December 2, 2015

Jessica Woodard
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. Woodard:

In accordance with Special Terms and Conditions paragraph 37, enclosed please find the Quarterly Progress Report for July 1st, 2015 through September 30th, 2015, 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: Brian Zolynas
Hee Young Ansell
Susan Ruiz

AHCCCS Quarterly Report
July 1, 2015 through September 30, 2015

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: 4th (July 1, 2015 – September 30, 2015)

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	1,270,061	2,562	378,455
Acute SSI	186,142	180	32,475
Prop 204 Restoration	438,129	767	62,843
Adult Expansion	108,474	260	25,098
LTC DD	28,818	26	1,746
LTC EPD	31,438	41	3,786
Non-Waiver	2,189	7	253
Total	2,065,251	3,843	504,656

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	1,330,472
Title XXI funded State Plan [2]	882
Title XIX funded Expansion [3]	73,265
Title XXI funded Expansion [4]	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	
Family Planning Only [5]	0
Enrollment Current as of	10/1/15

[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 September 30, 2015, AHCCCS formally submitted the request to apply for a new Section 1115 Research and Demonstration Waiver that would build upon past successes and employ new strategies for member engagement. The Waiver application covers the period of 10/1/16 through 9/30/21.

The State's proposal reflects the changing face of Medicaid. Traditionally, Medicaid was designed to serve children, pregnant women, the elderly, and individuals with disabilities. Today, AHCCCS serves nearly as many adults as it does Arizonans enrolled in the traditional eligibility categories. Although AHCCCS has developed strategies around member engagement, wellness, disease management, supported employment and housing and other opportunities for traditional eligibility categories, the same cannot be said for adults. Accordingly, new strategies must be developed to engage the adult membership. Some of these strategies include:

1. Giving Meaning to Personal Responsibility
    a. *Strategic Copays*: This new look at copayments is designed to direct care to the right setting at the right time. Copayments will not be collected at the point of service, but instead will be billed retrospectively.
    b. *Putting Premiums to Work*: The Arizona Legislature passed SB 1475 that would require premiums for the adult population not to exceed 2% of annual household income. This measure combines personal responsibility with purpose and provides opportunity to allow members to use their premium dollars for non-covered services like dental care and vision.
2. The AHCCCS CARE Account
    a. *Members*: Members will receive a quarterly invoice that shows how much they owe for copayments and premiums. Members make monthly payments into their AHCCCS CARE account. Copayments are used to offset program costs. Premium payments are monies that can be withdrawn by members for non-covered services. As long as members are timely with their payments, meet one Healthy Arizona target, and participate in AHCCCS works, they can withdraw funds from their CARE account.
    b. *Business Sector*: The AHCCCS CARE program also offers a new opportunity to engage the business sector. Many employers rely on Medicaid as the source of their employees' health insurance. The CARE account provides those employers with an opportunity to more directly invest in the health of their workforce.
3. Healthy Arizona
    a. *Education*: The primary goal is to educate members about proactive measures they can take to stay healthy. Meeting the Healthy Arizona target can be as simple as getting your flu shot or mammogram.
    b. *Engagement*: It is also important to set higher goals and engage employers and the philanthropic community to partner with the State. Everyone shares similar goals to achieve a healthier citizenry. So, for members who meet targets, such as tobacco cessation goals, opportunities will be created for additional support to be provided into members' CARE accounts by charitable organizations who also may share similar goals.

4. AHCCCS Works
    a. *SB 1092*: The Arizona Legislature passed SB 1092 to condition AHCCCS eligibility upon acquiring work. The AHCCCS Works program taps into the spirit of SB 1092 by taking that first step – connecting AHCCCS members to work opportunities. Participation in AHCCCS Works is not a condition of AHCCCS eligibility, nor is there a requirement that the member actually find employment. Rather, participating in AHCCCS Works is a connection to employment supports.

Additional aspects of the waiver request include proposals for system reform through the Delivery System Reform Incentive Payment (DSRIP) program; uncompensated care payments for Indian Health Services and tribally operated 638 facilities; supporting a medical home model that incorporates traditional healing practices for our American Indian/Alaska Native members; transitioning to the new Home and Community Based Services settings standards; phasing out of the Safety Net Care Pool to smarter and more sustainable models that support Phoenix Children's Hospital; and changes that reflect recent transitions within Arizona's Medicaid system.

Needless to say, the fact that Arizona's Waiver is an evolving document is critical. Healthcare is changing at a rate that far outpaces government's ability to keep up through statutes and regulations. The Waiver affords a tool through which states can more nimbly support innovations like AHCCCS CARE to better serve members and their families and allow decision-making at the local level.

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				
14-008	Presumptive Eligibility	3/28/14	8/28/15	1/1/14
15-004	Ambulance Rates	6/1/15	Pending	10/1/15
15-005-A	Freestanding Psychiatric Hospital Rates	8/26/15	Pending	10/1/15
15-005-B	Outpatient Rates	8/26/15	Pending	10/1/15
15-005-C	Other Provider rates	8/26/15	Pending	10/1/15
15-005-D	Nursing Facility Rates	8/27/15	Pending	10/1/15
15-006	Graduate Medical Education 2016	9/30/15	Pending	7/1/15
Title XXI				
N/A				

Legislative Update

Due to the Legislature adjourning sine die on 4/3/15, 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 July 2015 – September 2015.

