AHCCCS
Arizona Health Care Cost Containment System

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

Janice K. Brewer, Governor
Thomas J. Betlach, Director

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March 2, 2015

Wakina Scott
Project Officer, Division of State Demonstrations, Waivers & Managed Care
Center for Medicaid, CHIP and Survey & Certification
Centers for Medicare and Medicaid Services
Mailstop: S2-01-16
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Ms. Scott:

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for October 1st, 2014 through December 31st, 2014, which also includes the Quarterly Budget Neutrality Tracking Schedule, the Quarterly Quality Initiative and the Arizona Medicaid Administrative Claiming Random Moment Time Study results.

If you have any questions about the enclosed report, please contact Christopher Vinyard at (602) 417- 4034.

Sincerely,

Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Cheryl Young
Hee Young Ansell
Susan Ruiz

AHCCCS Quarterly Report
October 1, 2014 through December 31, 2014

TITLE

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

Section 1115 Quarterly Report
Demonstration Year: 33
Federal Fiscal Quarter: 1st (October 1, 2014 – December 31, 2014)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 37, the State submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the Demonstration.

ENROLLMENT INFORMATION

Population Groups	Number Enrollees	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,218,808	1,320	398,792
Acute SSI	180,770	120	20,672
Prop 204 Restoration	364,025	482	52,888
Adult Expansion	52,319	76	6,306
LTC DD	27,750	19	1,648
LTC EPD	31,084	23	3,641
Non-Waiver	4,184	13	154
Total	1,878,940	2,053	484,101

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	1,225,431
Title XXI funded State Plan [2]	1,872
Title XIX funded Expansion [3]	36,373
Title XXI funded Expansion [4]	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only [5]	0
Enrollment Current as of	1/1/15

[1] SSI, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1
[2] KidsCare
[3] MI/MN
[4] AHCCCS for Parents
[5] Represents point-in-time enrollment as of 1/1/15

Operational/Policy Developments/Issues:

Waiver Update

On December 15, 2014, CMS approved Arizona's 1115 Waiver amendment request that will:

1. Expand integration of physical and behavioral health services for adults with serious mental illness throughout the State;
2. Extend the Safety Net Care Pool for the Phoenix Children's Hospital;
3. Extend uncompensated care payments to Indian Health Services and 638 Tribal facilities; and
4. Cover all Medicaid services for pregnant women during their hospital presumptive eligibility period.

AHCCCS continues to work with CMS on its request to use federal matching funds for services provided by Tuba City Regional Health Care for inmates of the Navajo Detention Center and to charge premiums to individuals with income above 100% FPL.

CMS did not approve Arizona's request to require $200 co-pays for non-emergency use of the emergency room for individuals with income above 100% FPL.

State Plan Update

During the reporting period, the following State Plan Amendments (SPA) were filed and/or approved:

SPA #	Description	Filed	Approved	Eff. Date
Title XIX				
14-004	Therapies	2/20/14	12/16/14	1/1/14
14-009	APR-DRG	8/27/14	10/21/14	10/1/14
14-010	Insulin Pumps	9/9/14	12/2/14	10/1/14
14-011	Third Party Liability	9/30/14	12/2/14	7/1/14
14-013-A	Freestanding Psychiatric Hospital Rates	10/31/14	Pending	10/1/14
14-013-B	Outpatient Rates	10/31/14	Pending	10/1/14
14-013-C	Other Provider Rates	10/31/14	Pending	10/1/14
14-013-D	Nursing Facility Rates	10/31/14	Pending	10/1/14
14-014	ABP Cost-Sharing	12/13/14	Pending	10/1/14
Title XXI				
13-006	Income Disregards	7/11/14	10/23/14	1/1/14

Legislative Update

Due to the Legislature adjourning sine die on 4/24/14, there is no legislative update available.

Consumer Issues:

In support of the quarterly report to CMS, presented below is a summary of advocacy issues received in the Office of Client Advocacy (OCA) for the quarter October 2014 - December 2014.

Tables summarizing quarter October 2014 - December 2014
Office of Client Advocacy (OCA) issues and their frequency:

Table 1 **Advocacy Issues**	**October**	**November**	**December**	**Total**
Billing Issues	**21**	**19**	**11**	**51**
• **Member reimbursements**				
• **Unpaid bills**				
Cost Sharing	**1**	**1**	**6**	**8**
• **Co-pays**				
• **Share of Cost (ALTCS)**				
• **Premiums (Kids Care, Medicare)**				
	12	**15**	**6**	**33**
Covered Services				
Eligibility Issues by Program				
Can't get coverage due to :	**10**	**8**	**10**	**28**
ALTCS				
• **Resources**				
• **Income**				
• **Medical**	**253**	**204**	**415**	**872**
DES				
• **Income**				
• **Incorrect determination**				
• **Improper referrals**	**0**	**0**	**1**	**1**
Kids Care				
• **Income**				
• **Incorrect determination**				
SSI/Medical Assistance Only	**53**	**45**	**45**	**143**
• **Income**				
• **Not categorically linked**				
Information	**53**	**60**	**53**	**166**
• **Status of application**				
• **Eligibility Criteria**				
• **Community Resources**				
• **Notification (Did not receive or didn't understand)**				
Medicare	**16**	**7**	**8**	**31**
• **Medicare Coverage**				
• **Medicare Savings Program**				
• **Medicare Part D**				
Prescriptions	**34**	**15**	**9**	**58**

• **Prescription coverage** • **Prescription denial**				
Issues Referred to other Divisions:	**0**	**0**	**0**	**0**
1.Fraud-Referred to Office of Inspector General (OIG)				
	6	**3**	**4**	**13**
2.Quality of Care-Referred to Division of Health Care Management (DHCM) • **Health Plans/Providers *(*Caregiver issues, Lack of providers)** • **Services *(*Equipment, Nursing Homes, Optical and Surgical)**				
Total	**459**	**377**	**568**	**1404**

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

Table 2 **Issue Originator**	**October**	**November**	**December**	**Total**
Applicant, Member or Representative	**417**	**320**	**525**	**1262**
CMS	**5**	**0**	**0**	**5**
Governor's Office	**11**	**12**	**10**	**33**
Ombudsmen/Advocates/Other Agencies…	**19**	**40**	**31**	**90**
Senate & House	**7**	**5**	**2**	**14**
Total	**459**	**377**	**568**	**1404**

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

Complaints and Grievances:

In support of the quarterly report to CMS, presented below is a summary of the number of complaints and grievances filed on behalf of beneficiaries participating in the SMI and CRS integration projects, broken down by access to care, health plan and provider satisfaction.

Member Grievances and Complaints	Oct-14	Nov-14	Dec-14	Total
Access to Care	28	28	31	87
Health Plan	36	34	24	94
Provider Satisfaction	77	68	38	183
Total	141	130	93	**364**

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.

Innovative Activities:

Health-e-Arizona Plus: Plan C

Arizona made a determination that it could not safely convert all of the data from its legacy systems into the new Health-e-Arizona Plus system before October 1, 2013. Therefore the state implemented its Plan C mitigation strategy. One exception to Plan C is Children's Rehabilitative Services (CRS). Health-e-Arizona Plus was implemented on 9/23/13 for CRS. The CRS implementation did not require a data conversion.

Plan C includes implementation of Health-e-Arizona Plus in three steps.

Step 1:

On October 19, 2013, implemented Health-e-Arizona Plus for consumers and consumer assisters. Exercised new policies and processes for MAGI, Medicaid Expansion and Account transfer to the FFM.

Step 2:

Converted ACE data into Health-e-Arizona Plus in November 2013. AHCCCS staff began using the Health-e-Arizona Plus system for aged blind disabled programs (ABD), Medicare Savings Programs and CHIP.

Step 3:

DES staff began using the Health-e-Arizona Plus system in December 2013. Health-e-Arizona Plus is completely rolled out for Phase I when all DES staff are using the system for Medicaid, SNAP and TANF.

Step 4:

DES began the pilot process at the Glendale office to process HEAplus applications in May 2014.

Step 5:

HEAplus started the automated process for Reasonable Opportunity in June 2014.

Step 6:

HEAplus starting processing the Medicaid automated renewals for the SSI MAO cases in September 2014.

Step 7:

HEAplus started processing all other active HEAplus Medicaid renewals in October 2014 for the renewal month of December 2014. This is ongoing each month for all active HEAplus Medicaid cases as they come due for renewal.

Step 8:

HEAplus started processing DES Medicaid renewals for the DES Glendale local office in December 2014, for the December 2014 renewal month.

Step 9:

HEAplus started processing all other active DES Medicaid renewals in December 2014 for the renewal month of January 2015, and this is ongoing each month for all DES active Medicaid cases due for renewal.

Enclosures/Attachments:

Attached you will find the Budget Neutrality Tracking Schedule and the Quality Assurance/Monitoring Activities, including the CRS update for the quarter. Beginning during the October-December, 2010 quarter, AHCCCS will submit quarterly summary reports for the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results as part of the ongoing quarterly reporting by AHCCCS to CMS.

