing and/or web capability, 20 days prior to submitting the application to CMS, including dates and a brief description of the hearings conducted (if additional space is needed, please supplement your answer with a Word attachment);  
**AZ Response:** See Response to #1 above. AHCCCS will also present the application to the State Medicaid Advisory Committee on August 19, 2015. Currently five (5) community forums and one (1) tribal consultation are scheduled across the State, with one of these forums including conference line capabilities.
- 4) Certification that the state used an electronic mailing list or similar mechanism to notify the public. (If not an electronic mailing list, please describe the mechanism that was used. If additional space is needed, please supplement your answer with a Word attachment);  
**AZ Response:** The DRAFT Waiver proposal will be published on the AHCCCS Website at the link below. Once the draft application is posted, the link will be sent to an electronic list serve that includes major associations, the State Medicaid Advisory Council, the Office of Individual and Family Affairs, and others. AHCCCS will also publish information on the newspaper of widest circulation.  
<http://www.azahcccs.gov/shared/FiveYear.aspx>

- 5) Comments received by the state during the 30-day public notice period (if additional space is needed, please supplement your answer with a Word attachment);  
**AZ Response: The agency will post comments received and provide summary responses to key issues or concerns raised. The agency will also post summaries of comments and questions raised during the Community Forums, as well as summary responses.**
- 6) Summary of the state's responses to submitted comments, and whether or how the state incorporated them into the final application (if additional space is needed, please supplement your answer with a Word attachment); and  
**AZ Response: Forthcoming to be included on the agency's website.**
- 7) Certification that the state conducted tribal consultation in accordance with the consultation process outlined in the state's approved Medicaid State plan, or at least 60 days prior to submitting this Demonstration application if the Demonstration has or would have a direct effect on Indians, tribes, on Indian health programs, or on urban Indian health organizations, including dates and method of consultation (if additional space is needed, please supplement your answer with a Word attachment).  
**AZ Response: Tribal Consultation will be held on August 21, 2015. Summary will be posted on the agency's tribal consultation page here: <http://www.azahcccs.gov/tribal/consultations/meetings.aspx>. Additional tribal consultation sessions will be held as needed or as requested. The State has pre-scheduled tribal consultation meetings quarterly.**

If this application is an emergency application in which a public health emergency or a natural disaster has been declared, the State may be exempt from public comment and tribal consultation requirements as outlined in 42 CFR 431.416(g). If this situation is applicable, please explain the basis for the proposed emergency classification and public comment/tribal consultation exemption (if additional space is needed, please supplement your answer with a Word attachment).

**Section IX – Demonstration Administration**

Please provide the contact information for the state’s point of contact for the Demonstration application.

Name and Title:

**Monica Coury**  
**Assistant Director**  
**Office of Intergovernmental Relations**

Telephone Number:

**602-417-4000**

Email Address:

[publicinput@azahcccs.gov](mailto:publicinput@azahcccs.gov)

Arizona Waiver and Expenditure Authorities  
 Current Demonstration Approval Period: 10/1/2011-9/30/2016  
 Proposed for: 10/1/2016 – 9/30/2021

| Waiver/<br>CNOM #         | Title                                     | Brief Description  | Renew | Notes   |
|---------------------------|---|--|-------|---|
| <b>Waiver Authorities</b> |   |  |       |   |
| 1                         | Proper and Efficient Administration       | a) Limit choice for enrollees in ALTCS DES/DDD, CRS, CMDP and BHS to a single MCO<br><br>b) Auto enroll members who lose eligibility w/in 90 days to same PIHP previously enrolled<br><br>c) restrict disenrollment w/out cause after 30 days<br><br>d) restrict disenrollment for cause | Y     | Allows MCOs to determine provider networks and restrict freedom of choice. The waiver is needed to continue the statewide mandatory managed care system and enroll members into health plans. Reduces risk to health plans, thus lowering capitation which is key to AHCCCS demonstrative success.<br><br>Ensures effective and efficient functions And guarantees continuity of care.<br><br>The ability to disenroll without cause is costly and requires more administrative resources.<br><br>Less than 3% of members choose to switch their plans during annual enrollment choice. |
| 2                         | Eligibility Based on Institutional Status | Allows AZ to exclude hospitalized individuals and others in medical institutions for more than 30 days from automatically becoming eligible for LTC services if they do not meet the level of care standard for LTC service.   | Y     | Arizona would otherwise be required to provide LTC services to acute care individuals with income up to 300% who may not be at risk of institutionalization but are in the hospital for more than 30 days.  |
| 3                         | Amount, Duration and Scope of Services    | Allows AZ to offer different/additional services based on different care arrangements for members receiving spousal caregiver services.<br><br>Allows MCOs and PIHPs to provide additional or different benefits.  | Y     | To limit the number of hours of attendant care that can be provided for members receiving spousal caregiver services.<br><br>AHCCCS also needs the waiver to provide different benefits to the following:<br>- Contractors who elect to provide   |