Table 1 **Advocacy Issues**	October	November	December	Total
9+Billing Issues	11	10	9	30
• Member reimbursements				
• Unpaid bills				
Cost Sharing	0	3	0	3
• Co-pays				
• Share of Cost (ALTCS)				
• Premiums (Kids Care, Medicare)				
Covered Services	12	9	6	27
Eligibility Issues by Program				
Can't get coverage due to :				
ALTCS				
• Resources	8	5	12	25
• Income				
• Medical				
DES				
• Income	158	199	131	488
• Incorrect determination				
• Improper referrals				
Kids Care				
• Income	2	0	0	2
• Incorrect determination				
SSI/Medical Assistance Only				
• Income	43	29	36	108
• Not categorically linked				
Information				
• Status of application	26	25	20	71
• Eligibility Criteria				
• Community Resources				
• Notification (Did not receive or didn't understand)				
Medicare				
• Medicare Coverage	12	3	3	18
• Medicare Savings Program				
• Medicare Part D				
Prescriptions				
• Prescription coverage	7	11	7	25

• **Prescription denial**				
Issues Referred to other Divisions:				
1.Fraud-Referred to Office of Inspector General (OIG)	1	0	0	1
2.Quality of Care-Referred to Division of Health Care Management (DHCM)	8	8	1	17
• **Health Plans/Providers (Caregiver issues, Lack of providers)** • **Services (Equipment, Nursing Homes, Optical and Surgical)**				
Total	**288**	**302**	**225**	**815**

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**	**April**	**May**	**June**	**Total**
Applicant, Member or Representative	206	239	163	608
CMS	5	3	1	9
Governor's Office	12	10	9	31
Ombudsmen/Advocates/Other Agencies…	57	41	45	143
Senate & House	8	9	7	24
Total	288	302	225	**815**

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	Apr-15	May-15	Jun-15	Total
Access to Care	44	56	58	158
Health Plan	93	79	94	266
Provider Satisfaction	158	122	131	411
Total	295	257	283	**835**

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.

ENCLOSURES/ATTACHMENTS

Attached you will find the Budget Neutrality Tracking Schedule, the Quality Assurance/Monitoring Activities, including the CRS update for the quarter, and the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results.

STATE CONTACT(S)

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Phoenix, AZ 85034
(602) 417-4534

DATE SUBMITTED TO CMS

December 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 4/2015 (07/2015 – 09/2015)

Prepared by the Division of Health Care Management
November 2015

Introduction

This report describes the Arizona Health Care Cost Containment System (AHCCCS) quality assurance and monitoring activities that took place during the fourth quarter of federal fiscal year 2015, as required in STC 37 of the States' Section 115 Wavier. This report also includes updates related to AHCCCS' Quality Assessment and performance Improvement Strategy, in accordance with the Balanced Budget Act 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 States' progress and activities under each of the components of the 1115 Wavier and AHCCCS Quality Strategies.

Stakeholder Involvement

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 within the community. During quarter four, 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 are included in the Agency's process for identifying priority areas for quality improvement and the development of new initiatives.

Collaborative Stakeholder Involvement Synopses

During quarter four, AHCCCS participated in several collaborative efforts related to various different quality components. Community and sister agencies that AHCCCS collaborated with during quarter four 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 "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 (SMI) population in connecting them to smoking cessation and nicotine replacement programs.

- *Arizona Department of Health Services (ADHS) Bureau of USDA Nutrition Programs* – AHCCCS works with ADHS Bureau of USDA Nutrition Programs for many initiatives ranging from Contractor education to Women, Infants and Children (WIC) promotion. The nutrition coordinators present the most up to date information, at the AHCCCS Contractor Quarterly meetings. New WIC foods that became available on April 1, 2015 and formula changes and cash vouchers that became effective on October 1, 2015.

- *Arizona Department of Health Services (ADHS) Immunization Program* – Ongoing collaboration with the ADHS help ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) program. The VFC program representatives provide education to Contractors, regular notification to AHCCCS regarding vaccine-related trends and issues, and updates regarding the Arizona State immunization Information System (ASIIS). ASIIS's new staff, manager position and administrative assistant have been hired. Staff also provides monthly data sharing regarding AHCCCS members receiving immunizations and ongoing collaboration regarding Stage 1 and Stage 2 Meaningful Use (MU) public health requirements. News from Arizona Department of Health Services Immunization office report the 2014-2015 was the first school year in a decade, where non-medical exemption rates did not increase. Also, both the kindergarten and childcare facilities saw a slight decrease in use of non-medical exemptions. There may be many potential reasons for the shift; one is due to the implementation of the Action Plan to Address Vaccine Exemption.

- Arizona Department of Health Services (ADHS) Office of Environmental Health – 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. The AHCCCS Policy change effective April 2015 requires all children living in a high risk zip code, as identified by the Arizona Department of Health Services Targeted Lead Screening Plan for the Prevention of Childhood Lead Poisoning, must have a blood lead test at 12 and 24 months of age. Children between 36 and 72 months of age must receive a screening blood lead test, if they have not been previously screened for lead poisoning. Children living outside of the targeted high-risk zip codes must receive an individual risk assessment according to the AHCCCS periodicity schedule (when the child is 6, 9, 12, 18, and 24 months of age and then annually through age 6 years), with appropriate follow-up action taken for those children who are determined to be at high risk based on criteria included within the Arizona Department of Health Services Targeted Lead Screening Plan for the Prevention of Childhood Lead Poisoning

- *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 to 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. Individual Family Service Plan (IFSP) services must be reviewed for medical necessity prior to reimbursement. In addition, the AzEIP program has updated its vender 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 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 EPSDT Coordinators from AHCCCS contractors.

