AHCCCS

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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

February 10, 2009

Steven Rubio, MGA, BSN, RN
Project Officer, Division of State Demonstrations and Waivers
Center for Medicaid and State Operations
Center for Medicare and Medicaid Services
Mailstop: S2-01-06
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Mr. Rubio:

In accordance with Special Term and Condition paragraph 26, enclosed please find the Quarterly Progress Report for July 1, 2008 to September 30, 2008, which also includes the Quarterly Budget Neutrality Tracking Schedule and the Quarterly Quality Initiative.

If you have any questions about the enclosed report, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Ron Reepen
Lynette Burke
Hee Young Ansell
Tonya Moore

AHCCCS Quarterly Report
July 1, 2008 to September 30, 2008

TITLE

Arizona Health Care Cost Containment System -- AHCCCS, A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report
Demonstration Year: 26
Federal Fiscal Quarter: 4th/2008 (July 1, 2008 – September 30, 2008)

INTRODUCTION

As written in Special Term and Condition paragraph 26, the State submits the following quarterly progress reports to CMS. The purpose of the quarterly report is to inform CMS of significant demonstration activity from the time of approval through completion of the Demonstration.

ENROLLMENT INFORMATION

Population Groups (as hard coded in the CMS 64)	Current Enrollees (to date)	No. Voluntarily Disenrolled in current Quarter	No. Involuntarily Disenrolled in current Quarter
Acute AFDC/SOBRA	902,386	1,120	355,105
Acute SSI	135,733	79	19,323*
Acute AC/MED	180,379	218	69,758
Family Planning	4,949	8	2,143
LTC DD	21,245	25	1,374
LTC EPD	28,421	42	3,517
Total	1,338,079	1,734	458,602

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan[1]	871,841
Title XXI funded State Plan[2]	64,153
Title XIX funded Expansion[3]	132,106
Title XXI funded Expansion[4]	10,038
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only	4,342
Enrollment Current as of	10/01/08

[1] SSI Cash, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP
[2] KidsCare
[3] MI/MN
[4] AHCCCS for Parents

Outreach/Innovative Activities:

State Funding for the KidsCare education campaign officially ended June 30th, 2008. Additional funding was secured through a separate grant to continue efforts through the end of August. The community outreach partners were successful in building a strong infrastructure in the targeted communities by developing core grassroots strategies such as one-on-one application assistance and partnerships with schools in order to maximize their potential. Such grassroots efforts resulted in over 500 events, 5,000 applications submitted for medical coverage, over 31,000 families educated on AHCCCS and KidsCare programs, a strengthening in community and school partnerships, and increase in children enrolled in medical coverage during the campaign.

AHCCCS continues to present to community, non-profit groups, and local governments about other AHCCCS Medicaid programs and policy changes, as well as attend and participate in community events across the state. For the months of July through September, AHCCCS Community Relations staff participated in thirty one presentations or health fairs and reached and/or trained about 3,103 people.

Operational/Policy Developments/Issues:

As a result of Arizona's FY 2008-2009 budget, which was enacted on June 27, 2008, the state made several programmatic changes. Preventive dental services to adult members of the ALTCS program were discontinued. Notices were sent to member and the benefit was ended in July. In addition, AHCCCS suspended the SSDI-TMC program; notices were provided to those members as well. This state-only program provides medical coverage to individuals who receive social security, but who are not eligible for AHCCCS or Medicare. Finally, AHCCCS began accelerating redetermination periods from twelve months to six months for childless adults enrolled in the Acute Care population.

Waiver Update

In the previous quarter, AHCCCS reported its preparation for the transition of approximately 160,000 AHCCCS members who were moving to new health plans as a result of the recent Acute Care Request for Proposal. The transition was completed successfully during this time to ensure transition for the new contract period beginning October 1. All members were notified regarding the transition process. Members were auto assigned to a new health plan and given 60 days to select a new plan. AHCCCS also worked with the health plans to conduct a data exchange so that the newly assigned plans will have information for purposes of continuity of care and to ensure that no member falls out of care during the transition. The agency and all of the health plans worked diligently on this transition and there were no major issues.

State Plan Update

During this quarter, CMS approved State Plan Amendment (SPA) 08-002, a required amendment regarding Medicaid Program Integrity to ensure that the State complies with any requirements determined by the Secretary to be necessary for carrying out the Medicaid Integrity Program established under section 1936 of the Social Security Act.

Consumer Issues:

In support of the quarterly report to CMS, presented below is a summary of complaint issues received in OCA for the quarter July 1, 2008 – September 30, 2008.

Complaint Issue	July	August	September	Total
ALTCS	37	22	28	87
Can't get coverage (eligibility issues)	295	318	372	985
Caregiver issues	4	1	0	5
Credentialing	0	0	0	0
DES	83	97	107	287
Equipment	8	6	1	15
Fraud	7	2	1	7
Good customer service	38	20	38	96
Information	58	61	58	177
Lack of documentation	0	0	0	0
Lack of providers	3	1	3	7
Malfunctioning equipment	0	0	0	0
Medicare	12	14	12	38
Medicare Part D	21	7	21	49
Member reimbursement	23	14	19	56
Misconduct	0	0	0	0
No notification	0	0	0	0
No payment	0	0	0	0
Nursing home POS	0	0	1	1
Optical coverage	1	2	3	6
Over income	0	0	0	0
Paying bills	2	0	2	4
Policy	2	4	2	8
Poor customer service	1	0	1	2
Prescription	28	48	52	128
Prescription denial	28	31	38	97
Process	1	0	0	1
Surgical procedures	9	5	6	20
Termination of coverage	38	17	22	107

Quality Assurance/Monitoring Activity:

Attached is a description of AHCCCS' Quality Assurance/Monitoring Activities during the quarter. The attachment also includes updates on implementation of the AHCCCS Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

HIFA Issues:

Below is enrollment information for the quarter: April 1, 2008 to June 30, 2008.

HIFA Parents ever enrolled: 69,761
HIFA Parents enrolled at any time between 07/01/2008 and 09/30/2008: 12,224

HIFA Parent enrollment:

07/01/08	10,076
08/01/08	9,966
09/01/08	9,928

Employer Sponsored Insurance Issues:

Pursuant to the requirements in STC #38(b) of Arizona's 1115 waiver, AHCCCS submitted its ESI proposal to CMS and is awaiting final approval.

Family Planning Extension Program (FPEP):

The Department of Economic Security began sending renewal notices in July 2007 to FPEP members due for an upcoming annual review. The first reviews were completed in August and 284 FPEP members were discontinued effective September 1, 2007 due to excess income or failure to complete the review process. The terminations were sent to AHCCCS and the system was updated. AHCCCS retains the responsibility of discontinuing Family Planning for members with Third Party Liability. AHCCCS received six requests for fair hearings regarding discontinuance of Family Planning coverage during the quarter.

AHCCCS monitors utilization of family planning services by women who are covered under the demonstration and enrolled with Acute-care health plans on a quarterly basis. Reports are based on a four-month claims lag; thus, the most recent data available are for the quarter ending June 30, 2008. AHCCCS enrollment data show that 5,372 unduplicated recipients were enrolled with Acute-care Contractors under the Family Planning Extension program (contract type Q) during the quarter. Encounter data received through October 2008 indicate that 683 women in the SOBRA Family Planning Extension demonstration used a family planning service during the quarter, for a utilization rate of 12.7 percent. It should be noted, however, that these data may be incomplete, as Contractors have up to eight months to submit encounters to AHCCCS.

In addition, 2,304 women who still had postpartum eligibility as SOBRA pregnant women also received a family planning service during the quarter. Many of these women will have continued eligibility for family planning services under the demonstration once their postpartum eligibility ends.

Family Planning Enrollment by Month:
7/08: 7241
8/08: 7115
9/08: 6853

Enclosures/Attachments:

Attached you will find the following: the Budget Neutrality Tracking Schedule and the Quality Assurance/Monitoring Activities, including the CRS update for the quarter.

State Contact(s):

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Date Submitted to CMS:

February 10, 2009

Quarterly Tracking Sep'08 Qtr ...

Arizona Health Care Cost Containment System

Attachment II to the Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period
Demonstration Year: 26
Federal Fiscal Quarter: 4/2008 (7/08 – 9/08)

Prepared by the Division of Health Care Management
November 2008

INTRODUCTION

This report describes Quality Assurance/Monitoring Activities of AHCCCS during the quarter, as required in STC 26 of the State's Section 1115 Waiver. The report also includes updates on implementation of the Arizona Health Care Cost Containment System (AHCCCS) Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

The AHCCCS Division of Health Care Management (DHCM) is responsible for directly overseeing the quality of health care services provided to members enrolled with managed care organizations (also known as Contractors), as well as the administrative and financial functions of these contracted health plans. The Division works collaboratively and in conjunction with other AHCCCS divisions and external organizations to fulfill the AHCCCS mission of: Reaching across Arizona to provide comprehensive, quality health care for those in need.

The following sections provide an update on the State's progress and activities under each of the components of the 1115 Waiver and the AHCCCS Quality Strategy.

NEW CONTRACTS FOR ACUTE CARE SERVICES

A major milestone completed recently was the issuing of contracts to managed care plans to deliver services under the Acute-care Program. In response to a Request for Proposal (RFP) issued by AHCCCS, 12 managed care organizations (MCOs) bid for contracts in seven geographic services areas (GSAs) covering the state. AHCCCS awarded contracts to eight MCOs to provide acute-care services to approximately 900,000 low-income families and individuals. Contracts were awarded for a five-year term, with annual renewals, beginning Oct. 1, 2008. A capped contract for dual-eligible members also was awarded to one health plan.

