



AHCCCS Complete Care RFP

Prospective Offerors' Conference

November 8, 2017



Welcome and AHCCCS Overview

Beth Kohler
AHCCCS, Deputy Director





Mission

Reaching across Arizona
to provide comprehensive,
quality health care
for those in need.

Vision

Shaping tomorrow's
managed health care . . .
from today's experience,
quality and innovation.



AHCCCS Strategic Plan

Reaching Across Arizona to Provide Comprehensive, Quality Health Care for Those in Need

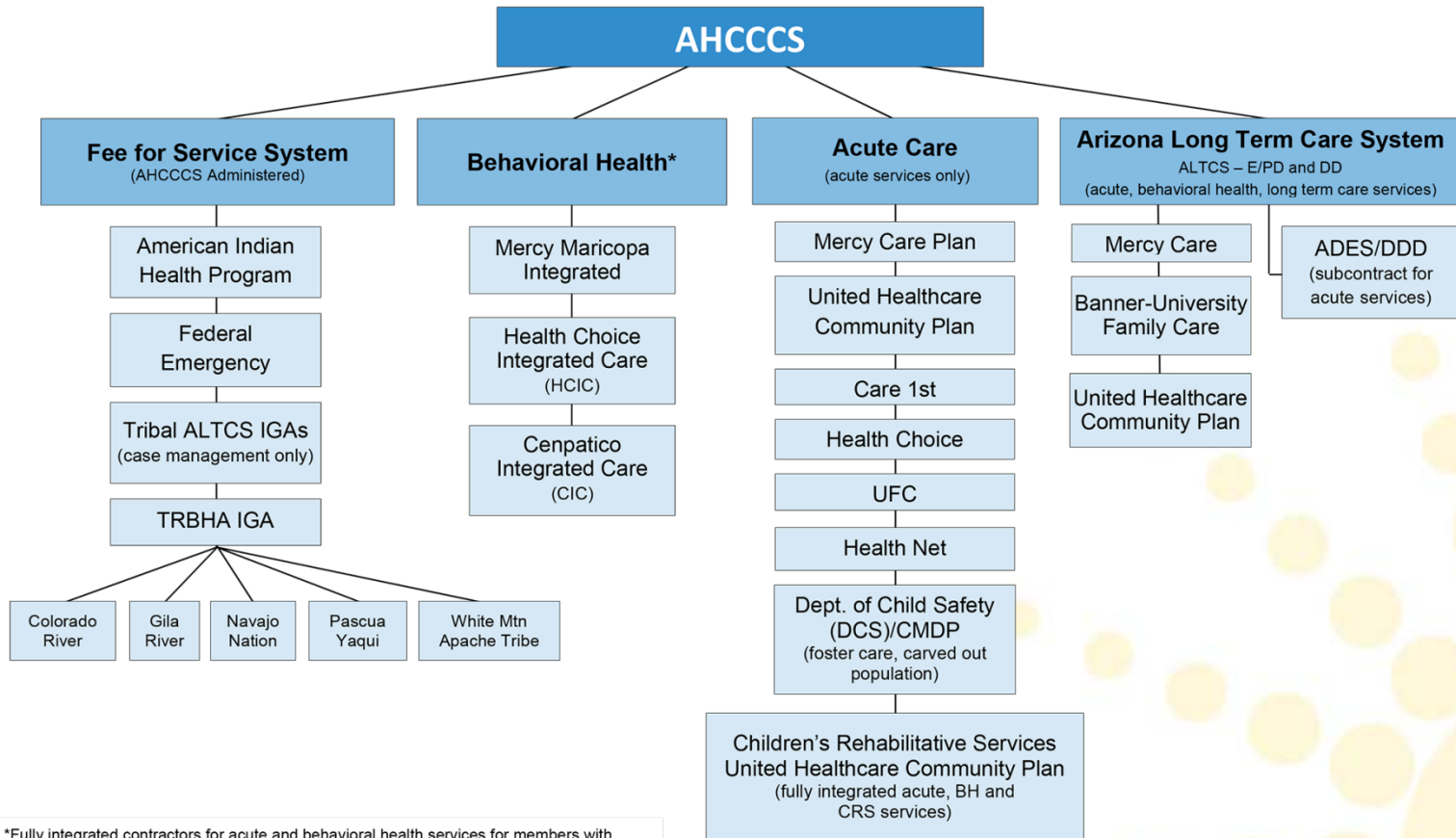
Bend the cost curve while improving the member's health outcomes

Pursue continuous quality improvement

Reduce fragmentation in healthcare delivery driving towards an integrated system

Maintain core organizational capacity, infrastructure and workforce.

Care Delivery System



*Fully integrated contractors for acute and behavioral health services for members with serious mental illness (SMI) and carved out behavioral health services for Acute Care/DD adults with general mental health and substance abuse needs (GMH/SA) and children.

Reaching across Arizona to provide comprehensive quality health care for those in need

AHCCCS Partnership Strategy

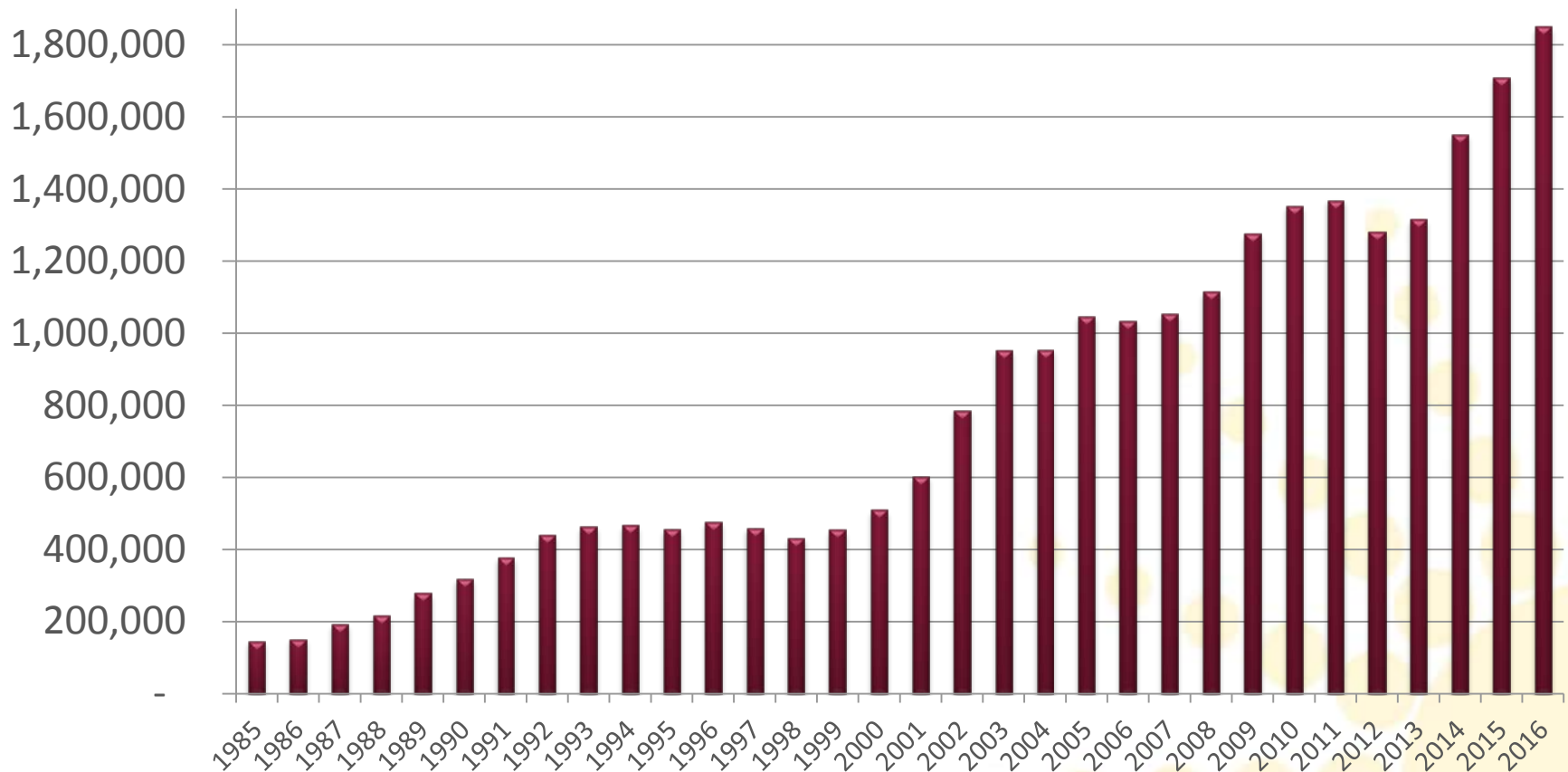
Our success is dependent upon the success of our Contractors:

- Set clear and reasonable expectations for Contractor performance
- Understand and respect each other's challenges
- Listen and provide feedback
- Ensure ongoing communication
- Promote mutual accountability
- Maintain flexibility
- Strive for a long-term relationship
- Regulatory action as appropriate

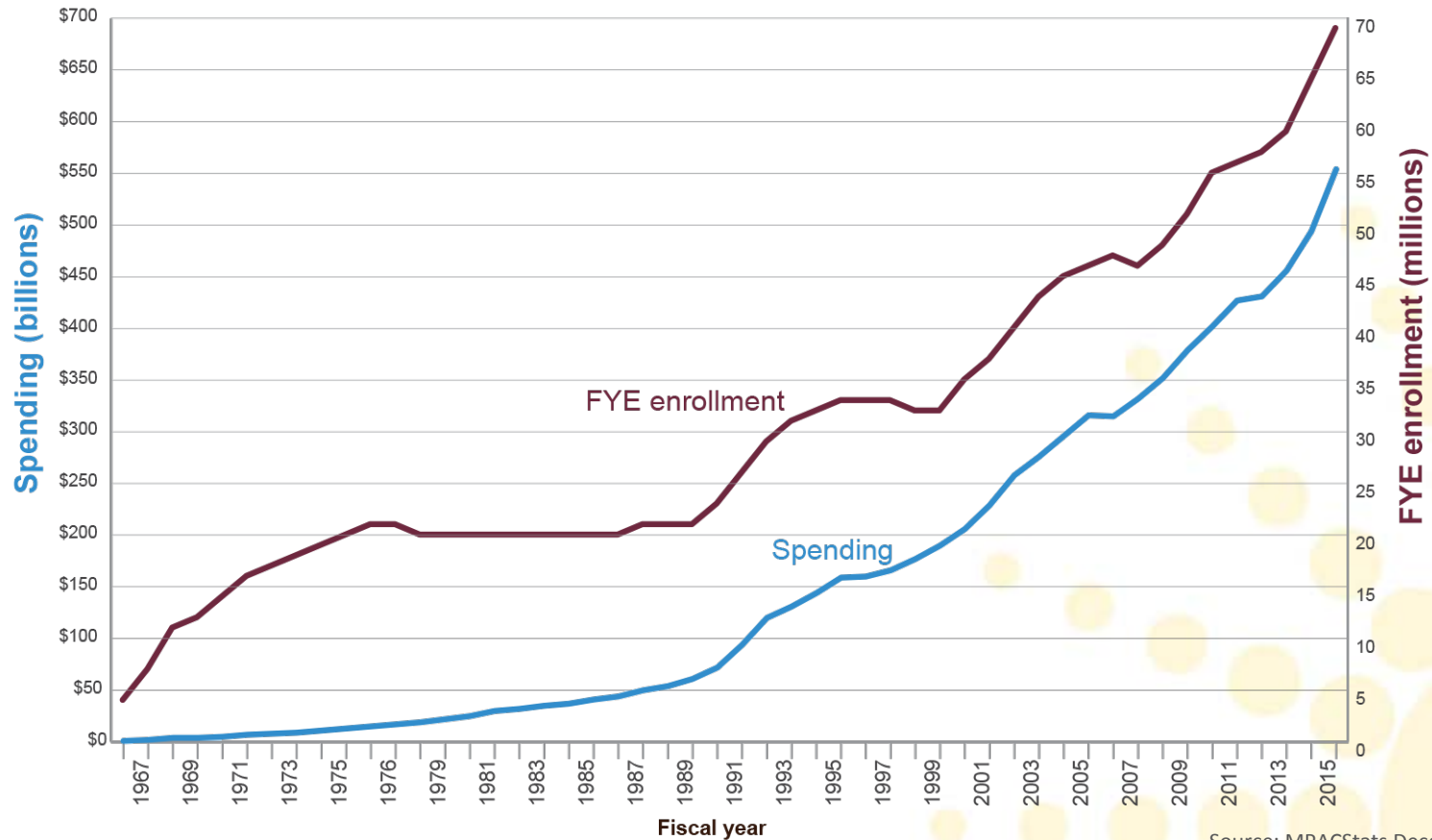
AHCCCS Facts and Figures

- Largest insurer in state
- \$12.0 billion program
- 1.9 million enrollees
- Covers over 50% of all births
- Covers two-thirds of nursing facility days
- State responsibility for both physical and behavioral health services