Arizona Waiver and Expenditure Authorities  
Current Demonstration Approval Period: 10/1/2011-9/30/2016  
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| Waiver/<br>CNOM # | Title             | Brief Description   | Renew | Notes   |
|-------------------|-------------------|---|-------|---|
|                   |                   |   |       | <p>non-covered services not considered in determining cap rates (R9-22-201(J));</p> <ul style="list-style-type: none"> <li>- HCBS Services;</li> <li>- ALTCS transitional program;</li> <li>- 18 vs 19 years olds, pregnant women and FFS exempt from cost sharing;</li> <li>- Native Americans enrolled in IHS;</li> <li>- CRS;</li> </ul>   |
| 5                 | DSH Requirements  | Relieves AZ from making payments for inpatient hospital services that take into account disproportionate share of low income patients   | Y     | Allows flexibility to operate AZ's DSH program under the waiver vs. the State Plan  |
| 6                 | Cost Sharing      | Allows AZ to charge premiums to parents of ALTCS disabled children <18 from household with income 400%-500% FPL                         | N     | ARS 36-2929 has been revised since CMS authority was approved and State authority repealed.   |
| 7                 | Estate Recovery   | Relieves AHCCCS from creating an estate recovery program for acute care enrollees 55 and older who receive LTC services.                | Y     | <p>Income and resources for this population are limited and few have lienable/recoverable assets</p> <p>Start up and ongoing costs for initiating the program would outweigh any recovery efforts based on the population and their resources.</p>  |
| 8                 | Freedom of Choice | Restricts freedom of choice of providers by furnishing benefits through MCOs and PIHPs that don't meet the requirements of Section 1932 | Y     | <p>Allows for the statewide mandatory managed care system to enroll members into health plans which reduces risk to health plans, thus lowering capitation which is key to AHCCCS demonstrative success.</p> <p>AHCCCS members are able to choose from at least two physicians within their health care plan. Other protections are in place to assure quality and continuity of care through policy, contract and standards.</p> |

Arizona Waiver and Expenditure Authorities  
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| Waiver/<br>CNOM #  | Title                                     | Brief Description   | Renew | Notes  |
|--|---|---|-------|--|
| 9  | Drug Utilization Review                   | Exempts AHCCCS from drug use review requirements of 1927(g)   | Y     | Allows AHCCCS to not be require to utilize drug use review requirements.   |
| <b>Expenditure Authorities</b>                                   |   |   |       |  |
| <b><i>Administrative Simplification and Delivery Systems</i></b> |   |   |       |  |
| 1  | MCO Requirements (Companion to Waiver #1) | Allows MCOs who do not meet requirements of 1932(a)(3) (freedom of choice of MCOs) to operate one MCO in urban areas for:<br>a) Individuals with SMI<br>b) ALTCS and CMDP   | Y     | See #1 above   |
| 2  | MCO Requirements (Companion to Waiver #1) | Allows AHCCCS to:<br>a) Restrict enrollees from disenrolling from their health plan without cause beyond 30 days<br>b) Automatically reenroll member into same health plan as was previously enrolled if the member lost eligibility within 90 days (vs. 60 day standard) | Y     | See #1 above   |
| 3  | MCO Requirements                          | MCOs do not have to pay Indian Health care providers (IHCPs) when the State pays them for covered services for members enrolled in managed care plans   | Y     | Allows IHCPs to bill the State directly rather than be required to bill multiple entities for American Indians who receive services through fee-for-service. The State pursued this authority based on direction in tribal consultation. |
| 4  | MCO Requirements                          | Allows the state to make payments for services provided by Indian health care providers to members enrolled in managed care, when those payments are offset from the managed care capitation payment.   | Y     | See CNOM #3 above  |
| 5  | MEQC Findings                             | Enables AHCCCS to use an MEQC process that is different than what is required under 1903(u).  | Y     | AHCCCS can target specific problem areas rather than random sampling as otherwise required   |