- Task Force on Prevention of Prenatal Exposure to Alcohol and other Drugs – This 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. The strategic Plan has been finalized by the Task Force and members are meeting regularly to work on the goals and objectives.

- 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 Electronic Health Record (EHR) Incentive Program. During this quarter AHCCCS continued discussions related to increasing use of developmental screening tools, the primary care enhanced payment structure, 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 Providers Awareness and Adult and Community Awareness committee 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 30 weeks gestation, infant and parental immunizations (pertussis), and promoting coordination of care with Medicaid Contractors. AHCCCS continues to support APT and participate in site visits regularly.

- *Healthy Mothers, Healthy Babies* – The Healthy Mothers, health 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. The Coalition meetings have been suspended until further notice

- *South Phoenix Healthy Start Community Consortium* – The South Phoenix Healthy Start Consortium ails to connect organizations and to educate members on current programs and initiatives occurring the community. Additionally, it provides networking opportunities to allow for better collaborative efforts between agencies. AHCCCS continues to attend these meetings and supports 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 35 health systems (representing 55% of covered lives in AZ) have signed agreements with HINAz to share health information in the HIE. Additionally, HINAz has formed 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 continued to onboard Managed Care Organizations and hospitals. A fully operating HIE opened in April, 2015 with many planned enhancements scheduled through the next six to twelve months.

- *Strong Families* – 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 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 Council* – 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, 2001-2005, 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 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. The ArMA Maternal and Child Health Care Committee suspended meetings during 2015.

- *Arizona Chapter of the American Academy 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. AzAAPs 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'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, ages 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 services 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. AHCCCS is currently working with the First Things First Health Advisory Committee regarding needs related to its grants that align with AHCCCS requirements as well as initiated discussions on potential data sharing opportunities.

- *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 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. There were no meetings of the Build Arizona Steering Committee during this quarter.

- *Strong Families Interagency 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 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 to Improve the Delivery System

Serious Mental Illness (SMI) Integration

In December 2014, 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 individuals living with Serious Mental Illness (SM)I in Greater Arizona 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. The objective of this integration project is to reduce the fragmentation of care that this population currently experience as they navigate the multiple systems of care in order to receive their physical and behavioral health services. The demonstration will test the effect of integrating behavioral and physical health services for this population by measuring the improvements in health outcomes as compared to the state's current structure.

AHCCCS 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 that state to improve care coordination and health outcomes for individuals with SMI Greater Arizona, 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 for Maricopa county 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. Two Integrated RBHAs for Greater Arizona will be implemented on October 1, 2015.

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.

Agency with Choice

On January 1, 2013, AHCCCS implemented and instituted a new member-directed option, Agency with Choice. The option is available to Arizona Long Term Care System (ALTCS) members who reside in their own home. A member or the member's Individual Representative (IR) may choose to participate in the Agency with Choice option. Under the option, the provider agency and the member/IR enter into a formal partnership agreement. The provider agency serves as the legal employer of the Direct Care Worker and the member/IR serves as the day-to-day managing employer. Agency with Choice presents an opportunity for members interested in directing their own care who would also like the support offered by a provider agency. For provider agencies, the new option affords them an opportunity to support members in directing their own care.

During CYE 2012, AHCCCS worked in collaboration with a Development and Implementation Council comprised of ALTCS members, providers, community stakeholders and contractors. The Council's primary function was to provide input on programmatic changes AHCCCS needed to make in order to implement the new Agency with Choice member-directed option, including policy and form changes. The Council continues to meet on a regular basis; however, the role has now expanded to that of an ALTCS Advisory Council that discusses all issues and opportunities related to improving care and health outcomes for ALTCS members.

In CYE 2013, the primary focus was on supporting contractors to educate members/IRs about all the available service model options including member-directed options. In CYE 2014, AHCCCS prioritized the development of activities to monitor the progress and quality of the initiative in collaboration with the stakeholders and Contractors. These monitoring activities and tools have been drafted and reviewed by the respective stakeholder groups. The implementation of the monitoring activities and tools has been delayed and re-scheduled for CYE 2016. AHCCCS continues to monitor the number of members electing the service model option. In CYE 2014, there was a 67% increase of member's election the option from the previous year.

- Develop and implement a case manager refresher training to ensure case managers are able to support members/IRs to make informed choices about electing member-directed options. Additionally, developing tools to educate case managers on how to assess

whether or not the member/IR is fulfilling their respective roles and responsibilities and whether or not additional support is required.

- Develop and implement a provider assessment tool that helps providers and Contractors assess whether or not a provider agency is fulfilling its respective roles and responsibilities and whether or not additional technical assistance is required.

Direct Care Workforce Development

Significant activities continue regarding the growing challenges related to ensuring the establishment of an adequate direct care (caregiver) workforce. The foundation for current activities began in March of 2004 when former Governor Napolitano formed the Citizens' Workgroup on the Long Term Care Workforce. The purpose of the Workgroup was to study the issue of the direct care workforce and provide recommendations regarding potential strategies to improve the workforce.

In an effort to address the recommendations outlined in a report issued by the Workgroup in April 2005, AHCCCS, the Department of Economic Security and the Department of Health Services funded and created a Direct Care Workforce Specialist position in 2007 to provide coordination for direct care workforce initiatives, including recruitment and retention, training, and raising the qualifications of direct care professionals in Arizona. Since 2007, the Workforce Specialist has coordinated the activity of the Direct Care Workforce Committee (DCWC), which has established training and competency standards for all in-home caregivers (housekeeping, personal care and attendant care).