State Contact(s):

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Date Submitted to CMS:

March 2, 2015

Arizona Health Care Cost Containment System

Attachment II to the
SECTION 1115 QUARTERLY REPORT

QUALITY ASSURANCE/MONITORING ACTIVITY

Demonstration/Quarter Reporting Period
Demonstration Year: 33
Federal Fiscal Quarter: 1/2015 (10/14-12/14)

Prepared by the Division of Health Care Management
January 2015

INTRODUCTION

This report describes the Arizona Health Care Cost Containment System (AHCCS) quality assurance/monitoring activities that took place during the quarter, as required in STC 37 of the State's Section 1115 Waiver. This report also includes updates related to AHCCCS's 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 its members enrolled with managed care organizations, including services received from the Arizona Department of Health Services (ADHS) through benefit carve outs. DHCM is also responsible for the administrative and financial functions of the contracted health plans (Contractors). DHCM, in conjunction with other AHCCCS Divisions, sister agencies, and community partners, continually focus on the provision of "comprehensive, quality health care for those in need", as delineated in the Agency mission.

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

Facilitating Stakeholder Input

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

Collaborative Stakeholder Involvement Highlights

During the quarter, AHCCCS participated in several collaborative efforts related to many different quality components. Community and sister agencies that AHCCCS collaborated with during the quarter include:

- *Arizona Department of Health Services (ADHS) Bureau of Tobacco and Chronic Disease* - In collaboration with ADHS, AHCCCS continued monitoring the utilization of and access to smoking cessation drugs and nicotine replacement therapy program. AHCCCS Members are being encouraged to participate in ADHS' Tobacco Education and Prevention Program (TEPP) smoking cessation support programs such as the "ASHLine" and/or counseling, in addition to seeking assistance from their Primary Care Physician. Additional efforts have been focused on the integrated seriously mentally ill population in connecting them to smoking cessation and nicotine replacement programs.

- *Arizona Department of Health Services' Bureau of USDA Nutrition Programs* - AHCCCS works with the Arizona Department of Health Services **(**ADHS) Bureau of USDA Nutrition Programs for many initiatives ranging from Contractor education to Women,

Infants and Children (WIC) promotion. Similac Advance and Enfamil Prosobee are the standard formulas offered by WIC. Also, medical documentation continues to be an option for those children with special needs who do not meet criteria for AHCCCS coverage. All Arizona providers were informed via letter of the formula changes.

- *Arizona Department of Health Services Immunization Program* - Ongoing collaboration with the ADHS helps ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) Program. VFC Program representatives provide education to Contractors, regular notifications to AHCCCS regarding vaccine-related trends and issues, and updates regarding the Arizona State Immunization Information System (ASIIS). ASIIS staff also provides monthly data sharing regarding AHCCCS members receiving immunizations and ongoing collaboration regarding Stage 1 and Stage 2 Meaningful Use public health requirements.

- *Arizona Department of Health Services Office of Environmental Health (ADHS)* - AHCCCS and several Contractors participate in the Arizona Childhood Lead Poisoning Elimination Coalition to develop 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. The Centers for Medicare and Medicaid Services (CMS) has approved the Agency to implement a targeted approach to lead screening based on data obtained and analyzed by the ADHS.

- *Arizona Early Intervention Program* - The Arizona Early Intervention Program (AzEIP), Arizona's IDEA Part C program, is administered by the Department of Economic Security (DES). Maternal and Child Health (MCH) staff in the Clinical Quality Management (CQM) unit at AHCCCS works with AzEIP to facilitate early intervention services for children under three years of age who are enrolled with AHCCCS Contractors. These services are closely monitored to ensure timely access and availability of services to members. AHCCCS added language to the contract to enforce that all Contractors must reimburse all AHCCCS AzEIP registered providers whether or not they contracted with the AHCCCS Contractor. IFSP services must be reviewed for medical necessity prior to reimbursement. In addition, the AzEIP program has updated its vendor agreement to require that the provider accept the AHCCCS fee-for-service rate for services rendered to AHCCCS members. It is anticipated that this will increase the utilization of developmental services across the two programs.

- *Arizona Head Start Association* - The Arizona Head Start and Early Head Start programs provide education, development, health, nutrition, and family support services to qualifying families. AHCCCS meets with the Head Start leadership at least quarterly to discuss enrollment and coordination of care barriers and successes. Arizona Head Start grantees including the City of Phoenix, Maricopa County, Chicanos por la Causa and Southwest Human Development continue hosting community meetings on a quarterly basis. The meetings are attended by families participating with the Head Start program and the AHCCCS and it’s Contractors’ EPSDT Coordinators.

- *Fetal Alcohol Spectrum Disorder Task Force* – The Fetal Alcohol Spectrum Disorder Task Force is comprised of representatives from various agencies. The Task Force works towards increasing awareness and addressing concerns in the community regarding fetal alcohol spectrum disorders. Recently, the Task Force has been working on finalizing the goals and objectives of the Strategic Plan and involving various stakeholders in its development.

- *Arizona Medical Association and the Arizona Chapter of the 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, from development and review of assessment tools to data sharing and support of system enhancements for providers, such as the Electronic Health Record (her) Incentive Program. During this quarter AHCCCS had discussions related to increasing use of developmental screening tools, the primary care enhanced payment structure, measles outbreak, and care and services delivered to members with a diagnosis of autism.

- *The Arizona Partnership for Immunization (TAPI)* – During the quarter, CQM staff attended TAPI Steering Committee meetings and subcommittee meetings for community awareness, provider issues and adult immunizations. TAPI regularly communicates immunization trends and best practices with AHCCCS and its Contractors. TAPI's Provider Awareness and Adult and Community Awareness committees continue to focus on long-term projects such as updating the TAPI website with the most current information for providers, parents and the community at large. In addition to the website, TAPI vaccination handouts have been updated with new color and formats. TAPI has launched a new Teen Vaccination Campaign (Tdap, Meningococcal and HPV vaccines) targeting provider education as well as parent and teen outreach. The parent focused campaign is *Protect Me with 3* – reminding parents that their kids still need them to protect them and help with healthy decisions. The Teen campaign is *Take Control* and addresses the vaccines that teens need to have to keep healthy as they begin to take control of their lives such as – off to college, driving and even health decisions. Posters, flyers and reminder recall postcards are available on their Free Materials page.

- *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. Since AHCCCS covers approximately half the births in Arizona, the site reviews give the Agency a better look at the hospitals that provide care to pregnant women and newborns, from normal labor and delivery to neonatal intensive care. The current areas of focus for APT include elective C-Sections and inductions prior to 39 weeks gestation, infant and parental immunizations (pertussis), and promoting coordination of care with the Medicaid Contractors. AHCCCS continues to support APT and participate in site visits regularly.

- *Healthy Mothers, Healthy Babies* - The Healthy Mothers, Healthy Babies Maricopa County Coalition is focused on improving maternal child health outcomes in the Maryvale Community. AHCCCS supports the Coalition through assisting in educating communities about AHCCCS-covered services for women and children and the initiation of prenatal care.

- *South Phoenix Healthy Start Community Consortium* – The South Phoenix Healthy Start Consortium aims to connect organizations and to educate members on current programs and initiatives occurring in the community. Additionally, it provides networking opportunities to allow for better collaborative efforts between agencies. AHCCCS continues to attend these meetings and support the Consortium.

- *Arizona Health-E Connection/Arizona Regional Extension Center* - Arizona Health-E Connection (AzHeC) is a public-private community agency geared towards promotion of and provider support for electronic health record integration into the healthcare system. AzHeC is a key partner with AHCCCS in promoting the use of health information technology (HIT) as well as Arizona's health information exchange (HIE). As a subset of AzHeC, the Arizona Regional Extension Center (REC) provides technical assistance and support to Medicare and Medicaid eligible professionals who are working to adopt, implement or upgrade (AIU) an electronic health record (EHR) in their practice and/or achieve Meaningful Use in order to receive monetary payments through state (Medicaid) and national (Medicare) EHR Incentive Programs. The long term goal is to be able to use this technology for quality improvement purposes and to improve outcomes for AHCCCS members.

  AzHec is the umbrella company for the Health Information Network of Arizona (HINAz), which is responsible for building the state's largest electronic health information exchange (HIE) site. HINAz partners with a multitude of community partners and stakeholders, including AHCCCS, in order to make the HIE a successful reality. To date, approximately 30 health systems have signed agreements with HINAz to share health information in the HIE. Partners include one of the state's largest hospital systems – Banner Health, SureScripts, and SonoraQuest Laboratories as well as all AHCCCS Managed Care Organizations and many regional providers. Additionally, HINAz is exploring a partnership opportunity with the Behavioral Health Information Network of Arizona (BHINAz) to ensure coordination of care between physical and behavioral health providers. During the quarter, HINAz began the implementation of a new operating system for the HIE. A fully operating HIE anticipated around June 2015. All reports received to date indicate the system may be available earlier than June, with a soft opening possible during Q2 2015.

- *Strong Families Workgroup* – The Strong Families Workgroup is responsible for developing and implementing a Statewide Plan for home visiting programs in Arizona. AHCCCS members benefit from home visiting programs when identification and referrals are made by AHCCCS Contractors. AHCCCS continues to be a strong referral source to the home visiting programs with the anticipated results of improved birth outcomes for mothers and babies.