AHCCCS Population as of July 1, 1985 – 2016

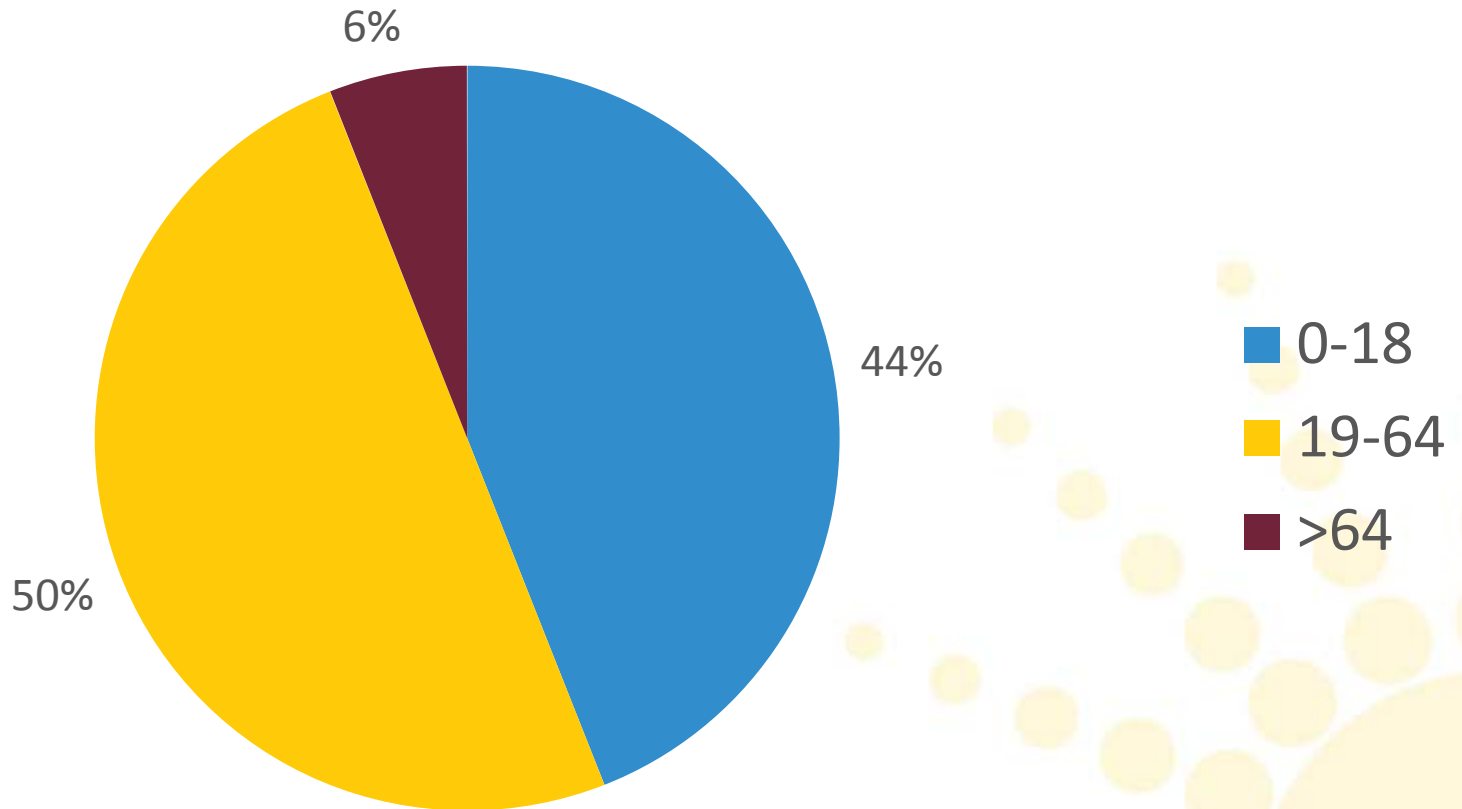


Medicaid Enrollment and Spending, FYs 1966–2015

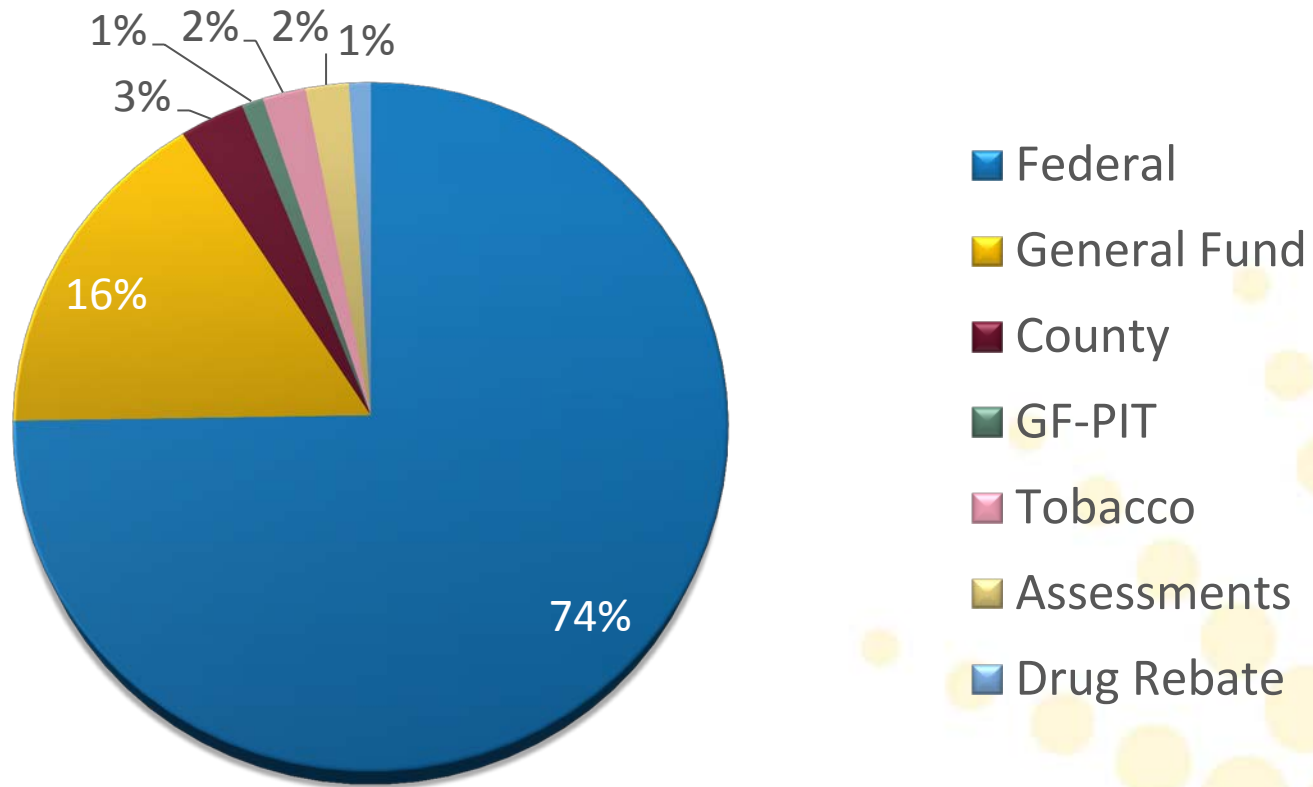


Source: MPACStats December 2016