Beginning October 1, 2012, AHCCCS formally incorporated the competency standards, training curriculum and testing protocol into its service specifications for attendant care, personal care and housekeeping. All in-home care givers are now required to pass standardized examinations based upon the competency standards established by the Committee in order to provide care to ALTCS members in their homes.

In CYE 2013, AHCCCS and Contractors initiated audits of the Approved Direct Care Worker Training and Testing Programs to ensure the programs were in compliance with AHCCCS standards pertaining to the training and testing of Direct Care Workers. Additionally, AHCCCS developed and implemented an online database to serve as a tool to support the portability or transferability of Direct Care Worker testing records from one employer to another employer. The online database also serves a secondary purpose to assist in monitoring compliance with the AHCCCS Direct Care Worker training and testing initiative. In April 2015, the full-scale implementation of the online testing records database went into effect. Additionally, AHCCCS has worked with Contractors to incorporate the online database requirements into the monitoring tools for agencies that provide direct care services and the auditing tool for the Approved Direct Care Worker Training and Testing Programs. AHCCCS

continues to explore options internally with the Office of Clinical Quality Management to identify quality of care measures that may be utilized to assess the impact of the new competency and training standards on the quality of care received by members including measures pertaining to member satisfaction, hospitalization re-admittance (in-patient, emergency room visits, etc.) and incident reports. The priority for CYE 2016 is to incorporate tools within the database to check whether or not a Direct Care Worker is excluded from providing Medicaid/Medicare funded services.

Targeted Lead Screening Policy

The Arizona Department of Health Services (ADHS) has developed a Targeted Screening Policy focused on geographic testing for children who are at higher risk of lead poisoning. The targeted policy 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 developed language in policy to support the targeted screening approach which will go into effect on October 1 for our Contractors to follow.

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. During the quarter, AzAHP and AHCCCS worked on policy language to support expedited credentialing processes for oral health practitioners that

joined an existing practice or served in a covering role. AzAHP and AHCCCS also discusssed the addition of certain behavioral health professional credentialing and site visit requirements to reflect the integration of dual Medicare and Medicaid members in the Acute Managed Care Organizations.

Emergency Department Diversion

AHCCCS and its contracted managed care organizations ("MCOs") have continued their aggressive efforts to develop and implement interventions that ensure appropriate ED utilization.

For example, in support of the Mesa Fire and Medical Department ("MFMD"), the MCOs endorsed a successful federal "Innovation" grant application that is helping to establish, in the East Valley, an innovative approach aimed at better care for patients, improved health for our communities, and lower costs by improving the delivery of emergency services in our health care system.

In collaboration with private sector partners, including several of the MCOs that serve the region, the MFMD paramedicine program utilizes nurse practitioners who are able to prescribe medications and provides behavioral health services through their emergency response team to eliminate the need to transport all patients to the hospital emergency room. Instead, they fully treat patients at the location to which they are dispatched, eliminating the costly need to admit them to the hospital. In addition, the emergency team can schedule a return visit for a patient checkup to monitor symptoms or medication, if needed. This eliminates the potential of a second call from the same patient for emergency services. MFMD's program will result in an annual net savings of millions of dollars to Medicare, Medicaid, and all health care payers in the Mesa-Phoenix area.

Developing/Assessing the Quality and Relevance 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 improved quality improvement, member satisfaction and system efficiencies. Contractor input is also sought in prioritizing areas for improvement.

During quarter four, 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 preventative 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 quarter four AHCCCS and the Contractors collaboratively developed interventions for reaching State Goal two in order to submit to the Centers for Health Care Strategies (CHCS) as part of the Oral Health Learning Collaborative.

During quarter four, AHCCCS continued efforts to improve postpartum care. Arizona was one of eleven states selected for an 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 CQM Unit continued to meet regularly to move the efforts of this project forward. AHCCCS collaborated with a pilot site, which is a provider office, and also obtained insight from Contractor representatives on how to improve postpartum care and family planning discussions for AHCCCS members. For this quarter, we wrapped up the project and shared our final results with CMS. We also discussed the challenges/barriers encountered with this rapid cycle project and suggestions for the project in the future.

Requesting 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 initially 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 participated in calls for the various components of the grant and presented progress updates to all stakeholders. AHCCCS also reviewed results from the first Experience of Care survey and attending the HCBS conference in Washington D. C., where Agency representatives participated in a one-day TEFT intensive as well as attended several sessions that had direct relevance to the TEFT Grant work.

AHCCCS has continued to gather information by participating in weekly teleconferences with the Office of the National Coordinator for the Electronic Long Term Services and Supports (e-LTSS) Initiative and plans to participate in Truven's Community of Practice teleconferences for state grantees to discuss the Experience of Care Survey and Heath Information Technology components of the grant. Lewin, the CMS contracted grant evaluator, released the final site visit report which AHCCCS reviewed and recommended changes to content as well as the data integration score. THE AHCCCS TEFT team attended the Long Term Post Acute Care Health Information Technology Summit in Baltimore, MD in June. They were able to touch base with grant leadership and fellow grantees as well as attend an array of educational sessions focusing on health care innovations and the use of technology in the long term care setting.

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. AHCCCS has transitioned 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. Additional measures have been added to contracts for all lines of business, these measures largely include preventative measures for adults such as; Adults Access to Care, Breast Cancer Screening and Cervical Cancer screening. The new measures and related Minimum Performance Standards/Goals became effective on October 1, 2014 which aligns with the start of a new contract period for all lines of business. 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 continues a quarterly data-sharing process with Contractors that began in Quality Improvement (QI) in 2014, this process facilitates 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 are required to use this information to develop short and long term strategies to improve care coordination for their members. The most recent quarter of data was provided to all Contractors in July 2015.