- *Arizona Diabetes Steering Committee* – The Diabetes Steering Committee is responsible for increasing adherence to evidence based guidelines, guiding efforts to improve state policy and implementing the Chronic Disease Self-Management Program to improve quality of life and health outcomes for Arizona citizens diagnosed with diabetes. AHCCCS is a member of the Steering Committee as well as the Diabetes Coalition and works to align Medicaid policy with statewide efforts. AHCCCS continues to collaborate and encourage the participation of its Contractors in the Diabetes Coalition.

- *Injury Prevention Advisory Counsel* - Arizona's injury statistics exceed the national average. In response, the Arizona Department of Health Services (ADHS) entered into a cooperative agreement with the Centers for Disease Control (CDC) in September 2000 to develop systematic injury surveillance and control process. ADHS formed an internal work group with representatives from the divisions of Public Health Services, Assurance and Licensure Services, and Behavioral Health Services. An AHCCCS representative also participates in this Counsel in order to provide opportunities to implement change and interventions in the Medicaid program to prevent injuries. The work group, with input from leaders in the field of injury control met to develop the Arizona Injury Surveillance and Prevention Plan, 2002-2005, 2006-2010, and 2012-2016. Along with development of the plan, the Injury Prevention Advisory Council provides recommendations to ADHS on injury priorities, reviews progress in implementation, assists in problem solving, participates in revision and evaluation of the plan, and acts as a liaison between external agencies and ADHS.

- *Arizona Newborn Screening Advisory Committee* - The Newborn Screening Advisory Committee is established to provide recommendations and advice to the Arizona Department of Health Services regarding tests that should be included in the Newborn Screening panel. The committee recommended the 29 disorders, including hearing loss, of the core panel of the Uniform Screening Panel from the HHS Secretary's Advisory Committee on Heritable Disorders in Newborns and Children. Any recommendation of a test to be added to the panel must be accompanied by a cost-benefit analysis. The committee is chaired by the Director of the Department of Health Services and meets at least annually. The Director appoints the members of the committee to include: seven physicians representing the medical specialties of endocrinology, pediatrics, neonatology, family practice, otology and obstetrics; a neonatal nurse practitioner; an audiologist; a representative of an agency that provides services under part C of the Individuals with Disabilities Education Act; at least one parent of a child with a hearing loss or a congenital disorder; a representative from the insurance industry familiar with health care reimbursement issues; the Director of the Arizona Health Care Cost Containment System (AHCCCS) or the director's designee; and a representative of the hospital or health care industry.

- *Behavioral Health Children's Executive Committee (ACEC)* – In 2002, the child-serving agencies of Arizona signed a Memorandum of Understanding (MOU) calling for the formation of the Arizona Children's Executive Committee (ACEC). The signers of the MOU include the Arizona Department of Health Services, the Arizona Department of Economic Security, AHCCCS, the Arizona Department of Juvenile Corrections, the Arizona Department of Education, and the Administration of the Courts. ACEC brings together multiple state and government agencies, community advocacy organizations, and family members of children/youth with behavioral health needs to collectively ensure that behavioral health services are being provided to children and families according to the Arizona Vision and 12 Principles. ACEC strives to create and implement a successful system of behavioral health care in Arizona by serving as a state-level link for local, county, tribal and regional teams. ACEC includes four sub-committees comprised of committee participants, family members and other representatives from state agencies, behavioral health authorities and family-run organizations including Family Involvement, Clinical/Substance Abuse, Training, and Information Sharing.

- *Arizona Medical Association, Maternal and Child Health Subcommittee (ArMA MCHC)* - The ArMA Maternal and Child Health Care (MCHC) Committee meets three times annually at ArMA Headquarters. Comprised of physicians and health care professionals, this committee discusses medical issues related to women and children's health in our state. The committee is intended to be the arena in which ArMA's maternal and child health professionals have the opportunity to champion issues that need attention and evoke positive changes for physicians and their patients. Additionally, the Committee serves as a forum and meeting point for state entities such as AHCCCS, ASIIS, and various offices at ADHS. The AHCCCS Quality Administrator is a member of the Committee and brings information and program updates to the Committee for discussion.

- *Arizona Chapter of the American Academy of Pediatrics* – The Arizona Chapter of the American Academy of Pediatrics (AzAAP) was initially founded to play a vital role in child-oriented public health initiatives. AzAAP's membership boasts more than 900 pediatric and allied health professionals supporting and championing key child health programs, services and issues from all regions of the state. Efforts include early childhood literacy, fighting childhood obesity, ensuring that all Arizona children are immunized against infectious diseases, and guaranteeing that Arizona's children have the best health care available to them by providing the highest quality of continuing education to the professionals who care for them. AHCCCS works closely with the AzAAP seeking stakeholder input regarding its EPSDT program. The AzAAP has been a consistent partner with AHCCCS in developing and implementing developmental screening tools and guidelines, fluoride varnish in primary care offices, ensuring the AHCCCS EPSDT policies and forms reflect best practices and current recommendations and in communicating the needs of children that are served in the Arizona communities. The AzAAP is working with AHCCCS and the Arizona Association of Health Plans to maintain a list and links to developmental tool training opportunities as well as training for primary care providers on the application of fluoride varnish during EPSDT visits.

- *First Things First Health Advisory Committee* - A child's most important developmental years are those leading up to kindergarten. First Things First is committed to helping Arizona kids five and younger receive the quality education, healthcare and family support they need to arrive at school healthy and ready to succeed. The purpose of the First Things First Health Advisory Committee is to provide health content expertise and to make recommendations to the First Things First Board Policy and Program Committee regarding children's healthy development. AHCCCS serves on this committee for the purpose of aligning children's health care initiatives, identifying opportunities for AHCCCS to inform other represented organizations regarding AHCCCS covered services, policies and procedures, and to ensure best practices promoted by First Things First are incorporated when possible into AHCCCS program requirements.

- *BUILD Arizona Health Committee* - The BUILD Arizona Steering Committee is comprised of both public and private sector early childhood leaders. Representatives are from government agencies, business, the child care community and higher education. The steering committee also includes five workgroups, Communications, Early Learning, Professional Development, Health and Early Grade Success. These workgroups include an even broader range of state, community and early childhood leaders in Arizona. Arizona is one of the newest BUILD Initiative partner states. The BUILD Arizona Steering

Committee and workgroups are creating work plans focused on supporting early grade success. Their overall goal is to reframe early care and education from birth to age eight (0-8) as a critical component of the overall education system and policy framework. AHCCCS is a member of the Health Committee and has provided information and updates on the comprehensive nature of the AHCCCS EPSDT program. AHCCCS' values align with BUILD's goal of supporting expanded access to comprehensive screening and services to include social, emotional, physical and cognitive assessments for children. A current focus of BUILD is on the Public Health home visitation initiatives of which AHCCCS also is a statewide partner.

- *Strong Families Inter-Agency Leadership Team (IALT)* – The Strong Families Interagency Leadership Team (IALT) was established as a result of the MIECHV grant, which ensures high-risk families have access to home visitation services in Arizona. The IALT is composed of various stakeholders in the community and some of the represented agencies include the Department of Economic Security, Department of Education, Department of Health Services and the Arizona Health Care Cost Containment System (AHCCCS). The purpose of the leadership team is to discuss strategy for building a statewide home visiting system. Additionally, this team oversees the implementation of the MIECHV grant and any decisions that need to be made regarding home visitation practices. The role of AHCCCS is to provide input and support around the implementation efforts of a home visiting system in our state. AHCCCS attends these meetings monthly and also shares home visiting updates with AHCCCS Contractors.

Developing and Implementing Projects which Improve the Health Care Delivery System

Serious Mentally Illness (SMI) Integration

AHCCCS sought and received, from CMS, approval to amend the state's current 1115 wavier. This amendment allowed for the integration of physical and behavioral health services for a select population by requiring the Arizona Department of Health Services/Division of Behavioral Health Services (ADHS/DBHS) to serve as the only managed care plan for both acute and behavioral health conditions for AHCCCS acute care enrollees with Serious Mental Illness (SMI) in Maricopa County.

This request also sought to at least maintain alignment for Medicare/Medicaid enrollees (formerly referenced as "dual eligible") with SMI who are currently enrolled in acute care health plans that are also Special needs Plans (SNPs) by requiring the ADHS/DBHS subcontractor to become a Medicare Dual Special Needs Plan (D-SNP) and passively enrolling those Medicare/Medicaid enrollees into the D-SNP. These changes allow the state to improve care coordination and health outcomes for individuals with SMI in Maricopa County, increase the ability for ADHS/DBHS to collect and analyze data to better assess the health needs of their members, streamline the current fragmented health care delivery system, reduce cost by decreasing hospital utilizations and promote sharing of information between physical and behavioral health providers to work as a team and manage treatment designed to address an individual's whole health needs. AHCCCS and ADHS/DBHS implemented the SMI Integrated RBHA on April 1, 2014. AHCCCS receives quarterly reports specific to the SMI Integration from DBHS. This report provides additional

insight as to the progress and status of services and outreach provided to the population since implementation in April 2014. It also includes self-reported rates by DBHS, on select performance measures, which includes an analysis and narrative of the data and efforts to improve their performance.