The contracts include several new or enhanced strategies and requirements for ensuring timely access to quality services by Medicaid and State Child Health Insurance Program enrollees in the most cost-effective way. Contractors must continue to add value to the AHCCCS program under the new contracts by:

- Recognizing that Medicaid members are entitled to care and assistance navigating the service delivery system, and demonstrating special effort to ensure members receive necessary services, including prevention and screening services.
- Recognizing that Medicaid members with special health care needs or chronic health conditions require care coordination, and providing that coordination. This is particularly true if a member must receive services from other AHCCCS Contractors in addition to the Contractor.
- Recognizing that health care providers are an essential partner in the delivery of health care services, and operating in a manner that is efficient and effective for health care providers as well as their own organizations.
- Avoiding administrative practices that place unnecessary burdens on providers with little or no impact on quality of care or cost containment.

• Recognizing that performance improvement is both clinical and operational in nature, and that self-monitoring and self-correcting are necessary to improve contract compliance or operational excellence.

• Recognizing that the program is publicly funded and, as such, is subject to public scrutiny, and behaving in a manner that is supported by the general public.

• Recognizing that the program is subject to significant regulation, and operating in compliance with those regulations.

During the quarter, the Clinical Quality Management (CQM) unit of .DHCM held a day-long training for Contractors to focus on new or enhanced quality provisions of the contract and related AHCCCS Medical Policy Manual. The Behavioral Health Unit of DHCM also conducted one of the training sessions specific to coordination between AHCCCS Acute-care Contractors and the Arizona Department of Health Services/Division of Behavioral Health Services. All Acute-care Contractors were required to send appropriate staff to the various sessions; Arizona Long Term Care System (ALTCS) Contractors were encouraged to participate as well and all ALTCS plans sent representatives or joined by teleconference.

QUALITY ASSESSMENT ACTIVITIES

Receiving stakeholder input

The success of AHCCCS can be attributed, in part, to concerted efforts by the Agency to foster partnerships with its sister agencies, Contractors, providers, and the community. During the quarter, AHCCCS continued these ongoing collaborations to improve the delivery of health services to Medicaid recipients and KidsCare members, including those with special needs, and to facilitate networking to address common issues and solve problems. Feedback obtained from sister agencies, providers and community organizations also is included in the agency's process for identifying priority areas for quality improvement and development of new initiatives.

Arizona Asthma Coalition

The Arizona Asthma Coalition has been invited to work with the Arizona Department of Health Services (ADHS), AHCCCS and the Arizona Department of Administration (ADOA) to identify best practices and opportunities for cost savings in the treatment of respiratory diseases. This initiative is to develop recommendations to support a Governor's Executive Order on asthma that was released this past January. ADHS and AHCCCS developed a briefing paper addressing respiratory issues, with a focus on asthma/pediatric asthma that summarizes the impact of asthma and the current strategies being used by AHCCCS and ADHS to improve care. The state agencies plus representatives from the Governors Office, advocates, health care providers, researchers, and others will meet to develop recommendations that can improve prevention and management of asthma in Arizona children.

Arizona Department of Economic Security (DES) Division of Developmental Disabilities

Periodic meetings covering quality improvement topics continue between AHCCCS and the Arizona Department of Economic Security Division of Developmental Disabilities (DES/DDD). Topics discussed during joint meetings this quarter included Notices of Action, EPSDT coverage, and attendant care. AHCCCS also is providing ongoing technical assistance to DDD to improve its performance measure rates. During the quarter, AHCCCS received a corrective action plan (CAP) for clinical quality performance measures from DDD, and worked with the Division to finalize the CAP.

Arizona Department of Health Services (ADHS) Children's Rehabilitative Services
DHCM continues to work with AHCCCS Contractors and the Children's Rehabilitative Services (CRS) program to address issues such as data sharing, provider education, timely referral and care coordination for children with special health care needs. CRS is currently under a Notice to Cure for issues related to how it handles quality of care concerns and delegated functions. AHCCCS is holding ongoing meetings with CRS Administration to monitor progress of corrective actions related to the Notice to Cure, as well as its Network Development Plan and CYE 2005 and 2006 OFRs. Implementation of CAP activities was evaluated in the CRSA CYE 2007 Operational and Financial Review (OFR) conducted in March 2007.

AHCCCS has communicated the need to meet all Medicaid Managed Care, contractual and regulatory requirements as soon as possible. Updates on CRSA's progress are included in a separate attachment.

During the quarter, CRSA awarded a contract to Arizona Physician's IPA, a United Health Care company and long-standing Arizona Medicaid contractor, to manage the care and operations of the CRSA program, effective October 1, 2008.

Arizona Department of Health Services Immunization Program
Ongoing collaboration with the Arizona Department of Health Services (ADHS) helps ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) Program. This includes closely monitoring vaccine supplies and ensuring that Contractors have up-to-date information on availability of these vaccines, as well as assisting Contractors and providers as necessary to ensure that members are immunized. In addition, when ADHS takes actions regarding VFC providers (e.g., placing a provider on probation for failing to comply with vaccine management requirements), AHCCCS works with Contractors to ensure that members assigned to that provider continue to receive necessary immunizations.

In July, Arizona VFC staff gave vaccine and program updates at the quarterly Quality Management/Maternal and Child Health meeting with Acute-care Contractors. AHCCCS also is working with Contractors and staff of the Arizona State Immunization Information System (ASIIS) to improve reporting by primary care practitioners to the state's immunization registry, which is operated by ADHS; this activity is discussed under Performance Improvement Projects.

In the fall of 2007, AHCCCS convened a work group between ADHS, The Arizona Partnership for Immunization (TAPI), the Pinal County Health Department, and the two acute-care Contractors that serve Pinal County to improve rates of childhood immunization in the county, which are among the lowest in the state. The group reviewed data from AHCCCS and ADHS, and identified barriers and resources to address some of the reasons for low rates of vaccination. One of the barriers identified was a need for education among provider offices in immunization requirements, use of the ASIIS registry, and strategies for office staff to reassure parents about immunization safety and encourage return visits, in order to bring patients up to date on their vaccinations. The work group has evolved to include Apache, Mohave and Navajo counties. A provider office training is planned for Mohave County in the fall of 2008 as part of this collaboration.

Additionally, AHCCCS took a proactive approach to addressing an outbreak of measles in Pima County during the quarter. In collaboration with the ADHS Immunization Program, the Clinical Quality Management (CQM) Unit of DHCM brought AHCCCS Contractors together to educate them about emergency measures to stop the spread of measles, including administering the first measles shot at 6 months rather than 12 months to Pima County children. Contractors were asked to step up efforts to reach and immunize members in Pima County, in order to reduce the likelihood of additional cases. The outbreak ended in July, with 13 confirmed and 4 suspected measles cases

Arizona Department of Health Services Office of Environmental Health

Ongoing collaboration with ADHS supports efforts to eliminate childhood lead poisoning in Arizona. The ADHS Office of Environmental Health (OEH) notifies MCH staff in the CQM unit when AHCCCS members have laboratory tests indicating elevated blood-lead levels. CQM then notifies the appropriate Contractor with this information for timely follow up and coordination of care. In addition, AHCCCS and several Contractors participate in the Arizona Childhood Lead Poisoning Elimination Coalition. This coalition is working on strategies to increase testing of children who are enrolled in AHCCCS or who live in areas with the highest risk of lead poisoning due to the prevalence of older housing, industries that use/produce lead, and the use of lead-containing pottery or folk medicines.

Arizona Department of Health Services Office of Nutrition and Chronic Disease Prevention

In response to the Governor's Call to Action on Childhood Obesity, AHCCCS is working with the ADHS Office of Nutrition, which has the lead on this statewide initiative. AHCCCS adapted the Chronic Care Model for planning and development of a comprehensive approach to reduce or prevent childhood obesity. Components include medical guidelines for better screening and treatment of children who are or are at risk of becoming obese and implementation of data systems to evaluate outcomes. The AHCCCS health plans educate providers to utilize EPSDT services such as nutritional counseling, behavioral health services and physical therapy/physiology to assist and support children who are overweight to become more active and to choose healthy foods.

AHCCCS in collaboration with ADHS developed a Medicaid policy to implement state legislation passed last session that requires AHCCCS to cover smoking cessation drugs and nicotine replacement therapy. The new requirements will be effective October 1, 2008. Members will be encouraged to participate in ADHS Tobacco Education and Prevention Program (TEPP) smoking cessation support programs such as the "QUIT Line" and/or counseling.

Arizona Early Intervention Program

The Arizona Early Intervention Program (AzEIP), Arizona's IDEA Part C program, is administered by DES. MCH staff in the CQM unit continues working with AzEIP to facilitate early intervention services for children under 3 years of age who are enrolled with AHCCCS Contractors. During the quarter, AHCCCS CQM/MCH staff attended meetings of the AzEIP State Interagency Team and the Interagency Coordinating Council. Also during the quarter, AHCCCS and AzEIP representatives continued work on a major initiative to create a more "seamless" system of providing early intervention services to AHCCCS-enrolled children, which utilizes AzEIP's expertise in this area, but ensures that AHCCCS or AHCCCS Contractors coordinate care and pay for all medically necessary services covered under Medicaid. AzEIP and AHCCCS MCH staff work together to ensure early intervention services are provided without delay and covered by the appropriate state agency. Meetings between AHCCCS, AzEIP, and AHCCCS health plans continue to ensure issues are addressed in a timely manner and communication remains open.