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| Waiver/<br>CNOM #                 | Title   | Brief Description  | Renew | Notes  |
|-----------------------------------|---|--|-------|--|
| 6                                 | Outpatient Drugs<br>(Companion to<br>waiver #9) | FFP for outpatient drug costs  | Y     | See Waiver #9 above  |
| 8                                 | Direct payments to<br>CAH                       | Allows for direct payments to CAH for services<br>provided to enrollees.   | Y     |  |
| 9                                 | FFS UPL   | Allows for flexibilities for FFS in institutional rate setting<br>and development.   | Y     | Without the waiver, AHCCCS would be<br>required to make various annual<br>assurances and findings and file a DSH<br>State Plan rather than Operational Protocol.<br>Also, a UPL methodology would be<br>required for FFS and prepaid captivated<br>drugs, outpatient hospitals and clinics and<br>for non-risk contracts   |
| 10                                | DSH Payments<br>(Companion to<br>waiver #5)     | Expenditures for inpatient hospital services with a<br>disproportionate share of low income patients   | Y     | See Waiver #5 above  |
| 11                                | HCBS  | Expenditures for HCBS through ALTCS for those over<br>18 who reside on Alternative Residential Settings<br>classified as residential Behavioral Health facilities. | Y     | See Arizona's Assessment and Transition<br>Plan  |
| <b>Eligibility Simplification</b> |   |  |       |  |
| 12a                               | ALTCS income<br>disregard                       | Standardizes the treatment of income disregards b/t<br>income and share of cost calculation  | Y     | Without, AHCCCS would need to set up<br>two different tests for income disregards<br>depending whether the person is applying<br>under 300% of SSI or 100% of SSI. Will<br>also have an impact on post eligibility<br>treatment of income  |
| 12b                               | 300% FBR  | Applies the PAS to determine ALTCS eligibility for<br>those at 300% FBR regardless of institutionalize 30<br>day requirement.                                      | Y     | Reduces FFS exposure under prior period<br>coverage. Federal law requires applicants<br>to be hospitalized 30 consecutive days<br>before approving eligibility at 300% of SSI.<br>When the person is determined eligible,<br>eligibility is retroactive to the first day of the<br>month of application. With this waiver, |

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| Waiver/<br>CNOM # | Title  | Brief Description   | Renew | Notes   |
|-------------------|--|---|-------|---|
|                   |  |   |       | persons can be enrolled with a Program Contractor earlier.  |
| 12c               | Children/ Spouses in Separation                | Allows a dependent child/institutionalized spouse to qualify for ALTCS a month earlier by disregarding income of parents and spouses in month of separation.            | Y     | Without, would require staff to verify income and resources of parents and spouses in the month of separation.  |
| 12d               | QMB, SLMB, QI-1, SSI MAO, ISM income disregard | Disregards in-kind support/maintenance as income for QMB, SLMB, QI-1 and SSI-MAO and ISM.   | Y     | Admin simplification  |
| 12e               | SSI-MAO (1924)                                 | Alternate budget process for ALTCS and SSI-MAO applicants/recipients when there is a spouse or if the applicant/recipient is living w/ a minor dependent child.         | Y     | Admin simplification<br>Allows for the same budgeting process to apply to these situations.   |
| 12f               | Disregard of interest                          | Disregards excess interest and dividends from resources for the Pickle category disabled adult children, disabled children, widows and widowers.                        | Y     | Admin simplification  |
| 12g               | Post-eligibility                               | Disregards interest and dividend from post-eligibility calculations.  | Y     | Admin simplification  |
| 12h               | Disregard of excess resources                  | Disregards excess resources under Pickle Amendment, disabled adult children and disabled widows and widowers  | Y     | Admin simplification.   |
| 12i               | \$20 Quarterly income                          | Disregards quarterly income that is less than \$20 in the post-eligibility determination process for the ALTCS program.   | Y     | Admin simplification. AHCCCS rarely encounters quarterly payments of \$20 or less (if so, it's interest from bank accounts). The administrative cost to process is more than the estimated cost adjustment. |
| 13                | SSI  | Extends eligibility beyond those specified in 42 CFR 435.1003 for those who lose SSI eligibility for a period of up to 2 months from the SSI termination effective date | Y     | Admin Simplification  |
| 14                | Part B Premiums                                | Pays for Part B premiums for those in ALTCS with income up to 300% FBR also eligible for Medicare but   | Y     |   |