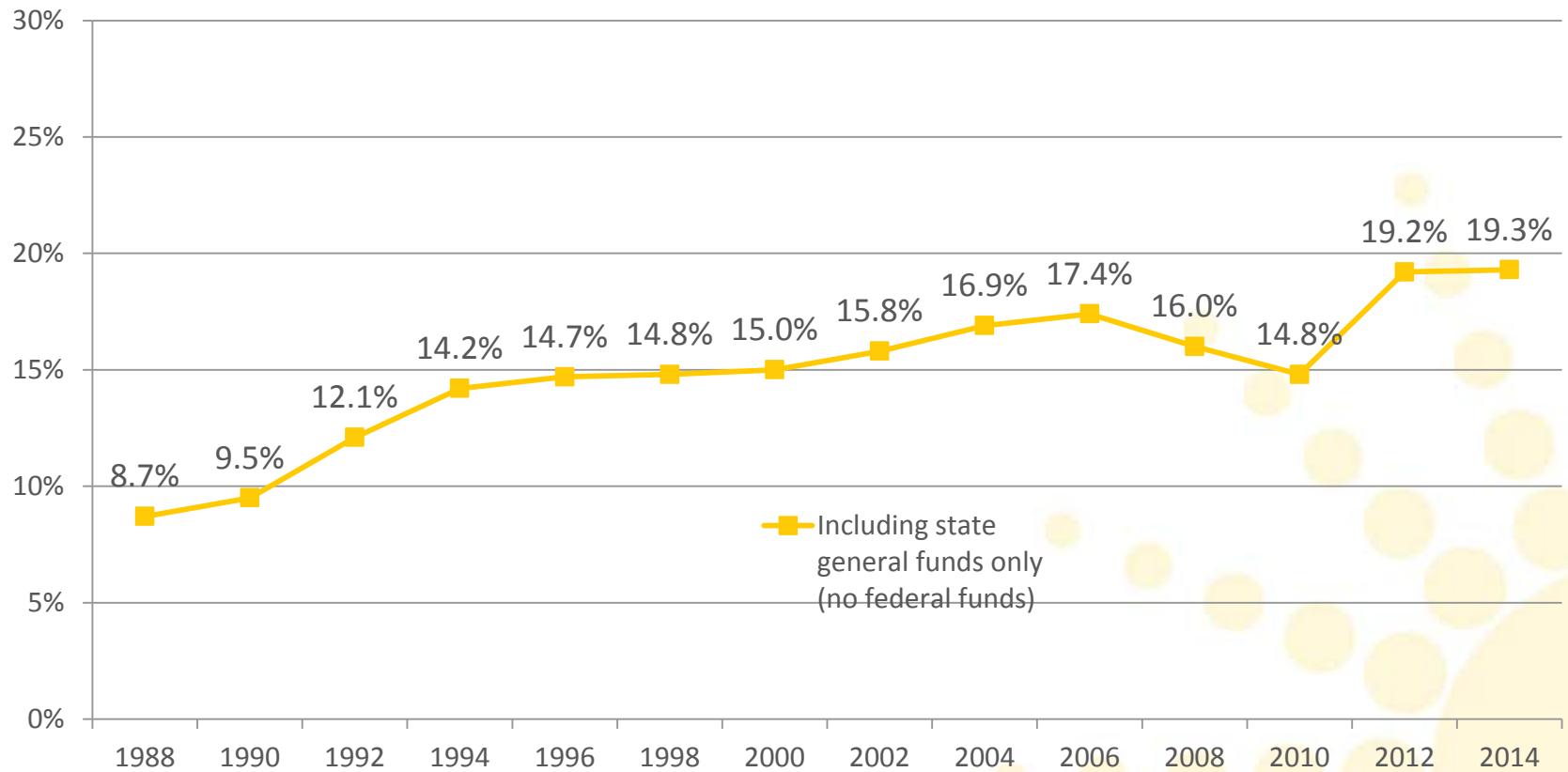
AHCCCS Population Age Breakout



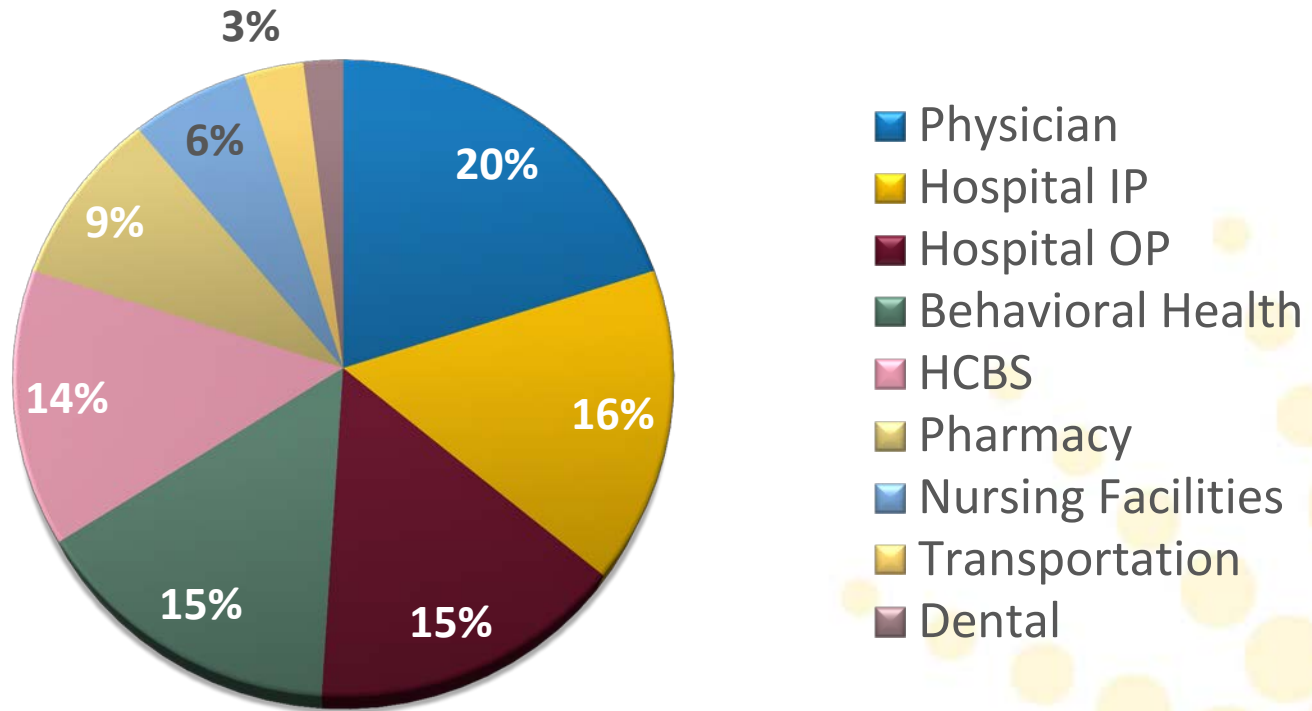
FY 2016 Funding Distribution



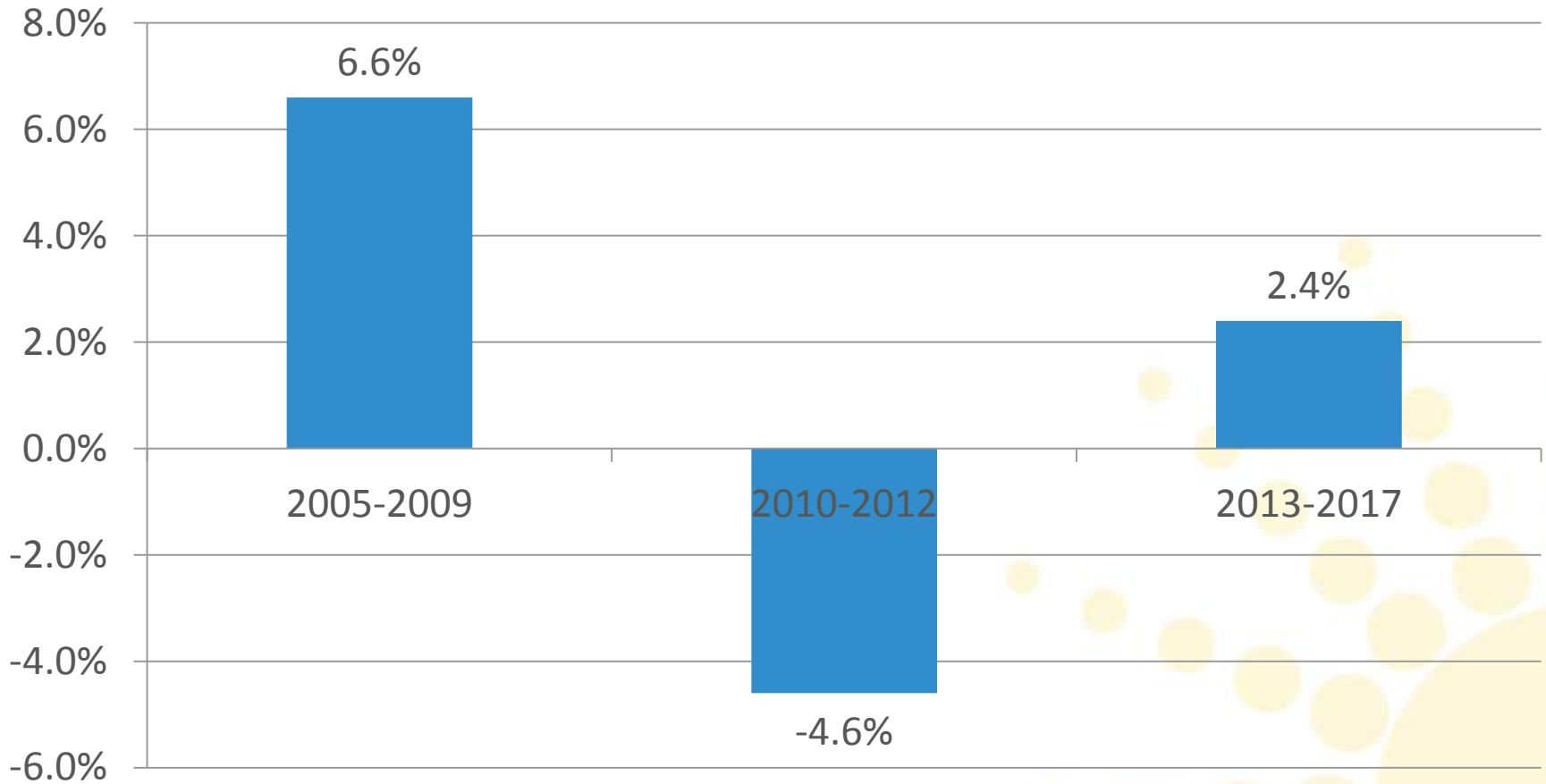
Medicaid as a Share of State General Fund