Arizona Medical Association and American Academy of Pediatrics

AHCCCS collaborates with the Arizona Medical Association (ArMA) and the Arizona chapter of the American Academy of Pediatrics (AAP) in a number of ways. The AAP has been instrumental in the implementation of the Parental Evaluation of Developmental Status (PEDS). Online training via the AAP website is available to physicians who wish to use the tool, as well as dates and times for training sessions. During the quarter, CQM staff attended ArMA Maternal and Child Health Committee and Adolescent Health Subcommittee meetings.

The Arizona Partnership for Immunization

CQM staff attended The Arizona Partnership for Immunization (TAPI) Steering Committee and adult immunization subcommittee meetings during the quarter. Staff also attended the TAPI flu season campaign kick-off meeting. AHCCCS Contractors also are members of TAPI. As noted above, TAPI is part of the collaborative effort to improve low rates of childhood immunization in Pinal, Apache, Mohave and Navajo Counties.

Arizona Perinatal Trust

The Arizona Perinatal Trust (APT) oversees voluntary certification of hospitals for the appropriate level of perinatal care according to established guidelines, and conducts site visits for initial certification and recertification. CQM staff participates in site reviews of hospitals and provides consultation to the APT's Board of Directors. Since AHCCCS covers approximately half the births in Arizona, the site reviews give the agency an in-depth look at the hospitals that provide care, from normal labor and delivery to neonatal

intensive care. In collaboration with the APT and its members, which include perinatal providers and the ADHS Bureau of Women's and Children's Health, AHCCCS reviews processes to ensure quality of care and culturally appropriate care, as well as quality improvement initiatives and collaboration with community resources to promote good birth outcomes. AHCCCS participated in several site reviews during the quarter. AHCCCS also participated in the Annual Arizona Perinatal Trust Conference in Sedona, Arizona, in August.

Arizona Quality Counts Partnership (AQCP)
This partnership is coordinated by the Arizona Quality Improvement Organization, Health Services Advisory Group (HSAG). In addition to HSAG and AHCCCS, the meetings are attended by representatives of AHCCCS health plans, Medicare health plans, providers, health care associations and the Arizona Department of Health Services. AQCP serves as a forum to coordinate partners' efforts to improve quality across the continuum of health care services.

Baby Arizona
CQM staff coordinates this streamlined eligibility process to ensure Medicaid-eligible women have access to early prenatal care. A network of community-based organizations continues to support the project by informing women of this avenue to service and referring them to care. Training sessions for provider offices that assist women in applying for AHCCCS were held during the quarter, and CQM continues to support provider participation in the project and keep the referral list of participating providers up to date. During the quarter, AHCCCS and DES began developing on-line training for physician office staff to ensure that they are up to date in the process and understand the program's goals.

AHCCCS has developed a stand-alone website for Baby Arizona that educates providers and potential enrollees about the Baby Arizona program, as well as lists the most current participating Baby Arizona providers. The three state agencies collaborating on the Baby Arizona Program — AHCCCS, DES and ADHS — are working closely with the March of Dimes to develop Baby Arizona outreach materials to distribute to the community. The Baby Arizona training process is currently conducted by DES and is difficult for rural provider office staff to attend. AHCCCS is developing online training for providers and their staffs who wish to become Baby Arizona providers or receive refresher training in the process.

Contractor Meetings
The Division of Health Care Management regularly hosts a Quality Management/Maternal and Child Health (QM/MCH) meeting with Contractors to provide new information and resources, as well as solicit feedback from health plan staff. A meeting was held July 10, with topics that included: updates on USDA Nutrition Programs, Vaccines for Children Program and state immunization registry by Arizona Department of Health Services (ADHS) staff, Performance Measures and PIPs, AHCCCS' role in the Breast and Cervical Cancer Treatment program with ADHS, a

dental update, changes in the AMPM chapters 400, Maternal and Child Health, and 900, Quality Assessment and Performance Improvement, and Baby Arizona.

A meeting with AHCCCS Medical Directors was held August 22. Quality-related topics included: a discussion on care coordination and prescribing of pain medication between the ADHS-contracted Regional Behavioral Health Authority (RBHA) and AHCCCS health plan Medical Directors, the AHCCCS dental periodicity schedule and orthodontia policy clarification, smoking cessation policy, transplants, notice of action (NOA) letters, changes to streamline enrollment of AHCCCS members in CRSA and coordination with APIPA, the new CRSA contractor, and qualified providers, as defined in the AHCCCS Medical Policy Manual.

Another AHCCCS Medical Directors meeting was held September 26, with quality-related topics including: smoking cessation follow up, transplant update, NOA update, CRSA transition and concurrent review, hospital observation, new technology evaluation process, and pharmaceutical issues such as coverage of current drugs during member transitions and human growth hormone,. The meeting also included a presentation titled "Trends in Radiology – Optimizing Imaging Methods: PET Scans, MRIs and CTs," by Alan Pitt, MD, Co-Director of Spine Imaging and Therapeutics, Barrow Neurological Institute at St. Joseph's Hospital and Medical Center, and Adjunct Professor with the Department of Biomedical Informatics at Arizona State University.

On July 16, the Division of Health Care Management hosted an ALTCS Program Contractor Administrators Meeting. Quality-related topics were: the Health Information Exchange & Electronic Health Record (HIeHR) project and e-prescribing, ALTCS member survey, self-directed attendant care, interagency behavioral health collaboration, the Arizona Direct Care Workforce Initiative and training standards, durable medical equipment issues, and case management rations and visit standards.

On July 17, DHCM held an Acute-care Contractor Administrators Meeting. Quality-related topics were: transition issues related to the new contract effective Oct. 1, CRSA's contract award to APIPA, the HIeHR project and e-prescribing, the Maricopa County Regional Behavioral Health Authority and national provider ID (NPI).

Governor's Executive Order Workgroups

AHCCCS staff from several units/divisions are supporting efforts of a broad group of community, government and private stakeholders to address such serious health conditions as diabetes, cardiovascular disease/stroke, asthma, cancer and low birth weight, with data, information and administrative support. These workgroups, coordinated by AHCCCS with the help of the Arizona Department of Health Services, are in response to Executive Orders signed earlier this year by Gov. Janet Napolitano, charging the Agency with leading a collaborative effort to address the rising cost of health care through disease prevention and management strategies. This could ultimately lead to improvements in the quality of care received and health outcomes among all Arizona residents.

Healthy Mothers, Healthy Babies
CQM staff participates in the Maricopa County Healthy Mothers, Healthy Babies (HM,HB) Coalition, as well as a related project in the Maryvale area of west-central Phoenix, designed to promote early prenatal care and good birth outcomes. CQM staff is working with the state HMHB organization to assist in educating communities about AHCCCS-covered services for women and children and the Baby Arizona process for AHCCCS application and initiation of prenatal care. CQM staff also attended monthly coalition meetings during the quarter.

Developing and assessing the quality and appropriateness of care/services for members

AHCCCS develops measures and assesses the quality and appropriateness of care/services for its members, including those with special health care needs, using a variety of processes.

- Identifying priority areas for improvement

AHCCCS has included two new performance measures, Pressure Ulcers and Influenza Vaccination, for ALTCS Contractors effective Oct. 1, 2008 (CYE 2009). It also developed the methodology for a Performance Improvement Project to reduce the rate of refusal of influenza vaccination for inappropriate reasons. This PIP was developed with Contractor input two years ago, but a severe shortage of flu vaccine put the project on hold. During the quarter, DHCM staff began soliciting Contractor input on methodologies for the measurements and developing processes and timelines for these projects.

AHCCCS also incorporated new Acute-care performance measures into contracts effective Oct. 1, 2008. These include three measures that are part of the Healthcare Effectiveness Data and Information Set (HEDIS) for Comprehensive Diabetes Care – hemoglobin A1c tests, lipid screening and eye exams – as well as the HEDIS measure of Use of Appropriate Medications for People with Asthma. As noted below, AHCCCS already has implemented a Performance Improvement Project (PIP) among Acute-care Contractors to improve use of appropriate asthma medicines, using the HEDIS specifications for measuring performance.

Also during the quarter, DHCM staff continued working on another new PIP for Acute-care Contractors, to increase well care visits among adolescent members, with a focus on racial/ethnic disparities. In developing this project, AHCCCS analyzed data to identify whether racial and ethnic disparities existed in the HEDIS measure of Adolescent Well Care Visits for individual Contractors. This analysis revealed that some Contractors had disparities in rates of visits by Native American members, compared with non-Hispanic white members. All Contractors will have to show significant and sustained improvement in their overall rates of Adolescent Well Care Visits under the PIP, and those that have disparities related to race must reduce or eliminate them. The measurement methodology was developed and sent to Contractors for feedback.

- Establishing realistic outcome-based performance measures

As noted, several new Acute-care and ALTCS performance measures have been incorporated into contracts effective Oct. 1, 2008. To the extent possible, Minimum

Performance Standards and Goals for these measures are based on national and/or state objectives and other benchmarks if applicable.

Identifying, collecting and assessing relevant data

AHCCCS has completed analysis of baseline data for two PIPs implemented in CYE 2007 and provided results to Contractors. These PIPs include:

- ***Appropriate Use of Medications for People with Asthma***. Utilizing HEDIS specifications for the baseline measurement, AHCCCS collected and analyzed data for Medicaid members 5 through 56 years of age, overall and by Contractor. The percent of members with persistent asthma who were dispensed maintenance medications was 81.3 percent overall. Rates by Contractor ranged from 76.6 percent to 87.5 percent. AHCCCS also provided to Contractors data by age group, according to HEDIS specifications, and began analyzing data by county, and by race and ethnicity. These results may assist in guiding interventions. In addition, AHCCCS anticipates analyzing emergency room and inpatient utilization to help evaluate the effectiveness of this PIP.