Children's Rehabilitative Services (CRS) Integration

AHCCCS sought and received, from CMS, approval to amend the state's current 1115 wavier. This amendment allows for the state to create one singe, statewide integrated CRS Managed Care Organization (MCO) that will serve as the only managed care plan for acute care enrollees with a CRS-qualifying condition.

This change allows the state to improve care coordination for children with special health care needs, increase ability of the integrated CRS MCO to collect and analyze data to better assess the health needs of their members, streamline the current fragmented health care delivery system, improve health outcomes and promote sharing of information between CRS, acute and behavioral health providers.

Targeted Lead Screening Policy

The Arizona Department of Health Services (ADHS) has developed a Targeted Screening Policy based on geographic testing for children who are at higher risk of lead poisoning, which is based on a three-pronged approach that takes into account high risk zip codes, Arizona Health Care Cost Containment System (AHCCCS) enrollment, and individual risk assessment. While ADHS has implemented targeted screening since 2003, the policy included universal screening for all children covered by AHCCCS in accordance with the CMS requirements. This policy has recently been revised through a collaborative effort between ADHS and AHCCCS to reflect the support of CMS as issued in an Information Bulletin (released March 30, 2012) recommending a targeted screening approach for children eligible for and enrolled in Medicaid Early Periodic Screening, Diagnostic and Treatment (EPSDT) services for States where less than 12 percent of children have lead poisoning and where 27 percent or fewer of houses were built before 1950. Arizona meets the requirements to pursue a targeted screening approach. While ADHS remains committed to preventing new cases of childhood lead poisoning from occurring, a combined effort with AHCCCS mandating member outreach and education related to the risks and prevention of lead poisoning in children support the new efforts currently under way. During the quarter, AHCCCS obtained approval from the Centers for Medicare and Medicaid Services (CMS) and the Centers for Disease Control and Prevention (CDC) to implement a targeted approach for blood lead testing of EPSDT aged members.

Arizona Association of Health Plans (AzAHP)

The Arizona Association of Health Plans (AzAHP) is an Association comprised of most health plans that contract with AHCCCS for Medicaid business. The Association led an effort, with the support of AHCCCS, in selecting and implementing a credential verification organization (CVO) that would be utilized by all AHCCCS Contractors. The purpose of moving this initiative forward was to reduce the burden of submission of applications, documents and attestations on providers that are contracted with multiple Medicaid health plans. The credentialing process for primary source verification was implemented in the first quarter of this fiscal year. This process has

reduced inefficiencies with different Contractors credentialing the same panel of physicians. AHCCCS requested that the Association expand these efforts to include behavioral health credentialing and tracking of provider training in developmental screening tools and primary care physician application of fluoride varnish. Discussions continue with the Association are also under way to determine if a similar process could be used for medical record review processes of primary care providers, obstetricians, dental providers and high volume specialists (50 or more Medicaid cases in a year). The Association anticipates conducting a review of the CVO as well as the results of the process after a year of full implementation to determine the accuracy of the process, efficiencies gained and any resulting cost savings.

Developing and Assessing the Quality and Appropriateness of Care/Services for Members

Identifying Priority Areas for Improvement

AHCCCS has established an objective, systematic process for identifying priority areas for improvement. This process involves a review of data from both internal and external sources, while also taking into account such factors as the prevalence of a particular condition and population affected, the resources required by both AHCCCS and Contractors to conduct studies and effect improvement, and whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives. Of importance is whether initiatives focused on the topic area are actionable and would result in quality improvement, member satisfaction and system efficiencies. Contractor input also is sought in prioritizing areas for improvement.

During the quarter, one initiative continued for specific Contractor involvement and improvement, increasing oral health participation for the EPSDT population. This topic is being promoted through an AHCCCS/Contractor collaborative workgroup, with external stakeholders also being invited to participate to give presentations on community efforts.

- CMS Oral Health Initiative – Based on the CMS directives of improving preventive oral health care by 10 percent and increasing dental sealants on permanent molars of 6-9 year olds by 10 percent, AHCCCS formed a collaborative workgroup to drive these improvements across the state. All AHCCCS Contractors have agreed to share data and implement interventions relevant to this initiative; all Contractors have joined the workgroup that is driving the intensive planning efforts related to these directives. During this quarter the Contractors submitted Annual Dental Plans, Work Plans and Evaluations for review. AHCCCS will use the plans and evaluations to assess each Contractors interventions and strategies and analyze their effectiveness.

During the quarter, Arizona was one of eleven states selected for a new initiative focusing on maternal and infant health

- The Center for Medicaid and CHIP Services (CMCS) Maternal and Infant Health Initiative: Improving Postpartum Care Action Learning Series – The AHCCCS Clinical Quality Management (CQM) Unit applied and was selected to participate in this initiative, which will focus on improving the rate and strengthening the content of postpartum care, as well as decreasing the rate of unintended pregnancies. AHCCCS participates in monthly Learning Series Collaborative Calls with CMCS, along with the other states selected for this initiative, to learn more about the next steps for moving forward in the Learning Series. As part of this

initiative, AHCCCS CQM has formed an Arizona team which includes a pilot site, health plan representatives and an obstetrician. Next quarter, AHCCCS will have its first team meeting to further develop our team goals and continue with our efforts for this project.

Requested Grant Funding Opportunities

The demonstration grant for Testing Experience and Functional Assessment Tools in Community-Based Long-Term Services and Supports, known as TEFT, is designed to test quality measurement tools and demonstrate e-health in Medicaid long term care services and supports. The TEFT grant funding was awarded on April 1, 2014 and will conclude on March 31, 2018, with year one designated to plan and complete work plans outlining all components, which will map the implementation phase for Years two through four. AHCCCS was awarded $343,000 for the first year and will be eligible to receive a non-competitive grant award up to a total of $3.5 million for years two through four.

The purpose of the TEFT grant is to support States in furthering adult quality measurement activities under section 2701 of the Patient Protection and Affordable Care Act. The TEFT grant advances the development of two national, rigorously tested tools that can be used across all beneficiaries using Community-Based Long Term Services and Supports (CB-LTSS), an area in need of national measures. Additionally, the grant offers funding and technical support to demonstrate the use of a Personal Health Record (PHR) and test new electronic standards for interoperability among long term services and supports data.

During this quarter AHCCCS continued to support Truven with the Round One administration of the Member Experience Survey, which was 75 percent complete at the end of the quarter. AHCCCS contracted with a PHR consulting group, who completed a PHR needs assessment and environmental scan as well as a comparison of top PHR solutions. We committed to the Office of the National Coordinator Standards and Interoperability (ONC S&I) Framework Initiative and have actively participated in the discussion. During this past quarter, AHCCCS received approval of the year two work plans and have begun drafting the year two budget. We submitted a request for supplemental funding in November for the remainder of year one funding in the amount of $156,750.

During the next quarter, assuming supplemental Planning Year funding is approved, the team will begin collaborating more with health plans, providers, members, and other external stakeholders to review PHR concepts, gather more information on PHR needs, and perform a variety of focus groups. AHCCCS also plans to submit a detailed Year Two budget to CMS. The Experience of Care Survey administration for Round One will conclude during this upcoming quarter.

Home and Community Based Monitoring Tool

AHCCCS requires ALTCS Contractors to develop and implement a collaborative process to coordinate the routine quality monitoring and oversight of nursing home and certain home and community based providers such as assisted living and group home providers. Many of these providers contract with more than one ALTCS contractor. By coordinating the monitoring and review processes there is significant reduction in the burden to the providers for the on-site visits. In addition, Contractors have developed a uniform tool for the review activities which has resulted in consistencies in the review and in the findings. AHCCCS worked in partnership with the ALTCS Contractors to develop the alternative residential audit tool which includes review standards for

resident's rights, medical records, service/care plan, advanced directives, medication administration, staff and physical plant. Testing of this tool began in the previous quarter and continued into the current quarter. AHCCCS and its ALTCS Contractors recently completed a review of the tool and modified it based on recommendations developed through the use of the tool. In addition, certain elements were added based on recommendations made by the The Arizona Senior Abuse Task Force (TASA) which included monitoring for advance directives and current medication lists to be readily available, such as in a sealed envelope on a refrigerator of an Assisted Living Home, should an emergency call be made. Full implementation of the Tool was achieved and Contractors have been educated on related processes. It is expected that this collaborative effort will result in standardized oversight processes of facilities, reduction in provider burden, and increased efficiency among the Contractors.

Establishing Realistic Outcome-Based Performance Measures

AHCCCS has long been a leader in developing, implementing and holding Contractors accountable to performance measure goals. AHCCCS developed and implemented HEDIS-*like* measures, before HEDIS existed. AHCCCS' consistency in performance expectations has resulted in many performance measures performing at a rate close to the NCQA HEDIS national Medicaid mean. For AHCCCS, the HEDIS-*like* measures have been a reasonable indicator of health care accessibility, availability and quality. Going forward, AHCCCS has made the decision to transition to measures found in the CMS Core measure sets that provide a better opportunity to shift the system towards indicators of health care outcomes, access to care, and patient satisfaction. This transition will also result in the ability to compare AHCCCS' rates with those of other states as the measure sets are implemented.