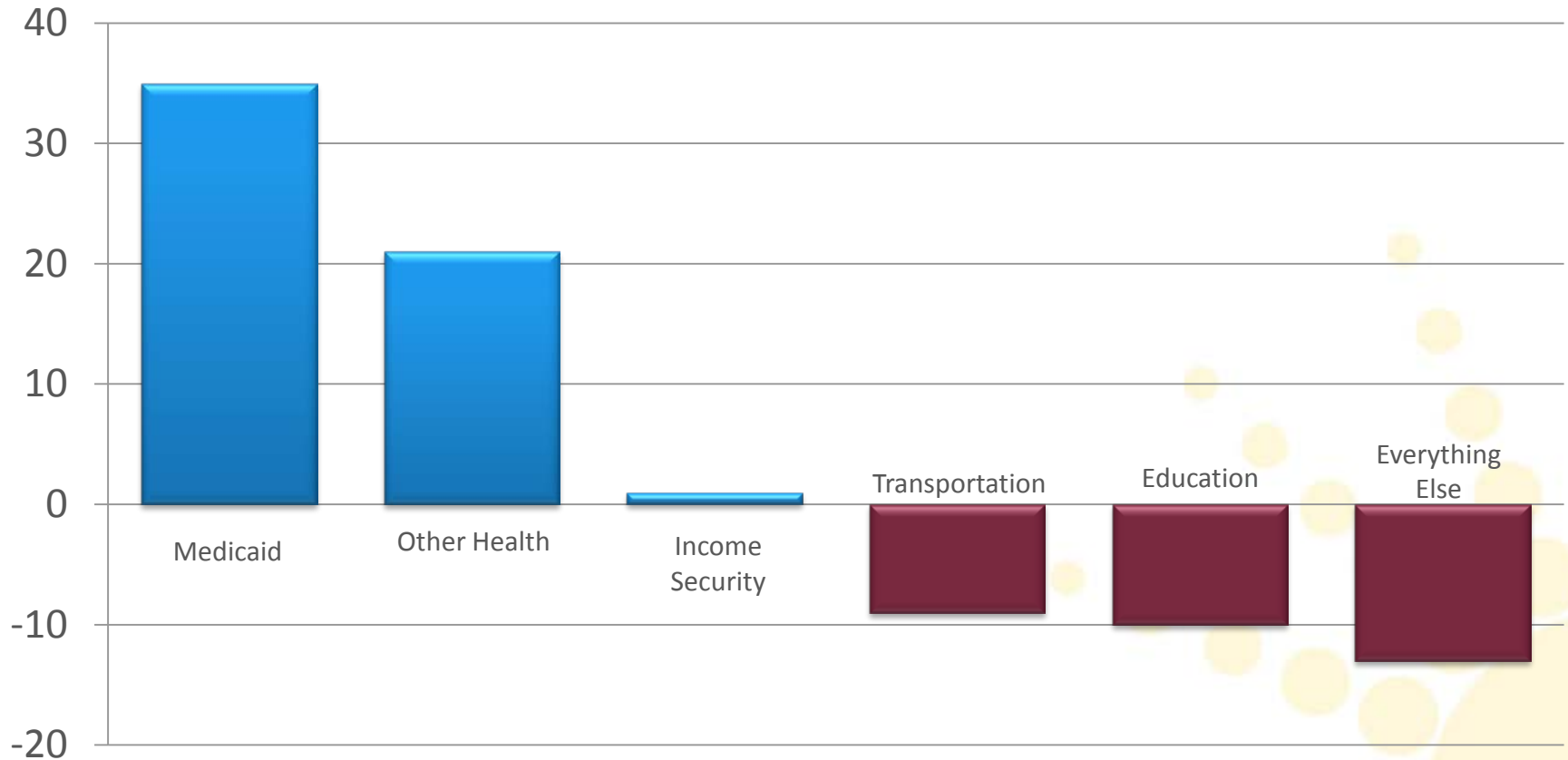
Spending by Provider Type



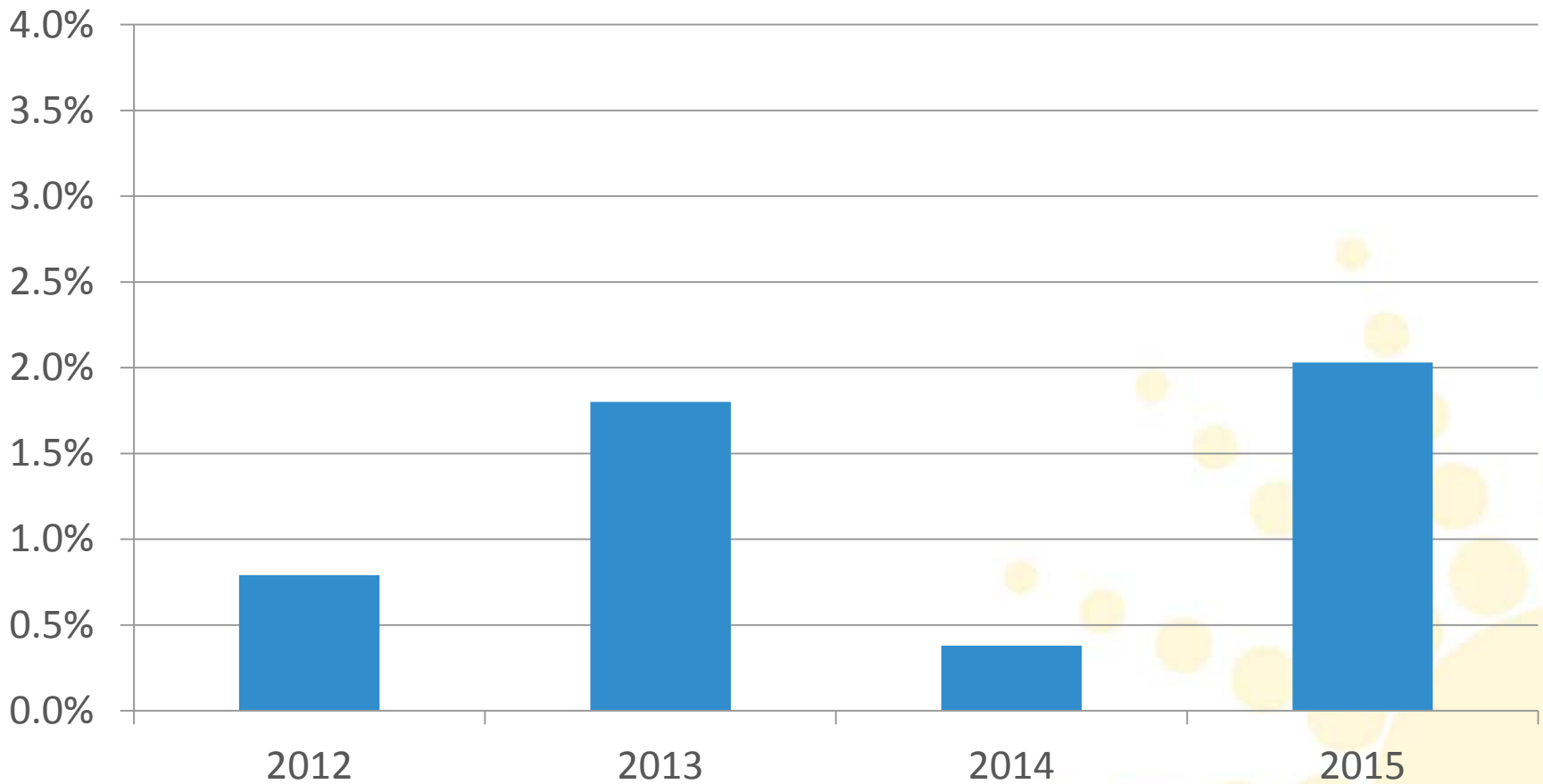
AHCCCS Cap Rate History



Percentage Change in Federal Funding (2008-2014)



Total AHCCCS System Health Plan Profits



AHCCCS Managed Care Principles

- Promote competition and choice in marketplace
 - RFPs structured to encourage strong plan competition
- Establish proper infrastructure for oversight
 - Staff of 140 to oversee Plans
 - Very good encounter data used for rate setting and quality measures
- Demand improved member outcomes and plan performance
 - Track quality measures – sanctions for poor results
- Establish broad networks to ensure member access
 - Regular monitoring

AHCCCS Expectations

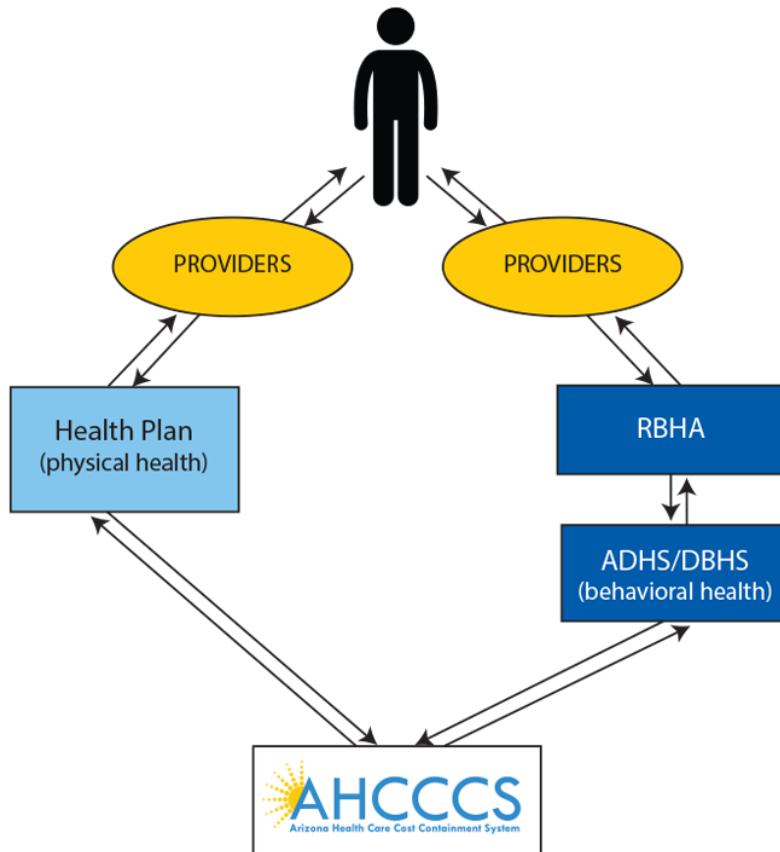
- Contractor performance accountability
 - Self-monitor operations and clinical performance, using available data
 - Develop and implement interventions designed to improve operational or clinical performance
 - Evaluate effectiveness of interventions and adjust as necessary to achieve excellence
 - Staff to meet AHCCCS performance expectations
- Contractor/AHCCCS partnership
 - Recognize that members and providers are valued partners in the AHCCCS program
 - Manage administrative subcontractors
 - Eliminate inefficient/burdensome Contractor policies/processes
- Contractor collaboration and best practices

Examples of Contract Monitoring Tools

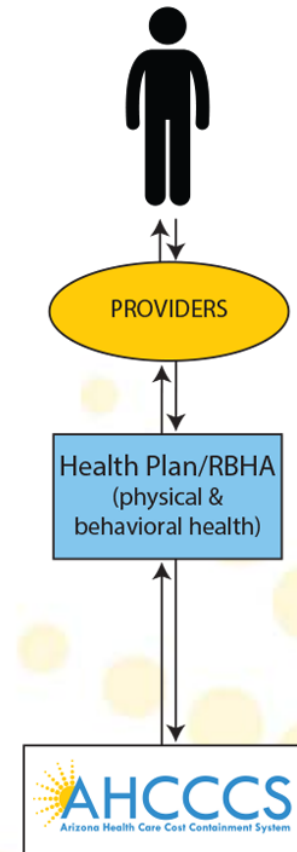
- Operational Reviews
- Deliverable review
- Clinical performance measures
- Quality improvement projects
- Medical Management/Utilization Management
- Provider network monitoring
- Claims payment timeliness and accuracy
- Grievance System (member grievances and appeals and claim dispute monitoring)