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| Waiver/<br>CNOM #                                     | Title                         | Brief Description   | Renew | Notes  |
|---|-------------------------------|---|-------|--|
|   |                               | who do not qualify as QMB, SLMB, or Q11; are eligible for Medicaid under T.19 group for the aged, blind or disabled; are eligible for continued coverage; or are in the guaranteed enrolment period |       |  |
| 15  | ALTCS PAS                     | Extends ALTCS eligibility to individuals under 65 using the PAS as a substitute disability standard.  | Y     | Admin Simplification. Without, would require staff to complete disability determination paperwork for individuals under 65, causing a huge increase in workload. |
| 16  | HCBS                          | Authorizes HCBS under ALTCS (including Transitional program)  | Y     | Allows AHCCCS to pay health plans for home and community based services vs more costly nursing home services.  |
| 17  | Spouses as Paid Caregivers    | FFP to reimburse spouses as paid caregivers   | Y     | Supports and allows members to remain in their homes to receive Home and Community Based Services.   |
| <b>Costs Not Otherwise Matchable</b>                  |                               |   |       |  |
| 18  | SNCP                          | Expenditures for SNCP PCH through 12/31/2015  | N     | Expires 12/31/2015; but see Building on AZ's Past Successes #3 below   |
| 19  | HPE for Pregnant Women        | Expenditures for all State Plan Medicaid services during HPE for pregnant women through 9/30/2016   | Y     | Without the waiver, pregnant women who receive HPE would not be eligible for all State Plan services.<br>Expires 9/30/2016                                       |
| 20  | I.H.S./638 Uncompensated Care | Expenditures to I.H.S. and 638s for uncompensated care through 9/30/2015 related to benefits eliminated by the State in 1009 and 2010.  | Y     | Expires 9/30/2016  |
|   |                               |   |       |  |
| <b>New Waivers to be Requested</b>                    |                               |   |       |  |
| <b>Governor Ducey's Package to Modernize Medicaid</b> |                               |   |       |  |
| 1   | AHCCCS CARE Program           | Provides authority to implement the AHCCCS CARE program- a vision to modernize Medicaid by building upon past successes and implementing opportunities  | N/A   |  |

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| Waiver/<br>CNOM #                                       | Title  | Brief Description  | Renew | Notes  |
|---|--|--|-------|--|
|   |  | for member engagement, system reform and long-term sustainability, including strategic copays that would include exemptions for certain services and populations.  |       |  |
| <b>Legislative Directions</b>                           |  |  |       |  |
| 1   | Cost Sharing (premiums, copays)                  | Adds cost sharing requirements in the form of premiums and copays  | N/A   | See Senate Bill 1475 and 1092  |
| 2   | Eliminate NEMT                                   | Eliminations non-emergency medical transportation as a benefit   | N/A   | See Senate Bill 1475   |
| 3   | Work Requirements                                | Requires all able-bodied adults to become employed, actively seek employment or attend school or a job training program  | N/A   | See Senate Bill 1092   |
| 4   | Monthly income and work requirement verification | Requires members to verify on a monthly basis compliance with the work requirements and any changes in family income   | N/A   | See Senate Bill 1092   |
| 5   | Enrollee Disenrollment                           | Allows AHCCCS to ban an eligible person from enrollment for one year if the eligible person knowingly failed to report a change in family income or made a false statement regarding compliance with the work requirements | N/A   | See Senate Bill 1092   |
| 6   | 5 year limit                                     | Places all able-bodied adults on a lifetime limit of five years with exceptions for certain circumstances.   | N/A   | See Senate Bill 1092   |
| <b>Delivery System Reform Incentive Payment (DSRIP)</b> |  |  |       |  |
| 1   | DSRIP  | Build on the current structure for provider network accountability to reform Arizona's delivery and payment systems.   | N/A   |  |
| <b>HCBS Settings</b>                                    |  |  |       |  |
| 1   | HCBS Final Rule                                  | Arizona's Assessment and Transition Plan as required by the HCBS final rules   | N/A   | See: <a href="http://www.azahcccs.gov/hcbs/default.aspx">http://www.azahcccs.gov/hcbs/default.aspx</a> . |
| <b>American Indian Medical Home</b>                     |  |  |       |  |
| 1   | AI/AN Medical Home                               | Establishes Medical Homes for American Indians who receive services through the Indian Health Services or  | N/A   | This request is pending with CMS and has been revised since initially submitted                          |

Arizona Waiver and Expenditure Authorities  
 Current Demonstration Approval Period: 10/1/2011-9/30/2016  
 Proposed for: 10/1/2016 – 9/30/2021

| Waiver/<br>CNOM #                      | Title  | Brief Description  | Renew | Notes |
|--|--|--|-------|-------|
|  |  | Tribal 638 facilities.   |       |       |
| <b>Building on AZ's Past Successes</b> |  |  |       |       |
| 1                                      | AHCCCS and BHS Integration                           | Technical amendment to revise Waiver language to reflect the merger of the Division of Behavioral Health Services and AHCCCS   | N/A   |       |
| 2                                      | Dual Eligibles Alignment                             | Technical amendment to revise Waiver language to reflect that dual eligible members choice of health plans for their full benefit package, including behavioral health | N/A   |       |
| 3                                      | Safety Net Care Pool and Phoenix Children's Hospital | Proposes a five-year phase down period per the submitted Transition Plan   | N/A   |       |
| 4                                      | Critical Access Hospitals                            | To allow political subdivisions to post the non-federal share for CAH supplemental payments  |       |       |
| <b>Benefits</b>                        |  |  |       |       |
| 1                                      | Traditional Practitioner Services                    | Authorizes payment for Traditional Healing services provided to AI/AN members. Details to be developed in consultation with tribal stakeholders.                       | N/A   |       |