AHCCCS has developed new performance measure sets for all lines of business. The new measures and related Minimum Performance Standards/Goals became effective on October 1, 2013 which aligns with the start of the new five-year contract period for Acute-Care plans and the newly integrated Children's Rehabilitative Services (CRS) and Seriously Mentally Ill (SMI) plans. The AHCCCS decision to transition to a new measure set was partially driven by a desire to align with measures sets such as the CHIPRA Core Measure Set, the Adult Core Measure Set, Meaningful Use, and others measure sets being implemented by CMS. AHCCCS has also updated the measure sets with contracts to reflect changes on measures implemented by CMS for the next contract year.

It is AHCCCS' goal to continue to develop and implement additional Core measures as the data sources become valid and reliable. Initial measures were chosen based on a number of criteria, which include greatest need for members, system ability to impact/improve results, alignment with national measure sets, and comparability across lines of business.

The health care system is evolving in relation to measuring quality. It is in a transitional phase in that what has existed as data sources and methodologies will no longer be enough. Yet, the systems, data sources and processes to fully achieve the next level in clinical outcomes and satisfaction measures are not yet fully developed or implemented such as electronic health records, health information exchange data and information that will be available through public health connectivity. Transitioning the AHCCCS measure sets is anticipated to support the adoption of electronic health records and use of the health information exchange which will, in turn, result in efficiencies and data/information that will transform care practices, improve individual patient outcomes and population health management, improve patient satisfaction with the care experience, increase efficiencies and reduce health care costs.

Identifying, Collecting and Assessing Relevant Data

Data Exchange

AHCCCS began a data-sharing process with Contractors in QI that facilitated the sharing of claim and encounter data with all AHCCCS Contractors regarding the members that were assigned to their care. The purpose of this process is to eliminate any "blind spots" for services provided to members shared by multiple programs. Contractors should use this information to develop short and long term strategies to improve care coordination for their members. Three years of historical data was provided to several lines of business and current ongoing data will be provided to all lines of business at least quarterly, including the CRS- and SMI-integrated Contractors. The most recent quarter of data was provided to all Contractors in October 2014.

Performance Measures:

AHCCCS has implemented several efforts over the past two years in preparation for the performance measure transition described above. First and foremost, the Agency undertook extensive internal planning efforts, including evaluation of new requirements, future goals and desired capabilities, as well as barrier identification and associated risk. One risk that was identified was the possibility that the information system and data analytic staff resources were reduced which would not allow the level of review and validation of performance measure programming necessary to ensure the validity and accuracy of Performance Measures. To address this concern, the Agency is utilizing its External Quality Review Organization to perform the measurement calculations for the CYE 13 measurement period. AHCCCS has finalized the contract with an external vendor to support future performance measurements.

Contractors will be provided the data to enhance their planning and implementation efforts related to the new performance measures as well as the sustaining/improving continuing measures. Some of these efforts will include new work groups, new reporting mechanisms, increased opportunities for technical assistance, a more transparent reporting process with plans for proactive reporting prior to the end of the measurement period so that Contractors can make necessary adjustments/final pushes and payment reform initiatives that align with performance measure thresholds.

In order to address the issue stated above as well as meet the technological demands of transitioning to a new performance measure set, AHCCCS made the decision to identify and contract with a vendor that is capable and interested in partnering to develop and implement measures from the CMS Core and other measures sets in addition to maintaining the traditional HEDIS measures. Although there are several vendors qualified to develop the required measures, AHCCCS sought a vendor that was interested in partnering to develop, maintain and continue to these activities with national decisions on measure sets for Medicaid. AHCCCS has signed a contract with Optum/Lewin Group as the program's vendor for maintaining and calculating the AHCCCS Performance Measure results. During this quarter AHCCCS continued running and validating preliminary data for measures within contract.

Performance Improvement Projects:

Providing Incentives for Excellence and Imposing Sanctions for Poor Performance

AHCCCS regularly monitors Contractors to ensure compliance with contractually-mandated performance measures. Contracts outline Minimum Performance Standards (MPS) that the

Contractor must meet and Goals that the Contractor should strive to achieve. Those measures are evaluated to determine what regulatory actions should be taken. At a minimum, measures that fail to meet the MPS will require a Corrective Action Plan. Additional actions could include mandatory technical assistance, Notices to Cure, and financial sanctions.

AHCCCS has implemented a payment reform initiative (PRI) for the Acute Care population that is designed to encourage Contractor activity in the area of quality improvement, particularly those initiatives that are conducive to improved health outcomes and cost savings, and those related to child and adolescent health. This PRI process will be performed annually on a contract year basis. Starting with FFY15, AHCCCS has also implemented a payment reform initiative for the ALTCS EPD population as well. The EPD Quality Measures target ED Utilization, Readmissions, Diabetes Management and Flu Shots.

The Acute Care requirement of total payments under all contracts executed with health care providers governed by shared-savings arrangements increases to 10 percent. For ALTCS EPD a minimum of 5 percent of the value of total payments under all contracts executed with health care providers must be governed by shared-savings arrangements with the following limitations.

At least 2 percent of total Acute Care service payments under all contracts executed for such services must be governed by shared-savings arrangements for the measurement year. At least 2 percent of total Long Term Care (LTC) service payments under all contracts executed for such services must be governed by shared-savings arrangements for the measurement year.

PIPs

AHCCCS has a Performance Improvement Project under way with Contractors, which is designed to improve enrollee health outcomes and/or satisfaction.

- **Coordination of Care (Acute Contractors and ADHS Division of Behavioral Health Services):** The purpose of this Performance Improvement Project was to improve coordination of care provided to AHCCCS members who are receiving both medical and behavioral health services through the exchange of opiate and benzodiazepine prescribing and other clinical information between medical and behavioral health providers, in order to reduce morbidity and/or mortality among these members. A coordination of care work group, consisting of AHCCCS, ADHS Division of Behavioral Health Services (DBHS), Acute-care Contractors and Regional Behavioral Health Authorities (RBHA, contracted with DBHS to provide behavioral health services) meet regularly to develop best practices.

  AHCCCS has decided to close the Coordination of Care Performance Improvement Project (PIP). There are several reasons behind this decision, all largely related to the many improvements seen over the past few years regarding care coordination between the Contractors and RBHAs. It is felt that with the enhanced data exchange process, more information is being communicated between the parties responsible for managing members' healthcare. Additionally, the linkages between the Contractors and RBHAs have been strengthened by the PIP and it is expected that the processes that are in place today will remain to ensure the ongoing oversight/care coordination of some of our most vulnerable members.

- **All Cause Readmissions –** The purpose of this Performance Improvement Project (PIP) is to decrease the rate of inpatient readmissions among AHCCCS members within 30 days of a previous discharge, in order to improve quality of life, promote patient-centered care, and reduce unnecessary health care utilization and costs. In early 2014, AHCCCS completed an analysis of the data from the baseline measurement period for this PIP. This PIP includes all AHCCCS lines of business; Acute, Long Term Care and KidsCare. Overall, of the members included in this PIP 14.84 percent of members were readmitted into an inpatient setting following a discharge within 30 days. AHCCCS has provided baseline data from this study to all Contractors, who will further analyze their data and identify interventions to decrease their rates of readmissions.

  Through this PIP, all Contractors are expected to decrease the number of members being readmitted into an inpatient setting within 30 days of a previous discharge. A Contractor will show improvement when:
  - It meets or exceeds the next highest threshold above its baseline rate
  - It narrows the gap between its baseline rate and the next highest threshold by at least 10 percent, or
  - It maintains a rate above the highest threshold, if its baseline rate already exceeds that level.

  AHCCCS is currently considering closing this PIP for several reasons including: adoption of readmission as a contracted performance measure and the inclusion of readmissions in the payment withhold.

- E-Prescribing - The purposes of this Performance Improvement Project (PIP) is to increase the number of prescribers electronically prescribing at least one prescription and increase the percentage of prescriptions which are submitted electronically, in order to improve patient safety. AHCCCS has completed the methodology for this PIP and expects to put it out for Contractor comments within the next quarter. The baseline measurement period for this PIP will be CYE 2014.

Sharing Best Practices

AHCCCS makes a point to acknowledge best practices (and worst practices) and share those practices with other Contractors when appropriate. In addition, AHCCCS regularly reviews national projects and interventions that could potentially be replicated in Arizona in order to drive quality improvement. AHCCCS also participates in many learning collaboratives with other states and CMS, which allows for gathering and sharing of best practices. Examples of these collaborations include:

- Regional, All-State, and Community of Practice calls and webinars related to implementation and oversight of Meaningful Use
- OTAG calls with CMS
- QTAG calls with CMS
- CMS Oral Health Technical Assistance Calls
- CHCS Oral Health Learning Collaborative

Including Medical Quality Assessment and Performance Improvement Requirements in AHCCCS Contracts

Contracts with health plans are reviewed to ensure that they include all federally required elements prior to renewal. As noted above, revisions were incorporated into contracts to continue incentivizing improvement in performance.

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.

- *On-site Operational Reviews* - Operational and Financial Reviews (ORs) are used by AHCCCS to evaluate Contractor compliance related to access/availability and quality of services, including implementation of policies and procedures and progress toward plans of correction to improve quality of care and service for members.

- *Review and analysis of periodic report* - A number of contract deliverables are used to monitor and evaluate Contractor compliance and performance. AHCCCS reviews, provides feedback and approves these reports as appropriate.