- ***Completion of Advance Directives.*** This PIP is intended to increase the proportion of long-term care members who have advance directives documented in medical charts. This also may include documentation of an advance directive with an Arizona registry that is maintained by the Secretary of State. During the quarter, AHCCCS completed analysis of baseline data for this PIP. Overall, documentation of advance directives was present in medical records for 36.8 percent of members sampled. Contractor rates ranged from 5.7 percent to 55.6 percent. AHCCCS also is analyzing data by race/ethnicity and other factors that may assist in guiding interventions.

- ***Behavioral Health PIPs.*** AHCCCS continues to work with the ADHS Division of Behavioral Health Services (DBHS) staff to refine their PIPs, in order to make them more focused on outcomes that demonstrate an increase in member satisfaction and/and member care. One of the DBHS PIPs is focused on assessments of children from birth through 5 years of age, and is designed to capture additional data on this population in order to develop more comprehensive assessment plans and improve positive outcomes, possibly avoiding further involvement in the mental health system. The other PIP addresses Child and Family Teams (CFTs), to better ensure fidelity to the CFT process, which has been associated with improved functional and health outcomes. The Clinical Quality Management and Behavioral Health units of DHCM will be working more closely to ensure the development and implementation of more robust PIPs by ADHS, as well as other aspects of its quality assessment and performance improvement program.

  During the quarter, the CQM and Behavioral Health Units received and reviewed ADHS/DBHS' baseline report for the CFT PIP. It was determined that the report needed significant work to ensure that it meets AHCCCS and federal Medicaid

Managed Care regulations, and will allow an External Quality Review Organization (EQRO) to effectively evaluate the project. AHCCCS requested changes and clarifications in such areas as the study population, data sources, data validation, interventions and study limitations in its response to DBHS, and also scheduled a meeting for October to discuss these issues and provide additional technical assistance.

Also during the quarter, AHCCCS collected data for the ALTCS Performance Measures for Diabetes Care. These include the HEDIS measures of Hb A1c testing, lipid screening and eye exams. The measurement period for this study is October 1, 2006, through September 30, 2007. Data were collected through a hybrid methodology from the AHCCCS encounter system and medical record data supplied by Contractors. Contractors also supply supporting documentation for any numerator data collected, in order to ensure valid and reliable results. AHCCCS will analyze rates for each measure by Contractor, rural and urban counties, and by race/ethnicity.

In addition, AHCCCS finalized quality-control checks on programming to collect the Acute-care HEDIS Performance Measures, which will be reported later this year. These checks ensure that programming is running correctly, so that only eligible members and qualifying services are included in the results.

- Providing incentives for excellence and imposing sanctions for poor performance

Notices to Cure or Letters of Concern were issued last year to Contractors that have not met Minimum Performance Standards for Acute-care Performance Measures for multiple years and/or multiple measures. Contractors also were advised of sanctions they would face if they do not meet Minimum Performance Standards for the measurement periods consisting of CYE 2007 and CYE 2008 (to be reported in CYE 2008 and 2009, respectively). Contractors were required to develop Corrective Actions Plans to bring their performance up to the AHCCCS minimum standards or evaluate each activity under CAPs currently in place to determine their effectiveness.

During the quarter, AHCCCS continued providing technical assistance to Contractors to help them improve their ability to effectively monitor their performance from internal data and reinforced strategies to improve rates for these measures.

The Agency also continues work related to initiatives led by the Agency for Healthcare Research and Quality (AHRQ) and the Center for Health Care Strategies (CHCS), which are exploring innovative ways to reward quality. The AHCCCS Chief Medical Officer and the CQM Administrator are participating in the AHRQ initiative, which is focusing on collaborative opportunities to develop quality-based pay-for-performance programs. Working with other states and employers in Community Purchasing Groups, AHCCCS is participating in the development of a pay-for-performance program that rewards evidence-based care resulting in quality outcomes to members, and discourages negative outcomes. AHCCCS is working with medical associations in the state to seek input in the development process. Work has been completed, using the AHCCCS Data Decision Support System (ADDS), the Agency's data warehouse, to identify target populations.

This work dovetails with the CHCS initiative regarding Return on Investment. A team comprised of the AHCCCS Chief Medical Officer and CQM Administrator, as well as the Medical Management Manager and a Manager in the Data Analysis and Research Unit, are involved in this project. This should ensure subject-specific data that can be utilized to request legislative funding for the Pay for Performance Program.

- Sharing best practices

AHCCCS regularly shares best practices with and provides technical assistance to its Contractors. In addition, Contractors are encouraged to share evidence-based best practices with each other and their providers. An example of this is the sharing of successful interventions during AHCCCS Contractor quality management meetings.

As previously mentioned, AHCCCS continued facilitating a targeted effort to improve childhood immunization rates in Pinal County during the quarter, and will expand this collaboration to other areas of the state where rates of childhood immunization are lowest. The collaborative effort includes AHCCCS, its contracted health plans, the ADHS Office of Immunization, The Arizona Partnership for Immunization and the Pinal County Health Department. Evidence-based practices to improve delivery of immunizations and keep children up to date are disseminated through provider outreach and educational sessions for medical offices.

One of the AHCCCS PIPs, to increase provider reporting to the Arizona Statewide Immunization Information System (ASIIS), has demonstrated promising practices in collaboration across the health care delivery system to improve rates of completed immunizations among AHCCCS members. This project was implemented in CYE 2005 to increase the number of primary care practitioners contracted with AHCCCS acute-care health plans who report vaccination data to ASIIS, and to increase the total number of reported vaccinations administered to AHCCCS members. AHCCCS led a collaborative effort between health plans, ADHS and The Arizona Partnership for Immunization (TAPI) to analyze reasons for provider non-compliance with reporting and develop interventions. AHCCCS Contractors shared responsibility for educating providers, using consistent messages and materials that reinforce the use of registries as a proven tool for increasing immunization rates.

Results of the first remeasurement of this PIP show that rates of provider sites reporting vaccinations within 30 days increased significantly among all health plans, with a median of 86.4 percent, compared with a median of 74.2 percent in the baseline measurement. A second remeasurement of the PIP will be conducted in the fall of 2008.

The CQM Unit also regularly monitors sources for evidence-based tools to improve member access to and utilization of health services, such as the AHRQ Innovations website and resources from Health Services Advisory Group, a federally contracted quality improvement organization. CQM provides appropriate resources and tools to Contractors. During the quarter, Contractors were provided best practice tools for:

- diabetes, obesity and cardiovascular disease management and patient education resources
- tools for general quality improvement, data analysis and strategies for increasing use of preventive services, as well as federal Medicaid Managed Care regulations, EQRO protocols and HEDIS technical specifications that are available on the web (these were provided as part of the comprehensive Contractor training on August 18)
- guidelines for adult preventive services, developed by AHRQ

During the quarter, CQM staff participated in the CMS workgroups that are developing a National Medicaid Quality Framework. A team developed potential goals and measures for various populations that might be included in the framework, and submitted them to CMS prior to the workgroup teleconferences, as requested by CMS. During the calls, AHCCCS discussed its quality improvement priorities and challenges with other state representatives and CMS, and shared some promising strategies to improve performance.

Including medical quality assessment and performance improvement requirements in the AHCCCS contracts

Contracts with health plans are reviewed to ensure that they include all federally required elements prior to renewal. As discussed at the beginning of this report, AHCCCS awarded new contracts for Acute-care services during the quarter. New or enhanced provisions were incorporated into the contracts to incentivize improvement and discourage poor performance. In order to drive improvement in Contractor performance for HEDIS measures, AHCCCS has set the Minimum Performance Standard (MPS) for each of these measures at the most recent Medicaid mean reported by the National Committee for Quality Assurance or, if the AHCCCS statewide average already is above the national mean, the MPS is set slightly above the current AHCCCS mean. Language strengthening sanctions for poor performance on clinical quality measures also was added, with possible sanctions of up to $100,000 per measure for which the Contractor does not meet the AHCCCS MPS. These provisions should encourage Contractors to invest resources in ensuring that members receive preventive care services at rates that meet or exceed national Medicaid means.

AHCCCS also added requirements to contracts so that Contractors dedicate staff with specific qualifications to quality/performance improvement efforts, and clarified responsibilities for some other key personnel to ensure that members receive preventive services, that those with special needs also receive care coordination services, and that Contractors interface with community partners to maximize resources and promote optimum health outcomes among members.

Regular monitoring and evaluating of Contractor compliance and performance

AHCCCS monitors and evaluates access to care, organizational structure and operations, clinical and non-clinical quality measurement and performance improvement outcomes through the following methods.

Annual on-site Operational and Financial Reviews (OFRs)

During annual on-site reviews, AHCCCS conducts a review of each Contractor's compliance related to development and implementation of policies, performance related to quality measures, progress toward applicable plans of correction to improve quality of care and service outcomes for members. There were no reviews of Acute-care Contractors during this quarter, while health plans gear up to implement the new contracts awarded in the previous quarter. However, policies and procedures relating to quality, medical management and operational/structural areas were submitted by health plans that have new AHCCCS contracts or contracts in new Geographic Service Areas. The documents were reviewed by DHCM staff, who approved them or required changes to meet AHCCCS and federal standards.

AHCCCS did conduct an annual review of the Division of Developmental Disabilities (DDD) September 9 through 11. In general, AHCCCS found that DDD's process for addressing quality of care concerns has shown improvement, both individually and systemically. There are a number of areas in quality management that continue to require corrective action, including the monitoring of all HCBS services and organizational credentialing. While the Contractor improved performance in most quality Performance Measures reported in CYE 2007, preliminary data collected by AHCCCS show that its overall performance has subsequently declined, This Contractor should strive to make Performance Measures and Performance Improvement Projects more visible and integral to the overall Quality Management program.