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 and CYE 14 measurement periods.

AHCCCS has finalized the contract with an external vendor to support future performance measurements.

Contractors have been 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.

Acute-Care Performance Measures
Measurement Period 10/01/12-09/30/13

Measures	**CYE 13 Performance** (10/01/12-09/30/13)	**CYE 12 Performance** (10/01/11-09/30/12)	**Relative Percent Change From Previous Year**	**Statistical Significance**
Access to PCPs:				
12-24 months	97.4%	97.0%	0.4%	0.001
25 mo. - 6 years	89.2%	87.7%	1.7%	**<0.001**
7-11 years	91.4%	89.9%	1.7%	**<0.001**
12-19 years	89.4%	87.7%	2.0%	**<0.001**
Well Child Visits, 6+ by 15 mo.	68.4%	67.8%	0.8%	**0.042**
Well Child Visits, 3-6 years	65.5%	66.8%	-1.9%	**<0.001**
Adolescent Well Visits	39.7%	38.0%	4.3%	**<0.001**
Dental Visits (Ages 2 to 21)	59.9	61.8%	-3.0%	**<0.001**
EPSDT Participation	62.3	65.7%	-5.3%	**<0.001**

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 in FFY15. For ALTCS EPD a minimum of five percent of the value of total payments under all EDP contracts executed (1.5% for D-SNP contracts) with health care providers must be governed by shared-savings arrangements.

Performance Improvement Projects (PIPs)

AHCCCS has a Performance Improvement Project under way with Contractors for all lines of business, which is designed to improve enrollee health outcomes and satisfaction.

- 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. The baseline measurement period for this PIP is Contract Year Ending (CYE; federal fiscal year) 2014. Baseline data has been collected, validated and released to Contractors.

Additional PIPs that are currently under development include the following:

- Developmental Screening - The purpose of the Developmental Screening PIP is to increase the number of early life screenings for members at 9-, 18-, and 24-months of age to ensure that developmental delays are identified early and referred for appropriate follow-up and treatment. The PIP measure will focus on the number of children who receive a developmental screening at the appropriate age intervals versus the total number of children in each age group. Although not formally tied to the PIP measurement, AHCCCS will be evaluating whether or not follow-up appointments are scheduled and maintained for any concerns identified through the screening process. Additionally, AHCCCS will monitor the care coordination process and Contractor oversight of the screening and referral processes. The baseline measurement will be reflective of Contract Year Ending (CYE; *federal fiscal year*) 2016.

- Opioid Mis- and Over-Prescribing and CSPMP Database Utilization - The purpose of this PIP is to increase the number of prescribers registered and accessing the Board of Pharmacy Controlled Substance Prescription Monitoring Program (CSPMP) Database and to reduce the number of unexpected deaths and adverse outcomes related to opioid over- and mis-prescribing. There will be two measurements for this PIP. The first will focus on the number of prescribers that have registered with the CSPMP database and have logged on to (actively use) the database. The second measure will focus on the utilization rate of the CSPMP database prior to prescribing opioids to AHCCCS members. The baseline measurement will be reflective of Contract Year Ending (CYE; *federal fiscal year*) 2016.

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, national agencies 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).

- *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.

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 continues testing and validating data.

Reviewing, Revising and Beginning New Projects in any given Area of 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. Ahead of the anticipated release of the Final Rule for Medicaid Managed Care, AHCCCS has suspended the Quality Strategy revisions until final guidance is available. Due to the numerous implications for the Quality Strategy, AHCCCS has opted for a comprehensive review of the Strategy once the new requirements are known, in order to eliminate duplication of effort.

Wavier 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. 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 were 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 have been outlined. CQM will be the point of contact for AHCCCS as HSAG begins the evaluation process.

During Q4, internal monitoring meetings were held to ensure that all baseline data is collected, that independent evaluation components are moving as they should, and that the detailed evaluation plan was scoped and put out as a Task Order in order to procure a vendor to complete the actual independent evaluation work. CQM will be the primary point of contact 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
July 2015 – September 2015

Arizona Medicaid Administrative Claiming program does not conduct a Random Moment Time Study (RMTS) sample during the July 2015 – September 2015 quarter.