    - Quarterly EPSDT and Adult Monitoring Reports - AHCCCS requires CRS, Acute, ALTCS and DBHS (with regards to the SMI integration) Contractors to submit quarterly EPSDT and Adult Monitoring Reports demonstrating their efforts to sustain or improve annual performance rates for all contractually mandated performance measure as well as their efforts to inform families/caregivers and providers of EPSDT/Adult services. DBHS is also required to submit a quarterly report for general mental health. AHCCCS has developed a template for Contractors to report data on member and provider outreach, as well as Contractor rates for various EPSDT and adult services. 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. These reports were received and reviewed during the quarter. CQM staff responded to Contractors with requests for clarification or additional information.

    - Annual Plans - QM/QI, EPSDT, MCH and Dental – AHCCCS requires all lines of business to submit an annual plan which will address details of the Contractors methods for achieving optimal outcomes for their members. A separate report is submitted for Quality Management and Improvement (QM/QI). AHCCCS received these reports at the end of the current quarter.

- *Review and analysis of program-specific Performance Measures and Performance Improvement Projects* - 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 Contractor meet requirements for demonstrable and sustained improvement. AHCCCS is preparing a series of PIP "kick-off" meetings to discuss potential upcoming PIPs. These meetings will focus on areas, services or populations in need of improvement.

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.

- *External Quality Reviews* - AHCCCS has selected a vendor as a result of a Request for Proposal (RFP). The vendors' contracts began April 1, 2014.

Maintaining an Information System that Supports Initial and Ongoing Operations

The AHCCCS Data Decision Support (ADDS) system provides greater flexibility and timeliness in monitoring a broad spectrum of data, including 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 is 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-like 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.

As mentioned previously, AHCCCS has selected a vender that can accommodate both national measures such as HEDIS and Core Measure sets as well as "home-grown" measures that AHCCCS determined to be beneficial to the populations served. AHCCCS has begun testing and validating data.

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. The Quality Strategy is aligned with federal 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 other Agency reports. The Quality Strategy was last revised in July 2012 and received approval from the State Medicaid Advisory Committee in October 2012. During this quarter AHCCCS continues the processes of completing a comprehensive update to the Agency's Quality Strategy. A cross-functional team representing all Divisions of AHCCCS was developed to review and revise the strategy and meetings have been held to discuss the progress of the report.

Waiver Evaluation Planning

In preparation for the forthcoming 1115 Waiver Evaluation Process, detailed tracking forms were developed to outline all needed data, responsible parties, and timelines. These activities are being overseen by the Clinical Quality Management (CQM) Unit at AHCCCS. Initial planning meetings were held with everyone responsible for data collection to ensure that there were no gaps in the evaluation process.

Planning regarding the many different independent evaluation components was addressed during the quarter. It has been determined that HSAG (AHCCCS' EQRO) will take the lead on many of the independent evaluations. The scope of work and other details related to these processes will be outlined by the end of March. CQM will be the point of contact for AHCCCS as HSAG begins the evaluation process.

Starting in Q2, internal monitoring meetings will be held to ensure that all baseline data is collected, that independent evaluation components are moving as they should, and that the detailed evaluation plan that will be submitted timely to CMS at the end of March will be followed throughout the remainder of the Waiver period. CQM will be the lead for these efforts; however, representatives from the Director's Office, Intergovernmental Relations, Office of Business Intelligence, Administrative Legal Services, and many units within DHCM will be involved also.

Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
October 2014 – December 2014

The October through December 2014 quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative, direct service, and personal care time study cost pools.

Active Participants

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

Staff Pool	October – December 2014
Administrative	3,146
Direct Service	3,080
Personal Care	4,375

The table below demonstrates the administrative, direct service, and personal care time study achieved the 85% return rate in the October to December 2014 quarter.

The return rate reflects number of responses received divided by the total number of moments generated per quarter.

Return Rate

Cost Pool	Moments Generated	Valid Response	Return Rate
Administrative	3,200	3,042	95.06%
Direct Service	3,400	3,220	94.71%
Personal Care	3,500	3,076	87.89%

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 31, 2014

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

WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2016:

	FFY 2012 PM/PM	Trend Rate	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/11	QE 3/12	QE 6/12	QE 9/12	Total	Federal Share Budget Neutrality Limit	
AFDC/SOBRA	556.34	1.052	585.28	69.85%	408.81	2,932,751	2,920,488	2,914,411	2,939,232	11,706,882	$ 4,785,834,990	
SSI	835.29	1.06	885.41	69.11%	611.89	487,271	488,621	488,538	491,032	1,955,462	1,196,527,978	
AC [1]			561.80	69.74%	391.81	527,244	430,723	365,132	310,396	1,633,495	640,020,715	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.51	72,541	73,179	73,989	74,844	294,553	976,887,980	
ALTCS-EPD	4503.21	1.052	4737.37	67.51%	3198.08	85,441	85,485	85,709	86,492	343,127	1,097,346,127	
Family Plan Ext [1]		1.058	17.04	90.00%	15.33	12,471	12,424	12,440	12,689	50,024	767,009	
											$ 8,697,384,798	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,275,783	Total BN Limit

	DY 02 PM/PM			Member Months QE 12/12	QE 3/13	QE 6/13	QE 9/13	Total		
AFDC/SOBRA	615.71	68.84%	423.86	2,911,980	2,891,876	2,903,864	2,919,917	11,627,637	$ 4,928,450,174	
SSI	938.53	67.86%	636.89	493,921	496,036	498,366	501,613	1,989,936	1,267,378,809	
AC [1]	596.96	68.76%	410.48	274,990	248,817	228,204	217,114	969,125	397,804,263	
ALTCS-DD	5217.72	65.82%	3434.47	75,663	76,498	77,312	78,065	307,538	1,056,229,127	
ALTCS-EPD	4983.71	66.02%	3290.05	86,812	86,052	86,278	87,108	346,250	1,139,178,168	
Family Plan Ext [1]	18.45	90.00%	16.61	13,104	13,824	14,187	14,856	55,971	929,580	
									$ 8,789,970,121	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,896,354,490	Total BN Limit

	DY 03 PM/PM			Member Months QE 12/13	QE 3/14	QE 6/14	QE 9/14	Total		
AFDC/SOBRA	647.73	70.44%	456.28	2,892,534	2,839,291	2,955,464	3,111,858	11,799,147	$ 5,383,730,001	
SSI	994.84	69.21%	688.53	504,568	510,488	517,461	520,153	2,052,670	1,413,331,875	
AC [1]	556.15	70.08%	389.74	206,419	87	2	-	206,508	80,485,127	
ALTCS-DD	5530.78	67.34%	3724.35	78,878	79,720	80,699	81,735	321,032	1,195,634,552	
ALTCS-EPD	5242.86	67.50%	3539.06	87,644	87,854	88,686	89,079	353,263	1,250,219,568	
Family Plan Ext [1]	13.39	90.00%	12.05	14,885	-	-	-	14,885	179,426.00	
Expansion State Adults [1]	655.48	85.14%	558.06	-	444,915	627,372	760,046	1,832,333	1,022,558,294	
									$ 10,346,138,844	MAP Subtotal
									107,980,135	Add DSH Allotment
									$ 10,454,118,979	Total BN Limit

	DY 04 PM/PM			Member Months QE 12/14	QE 3/15	QE 6/15	QE 9/15	Total		
AFDC/SOBRA	681.41	70.65%	481.44	3,134,362				3,134,362	$ 1,509,005,987	
SSI	1054.53	69.76%	735.62	523,188				523,188	384,868,294	
AC	0.00	70.32%	0.00	-				-	-	
ALTCS-DD	5862.63	68.50%	4015.99	82,375				82,375	330,816,824	
ALTCS-EPD	5515.49	68.54%	3780.20	88,279				88,279	333,712,578	
Family Plan Ext	0.00	90.00%	0.00	-				-	-	
Expansion State Adults	521.62	85.00%	443.40	822,306				822,306	364,613,611	
									$ 2,923,017,294	MAP Subtotal
									109,707,817	Add DSH Allotment
									$ 3,032,725,111	Total BN Limit

	DY 05 PM/PM			Member Months QE 12/15	QE 3/16	QE 6/16	QE 9/16	Total		
AFDC/SOBRA	716.85							-	$ -	
SSI	1117.81							-	-	
AC	0.00							-	-	
ALTCS-DD	6214.39							-	-	
ALTCS-EPD	5802.30							-	-	
Family Plan Ext	0.00							-	-	
Expansion State Adults	0.00							-	-	
									$ -	MAP Subtotal
									-	Add DSH Allotment
									$ -	Total BN Limit

[1] Pursuant to the CMS 1115 Waiver, Special Term and Condition 61(a)(iii), the Without Waiver PMPM is adjusted to equal the With Waiver PMPM for the AC, the Expansion State Adults and the Family Planning Extension Program eligibility groups.