In the Maternal and Child Health area, AHCCCS found that DDD has made changes that should have long-term positive results if processes are being implemented and documented. The Contractor has filled the position of the EPSDT Coordinator. DDD should look at new opportunities to help increase EPSDT rates and ensure that pregnant members are being monitored for compliance with prenatal care according to timeframes required in the AMPM.

AHCCCS has required corrective action plans relating to ALTCS OFRS completed earlier in the year for all standards for which Contractors did not fully meet contract and BBA requirements. These plans have been received and reviewed by AHCCCS, which accepts the CAP or requires revisions in order to meet these requirements. Progress on the CAPs will be monitored through other activities, as described below, and during OFRs in the next contract year.

- Review and analysis of periodic reports

A number of contract deliverables are used to monitor and evaluate Contractor compliance and performance. AHCCCS reviews these reports, provides feedback and approves them as appropriate.

  - **Annual Quality Management/Performance Improvement Plans**. AHCCCS ensures that each Contractor has an ongoing quality assessment and performance improvement program for the services it furnishes to its members, consistent with BBA regulations. Annually, Contractors submit their annual Quality

Management/Performance Improvement (QM/PI) Plans and Evaluations of the previous year's activities, Utilization Management (UM) Plans and Evaluations, Performance Improvement Project (PIP) proposals and reports, annual Maternity Care Plans, annual EPSDT/Dental Plans, and related Work Plans. CQM coordinates this review with other units in the division. Contractors will submit their annual plans and PIP reports in December 2008. Much of the training presented by CQM to Contractors in August should help ensure that these plans meet AHCCCS and federal Medicaid Managed Care Regulations for Quality Assessment and Performance Improvement programs. In addition, CQM has developed checklists for Contractors to use in developing and submitting their QA/PI Plans and Evaluations and Maternity Care/EPSDT/Dental Plans and Evaluations. These checklists help ensure that all required components related to improving the quality of care and service delivery for enrollees are addressed. They also assist AHCCCS staff in reviewing the plans in a more efficient manner.

- **Quarterly EPSDT/Oral Health Progress Reports**. AHCCCS requires Acute and ALTCS Contractors to submit quarterly reports demonstrating their efforts to inform families/caregivers of EPSDT services and ensure that members receive these services according to the AHCCCS Periodicity Schedule. AHCCCS has developed a template for Contractors to report data on member and provider outreach, as well as Contractor rates for various services, such as blood-lead and tuberculosis screening, PCP oral exams, and referrals. The template prompts Contractors to evaluate the effectiveness of activities, including care coordination, follow up and new or revised interventions to improve quality and access to care. The template also provides a vehicle for Contractors to report the results of their internal monitoring of contractual Performance Measures on a quarterly basis. Training in the use of this report and template, as well as the Maternity Care/EPSDT/Dental Annual Plan and Evaluation checklist, was provided to Contractors at the August meeting.

- **Quarterly Quality Management Reports.** Contractors submit reports on Quality of Care (QOC) concerns received and the disposition of those concerns (e.g., whether or not they were substantiated). The concerns also are reported by category, such as availability/accessibility/adequacy, effectiveness/appropriateness of care, member rights and non-quality issues, to identify trends. Contractors also report the types of actions taken to resolve concerns. AHCCCS also has provided training to Contractors on correctly using this report template.

- <u>Review and analysis of program-specific Performance Measures and Performance Improvement Projects</u>

AHCCCS considers a Performance Improvement Project (PIP) as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years. While Contractors may select and implement their own PIPs to address problems specific to their plans, AHCCCS mandates other program-wide PIPs in which Contractors must participate, and monitors

performance until each health plan meet requirements for demonstrable and sustained improvement. As noted earlier in this report, AHCCCS collected, analyzed and reported to Contractors their results for one Acute-care Program PIP and one ALTCS PIP.

Another method by which AHCCCS monitors the quality and appropriateness of care provided to members is through Performance Measures. Contractors submit encounter data to AHCCCS, which measures each plan's performance and evaluates its compliance in meeting contractual performance standards for specific health care services. Under their contracts with AHCCCS, Contractors are required to improve their rates for Performance Measures and achieve specific goals for each. AHCCCS requires corrective action plans from Contractors that do not meet the Minimum Performance Standard, or that show a statistically significant decline in their rates. Contractors also could face significant financial sanctions if they do not improve performance to a level that meets or exceeds the minimum standard.

Maintaining an information system that supports initial and ongoing operations and review of the established Quality Strategy

The AHCCCS Data Decision Support (ADDS) system provides greater flexibility and timeliness in monitoring a broad spectrum of data, including information that supports ongoing operations and review of quality management and performance improvement activities. Enhancements have been made to the ADDS function that generates Performance Measure data. The system will be used to support performance monitoring, as well as provide data through specific queries to guide new quality initiatives.

In addition, AHCCCS has an ongoing process of reviewing and updating its programming for collecting and analyzing Performance Measures according to HEDIS specifications through the ADDS data warehouse. Measures are validated against historical data, as well as individual recipient and service records in PMMIS, to ensure accuracy and reliability of data. During the quarter, DHCM made some revisions and improvements to its programming of HEDIS measures after an in-depth review and crosswalk of NCQA specifications, which will ensure continued comparability with national means and percentiles. Quality-control processes also were completed to ensure that the revised programming is running correctly for Performance Measure data to be reported in the fall of 2008.

Reviewing, revising and beginning new projects in any given area of the Quality Strategy

Review and revision of the components of the Quality Strategy is an ongoing process for AHCCCS. Earlier this year, AHCCCS completed a thorough review and revision of the Agency's Quality Strategy, utilizing the CMS Medicaid Quality Strategy Toolkit, to ensure that all required components are addressed and that the document is up to date. The State Medicaid Advisory Committee (SMAC) also provided input into the strategy. This process has resulted in a revised Quality Strategy that aligns with Medicaid Managed Care requirements, including the CMS toolkit, and links to other significant

documents, including annual External Quality Review reports, the AHCCCS Five Year Strategic Plan, AHCCCS E-Health Initiative, managed care contracts and reports by the Agency. The final product, which also has been presented to Contractors, offers users a more complete view of quality initiatives throughout the Agency and provides updates on activities and progress since the Quality Strategy was developed in 2003.

Children's Rehabilitative Services Administration
Quarterly Update- Dec 2008
July through September, 2008

This update is submitted in accordance with the Arizona Health Care Cost Containment System (AHCCCS) 1115 Waiver Special Terms and Conditions, STC #35. This document provides a summary of Children's Rehabilitation Services Administration's (CRSA) progress on their corrective action plan regarding the BBA requirements and Quality Management program. The Contractor has made significant progress on the implementation of polices and procedures needed to meet the minimum requirements and adequately manage their contract. The need to assure that all care is delivered in a timely manner, uniformly with the highest level of quality continues to be the areas of focus for the CRSA system.

CRSA has delegated the functional areas of claims; grievances; medical management; recipient services; the provider network; and quality management to a single subcontractor. CRSA has mechanisms in place to provide adequate oversight of the subcontracted functions through use of a comprehensive Administrative Audit tool used annually at the subcontractor site visit and the implementation of quarterly reporting in the areas of quality and medical management. AHCCCS conducted an annual Operational and Financial Review in March, 2008, and is currently setting a schedule for a full review for 2009.

CRSA is now operating a subcontract which has changed the delegation model and oversight mechanism significantly. This contract went into effect on October 1, 2008. The new subcontractor also holds contracts with AHCCCS to provide Acute Care services and therefore is familiar with the reporting requirements and expectations of the AHCCCS administration and is capable of providing CRSA with necessary data for periodic reporting to AHCCCS in the approved and preferred formats. The subcontractor has coordinated transition of member care processes and daily operations with CRSA, AHCCCS and network providers. CRSA has performed a readiness review of the subcontractor's operations with findings to be reported to AHCCCS when complete.

AHCCCS conducted an Operational and Financial Review (OFR) at Children's Rehabilitative Services Administration during the week of March 3 -7, 2008. The progress on corrective actions required by the OFR and general statements of program status are listed below:

<u>Quality Management</u>

CRSA has been released from the Notice to Cure its Quality of Care processes. CRSA has completed a work plan to address the areas of concern in the Notice to Cure. Continued reporting will be required based on the AHCCCS Administration 1115 Waiver conditions.

Progress Made:

- CRSA continues to submit monthly quality of care tracking and trending reports to AHCCCS. CRSA added a field in the QOC tracking report to identify providers by provider identification number.
- CRSA recently contracted with Arizona Physicians IPA (APIPA) to manage the delivery of care and services to the CRS enrolled Medicaid members. APIPA's comprehensive health information system and technology should resolve concerns previously cited regarding the limited functional capabilities of the CRSA health information system such as data collection, validation and analysis. AHCCCS will assess progress in this area during the CYE 2009 onsite Operational and Financial Review.
- CRSA submitted an updated corrective action plan for the two performance measures for which it is not meeting AHCCCCS minimum performance standards -- Timeliness of Initial Medical Evaluation and First Appointment with CRS Specialty Provider -- on Sept. 2, 2008. The CAP was submitted in work plan format, and included interventions, timelines and staff persons responsible for completing activities. The CAP attachments included an analysis of barriers to timely appointments and a discussion of how CRSA and/or its Subcontractors are addressing those barriers, as well progress on addressing data collection issues with the Regional Clinics. The CAP was accepted as submitted. Further progress will be assessed through the CRSA Quality Management Evaluation to be submitted to AHCCCS in December 2008 and again during the CYE 2009 onsite Operational and Financial Review.

