

I.H.S & 638 Uncompensated Care Waiver

Background

- As of September, a total of **\$118.3 million** had been paid.
 - \$107.9 million (91%) was for coverage –
 - \$10.3 million (9% was for benefits)
 - Of the benefit amount, wellness exams represented about 14% of the overall spend

AHCCCS Proposal

- Coverage to Childless Adults Restored. As a result of the Governor's leadership, coverage for Prop 204 was restored and the state expanded coverage up to 133% of the federal poverty limit.
- Challenges to Governor's Plan. 36 legislators have sued the Governor and the AHCCCS Director with regards to the constitutionality of the Hospital Assessment that was included in the Medicaid Restoration legislation. This assessment is the funding source for childless adult restoration.
- Contingency Planning. AHCCCS proposes that an 1115 waiver be submitted that would continue uncompensated care funding only as a contingency if coverage were to be suspended as a result of legal action and the state was not able to move forward with restoring and expanding Medicaid coverage for adults. Only Option 2 payments would be continued.
- Benefits Waiver Funding. AHCCCS proposes that an 1115 waiver be submitted that would provide a PMPM (Option 2) to each facility that represents the portion of funding associated with the benefits that were eliminated previously. Currently this PMPM is \$16.22. This would be reduced by \$2.23, the amount attributable to wellness exams which have been restored. This new total of \$13.99 would be multiplied by the number of American Indian adults enrolled with AHCCCS. AHCCCS proposes the enrollment number be updated quarterly. The payments would continue to be monthly.
- The PMPM would be updated annually based on the AIR inflation factor.
- There would be no option 1 available since it is too administratively burdensome.
- The allocation would be based on State Fiscal Year 2012 billings for adults and would exclude behavioral health clinics and transportation providers. It would only be paid to hospitals and clinics.
- On October 1, 2014 the PMPM amount will be reduced by an additional \$4.83 to reflect the fact that the 25 day IP limit will be eliminated going forward.