Based on CMS-64 certification date of 1/30/2015

Arizona Health Care Cost Containment System
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Budget Neutrality Tracking Report
For the Period Ended December 31, 2014

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

	Budget Neutrality Limit - Federal Share			Expenditures from CMS-64 - Federal Share												
WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2016:	MAP	DSH	Total	AFDC/SOBRA	SSI	AC	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	SNCP/DSHP	UNC CARE	MED	Exp St Adults	Total	VARIANCE
QE 12/11	$ 2,217,681,147	$ 103,890,985	$ 2,321,572,132	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -	$ 1,186,701,295	$ 1,134,870,837
QE 3/12	2,177,931,994	-	2,177,931,994	577,297,998	217,984,093	165,596,401	156,526,315	176,620,644	179,167	572,050	-	-	(4,080)	-	1,294,772,588	883,159,406
QE 6/12	2,153,100,633	-	2,153,100,633	581,722,121	227,516,987	145,886,387	115,946,434	179,020,266	185,175	79,564,550	100,950,000	4,480,769	(889)	-	1,435,271,800	717,828,833
QE 9/12	2,148,671,023	-	2,148,671,023	579,782,505	222,428,252	118,032,081	205,664,611	175,615,524	201,702	6,248,670	14,312,682	18,367,266	294	-	1,340,653,587	808,017,436
QE 12/12	2,207,409,665	106,384,369	2,313,794,034	617,247,020	242,322,491	118,103,369	159,452,070	179,452,256	230,267	11,346,623	95,263,307	14,871,980	-	-	1,438,289,383	875,504,651
QE 3/13	2,189,871,354	-	2,189,871,354	589,464,629	239,092,492	96,180,297	163,937,798	192,970,394	257,756	867,795	32,840,000	28,744,095	-	-	1,344,355,256	845,516,098
QE 6/13	2,191,520,567	-	2,191,520,567	588,378,705	241,298,377	88,125,077	102,142,130	187,310,029	227,668	78,756,901	111,555,510	17,514,148	-	-	1,415,308,545	776,212,022
QE 9/13	2,201,168,535	-	2,201,168,535	596,611,333	237,327,560	84,327,037	230,955,206	190,188,088	228,524	558,280	144,169,561	35,937,456	-	-	1,520,303,045	680,865,490
QE 12/13	2,351,797,500	107,980,135	2,459,777,635	623,051,060	253,112,363	84,773,209	180,587,089	208,608,187	221,957	6,098,257	128,610,551	20,561,018	-	-	1,505,623,691	954,153,944
QE 3/14	2,503,153,831	-	2,503,153,831	609,066,404	242,247,737	19,448,214	172,865,678	191,271,321	(15,809)	3,076,720	-	14,814,313	-	231,876,797	1,484,651,375	1,018,502,456
QE 6/14	2,669,342,652	-	2,669,342,652	584,523,581	274,963,993	(3,697,277)	132,811,366	206,922,285	(9,314)	4,725,871	46,518,282	17,460,925	-	343,805,363	1,608,025,075	1,061,317,577
QE 9/14	2,821,844,861	-	2,821,844,861	642,058,425	286,491,486	1,044,222	234,971,144	202,325,318	735	83,398,590	14,595,643	716,900	-	398,971,566	1,864,574,029	957,270,832
QE 12/14	2,923,017,294	109,707,817	3,032,725,111	768,767,395	322,908,117	24,114,620	197,157,685	209,877,907	254	9,813,379	78,963,846	3,397,109	-	411,351,488	2,026,351,800	1,006,373,311
QE 3/15		-	-												-	-
QE 6/15		-	-												-	-
QE 9/15		-	-												-	-
QE 12/15		-	-												-	-
QE 3/16		-	-												-	-
QE 6/16		-	-												-	-
QE 9/16		-	-												-	-
	$ 30,756,511,058	$ 427,963,306	$ 31,184,474,364	$ 7,860,862,097	$ 3,198,943,705	$ 1,117,544,254	$ 2,204,656,279	$ 2,464,867,634	$ 1,875,279	$ 285,027,686	$ 767,779,382	$ 176,865,979	$ 453,960	$ 1,386,005,214	$ 19,464,881,469	$ 11,719,592,895

Last Updated: 2/20/2015

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III. SUMMARY BY DEMONSTRATION YEAR

	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
WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2016								
DY 01	$ 8,801,275,783	$ 5,636,914,330	$ 3,164,361,453	35.95%				
DY 02	8,896,354,490	5,819,304,577	3,077,049,913	34.59%				
DY 03	10,454,118,979	6,407,922,208	4,046,196,771	38.70%				
DY 04	3,032,725,111	1,600,740,354	1,431,984,757	47.22%	$ 31,184,474,364	$ 19,464,881,469	$ 11,719,592,895	37.58%
DY 05			-					
	$ 31,184,474,364	$ 19,464,881,469	$ 11,719,592,895					

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

Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	Total
AC	917,376,615	578,316,126	114,762,223	(508,277)		1,609,946,687
AFDC/SOBRA	3,415,665,303	3,566,689,284	3,477,728,961	806,513,966		11,266,597,514
ALTCS-EPD	1,062,583,271	1,161,714,551	1,177,562,261	271,008,908		3,672,868,991
ALTCS-DD	939,154,449	1,004,782,212	1,066,066,355	281,215,161		3,291,218,177
DSH/CAHP	155,762,657	136,532,697	129,307,400	5,245,950		426,848,704
Expansion State Adults	-	-	1,200,830,174	427,449,348		1,628,279,522
Family Planning Extension	830,631	1,009,757	195,976	(812)		2,035,552
MED	673,818	-	-	-		673,818
SNCP/DSHP	296,636,120	587,330,859	240,345,208	30,383,115		1,154,695,302
SSI	1,349,592,152	1,421,390,483	1,502,993,691	374,772,755		4,648,749,081
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	3,404,733		177,059,371
Subtotal	8,161,141,733	8,554,958,482	8,963,387,657	2,199,484,847	-	27,878,972,719
New Adult Group	-	-	100,254,295	41918054		142,172,349
Total	8,161,141,733	8,554,958,482	9,063,641,952	2,241,402,901	-	28,021,145,068

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	639,809,681	397,665,839	80,426,136	(357,402)		1,117,544,254
AFDC/SOBRA	2,385,794,585	2,455,336,889	2,449,847,812	569,882,811		7,860,862,097
ALTCS-EPD	717,322,896	766,917,305	794,883,561	185,743,872		2,464,867,634
ALTCS-DD	632,766,734	661,379,501	717,873,535	192,636,509		2,204,656,279
DSH/CAHP	104,828,269	89,674,675	86,933,365	3,591,377		285,027,686
Expansion State Adults	-	-	1,022,408,211	363,597,003		1,386,005,214
Family Planning Extension	767,009	929,580	179,426	(736)		1,875,279
MED	453,960	-	-			453,960
SNCP/DSHP	199,636,108	385,758,909	161,584,084	20,800,281		767,779,382
SSI	932,687,053	964,574,200	1,040,232,922	261,449,530		3,198,943,705
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	3,397,109		176,865,979
Subtotal	5,636,914,330	5,819,304,577	6,407,922,208	1,600,740,354	-	19,464,881,469
New Adult Group	-	-	100,254,295	41,918,054		142,172,349
Total	5,636,914,330	5,819,304,577	6,508,176,503	1,642,658,408	-	19,607,053,818

Adjustments to Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	Total
AC	313,572	210,756	87,745	(4)	-	612,069
AFDC/SOBRA	1,014,881	1,090,143	990,293	2,544,159	-	5,639,476
SSI	365,158	399,101	398,723	1,216,828	-	2,379,810
Expansion State Adults	-	-	223,239	1,484,967	-	1,708,206
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(5,245,950)	-	(10,339,561)
Total	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	211,034	138,424	58,991	(3)	-	408,446
AFDC/SOBRA	683,014	716,006	665,774	1,741,732	-	3,806,526
SSI	245,752	262,130	268,062	833,040	-	1,608,984
Expansion State Adults	-	-	150,083	1,016,608	-	1,166,691
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(3,591,377)	-	(6,990,647)
Total	-	-	-	-	-	-

[1] The CMS 1115 Waiver, Special Term and Condition 42,d requires that premiums collected by the State shall be reported on Form CMS-64

[2] The Critical Access Hospital Payment (CAHP) waiver expenditures are included in the AFDC\SOBRA, AC, SSI, and Expansion State Adults 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, AC, SSI and Expansion State Adults 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.