Medical Management

Progress Made:

- CRSA has submitted the Corrective Action Plan (CAP) for the Operational and Financial Review that was accepted with changes made due to the delegated agreement arrangements that have been made with their service delivery model. CRSA has delegated all medical management functions to the subcontractor. CRSA will report the compliance of the delegated functions to AHCCCS on a quarterly basis and will have better access to data and outcome reporting from the subcontractor.

Challenges remaining:

- The CRSA-APIPA Medical Management Committee must develop a process or method that manages outcomes of the providers and the interventions proposed by the Committee.
- CRSA must develop a mechanism for capturing that the subcontractor implements the CAP that CRSA has submitted.

Recipient Services and Cultural Competency

Progress Made:

- CRSA has expanded the analysis of survey results to determine response rates and causes for negative responses regardless of statistical significance.
- CRSA has developed a schedule for periodic trainings in advance of the Contract Year.

All Corrective Action Plans resulting from the 2008 OFR have been completed.

Claims and Third Party Liability

Progress Made:

- CRSA, in conjunction with their subcontractor, has developed pre-payment audit functions to assess the accuracy of claim payment systems proactively.
- The CRSA Subcontractor will be submitting monthly deliverables related to claims payment standards that mirror the Acute program and Long Term Care program reporting so that identification of deficiencies and progress are more timely.

All Corrective Action Plans resulting from the 2008 OFR have been completed.

Grievance Systems

Progress Made:

- CRSA continues on 100% review of all Notice of Action letters generated by each clinic. They have only issued one letter during this quarter.
- CRSA is now monitoring the prior authorization tracking log generated by each clinic.
- CRSA is issuing timely decisions for both member appeals and claim disputes.

Challenges remaining:

- CRSA must ensure that all Notice of Action letters include the factual basis of the decision in clearly understood language.
- CRSA must implement a process to assure timely decisions regarding services are made by their subcontractor and that care coordination with the other AHCCCS Health Plans is assured.

Financial Management

Progress Made:

- CRSA has policies in place to monitor the subcontractor financial reporting on a quarterly and annual basis.
- CRSA has added this to their audit tool and is implementing the process during the Administrative Audits conducted this quarter.

Challenges remaining:

- Implementation and validation that the finances reported from the subcontractors is valid. This process will be dependent upon the capabilities and validation related to the claims processing.

Conclusion

CRSA has concluded the process of examining their delivery of care model based on feedback from multiple community stakeholders, including the public, AHCCCS acute health plans and the CRSA subcontractors and determined the most efficient and effective means of delivering specialty care to children with special health care needs. CRSA has awarded a contract based on a Request for Proposal (RFP) that incorporated the feedback from the delivery care model review. AHCCCS has participated in weekly conference calls with CRSA and its new subcontractor to assess progress of transition activities. The awarded Contractor has an established relationship with the AHCCCS administration under an Acute Care Contract and has mature capabilities with regard to claims payment, data collection, utilization management, coordination of care and benefits, as well as member and provider communication channels.

CRSA has demonstrated progress in the areas under review. AHCCCS and CRSA continue to meet regularly and review progress made regarding implementation of the standards outlined by AHCCCS and identified as not being in full compliance as a result of previous operational reviews. AHCCCS has been able to close the Notice to Cure issued on June 3, 2005 based on this continued progress. CRSA must continue to submit all findings and results of monitoring conducted by CRSA to AHCCCS.

Arizona Health Care Cost Containment System

Budget Neutrality Tracking Report

For the Period Ended September 30, 2008

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:

Medicaid Enrollment Group	FFY 1999 PM/PM (Base Year)	Trend Rate	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 6/01	QE 9/01	Total	Federal Share Budget Neutrality Limit FFY 2001	
AFDC/SOBRA	$208.71	1.09495	250.23	67.95%	170.02	1,174,011	1,308,851	2,482,862	$ 422,128,617	
SSI	$414.28	1.0688	473.25	67.31%	318.55	266,243	275,436	541,679	172,552,884	
									$ 594,681,501	MAP Subtotal
									75,946,612	Add DSH Allotment
									$ 670,628,113	Total BN Limit

	DY 01 PM/PM			Member Months QE 12/01	QE 3/02	QE 6/02	QE 9/02	Total	Federal Share Budget Neutrality Limit FFY 2002	
AFDC/SOBRA	273.98	67.95%	186.16	1,435,184	1,525,569	1,595,496	1,684,896	6,241,145	$ 1,161,851,905	
SSI	505.81	67.31%	340.47	284,731	291,404	297,919	304,560	1,178,614	401,280,691	
									$ 1,563,132,596	MAP Subtotal
									86,014,710	Add DSH Allotment
									$ 1,649,147,306	Total BN Limit

	DY 02 PM/PM			Member Months QE 12/02	QE 3/03	QE 6/03	QE 9/03	Total	Federal Share Budget Neutrality Limit FFY 2003	
AFDC/SOBRA	300.00	71.12%	213.36	1,774,515	1,844,443	1,939,364	2,028,484	7,586,806	$ 1,618,707,360	
SSI	540.60	70.58%	381.58	310,954	317,989	325,766	333,575	1,288,284	491,588,988	
									$ 2,110,296,348	MAP Subtotal
									82,215,000	Add DSH Allotment
									$ 2,192,511,348	Total BN Limit

	DY 03 PM/PM			Member Months QE 12/03	QE 3/04	QE 6/04	QE 9/04	Total	Federal Share Budget Neutrality Limit FFY 2004	
AFDC/SOBRA	328.48	71.43%	234.63	2,041,388	2,016,860	2,015,079	2,094,616	8,167,943	$ 1,916,406,679	
SSI	577.80	70.72%	408.60	343,778	347,637	354,615	361,508	1,407,538	575,120,349	
									$ 2,491,527,029	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 2,586,896,429	Total BN Limit

	DY 04 PM/PM			Member Months QE 12/04	QE 3/05	QE 6/05	QE 9/05	Total	Federal Share Budget Neutrality Limit FFY 2005
AFDC/SOBRA	359.67	69.53%	250.06	2,199,846	2,179,539	2,207,288	2,210,112	8,796,785	$ 2,199,753,438
SSI	617.55	68.74%	424.51	371,427	377,434	382,366	384,174	1,515,401	643,303,574

											$ 2,843,057,012	MAP Subtotal
											95,369,400	Add DSH Allotment
											$ 2,938,426,412	Total BN Limit

		DY 05 PM/PM			Member Months QE 12/05	QE 3/06	QE 6/06	QE 9/06	Total	Federal Share Budget Neutrality Limit FFY 2006	
AFDC/SOBRA		393.82	69.13%	272.26	2,207,271				2,207,271	$ 600,955,684	
SSI		660.04	68.44%	451.70	385,712				385,712	174,225,197	
AFDC/SOBRA	Post MMA Adj	392.97	69.13%	271.67		2,169,998	2,164,199	2,151,780	6,485,977	1,762,072,752	
SSI	Post MMA Adj	590.02	68.44%	403.78		385,704	382,625	382,433	1,150,762	464,653,984	
										$ 3,001,907,617	MAP Subtotal
										95,369,400	Add DSH Allotment
										$ 3,097,277,017	Total BN Limit

	FFY 2006 PM/PM	Trend Rate	DY 06 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/06	QE 3/07	QE 6/07	QE 9/07	Total	Federal Share Budget Neutrality Limit FFY 2007
AFDC/SOBRA	392.97	1.072	421.27	68.80%	289.83	2,149,868	2,143,537	2,170,671	2,216,049	8,680,125	$ 2,515,751,074
SSI	590.02	1.072	632.50	68.10%	430.74	382,334	382,490	385,891	388,080	1,538,795	662,822,543
ALTCS-DD		1.072	3516.33	66.58%	2341.03	55,512	56,310	57,254	58,202	227,278	532,064,235
ALTCS-EPD		1.072	3409.91	66.63%	2272.15		74,239				679,794,038

				74,616		74,651	75,680	299,186		
									$ 4,390,431,891	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 4,485,801,291	Total BN Limit

	DY 07 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/07	QE 3/08	QE 6/08	QE 9/08	Total	Federal Share Budget Neutrality Limit FFY 2008	
AFDC/SOBRA	451.60	68.45%	309.14	2,253,527	2,263,897	2,299,585	2,333,875	9,150,884	2,828,914,895	
SSI	678.04	67.73%	459.22	390,040	391,065	390,433	388,504	1,560,042	716,400,226	
ALTCS-DD	3769.51	66.31%	2499.48	59,161	60,074	61,097	61,836	242,168	605,293,462	
ALTCS-EPD	3655.42	66.38%	2426.45	76,640	77,221	78,123	78,872	310,856	754,276,556	
									$ 4,904,885,140	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 5,000,254,540	Total BN Limit