Vision - Integration at all 3 Levels

CURRENT CONFIGURATION

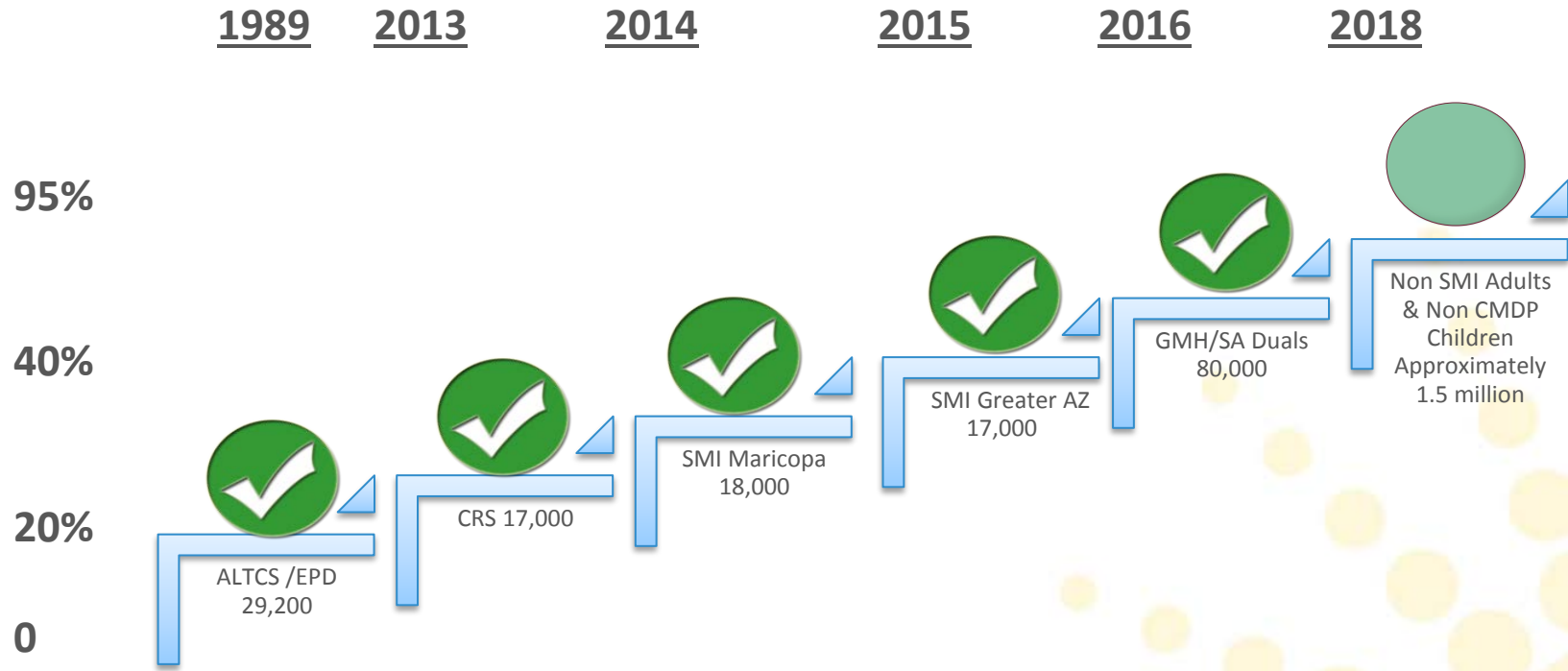


STREAMLINED CONFIGURATION



Reaching across Arizona to provide comprehensive quality health care for those in need

Integration Progress To Date



Alternative Payment Models



Alternative Payment Models - Efforts to Date

1. AHCCCS role – establish broad goals for system
2. Goals and progress is incremental
3. System Design Matters - True VBP requires Integration to align incentives
4. Pursuing VBP requires resources and leadership at Medicaid agency and MCOs
5. Culture of learning
6. Requires improved access to actionable data - HIE
7. Defining measures is challenging

AHCCCS VBP Fee Schedule Changes

- 2014 – Hospital IP – APR-DRG
- 2015 - MCOs pay FQHC full rate
- 2016 - Hospital bump for sharing data with HIE and meeting MU2
- 2016 - SNFs – increase for those above avg with pneumococcal vaccine
- 2016 - Integrated Clinics- physical health
- 2016 – Freestanding ED – new provider type
- 2016 – Treat and Refer

LAN Payment Reform Framework





			
<p>CATEGORY 1 FEE-FOR-SERVICE - NO LINK TO QUALITY & VALUE</p>	<p>CATEGORY 2 FEE-FOR-SERVICE - LINK TO QUALITY & VALUE</p> <p>A</p> <p>Foundational Payments for Infrastructure & Operations (e.g., care coordination fees and payments for health information technology investments)</p> <p>B</p> <p>Pay for Reporting (e.g., bonuses for reporting data or penalties for not reporting data)</p> <p>C</p> <p>Pay-for-Performance (e.g., bonuses for quality performance)</p>	<p>CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE</p> <p>A</p> <p>APMs with Shared Savings (e.g., shared savings with upside risk only)</p> <p>B</p> <p>APMs with Shared Savings and Downside Risk (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)</p>	<p>CATEGORY 4 POPULATION-BASED PAYMENT</p> <p>A</p> <p>Condition-Specific Population-Based Payment (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)</p> <p>B</p> <p>Comprehensive Population-Based Payment (e.g., global budgets or full/percent of premium payments)</p> <p>C</p> <p>Integrated Finance & Delivery Systems (e.g., global budgets or full/percent of premium payments in integrated systems)</p>
		<p>3N Risk Based Payments NOT Linked to Quality</p>	<p>4N Capitated Payments NOT Linked to Quality</p>

Figure 1: The Updated APM Framework

VBP – Alternative Payment Model Targets

CYE	Program			
	Acute	CRS	RBHA	
			SMI-Integrated	Non-Integrated
CYE 18	50%	50%	25%	10%
CYE 19 Anticipated	60%	60%	35%	20%
CYE 20 Anticipated	70%	70%	50%	35%
CYE 21 Anticipated	70%	70%	60%	50%

AHCCCS Complete Care (ACC) Program Overview

Virginia Rountree & Shelli Silver

Assistant Directors

AHCCCS, Division of Health Care Management



ACC Program

The ACC Program is designed to further integrate care delivery systems and align incentives to transition the structure of the Medicaid program to improve health outcomes and better manage limited resources.

ACC Program

The design provides for:

- Comprehensive and coordinated delivery of integrated services including administrative and clinical integration
- The delivery of physical and behavioral health services to meet the whole health needs of members
- Improved member experience

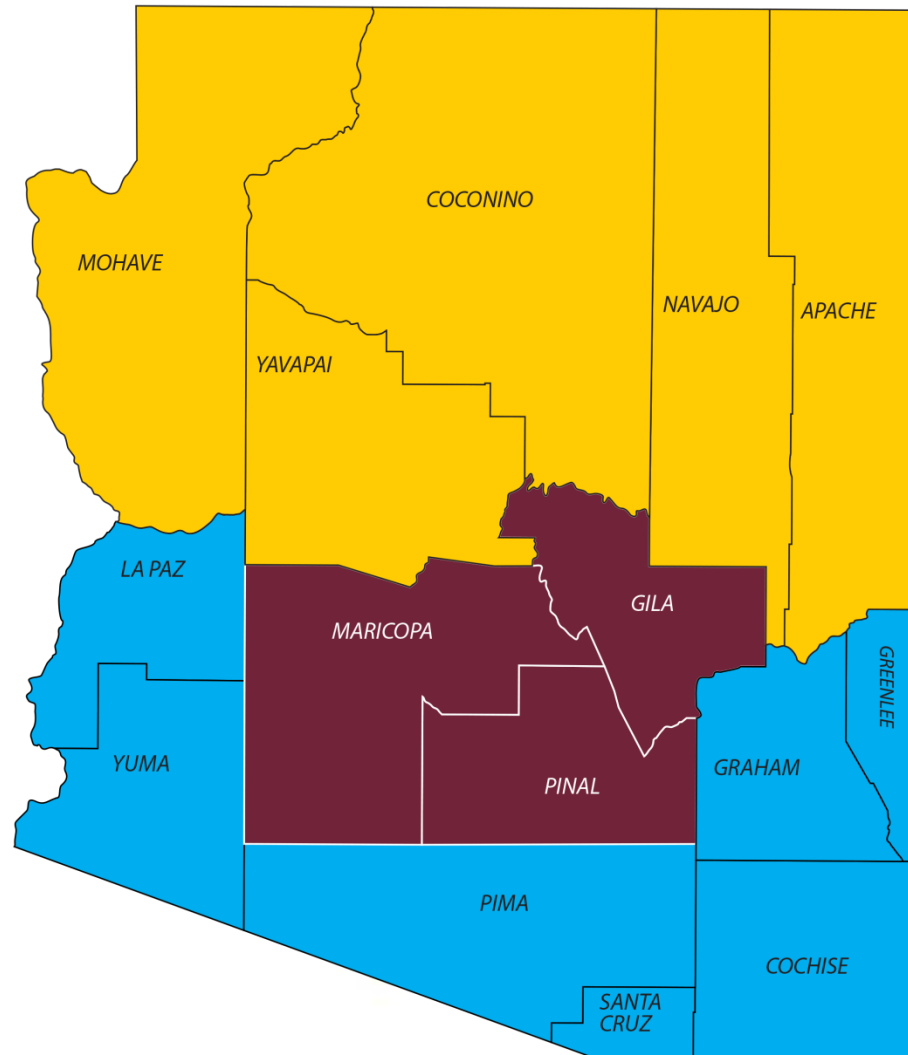
ACC Program - Geographic Service Areas

The geographic structure for ACC Contractors will align with the Geographic Service Areas (GSAs) established for the ALTCS contract – effective 10/1/17