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended September 30, 2015

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	69.84%	408.77	2,932,687	2,920,393	2,914,271	2,939,037	11,706,388	$ 4,785,180,496	
SSI	835.29	1.06	885.41	69.10%	611.78	487,430	488,840	488,844	491,450	1,956,564	1,196,981,471	
AC [1]			562.53	69.73%	392.28	527,244	430,723	365,132	310,396	1,633,495	640,782,035	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.47	72,536	73,173	73,983	74,838	294,530	976,799,607	
ALTCS-EPD	4503.21	1.052	4737.37	67.50%	3197.93	85,445	85,491	85,715	86,498	343,149	1,097,366,855	
Family Plan Ext [1]		1.058	17.70	90.00%	15.93	12,471	12,424	12,440	12,689	50,024	797,009	
											$ 8,697,907,474	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,798,459	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	68.82%	423.76	2,911,712	2,891,505	2,903,442	2,919,463	11,626,122	$ 4,926,662,068	
SSI	938.53	67.85%	636.82	494,498	496,803	499,245	502,610	1,993,156	1,269,279,974	
AC [1]	602.07	68.73%	413.79	274,990	248,817	228,204	217,114	969,125	401,009,954	
ALTCS-DD	5217.72	65.83%	3434.60	75,657	76,486	77,302	78,056	307,501	1,056,143,024	
ALTCS-EPD	4983.71	66.02%	3290.02	86,817	86,061	86,288	87,118	346,284	1,139,280,011	
Family Plan Ext [1]	18.42	90.00%	16.58	13,104	13,824	14,187	14,856	55,971	927,946	
									$ 8,793,302,976	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,899,687,345	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	70.54%	456.89	2,892,461	2,840,332	2,956,852	3,115,091	11,804,736	$ 5,393,439,514	
SSI	994.84	69.27%	689.16	505,795	512,740	520,992	526,526	2,066,053	1,423,841,191	
AC [1]	556.28	70.07%	389.78	206,419	87	2	-	206,508	80,491,826	
ALTCS-DD	5530.78	67.35%	3724.87	78,866	79,704	80,693	81,782	321,045	1,195,849,420	
ALTCS-EPD	5242.86	67.52%	3540.23	87,656	87,875	88,716	89,335	353,582	1,251,763,188	
Family Plan Ext [1]	13.39	90.00%	12.05	14,885	-	-	-	14,885	179,426.00	
Expansion State Adults [1]	642.94	85.30%	548.45	-	444,794	625,707	757,764	1,828,265	1,002,710,395	
									$ 10,348,274,959	MAP Subtotal
									107,980,135	Add DSH Allotment
									$ 10,456,255,094	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	71.17%	484.96	3,147,499	3,086,726	3,106,950	3,207,029	12,548,204	$ 6,085,351,965	
SSI	1054.53	70.15%	739.75	533,206	538,843	537,824	535,032	2,144,905	1,586,698,324	
AC	0.00	70.12%	0.00	-	-	-	-	-	-	
ALTCS-DD	5862.63	68.54%	4018.02	82,750	83,855	84,823	85,261	336,689	1,352,823,856	
ALTCS-EPD	5515.49	68.65%	3786.46	89,977	89,829	89,674	88,212	357,692	1,354,385,774	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	564.07	87.58%	494.01	819,681	838,151	849,048.00	868,387.00	3,375,267	1,667,423,567	
									$ 12,046,683,485	MAP Subtotal
									109,707,817	Add DSH Allotment
									$ 12,156,391,302	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 9/30/2015

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended September 30, 2015

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	$ 2,217,817,978	$ 103,890,985	$ 2,321,708,963	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -	$ 1,186,701,295	$ 1,135,007,668
QE 3/12	2,178,051,215	-	2,178,051,215	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	883,278,627
QE 6/12	2,153,224,303	-	2,153,224,303	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	717,952,503
QE 9/12	2,148,813,979	-	2,148,813,979	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	808,160,392
QE 12/12	2,208,252,081	106,384,369	2,314,636,450	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	876,347,067
QE 3/13	2,190,699,030	-	2,190,699,030	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	846,343,774
QE 6/13	2,192,338,665	-	2,192,338,665	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	777,030,120
QE 9/13	2,202,013,200	-	2,202,013,200	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	681,710,155
QE 12/13	2,354,828,358	107,980,135	2,462,808,493	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	957,184,802
QE 3/14	2,503,038,462	-	2,503,038,462	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	1,018,387,087
QE 6/14	2,667,811,654	-	2,667,811,654	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	1,059,786,579
QE 9/14	2,822,596,484	-	2,822,596,484	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	958,022,455
QE 12/14	2,998,963,183	-	2,998,963,183	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	972,611,383
QE 3/15	2,986,664,741	-	2,986,664,741	643,924,687	297,141,870	3,771,216	198,833,968	208,709,812	(475)	1,474,261	-	2,362,678	-	397,361,264	1,753,579,281	1,233,085,460
QE 6/15	3,004,404,521	-	3,004,404,521	676,953,007	301,501,985	1,376,095	136,222,624	210,766,873	(1,609)	111,644,096	32,871,414	4,867,076	-	434,840,685	1,911,042,246	1,093,362,275
QE 9/15	3,056,651,041	109,707,817	3,166,358,858	660,928,120	297,720,765	(1,214,417)	269,436,928	218,219,020	(26)	1,465,978	(14,698,940)	2,512,551	-	449,692,969	1,884,062,948	1,282,295,910
QE 12/15		-	-												-	-
QE 3/16		-	-												-	-
QE 6/16		-	-												-	-
QE 9/16		-	-												-	-
	$ 39,886,168,895	$ 427,963,306	$ 40,314,132,201	$ 9,842,667,911	$ 4,095,308,325	$ 1,121,477,148	$ 2,809,149,799	$ 3,102,563,339	$ 1,873,169	$ 399,612,021	$ 785,951,856	$ 186,608,284	$ 453,960	$ 2,667,900,132	$ 25,013,565,944	$ 15,300,566,257

Last Updated: 11/10/2015

Arizona Health Care Cost Containment System
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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	$ 8,801,798,459	$ 5,640,454,537	$ 3,161,343,922	35.92%				
DY 02	8,899,687,345	5,852,397,800	3,047,289,545	34.24%				
DY 03	10,456,255,094	6,434,508,302	4,021,746,792	38.46%				
DY 04	12,156,391,302	7,085,986,409	5,070,404,893	41.71%	$ 40,314,132,201	$ 25,013,347,048	$ 15,300,785,153	37.95%
DY 05			-					
	$ 40,314,132,201	$ 25,013,347,048	$ 15,300,785,153					