Based on CMS-64 certification date of 10/30/08

Arizona Health Care Cost Containment System

Budget Neutrality Tracking Report

For the Period Ended September 30, 2008

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

	Budget Neutrality Limit - Federal Share			Expenditures from CMS-64, Schedule B - Federal Share							
WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED			$	DSH	Total	VARIANCE
QE 6/01	$ 284,413,984	$ -	$ 284,413,984	$ 141,986,847	$ 59,681,038	$ 31,346,872	$ -	$ -	-	$ 49,741,851	$ 294,745,993	$ (10,332,009)
QE 9/01	310,267,517	75,946,612	386,214,129	190,394,084	89,174,119	35,440,263	-	-	-	9,964,155	319,071,317	67,142,812
QE 12/01	364,115,810	-	364,115,810	212,600,041	91,278,326	54,069,757	-	-	-	-	357,948,124	6,167,686
QE 3/02	383,213,832	-	383,213,832	279,700,520	129,324,172	69,531,395	-	-	-	(59,706,006)	412,762,000	(29,548,168)
QE 6/02	398,449,597	-	398,449,597	251,569,392	119,396,617	69,516,073	-	-	-	-	440,482,082	(42,032,485)
QE 9/02	417,353,356	86,014,710	503,368,066	254,526,472	100,795,403	72,123,681	-	-	-	-	427,445,556	75,922,510
QE 12/02	497,262,521	-	497,262,521	283,042,237	112,605,459	81,611,127	-	-	-	-	477,258,823	20,003,698
QE 3/03	514,866,680	-	514,866,680	307,833,501	124,015,853	83,135,076	-	-	-	-	514,984,430	(117,750)
QE 6/03	538,086,436	-	538,086,436	335,897,265	153,636,989	103,921,589	-	-	-	-	593,455,843	(55,369,407)
QE 9/03	560,080,712	82,215,000	642,295,712	326,904,740	130,779,492	99,910,965	-	-	-	-	557,595,197	84,700,515
QE 12/03	619,429,192	-	619,429,192	342,194,130	141,669,588	117,472,377	-	-	-	-	601,336,095	18,093,097
QE 3/04	615,251,089	-	615,251,089	356,575,718	144,541,374	121,487,252	-	-	-	-	622,604,344	(7,353,255)
QE 6/04	617,684,434	-	617,684,434	378,397,587	178,126,369	119,699,074	-	-	-	-	676,223,030	(58,538,596)
QE 9/04	639,162,314	95,369,400	734,531,714	357,025,418	145,285,954	127,097,490	-	-	-	-	629,408,862	105,122,852
QE 12/04	707,775,484	-	707,775,484	374,496,706	153,711,596	134,379,346	-	-	-	-	662,587,648	45,187,836
QE 3/05	705,247,482	-	705,247,482	389,097,040	171,977,149	152,130,280	-	-	-	-	713,204,469	(7,956,987)
QE 6/05	714,280,176	-	714,280,176	400,547,496	165,585,571	167,446,873	-	-	-	-	733,579,940	(19,299,764)
QE 9/05	715,753,869	95,369,400	811,123,269	413,657,520	174,077,443	162,560,598	-	-	-	-	750,295,561	60,827,708

QE 12/05	775,180,882	-	775,180,882	404,061,498	191,370,840	160,614,226	-	-	-	-	756,046,564	19,134,318
QE 3/06	745,271,845	-	745,271,845	405,005,129	235,354,779	118,877,866	-	-	-	-	759,237,774	(13,965,929)
QE 6/06	742,453,169	-	742,453,169	141,514,299	(35,409,090)	184,960,886	-	-	-	509,691,703	800,757,798	(58,304,629)
QE 9/06	739,001,721	95,369,400	834,371,121	400,869,032	166,963,246	193,842,243	-	-	-	17,513,729	779,188,250	55,182,871

WAIVER PERIOD OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2011:

	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	Total	VARIANCE
QE 12/06	1,087,274,468	-	1,087,274,468	433,715,853	176,371,015	190,249,157	124,180,959	154,103,335	270,452	-	1,078,890,771	8,383,697
QE 3/07	1,086,518,299	-	1,086,518,299	420,960,087	175,385,343	175,652,301	128,103,178	160,067,805	265,323	15,570,598	1,076,004,635	10,513,664
QE 6/07	1,098,993,522	-	1,098,993,522	430,645,025	181,860,134	160,414,980	109,129,722	164,184,289	267,338	63,265,880	1,109,767,368	(10,773,846)
QE 9/07	1,117,645,602	95,369,400	1,213,015,002	451,362,225	183,298,829	206,505,026	131,045,943	172,571,072	251,682	17,380,376	1,162,415,153	50,599,849
QE 12/07	1,209,606,273	-	1,209,606,273	441,087,082	158,955,002	172,368,837	141,711,614	179,249,253	217,152	281,350	1,093,870,290	115,735,983
QE 3/08	1,216,974,557	-	1,216,974,557	474,365,681	187,556,226	209,641,419	141,151,012	180,491,321	897,152	281,350	1,194,384,161	22,590,396
QE 6/08	1,232,462,584	-	1,232,462,584	482,388,876	199,304,269	212,059,299	155,838,638	182,521,867	280,379	76,673,242	1,309,066,570	(76,603,986)
QE 9/08	1,245,841,726	95,369,400	1,341,211,126	541,335,374	211,292,752	261,662,599	152,639,539	195,919,083	229,663	281,350	1,363,360,360	(22,149,234)
QE 12/08												
QE 3/09												
QE 6/09												
QE 9/09												
QE 12/09												
QE 3/10												
QE 6/10												
QE 9/10												
QE 12/10												
QE 3/11												
QE 6/11												
QE 9/11												
	$21,899,919,133	$721,023,322	$22,620,942,455	$ 10,623,756,875	$4,417,965,857	$4,049,728,927	$1,083,800,605	$1,389,108,025	$ 2,679,141	$ 700,939,578	$22,267,979,008	$ 352,963,447

Last Updated: 11/10/2008

Arizona Health Care Cost Containment System

Budget Neutrality Tracking Report

For the Period Ended September 30, 2008

III. SUMMARY BY DEMONSTRATION YEAR AND WAIVER PERIOD

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
DY 01	$ 2,319,775,419	$ 2,409,696,461	$ (89,921,042)	-3.88%				
DY 02	2,192,511,348	2,108,227,427	84,283,921	3.84%				
DY 03	2,586,896,429	2,480,918,739	105,977,690	4.10%				
DY 04	2,938,426,412	2,855,234,702	83,191,710	2.83%				
DY 05	3,097,277,017	3,136,929,097	(39,652,080)	-1.28%	$ 13,134,886,624	$ 12,991,006,426	$ 143,880,198	1.10%
DY 06	4,485,801,291	4,501,284,512	(15,483,221)	-0.35%				
DY 07	5,000,254,540	4,775,688,070	224,566,470	4.49%	9,486,055,830	9,276,972,582	209,083,248	2.20%
	$ 22,620,942,455	$ 22,267,979,008	$ 352,963,447		$ 22,620,942,455	$ 22,267,979,008	$ 352,963,447	1.56%

Arizona Health Care Cost Containment System

Budget Neutrality Tracking Report

For the Period Ended September 30, 2008

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,897,039	543,446,162	622,467,661	834,919,983	1,061,709,679	1,087,136,734	1,214,801,830				5,890,379,088
AFDC/SOBRA	1,940,322,255	1,651,670,230	1,898,451,747	2,184,049,535	2,361,543,193	2,535,571,619	2,746,136,391				15,317,744,970
SSI	853,935,717	659,646,910	830,513,101	968,034,368	1,002,351,953	1,048,217,714	1,070,444,298				6,433,144,061
ALTCS-DD	-	-	-	-	-	783,961,556	847,367,718				1,631,329,274
ALTCS-EPD	-	-	-	-	-	1,023,727,477	1,065,031,000				2,088,758,477
Family Planning Extension	-	-	-	-	-	1,746,613	1,188,578				2,935,191
DSH/CAHP	-	-	-	-	-	145,177,300	116,670,607				261,847,907
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-				789,015,636
Total	3,565,388,405	2,977,006,260	3,493,224,659	4,128,396,621	4,563,959,224	6,625,539,013	7,061,640,422				32,415,154,604

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,944,945	385,748,712	442,236,825	575,968,340	725,700,473	741,179,163	823,950,469				4,049,728,927
AFDC/SOBRA	1,318,360,689	1,174,660,307	1,356,000,479	1,518,460,594	1,632,598,563	1,744,079,506	1,879,596,737				10,623,756,875
SSI	574,802,361	465,610,019	587,312,035	665,436,368	685,960,284	713,857,020	724,987,770				4,417,965,857
ALTCS-DD	-	-	-	-	-	521,929,457	561,871,148				1,083,800,605
ALTCS-EPD	-	-	-	-	-	682,146,299	706,961,726				1,389,108,025
Family Planning Extension	-	-	-	-	-	1,594,863	1,084,278				2,679,141
DSH/CAHP	-	-	-	-	-	96,498,204	77,235,942				173,734,146
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-				527,205,432
Total	2,409,696,461	2,108,227,427	2,480,918,739	2,855,234,702	3,136,929,097	4,501,284,512	4,775,688,070				22,267,979,008

Adjustments to Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	446,293	358,997				805,290
AFDC/SOBRA	-	-	-	-	-	2,656,298	1,877,319				4,533,617
SSI	-	-	-	-	-	333,412	237,872				571,284
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-				-
Family Planning Extension[2]	-	-	-	-	-	(1,736,003)	(1,199,188)				(2,935,191)
CAHP[3]	-	-	-	-	-	(1,700,000)	(1,275,000)				(2,975,000)
Total	-	-	-	-	-	-	-				-

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	296,345	237,656				534,001
AFDC/SOBRA	-	-	-	-	-	2,195,363	1,543,800				3,739,163
SSI	-	-	-	-	-	221,399	157,471				378,870
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-				-
Family Planning Extension[2]	-	-	-	-	-	(1,584,264)	(1,094,877)				(2,679,141)
CAHP[3]	-	-	-	-	-	(1,128,843)	(844,050)				(1,972,893)
Total	-	-	-	-	-	-	-				-

[1] The CMS 1115 Waiver, Special Term and Condition 46,e requires that premiums collected by the State shall be reported on Form CMS-64 Summary Sheet line 9,D. The State should include these premium collections as a manual adjustment (decrease) to the Demonstration's actual expenditures on a quarterly basis.