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

Revised Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	Total
AC	917,690,187	578,526,882	114,849,968	(508,281)	-	1,610,558,756
AFDC/SOBRA	3,416,680,184	3,567,779,427	3,478,719,254	809,058,125	-	11,272,236,990
ALTCS-EPD	1,062,583,271	1,161,714,551	1,177,562,261	271,008,908	-	3,672,868,991
ALTCS-DD	939,154,449	1,004,782,212	1,066,066,355	281,215,161	-	3,291,218,177
DSH/CAHP	154,069,046	134,832,697	127,607,400	-	-	416,509,143
Expansion State Adults	-	-	1,201,053,413	428,934,315	-	1,629,987,728
Family Planning Extension	830,631	1,009,757	195,976	(812)	-	2,035,552
MED	673,818	-	-	-	-	673,818
SNCP/DSHP	296,636,120	587,330,859	240,345,208	30,383,115	-	1,154,695,302
SSI	1,349,957,310	1,421,789,584	1,503,392,414	375,989,583	-	4,651,128,891
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	3,404,733	-	177,059,371
Subtotal	8,161,141,733	8,554,958,482	8,963,387,657	2,199,484,847	-	27,878,972,719
New Adult Group	-	-	100,254,295	41,918,054	-	142,172,349
Total	8,161,141,733	8,554,958,482	9,063,641,952	2,241,402,901	-	28,021,145,068

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,020,715	397,804,263	80,485,127	(357,405)	-	1,117,952,700
AFDC/SOBRA	2,386,477,599	2,456,052,895	2,450,513,586	571,624,543	-	7,864,668,623
ALTCS-EPD	717,322,896	766,917,305	794,883,561	185,743,872	-	2,464,867,634
ALTCS-DD	632,766,734	661,379,501	717,873,535	192,636,509	-	2,204,656,279
DSH/CAHP	103,688,469	88,558,115	85,790,455	-	-	278,037,039
Expansion State Adults	-	-	1,022,558,294	364,613,611	-	1,387,171,905
Family Planning Extension	767,009	929,580	179,426	(736)	-	1,875,279
MED	453,960	-	-	-	-	453,960
SNCP/DSHP	199,636,108	385,758,909	161,584,084	20,800,281	-	767,779,382
SSI	932,932,805	964,836,330	1,040,500,984	262,282,570	-	3,200,552,689
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	3,397,109	-	176,865,979
Subtotal	5,636,914,330	5,819,304,577	6,407,922,208	1,600,740,354	-	19,464,881,469
New Adult Group	-	-	100,254,295	41,918,054	-	142,172,349
Total	5,636,914,330	5,819,304,577	6,508,176,503	1,642,658,408	-	19,607,053,818

Calculation of Effective FMAP:

AFDC/SOBRA					
Federal	2,386,477,599	2,456,052,895	2,450,513,586	571,624,543	-
Total	3,416,680,184	3,567,779,427	3,478,719,254	809,058,125	-
Effective FMAP	0.698478485	0.688398189	0.704429822	0.706530873	
SSI					
Federal	932,932,805	964,836,330	1,040,500,984	262,282,570	-
Total	1,349,957,310	1,421,789,584	1,503,392,414	375,989,583	-
Effective FMAP	0.691083191	0.678606976	0.692102058	0.697579353	
ALTCS-EPD					
Federal	717,322,896	766,917,305	794,883,561	185,743,872	-
Total	1,062,583,271	1,161,714,551	1,177,562,261	271,008,908	-
Effective FMAP	0.675074524	0.660159851	0.675024657	0.685379213	
ALTCS-DD					
Federal	632,766,734	661,379,501	717,873,535	192,636,509	-
Total	939,154,449	1,004,782,212	1,066,066,355	281,215,161	-
Effective FMAP	0.673762164	0.658231697	0.673385415	0.685014664	
AC					
Federal	640,020,715	397,804,263	80,485,127	(357,405)	-
Total	917,690,187	578,526,882	114,849,968	(508,281)	-
Effective FMAP	0.697425693	0.687615866	0.700784932	0.703164195	
Expansion State Adults					
Federal	-	-	1,022,558,294	364,613,611	-
Total	-	-	1,201,053,413	428,934,315	-
Effective FMAP			0.851384529	0.850045329	
New Adult Group					
Federal	-	-	100,254,295	41,918,054	-
Total	-	-	100,254,295	41,918,054	-
Effective FMAP			1	1	

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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	AC	MED	Family Plan Ext	Expan St Adults	New Adult Group
Quarter Ended December 31, 2011	2,932,751	487,271	72,541	85,441	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,488	488,621	73,179	85,485	430,723	-	12,424		
Quarter Ended June 30, 2012	2,914,411	488,538	73,989	85,709	365,132	-	12,440		
Quarter Ended September 30, 2012	2,939,232	491,032	74,844	86,492	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,980	493,921	75,663	86,812	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,876	496,036	76,498	86,052	248,817	-	13,824		
Quarter Ended June 30, 2013	2,903,864	498,366	77,312	86,278	228,204	-	14,187		
Quarter Ended September 30, 2013	2,919,917	501,613	78,065	87,108	217,114	-	14,856		
Quarter Ended December 31, 2013	2,892,534	504,568	78,878	87,644	206,419	-	14,885		
Quarter Ended March 31, 2014	2,839,291	510,488	79,720	87,854	87	-	-	444,915	37,898
Quarter Ended June 30, 2014	2,955,464	517,461	80,699	88,686	2	-	-	627,372	84,500
Quarter Ended September 30, 2014	3,111,858	520,153	81,735	89,079	-	-	-	760,046	117,945
Quarter Ended December 31, 2014	3,134,362	523,188	82,375	88,279	-	-	-	822,306	137,181
Quarter Ended March 31, 2015									
Quarter Ended June 30, 2015									
Quarter Ended September 30, 2015									
Quarter Ended December 31, 2015									
Quarter Ended March 31, 2016									
Quarter Ended June 30, 2016									
Quarter Ended September 30, 2016									

	ALTCS Developmentally Disabled	
Cost Sharing Premium Collections:	Total Computable	Federal Share
Quarter Ended December 31, 2011	-	-
Quarter Ended March 31, 2012	-	-
Quarter Ended June 30, 2012	-	-
Quarter Ended September 30, 2012	-	-
Quarter Ended December 31, 2012	-	-
Quarter Ended March 31, 2013	-	-
Quarter Ended June 30, 2013	-	-
Quarter Ended September 30, 2013	-	-
Quarter Ended December 31, 2013	-	-
Quarter Ended March 31, 2014	-	-
Quarter Ended June 30, 2014	-	-
Quarter Ended September 30, 2014	-	-
Quarter Ended December 31, 2014		
Quarter Ended March 31, 2015		
Quarter Ended June 30, 2015		
Quarter Ended September 30, 2015		
Quarter Ended December 31, 2015		
Quarter Ended March 31, 2016		
Quarter Ended June 30, 2016		
Quarter Ended September 30, 2016		

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VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016	
Total Allotment	**103,890,985**	**106,384,369**	**107,980,135**	**109,707,817**		**427,963,306**
Reported in QE						
Dec-11	-	-	-	-	-	-
Mar-12	-	-	-	-	-	-
Jun-12	78,996,800	-	-	-	-	78,996,800
Sep-12	6,248,670	-	-	-	-	6,248,670
Dec-12	11,346,623	-	-	-	-	11,346,623
Mar-13	309,515	-	-	-	-	309,515
Jun-13	1,022,914	77,733,987	-	-	-	78,756,901
Sep-13	-	-	-	-	-	-
Dec-13	-	6,098,257	-	-	-	6,098,257
Mar-14	2,505,265	-	-	-	-	2,505,265
Jun-14	-	4,725,871	-	-	-	4,725,871
Sep-14	3,258,682	-	79,568,453	-	-	82,827,135
Dec-14	-	-	6,222,002	-	-	6,222,002
Mar-15						
Jun-15						
Sep-15						
Dec-15						
Mar-16						
Jun-16						
Sep-16						
Total Reported to Date	103,688,469	88,558,115	85,790,455	-	-	278,037,039
Unused Allotment	**202,516**	**17,826,254**	**22,189,680**	**109,707,817**	**-**	**149,926,267**

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VII. BUDGET NEUTRALITY TRACKING SCHEDULE -- NEW ADULT GROUP

WAIVER PERIOD JANUARY 1, 2014 THROUGH SEPTEMBER 30, 2016:

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

	Trend Rate	DY 03 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/13	QE 3/14	QE 6/14	QE 9/14	Total	Federal Share Budget Neutrality Limit
New Adult Group		578.54	100.00%	578.54	-	37,898	84,500	117,945	240,343	139,048,039

	Trend Rate	DY 04 PM/PM			Member Months QE 12/14	QE 3/15	QE 6/15	QE 9/15	Total	
New Adult Group	1.047	605.73	100.00%	605.73	137,181				137,181	83,094,836

	Trend Rate	DY 05 PM/PM			Member Months QE 12/15	QE 3/16	QE 6/16	QE 9/16	Total	
New Adult Group	1.047	634.20							-	-

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

	Budget Neutrality Limit - Federal Share			Expenditures	
	MAP	DSH	Total	New Adult Grp	VARIANCE
QE 12/13	$ -	$ -	$ -	$ -	$ -
QE 3/14	21,925,509	-	21,925,509	13,870,414	8,055,095
QE 6/14	48,886,630	-	48,886,630	34,313,342	14,573,288
QE 9/14	68,235,900	-	68,235,900	47,984,458	20,251,442
QE 12/14	83,094,836	-	83,094,836	46,004,135	37,090,701
QE 3/15					
QE 6/15					
QE 9/15					
QE 12/15					
QE 3/16					
QE 6/16					
QE 9/16					
	$ 222,142,876	$ -	$ 222,142,876	$ 142,172,349	$ 79,970,527

III. SUMMARY BY DEMONSTRATION YEAR

	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 03	$ 139,048,039	$ 96,168,214	$ 42,879,825	30.84%				
DY 04	83,094,836	46,004,135	37,090,701	44.64%	$ 222,142,876	$ 142,172,349	$ 79,970,527	36.00%
DY 05								
	$ 222,142,876	$ 142,172,349	$ 79,970,527					

Based on CMS-64 certification date of 1/30/2015