Arizona Health Care Cost Containment System
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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	918,576,785	583,268,649	114,789,373	(567,896)		1,616,066,911
AFDC/SOBRA	3,419,456,708	3,592,406,648	3,503,218,186	3,527,869,379		14,042,950,921
ALTCS-EPD	1,062,301,374	1,167,336,688	1,185,448,189	1,186,239,649		4,601,325,900
ALTCS-DD	939,087,786	1,005,632,102	1,067,294,890	1,160,948,991		4,172,963,769
DSH/CAHP	155,762,657	163,516,194	130,790,511	144,912,300		594,981,662
Expansion State Adults	-	-	1,175,233,223	1,900,858,244		3,076,091,467
Family Planning Extension	830,631	1,008,110	195,976	(1,337)		2,033,380
MED	673,818	-	-	-		673,818
SNCP/DSHP	296,636,120	564,951,230	240,250,917	78,491,216		1,180,329,483
SSI	1,350,712,548	1,429,585,772	1,527,237,577	1,616,519,901		5,924,055,798
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	13,168,904		186,823,542
Subtotal	8,166,905,144	8,604,897,906	8,998,054,250	9,628,439,351	-	35,398,296,651
New Adult Group	-	-	108,212,481	287,614,652		395,827,133
Total	8,166,905,144	8,604,897,906	9,106,266,731	9,916,054,003	-	35,794,123,784

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,571,001	400,871,530	80,432,835	(398,218)		1,121,477,148
AFDC/SOBRA	2,388,216,877	2,472,465,403	2,471,084,231	2,510,901,400		9,842,667,911
ALTCS-EPD	717,100,163	770,622,037	800,471,921	814,369,218		3,102,563,339
ALTCS-DD	632,713,986	661,964,606	718,800,863	795,670,344		2,809,149,799
DSH/CAHP	104,828,269	107,397,436	87,930,460	99,206,960		399,363,125
Expansion State Adults	-	-	1,002,560,312	1,665,339,820		2,667,900,132
Family Planning Extension	797,009	927,946	179,426	(1,212)		1,903,169
MED	453,960	-	-	-		453,960
SNCP/DSHP	199,636,108	371,059,969	161,520,692	53,735,087		785,951,856
SSI	933,289,129	970,021,194	1,057,974,406	1,134,023,596		4,095,308,325
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	13,139,414		186,608,284
Subtotal	5,640,454,537	5,852,397,800	6,434,508,302	7,085,986,409	-	25,013,347,048
New Adult Group	-	-	108,212,481	287,614,652		395,827,133
Total	5,640,454,537	5,852,397,800	6,542,720,783	7,373,601,061	-	25,409,174,181

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	(7)	-	612,066
AFDC/SOBRA	1,014,881	1,090,143	990,293	5,056,392	-	8,151,709
SSI	365,158	399,101	398,723	2,391,771	-	3,554,753
Expansion State Adults	-	-	223,239	3,043,744	-	3,266,983
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(10,491,900)	-	(15,585,511)
Total	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	211,034	138,424	58,991	(5)	-	408,444
AFDC/SOBRA	683,014	716,006	665,774	3,461,607	-	5,526,401
SSI	245,752	262,130	268,062	1,637,406	-	2,413,350
Expansion State Adults	-	-	150,083	2,083,747	-	2,233,830
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(7,182,755)	-	(10,582,025)
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	918,890,357	583,479,405	114,877,118	(567,903)	-	1,616,678,977
AFDC/SOBRA	3,420,471,589	3,593,496,791	3,504,208,479	3,532,925,771	-	14,051,102,630
ALTCS-EPD	1,062,301,374	1,167,336,688	1,185,448,189	1,186,239,649	-	4,601,325,900
ALTCS-DD	939,087,786	1,005,632,102	1,067,294,890	1,160,948,991	-	4,172,963,769
DSH/CAHP	154,069,046	161,816,194	129,090,511	134,420,400	-	579,396,151
Expansion State Adults	-	-	1,175,456,462	1,903,901,988	-	3,079,358,450
Family Planning Extension	830,631	1,008,110	195,976	(1,337)	-	2,033,380
MED	673,818	-	-	-	-	673,818
SNCP/DSHP	296,636,120	564,951,230	240,250,917	78,491,216	-	1,180,329,483
SSI	1,351,077,706	1,429,984,873	1,527,636,300	1,618,911,672	-	5,927,610,551
Uncomp Care IHS/638	22,866,717	97,192,513	53,595,408	13,168,904	-	186,823,542
Subtotal	8,166,905,144	8,604,897,906	8,998,054,250	9,628,439,351	-	35,398,296,651
New Adult Group	-	-	108,212,481	287,614,652	-	395,827,133
Total	8,166,905,144	8,604,897,906	9,106,266,731	9,916,054,003	-	35,794,123,784

Federal Share

Waiver Name	01	02	03	04	05	Total
AC	640,782,035	401,009,954	80,491,826	(398,223)	-	1,121,885,592
AFDC/SOBRA	2,388,899,891	2,473,181,409	2,471,750,005	2,514,363,007	-	9,848,194,312
ALTCS-EPD	717,100,163	770,622,037	800,471,921	814,369,218	-	3,102,563,339
ALTCS-DD	632,713,986	661,964,606	718,800,863	795,670,344	-	2,809,149,799
DSH/CAHP	103,688,469	106,280,876	86,787,550	92,024,205	-	388,781,100
Expansion State Adults	-	-	1,002,710,395	1,667,423,567	-	2,670,133,962
Family Planning Extension	797,009	927,946	179,426	(1,212)	-	1,903,169
MED	453,960	-	-	-	-	453,960
SNCP/DSHP	199,636,108	371,059,969	161,520,692	53,735,087	-	785,951,856
SSI	933,534,881	970,283,324	1,058,242,468	1,135,661,002	-	4,097,721,675
Uncomp Care IHS/638	22,848,035	97,067,679	53,553,156	13,139,414	-	186,608,284
Subtotal	5,640,454,537	5,852,397,800	6,434,508,302	7,085,986,409	-	25,013,347,048
New Adult Group	-	-	108,212,481	287,614,652	-	395,827,133
Total	5,640,454,537	5,852,397,800	6,542,720,783	7,373,601,061	-	25,409,174,181

