



Waiver Update

April 19, 2018



Flexibilities Overview

- March 14, 2017 letter from HHS/CMS encouraged states to seek flexibilities in the administration of their Medicaid programs, including waivers to limit NEMT
- November 17, 2017 concept paper submitted to CMS

Prior Quarter Coverage Proposal

- Currently, Arizona covers enrollees three months prior to the month of application if the enrollee would have been eligible at any point during those months
- Amendment submitted April 6 proposes limiting retroactive coverage to the month of application, consistent with AHCCCS policy prior to 2014
- Waiver will encourage members to obtain and maintain health coverage, even when healthy, and to apply expeditiously

Prior Quarter Coverage Costs

- In recent years, total amount paid to I.H.S./638s = approx. \$2.5 million per year with approx. 1400 distinct members per year. Largest service category is outpatient.
- Community will need to assist those who may be eligible for Medicaid with applying without delay.

AHCCCS Works Waiver

- On December 19, 2017, AHCCCS submitted a request to CMS to implement AHCCCS Works
- To qualify for AHCCCS coverage, certain able-bodied adults 19-49 who do not qualify for an exemption must, for at least 80 hours per month:
 - Be employed or actively seek employment;
 - Attend school; or
 - Participate in employment support and development activities.

Proposed Exemptions, part 1

- Individuals who are not subject to mandatory managed care
- Individuals determined to have a Serious Mental Illness
- Individuals who are in active treatment with respect to a Substance Use Disorder
- Individuals determined to be medically frail
- Individuals receiving temporary or permanent long-term disability benefits (private or government), including workers compensation

Proposed Exemptions, part 2

- Designated caretaker of a child
- Caregiver who is responsible for the care of an individual with a disability
- Full time high school students
- Full time trade school, college or graduate students
- Individuals who are homeless
- Victims of domestic violence
- Beneficiaries receiving benefits under SNAP or a Cash Assistance Program
- Beneficiaries receiving Unemployment Insurance

Employment Support & Development Programs

- AHCCCS will work with DES to leverage its existing workforce development programs
- Examples of Employment Support & Development activities:
 - disease management education
 - health insurance competency courses
 - healthy living classes
 - parenting classes
 - ESL courses

AHCCCS Works Population

- AHCCCS has 1.9 million members
- Approximately 400,000 are in the eligibility group that waiver pertains to
- Approx. 44,000 of that group are American Indian
- After applying known exemptions, approximately 200,000 could be subject to requirements

Current Landscape

- CMS issued guidance to states on community engagement waivers in January
- CMS has approved for Kentucky, Indiana and Arkansas
- KY going live in part of state as of July 1
- Litigation is pending in US District Court over the CMS guidance and the Kentucky waiver approval
- Approx. 10 other states have similar waivers in the queue
- Currently negotiating waiver approval with CMS and evaluating necessary AHCCCS operational changes

NEMT Waiver Framework

- Arizona's NEMT waiver flexibility proposal would eliminate NEMT benefits for a very targeted population with income over 100% FPL living in urban areas.
- This waiver proposal will **not** affect people living in rural areas or American Indians.

NEMT Flexibility Waiver: Arizona Urban Area Map



■ = Rural Areas
■ = Urban Areas

NEMT Waiver Flexibility Framework

- Restrict NEMT for those who meet all the following criteria:
 - Adults aged 19-49
 - Income above 100% FPL
 - Subject to mandatory managed care
 - Do not have a disability or medical frailty
 - Live in an urban area with adequate public transportation

NEMT Waiver Exemptions, Part 1

- NEMT benefits would remain unchanged for individuals who meet any of the following conditions:
 - Pregnant or post-partum up to 60 days
 - Individuals determined to have a serious mental illness (SMI)
 - Arizona Long Term Care System (ALTCS) enrollees

NEMT Waiver Exemptions, Part 2

- Acute care members residing in nursing homes or residential facilities when the member's medical condition would otherwise require hospitalization
- Individuals eligible for Children's Rehabilitative Services (CRS)
- Individuals eligible as Qualified Medicare Beneficiaries

NEMT Waiver Exemptions, Part 3

- Individuals receiving hospice care
- Individuals enrolled in the Breast and Cervical Cancer program
- Individuals receiving Adoption Subsidy or Foster Care Assistance under Title IV-E of the Social Security Act
- Individuals receiving Title IV-B Child Welfare Services

Urban Area Definition

- Urban areas in Maricopa and Pima counties that have adequate public transportation
- Specifically, the proposed restriction will be limited to zip codes in the Phoenix and Tucson metropolitan areas that have access to local bus services

Prescription Drug Flexibilities

- Developing waiver proposal to obtain more leverage on prescription drugs
 - Exclude drugs until market prices are reasonable and cost effectiveness data exists
 - Establish formulary with at least 2 drugs per class/category (with exceptions)

Questions and Comments?

Thank you