GSA and Corresponding Counties
<u>North GSA</u> Mohave/Coconino/Apache/Navajo/Yavapai
<u>South GSA</u> Cochise/Graham/Greenlee/ La Paz/Pima/Santa Cruz/Yuma (including zip codes 85542, 85192, and 85550)
<u>Central GSA</u> Maricopa/Gila/Pinal (excluding zip codes 85542, 85192, and 85550)

ACC Program - Geographic Service Areas

Additional zip code exceptions may be considered to allow for further alignment with certain tribal lands



ACC Program - Population & Services

MCOs responsible for the provision of integrated care addressing physical and behavioral health needs for the following TXIX/XXI populations:

- Children, including children with CRS qualifying conditions
**excluding children in ALTCS and Foster Children (CMDP)*
- Adults age 18 and older not determined SMI

MCOs responsible for the provision of physical health needs for adults determined SMI who opt out of a RBHA

Members will receive the same array of covered physical and behavioral health services

ACC Program - Integration of CRS

Members with CRS Qualifying Conditions

- Integrated into ACC
- Choice of ACC Contractors
- ACC Contractors will provide services to
 - Members aged 0-20 –through the EPSDT delivery system
 - Members aged 21+

ACC Program

Integration of CRS – Medical Determination Process

- AHCCCS Division of Member Services will continue to perform the CRS medical determination process
- CRS designation will be provided to the ACC Contractors
- ACC Contractors specific timeline requirements for service plans and initial service delivery

ACC Program - Integration of CRS Program - Network

- Contractors are expected to contract with Multi-Specialty Interdisciplinary Clinics (MSIC) as well as offer a comprehensive community based provider network
- Members with Medicare or commercial insurance continue to have choice of Medicare/commercial network in addition to ACC network and ACC is payor of last resort

ACC Program –

Integration of CRS Program - CMDP and ALTCS

Services for CMDP members with CRS designation:

- Will be transitioned to CMDP for physical health services (including CRS) and will be transitioned to RBHA for behavioral health services

Services for ALTCS/DDD members with CRS designation:

- Will be transitioned to DES/DDD for both physical (including CRS) and behavioral health services

<https://des.az.gov/services/disabilities/developmental-disabilities/integrated-health-plan>

Note - ALTCS/EPD members with a CRS designation were integrated into ALTCS/EPD in 2013

RBHA Services 10/1/2018

- RBHA GSAs do not change
- RBHAs will continue to serve:
 - Foster children enrolled in CMDP for behavioral health services
 - Individuals enrolled in DES/DDD for behavioral health services
 - Individuals determined to be SMI for integrated services
- Crisis services that will remain with the RBHA include:
 - ACC members – Immediate crisis services provided via telephone hotline and mobile teams, and stabilization and observation under 24 hours
 - Non-ACC members – all crisis services
- Grant funded and state-only funded services will continue with the RBHA
 - ACC required to coordinate with RBHA

ACC Program Values

- Prompt and easy access to culturally competent care
- Comprehensive care coordination for physical and behavioral health services
- Integration of clinical and non-clinical health care related services
- Provision of preventive, health promotion, wellness, and disease management services

ACC Program Values

- Delivery of behavioral health services consistent with:
 - Nine Guiding Principles for Adult BH Services
 - Twelve Principles for Children's BH Services
- Member and family engagement at all system levels
- Preservation of key operational functions to ensure integrated service delivery
- Effective innovation promoting evidence based practices
- Continuous quality improvement

ACC Program Values

- Improved health outcomes
- Education and guidance to providers on service integration and care coordination
- Cost containment and efficiencies
- Collaboration with community
- Embraces system transformation
- Implementation of HIT to facilitate communication and care coordination

ACC Program

Integrated Services

- Advances administrative and clinical integration of health care services
- More efficiently coordinate delivery of integrated services
- Requires strategies to:
 - Enhance care coordination
 - Improve health outcomes
 - Increase member satisfaction

ACC Program

Integration Strategies Contractor Requirements

The Contractor shall:

- Proactively identify members in need of care management for physical and behavioral health care
- Implement appropriate and necessary levels of care coordination and care management
- Provide a single member services/nurse triage line for physical and behavioral health services
- Develop and utilize integrated service settings

ACC Program

AHCCCS Initiatives

- Arizona Opioid State Targeted Response
- Children at risk of removal by DCS
- Services for children with Autism Spectrum Disorder
- Justice system transitions
- Payment modernization
- Electronic health records
- Targeted Investments

ACC Program

Other Requirements



Medicare Advantage D-SNP Plan Requirement

- Contractor required to have a Medicare Advantage D-SNP in awarded GSAs
 - Not permitted to have Medicare Advantage D-SNP if no ACC contract in the GSA
- Offeror is required to be licensed by DOI or certified by AHCCCS
- Offeror is required to hold AHCCCS MIPPA contract

Affiliated Organizations Requirement

- A single legal entity and brand shall be established by October 1, 2018, if the Offeror awarded the ACC Contract is an affiliated organization of the RBHA in the same GSA
- The single legal entity shall be extended to other GSAs
- AHCCCS intends to amend contracts for redundancies and/or inconsistent terms and requirements

RBHA Contractor Option

- RBHA Contractors not awarded an ACC Contract nor affiliated with an Offeror awarded an ACC contract in the same GSA will be given the option to expand services
- If option to expand services is elected, RBHA must successfully complete readiness activities
- Election will be for the remainder of the current RBHA contract term
- Option not permitted if it results in ACC Contracts in all GSAs

Prior Period Coverage

- When a member is receiving grant or state funded services as a Non-TXIX/XXI member and subsequently is found eligible for TXIX/XXI, the member's Title-XIX behavioral health assignment will remain with the RBHA for any Prior Period Coverage (PPC) timeframe
 - The member will be enrolled with the ACC Contractor for physical health services only for this PPC timeframe, then will be enrolled for both physical and behavioral health with the ACC Contractor prospectively

Pending Issues

- Managed Care Regulations
- Medical Loss Ratio
- Demographic and Outcomes Data Set User Guide - RFI
- Federal Medicaid Policy
- Section 1115 Waiver Demonstration
 - <https://www.azahcccs.gov/Resources/Federal/PendingWaivers/>
- Transplant Reinsurance

Capitation & Finance-Related Issues

Shelli Silver

Assistant Director

AHCCCS, Division of Health Care Management



Important to Note

- RFP and Bidders' Library Content prevail in case of any inconsistencies between those documents and this presentation
- See the Data Supplement in the Bidders' Library for resources to assist with capitation bid development

Capitation Bid

- Parts of the non-benefit component of the cap rates will be bid by GSA using the Non-Benefit Costs Bid Submission workbook
 - Administrative bid
 - Underwriting Gain for each of the first three years of the contract
- Medical services component of the cap rate will not be bid

Capitation Bid, cont.

- Actuarial Certification for non-benefit costs bids for all GSAs must be submitted
- Actuarially-sound rates developed by AHCCCS' actuaries to be published before October 1, 2018
- CEO signed agreement to accept the actuarially sound capitation rates must be submitted

Administrative Bid Adjustment

- Administrative component of cap rates will be adjusted after award/before October 1, 2018 when preliminary membership has been determined through initial assignment and member choice
- May be adjusted in subsequent years to comply with Medicaid Managed Care regulations

Underwriting Gain Bid

- Bids must be greater than zero and less than or equal to one percent
- AHCCCS may or may not elect to use the underwriting gain bid in the capitation rates, depending on ongoing discussions with CMS
- If UW Gain bid used in year 1 of the contract, AHCCCS may adjust the UW Gain in subsequent years to comply with Medicaid Managed Care regulations

Financial Viability Increases

- Minimum Capitalization requirements are increased over prior years
- Equity Per Member requirements are increased and phased-in over 3 years
 - CYE 19 – \$150
 - CYE 20 – \$200
 - CYE 21 – \$250
 - Contractors have the full year to come into compliance

Compensation Changes

- Population Risk to be addressed immediately upon commencement of contract
 - Unlikely to be diagnostic-based risk adjustment in year 1 of the contract
 - Population risk adjustment could occur more than one time in year 1 of the contract, to be determined by the actuaries

Compensation Changes, cont.