Calculation of Effective FMAP:

AFDC/SOBRA					
Federal	2,388,899,891	2,473,181,409	2,471,750,005	2,514,363,007	-
Total	3,420,471,589	3,593,496,791	3,504,208,479	3,532,925,771	-
Effective FMAP	0.698412435	0.688238101	0.705366139	0.711694264	
SSI					
Federal	933,534,881	970,283,324	1,058,242,468	1,135,661,002	-
Total	1,351,077,706	1,429,984,873	1,527,636,300	1,618,911,672	-
Effective FMAP	0.690955729	0.678526985	0.692731947	0.70149658	
ALTCS-EPD					
Federal	717,100,163	770,622,037	800,471,921	814,369,218	-
Total	1,062,301,374	1,167,336,688	1,185,448,189	1,186,239,649	-
Effective FMAP	0.675043995	0.660154045	0.675248339	0.686513234	
ALTCS-DD					
Federal	632,713,986	661,964,606	718,800,863	795,670,344	-
Total	939,087,786	1,005,632,102	1,067,294,890	1,160,948,991	-
Effective FMAP	0.673753823	0.658257234	0.673479157	0.685362019	
AC					
Federal	640,782,035	401,009,954	80,491,826	(398,223)	-
Total	918,890,357	583,479,405	114,877,118	(567,903)	-
Effective FMAP	0.697343301	0.687273536	0.700677623	0.701216581	
Expansion State Adults					
Federal	-	-	1,002,710,395	1,667,423,567	-
Total	-	-	1,175,456,462	1,903,901,988	-
Effective FMAP			0.853039162	0.875792755	
New Adult Group					
Federal	-	-	108,212,481	287,614,652	-
Total	-	-	108,212,481	287,614,652	-
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	2,932,687	487,430	72,536	85,445	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,393	488,840	73,173	85,491	430,723	-	12,424		
Quarter Ended June 30, 2012	2,914,271	488,844	73,983	85,715	365,132	-	12,440		
Quarter Ended September 30, 2012	2,939,037	491,450	74,838	86,498	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,712	494,498	75,657	86,817	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,505	496,803	76,486	86,061	248,817	-	13,824		
Quarter Ended June 30, 2013	2,903,442	499,245	77,302	86,288	228,204	-	14,187		
Quarter Ended September 30, 2013	2,919,463	502,610	78,056	87,118	217,114	-	14,856		
Quarter Ended December 31, 2013	2,892,461	505,795	78,866	87,656	206,419	-	14,885		
Quarter Ended March 31, 2014	2,840,332	512,740	79,704	87,875	87	-	-	444,794	39,051
Quarter Ended June 30, 2014	2,956,852	520,992	80,693	88,716	2	-	-	625,707	86,681
Quarter Ended September 30, 2014	3,115,091	526,526	81,782	89,335	-	-	-	757,764	123,076
Quarter Ended December 31, 2014	3,147,499	533,206	82,750	89,977	-	-	-	819,681	149,846
Quarter Ended March 31, 2015	3,086,726	538,843	83,855	89,829	-	-	-	838,151	191,365
Quarter Ended June 30, 2015	3,106,950	537,824	84,823	89,674	-	-	-	849,048	245,568
Quarter Ended September 30, 2015	3,207,029	535,032	85,261	88,212	-	-	-	868,387	284,080
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	-	1,474,261	-	-	-	1,474,261
Jun-15	-	16,248,501	(219,987)	92,024,206	-	108,052,719
Sep-15	-	-	1,465,978	-	-	1,465,978
Dec-15						
Mar-16						
Jun-16						
Sep-16						
Total Reported to Date	103,688,469	106,280,876	87,036,446	92,024,206	-	389,029,997
Unused Allotment	**202,516**	**103,493**	**20,943,689**	**17,683,611**	**-**	**38,933,309**

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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	-	39,051	86,681	123,076	248,808	143,945,380

	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	149,846	191,365.00	245,568.00	284,080.00	870,859	527,506,624

	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	22,592,566	-	22,592,566	13,870,414	8,722,152
QE 6/14	50,148,426	-	50,148,426	34,313,342	15,835,084
QE 9/14	71,204,389	-	71,204,389	47,984,458	23,219,931
QE 12/14	90,766,424	-	90,766,424	46,004,135	44,762,289
QE 3/15	115,915,786	-	115,915,786	70,387,348	45,528,438
QE 6/15	148,748,244	-	148,748,244	85,319,153	63,429,091
QE 9/15	172,076,170	-	172,076,170	97,948,283	74,127,887
QE 12/15					
QE 3/16					
QE 6/16					
QE 9/16					
	$ 671,452,004	$ -	$ 671,452,004	$ 395,827,133	$ 275,624,871

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	$ 143,945,380	$ 96,168,214	$ 47,777,166	33.19%				
DY 04	527,506,624	299,658,919	227,847,705	43.19%	$ 671,452,004	$ 395,827,133	$ 275,624,871	41.05%
DY 05								
	$ 671,452,004	$ 395,827,133	$ 275,624,871					

Based on CMS-64 certification date of 9/30/2015