[2] The Family Planning Extension (FPE) waiver expenditures are included in the AFDC\SOBRA rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the FPE expenditures to the AFDC\SOBRA waiver category for budget neutrality comparison purposes.

[3] The Critical Access Hospital Payment (CAHP) waiver expenditures are included in the AFDC\SOBRA and SSI rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the CAHP expenditures to the AFDC\SOBRA, SSI and AC/MED waiver categories for budget neutrality comparison purposes. The CAHP expenditures are allocated to the waiver categories in the same proportion as the capitation payments made for the CAHP service period.

Revised Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,897,039	543,446,162	622,467,661	834,919,983	1,061,709,679	1,087,583,027	1,215,160,827				5,891,184,378
AFDC/SOBRA	1,940,322,255	1,651,670,230	1,898,451,747	2,184,049,535	2,361,543,193	2,538,227,917	2,748,013,710				15,322,278,587
SSI	853,935,717	659,646,910	830,513,101	968,034,368	1,002,351,953	1,048,551,126	1,070,682,170				6,433,715,345
ALTCS-DD	-	-	-	-	-	783,961,556	847,367,718				1,631,329,274
ALTCS-EPD	-	-	-	-	-	1,023,727,477	1,065,031,000				2,088,758,477
Family Planning Extension	-	-	-	-	-	10,610	(10,610)				-
DSH/CAHP	-	-	-	-	-	143,477,300	115,395,607				258,872,907
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-				789,015,636
Total	3,565,388,405	2,977,006,260	3,493,224,659	4,128,396,621	4,563,959,224	6,625,539,013	7,061,640,422				32,415,154,604

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,944,945	385,748,712	442,236,825	575,968,340	725,700,473	741,475,508	824,188,125				4,050,262,928
AFDC/SOBRA	1,318,360,689	1,174,660,307	1,356,000,479	1,518,460,594	1,632,598,563	1,746,274,869	1,881,140,537				10,627,496,038
SSI	574,802,361	465,610,019	587,312,035	665,436,368	685,960,284	714,078,419	725,145,241				4,418,344,727
ALTCS-DD	-	-	-	-	-	521,929,457	561,871,148				1,083,800,605
ALTCS-EPD	-	-	-	-	-	682,146,299	706,961,726				1,389,108,025
Family Planning Extension	-	-	-	-	-	10,599	(10,599)				-
DSH/CAHP	-	-	-	-	-	95,369,361	76,391,892				171,761,253
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-				527,205,432
Total	2,409,696,461	2,108,227,427	2,480,918,739	2,855,234,702	3,136,929,097	4,501,284,512	4,775,688,070				22,267,979,008

Calculation of Effective FMAP:

AFDC/SOBRA							
Federal	1,318,360,689	1,174,660,307	1,356,000,479	1,518,460,594	1,632,598,563	1,746,274,869	1,881,140,537
Total	1,940,322,255	1,651,670,230	1,898,451,747	2,184,049,535	2,361,543,193	2,538,227,917	2,748,013,710
Effective FMAP	0.679454501	0.711195422	0.714266497	0.695250071	0.691326997	0.687989781	0.684545543
SSI							
Federal	574,802,361	465,610,019	587,312,035	665,436,368	685,960,284	714,078,419	725,145,241
Total	853,935,717	659,646,910	830,513,101	968,034,368	1,002,351,953	1,048,551,126	1,070,682,170
Effective FMAP	0.673121348	0.705847343	0.707167695	0.687409859	0.684350723	0.681014403	0.677274042
ALTCS-DD							
Federal						521,929,457	561,871,148
Total						783,961,556	847,367,718
Effective FMAP						0.665758994	0.663078302
ALTCS-EPD							
Federal						682,146,299	706,961,726
Total						1,023,727,477	1,065,031,000
Effective FMAP						0.666335831	0.663794506

Arizona Health Care Cost Containment System
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V. Budget Neutrality Member Months and Cost Sharing Premium Collections

Budget Neutrality Member Months:	**AFDC/SOBRA**	**SSI**	**ALTCS-DD**	**ALTCS-EPD**
Quarter Ended June 30, 2001	1,174,011	266,243		
Quarter Ended September 30, 2001	1,308,851	275,436		
Quarter Ended December 31, 2001	1,435,184	284,731		
Quarter Ended March 31, 2002	1,525,569	291,404		
Quarter Ended June 30, 2002	1,595,496	297,919		
Quarter Ended September 30, 2002	1,684,896	304,560		
Quarter Ended December 31, 2002	1,774,515	310,954		
Quarter Ended March 31, 2003	1,844,443	317,989		
Quarter Ended June 30, 2003	1,939,364	325,766		
Quarter Ended September 30, 2003	2,028,484	333,575		
Quarter Ended December 31, 2003	2,041,388	343,778		
Quarter Ended March 31, 2004	2,016,860	347,637		
Quarter Ended June 30, 2004	2,015,079	354,615		
Quarter Ended September 30, 2004	2,094,616	361,508		
Quarter Ended December 31, 2004	2,199,846	371,427		
Quarter Ended March 31, 2005	2,179,539	377,434		
Quarter Ended June 30, 2005	2,207,288	382,366		
Quarter Ended September 30, 2005	2,210,112	384,174		
Quarter Ended December 31, 2005	2,207,271	385,712		
Quarter Ended March 31, 2006	2,169,998	385,704		
Quarter Ended June 30, 2006	2,164,199	382,625		
Quarter Ended September 30, 2006	2,151,780	382,433		
Quarter Ended December 31, 2006	2,149,868	382,334	55,512	74,616

Quarter Ended March 31, 2007	2,143,537	382,490	56,310	74,239
Quarter Ended June 30, 2007	2,170,671	385,891	57,254	74,651
Quarter Ended September 30, 2007	2,216,049	388,080	58,202	75,680
Quarter Ended December 31, 2007	2,253,527	390,040	59,161	76,640
Quarter Ended March 31, 2008	2,263,897	391,065	60,074	77,221
Quarter Ended June 30, 2008	2,299,585	390,433	61,097	78,123
Quarter Ended September 30, 2008	2,333,875	388,504	61,836	78,872

	ALTCS Developmentally Disabled	
Cost Sharing Premium Collections:	**Total Computable**	**Federal Share**
Quarter Ended December 31, 2006	$ -	$ -
Quarter Ended March 31, 2007	-	-
Quarter Ended June 30, 2007	-	-
Quarter Ended September 30, 2007	-	-
Quarter Ended December 31, 2007	-	-
Quarter Ended March 31, 2008	-	-
Quarter Ended June 30, 2008	-	-
Quarter Ended September 30, 2008	-	-

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VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2001 *	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	
Total Allotment	**75,946,612**	**86,014,710**	**82,215,000**	**95,369,400**	**95,369,400**	**95,369,400**	**95,369,400**	**95,369,400**	**721,023,322**
Reported in QE									
Jun-01	49,741,851	-	-	-	-	-	-	-	49,741,851
Sep-01	9,964,155	-	-	-	-	-	-	-	9,964,155
Dec-01	-	-	-	-	-	-	-	-	-
Mar-02	-	31,742,730	-	-	-	-	-	-	31,742,730
Jun-02	-	25,195,280	-	-	-	-	-	-	25,195,280
Sep-02	-	-	-	-	-	-	-	-	-
Dec-02	6,706,135	6,911,991	-	-	-	-	-	-	13,618,126
Mar-03	-	-	30,321,680	-	-	-	-	-	30,321,680
Jun-03	7,391,794	10,860,127	45,641,513	-	-	-	-	-	63,893,434
Sep-03	2,142,676	70,751	6,248,559	-	-	-	-	-	8,461,986
Dec-03	-	-	-	-	-	-	-	-	-
Mar-04	-	-	-	29,594,400	-	-	-	-	29,594,400
Jun-04	-	10,760,702	-	63,177,451	-	-	-	-	73,938,153
Sep-04	-	100,274	-	2,597,548	-	-	-	-	2,697,822
Dec-04	-	-	-	-	-	-	-	-	-
Mar-05	-	-	-	-	32,038,750	-	-	-	32,038,750
Jun-05	-	-	-	-	46,343,073	-	-	-	46,343,073
Sep-05	-	-	-	-	16,987,577	-	-	-	16,987,577

Dec-05	-	-	-	-	-	-	-	-	-
Mar-06	-	-	-	-	-	34,829,600	-	-	34,829,600
Jun-06	-	-	(3,363)	-	-	40,326,448	-	-	40,323,085
Sep-06	-	-	-	-	-	17,513,729	-	-	17,513,729
Dec-06	-	-	-	-	-	-	-	-	-
Mar-07	-	-	-	-	-	-	15,288,100	-	15,288,100
Jun-07	-	-	-	-	-	-	62,700,885	-	62,700,885
Sep-07	-	-	-	-	-	-	17,380,376	-	17,380,376
Dec-07	-	-	-	-	-	-	-	-	-
Mar-08	-	-	-	-	-	-	-	-	-
Jun-08	-	-	-	-	-	-	-	76,391,892	76,391,892
Sep-08	-	-	-	-	-	-	-	-	-
Total Reported to Date	75,946,611	85,641,855	82,208,389	95,369,399	95,369,400	92,669,777	95,369,361	76,391,892	698,966,684
Unused Allotment	**1**	**372,855**	**6,611**	**1**	**-**	**2,699,623**	**39**	**18,977,508**	**22,056,638**

*	Total Allotment FFY 2001	83,835,000
	Reported in QE 3/31/01	7,888,388
	Balance of Allotment for DY Limit Calculation	75,946,612