- New Risk Groups
 - Age < 1
 - Age 1-20
 - Age 21+
 - Duals
 - SSIWO
 - Prop 204 Childless Adults
 - Expansion Adults

Compensation Changes, cont.

- Revenue/Expense reconciliation changes
 - PPC and Prospective combined in single recon
 - 2% loss
 - 4% gain (tiered)
- PPC and Prospective expenses and member months are combined to compute a single cap rate
- This single cap rate will be paid for both PPC and Prospective member months

Reinsurance Changes

- All ACC members included under reinsurance
- Regular reinsurance
 - Deductible increased to \$50,000 (subject to change to \$35,000)
 - PPC expenses included
 - Inpatient psych hospital services included
- All reinsurance case types (excluding transplants)
 - stop loss increased to \$1 million

Technology and IT Demonstration

Lori Petre

Data Analysis and Research Manager

AHCCCS, Division of Health Care Management



Technology

- Technical Bidders' Conference this afternoon will provide an in-depth overview of AHCCCS technical structures, security functions and data exchanges as related to AHCCCS Complete Care Contractors

IT Demonstration

- AHCCCS intends to incorporate an Information Technology (IT) demonstration, in May or June 2018, as part of the readiness review where Successful Offerors will be required to participate in the IT demonstration utilizing mock data running through PMMIS
- The IT demonstration will take 5 to 6 weeks to complete and will encompass a minimum of 45 day-cycle in order to incorporate a full month of PMMIS activity
- The IT demonstration will be scored solely for the purpose of use in the auto-assignment algorithm effective October 1, 2018

CONTRACTING PROCESS

Meggan Harley
Chief Procurement Officer
AHCCCS, Division of Business and Finance



PROCUREMENT TIMELINE

Date	Activity
November 02, 2017	Issue Request for Proposal
November 08, 2017	Pre-Proposal Prospective Offerors' Conference and Technical Interface Meeting
November 14, 2017	Prospective Offerors' First Set of Technical Assistance and RFP Questions Due by 5:00 p.m. Arizona Time
November 30, 2017	First RFP Amendment Including Responses to RFP Questions Issued
December 08, 2017	Prospective Offerors' Second Set of Technical Assistance and RFP Questions Due by 5:00 p.m. Arizona Time
December 20, 2017	Second RFP Amendment Including Responses to RFP Questions Issued
January 25, 2018	Proposals Due by 3:00 p.m. Arizona Time
On or Before March 08, 2018	Contracts Awarded/Transition Services Begin
March 28, 2018	Transition Services Implementation: Post-Award Deliverables
On or After October 01, 2018	Program and Medical Service Implementation

Medicare Advantage (D-SNP) Application and Bid Review Process Timeline

- Medicare D-SNP Requirements
 - Contractors will be required to be a D-SNP on **January 1, 2019**
 - 11-13-17: Submit non-binding Notice of Intent to Apply (NOIA) for new entrants into Medicare market to CMS
 - 01-09-18: Final Applications posted by CMS
 - 01-26-18: Deadline for NOIA form submission
 - 02-14-18: Dual Eligible Special Needs Plan (D-SNP) applications due to CMS
 - Refer to Bidders' Library and RFP Section H Instructions to Offerors and AHCCCS certification requirements
 - CMS Website

Questions

- Questions/Answers
 - All questions must be submitted in writing using the template available in the Bidders' Library
 - Questions to be sent via email to ICRFPYH19_Questions@azahcccs.gov
 - Verbal responses today are not binding
 - RFP language prevails in case of any conflicts

Proposal Submission

- Timetable
 - Submission deadline January 25, 2018
3:00 PM Arizona Time (No Exceptions)
- Electronic Submission Only (Via SFTP Server)
 - Instructions to SFTP are on Bidders' Library
 - Files names (including the URL path) for electronic files uploaded to the SFTP cannot exceed 255 characters
 - AHCCCS will provide email notification when bid received as described in Section H
- Website navigation (Bidders' Library)

Response Specifications

- Refer to RFP Section H: Instructions to Offerors, Contents of Offeror's Proposal
- Adhere to Offeror's Checklist
- Calibri 11 point font or larger with borders no less than ½". Unless otherwise specified, responses to each submission requirement must be limited to five (5) 8½" x 11" one sided, single spaced, type written pages unless otherwise specified
- Only information within allotted page limits and permitted attachments will be considered
- AHCCCS will not consider information provided elsewhere in the proposal

Scoring

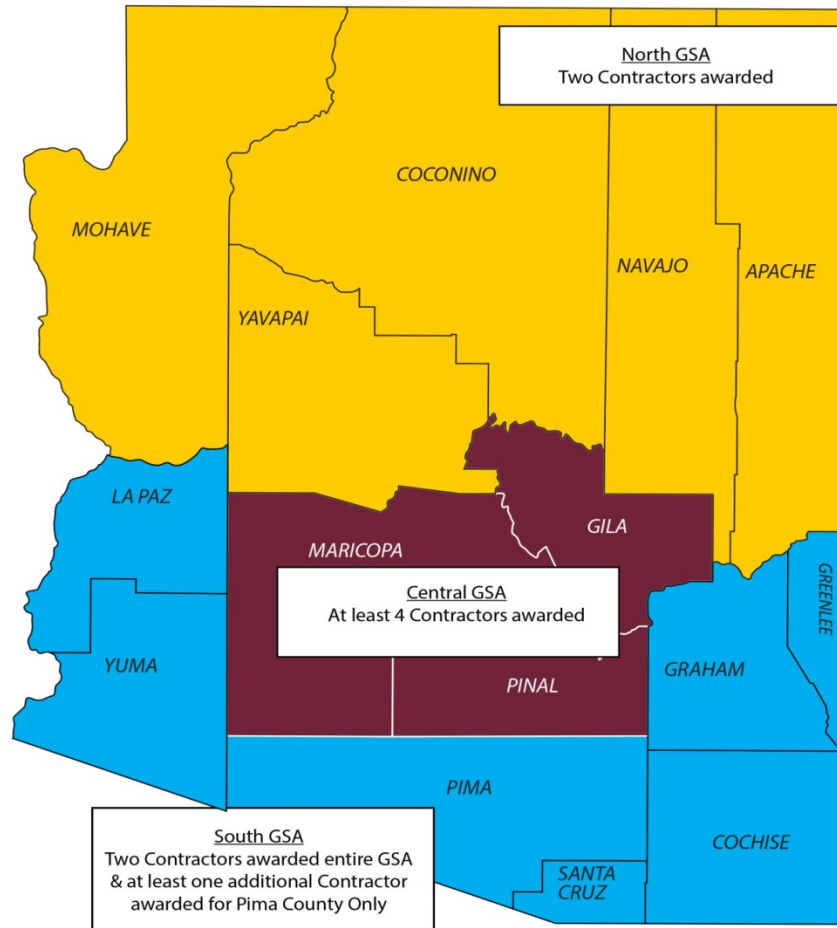
- Capitation - Non-Benefit Costs bid submission will be scored by Geographic Service Area
- Programmatic submission (narratives and oral presentations) will be scored on a statewide basis, unless otherwise specified in the submission requirement

Anticipated Awards

GSA and Corresponding Counties	Awards
<u>North GSA</u> Mohave/Coconino/Apache/Navajo/Yavapai	2
<u>South GSA</u> Cochise/Graham/Greenlee/ La Paz/Pima/Santa Cruz/Yuma (including zip codes 85542, 85192, and 85550)	Entire GSA - 2 At least 1 additional Award in Pima County Only
<u>Central GSA</u> Maricopa/Gila/Pinal (excluding zip codes 85542, 85192, and 85550)	At least 4

- RBHAs have option to expand services to include physical health

ACC Contract Awards



Award of Contract - continued

- Additional zip code exceptions may be considered to allow for further alignment with certain tribal lands
- If a RBHA Contractor successfully elects the option to expand services in its GSA to include all services covered by the AHCCCS Complete Care Contract this would increase number of Contractors in GSA/Pima County, in previous table, for the remaining RBHA Contract term
- No statewide awards

Term of Contract

- The initial term of this Contract, starting October 1, 2018, shall be for an initial period of three years with two two-year optional renewal periods, not to exceed seven years
- The Contract Year is October 1 through September 30 with an annual October 1 renewal. The terms and conditions of any such contract extension shall remain the same as the original contract except, as otherwise amended
- Any contract extension or renewal shall be through Contract amendment, and shall be at the sole option of AHCCCS

Post-Award Deliverables

- Refer to RFP Section H: Instructions to Offerors
 - Transition Services Implementation – Post-Award Deliverable
 - Successful Offerors are required to submit Organization Charts as outlined in the RFP
 - Due March 28, 2018

Questions?



Thank You

