



**Arizona Section 1115 Waiver
Draft Amendment Request:
Former Foster Youth Annual Automatic Renewal**

January 2023



Former Foster Youth- Annual Automatic Renewal

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I. SUMMARY

The Arizona Health Care Cost Containment System (AHCCCS) is requesting an amendment to the 1115 Research and Demonstration Waiver, Project Number 11-W-00275/9, to seek authority to waive the condition of eligibility in 42 CFR 435.608 requiring Medicaid beneficiaries to apply for other cash benefits for the Former Foster Youth population. AHCCCS currently offers transitional medical care for children leaving foster care that are between the ages 18 to 26. AHCCCS refers to this group as the Young Adult Transitional Insurance (YATI) population. For those who qualify, there are no monthly premiums. The goal of the Former Foster Youth Automatic Renewal amendment is to:

- Promote continuity of care and coverage,
- Move toward administrative simplification,
- Reduce health disparities for the target population, and
- Reduce unnecessary eligibility churn.

This request is in alignment with House Bill 2622 passed by Arizona's 55th Legislature. Subject to approval from CMS, the AHCCCS administration will be required to annually renew the eligibility of an individual who was in the custody of the Arizona Department of Child Safety (DCS) when the individual reached 18 years of age without requiring additional information from the individual until the individual reaches 26 years of age, unless the individual notifies AHCCCS that the individual moved out of Arizona or has provided information indicating that the individual may qualify for a different eligibility category.

The State requests that expenditures for service provision to the YATI population including the waiver from 42 CFR 435.608 as described above be regarded as expenditures under the State's Medicaid Title XIX State Plan.

II. OVERVIEW

AHCCCS is seeking a five-year Medicaid Section 1115 Research and Demonstration Waiver that promotes continuity of care, administrative simplification, and reduces unnecessary eligibility churn. The Demonstration is designed to provide quality healthcare and improve health outcomes through continuity of care for the Former Foster Youth Population, while reducing administrative burdens.

Foster youth and former foster youth have a higher risk of experiencing multiple chronic health conditions and health related social needs (HRSN), beyond what is associated with socioeconomic instability, including:

Increased prevalence of physical and behavioral health needs¹:

¹ Sources:

<https://www.medicaid.gov/state-resource-center/mac-learning-collaboratives/downloads/foster-care-ensuring-coverage-continuity.pdf>

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- Foster youth frequently experience adverse childhood experiences – such as abuse, neglect, domestic violence, and parental substance abuse – that increase the risk of serious health problems later in life, including:
 - Severe obesity, diabetes, heart disease, cancer, stroke, chronic obstructive pulmonary disease (COPD), and broken bones.
- Former Foster Youth are twice as likely to experience PTSD compared to Iraq combat veterans.
- Former Foster Youth are twice as likely to experience depression compared to the general population.
- Former Foster Youth are more likely to suffer from anxiety and attempt suicide.

Higher rates of homelessness²:

- Youths aging out of foster care are at high risk for becoming homeless during the transition to adulthood. One in five report being homeless between ages 17 and 19, and over one in four (29%) report being homeless from 19 to 21. Among American Indian young adults, the figure jumps to almost half (43%) for ages 19 to 21. Furthermore, homelessness becomes a huge contributing factor to returned mail and failure to comply with the procedural requirements for continued eligibility³.

Consistent, quality health care through easier to access Medicaid coverage is a critical driver of health and health outcomes for low income adults with chronic conditions⁴, and former foster youth show an even higher reliance on public insurance coverage options than the general Medicaid population⁵:

- Medicaid coverage rates among one cohort surveyed in 2014 and 2016 (after the creation of the former foster youth group):
 - 89% of 19-year-olds in foster care have Medicaid coverage, and
 - 69% of 19-year-olds no longer in foster care have Medicaid coverage.

Considering this population’s higher reliance on public insurance options such as Medicaid, former foster youth experience known barriers to Medicaid coverage, including⁶:

- Former foster youth can be a hard-to-reach population, the effects of which can be compounded by state systems/operations that do not ensure continuity of coverage for youth leaving foster care or facilitate streamlined re-enrollment.

Finally, there is national recognition that unwinding at the end of the COVID- 19 Public Health Emergency (PHE) presents possible scenarios where state Medicaid enrollment could decline between five and 13 percent with the expiration of the continuous eligibility requirement in Section 6008 of the Families First

²<https://www.aecf.org/blog/child-welfare-and-foster-care-statistics>

Häggman-Laitila, A., Saloekkilä, P. & Karki, S. Young People’s Preparedness for Adult Life and Coping After Foster Care: A Systematic Review of Perceptions and Experiences in the Transition Period. *Child Youth Care Forum* 48, 633–661 (2019). <https://doi.org/10.1007/s10566-019-09499-4>

³ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5644395/>

⁴ Winkleman, T and V. Chang. 2018. “Medicaid Expansion, Mental Health, and Access to Care”

⁵ <https://www.communitycatalyst.org/resources/publications/document/Foster-Youth-final-1.pdf?1401306962;>
<https://www.ncbi.nlm.nih.gov/pubmed/26474668;>

<http://pediatrics.aappublications.org/content/pediatrics/134/6/1067.full.pdf>;<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4617302>

⁶<https://www.medicaid.gov/state-resource-center/mac-learning-collaboratives/downloads/foster-care-ensuring-coverage-continuity.pdf>

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Coronavirus Response Act.⁷ Current literature indicates that maximizing streamlined renewal processes can promote continuity of coverage when the PHE ends and can increase the percentage of the YATI population that will remain eligible once standard eligibility actions resume.

III. WAIVER AMENDMENT PROPOSAL DETAILS

A. Proposed Cost Sharing Requirements under the Demonstration as Amended:

This Demonstration does not change the Medicaid benefit package design; there is no new cost-sharing, copayments, or coinsurance for any benefit provided under the waiver. State Plan benefits will continue to be applied in accordance with the State Plan and all eligibility groups will continue to receive all State Plan benefits.

B. Proposed Changes to the Delivery System under the Demonstration as Amended:

The delivery system for persons impacted by this proposed 1115 Waiver amendment will not vary from AHCCCS' current program features as described in the current State Plan and demonstration.

C. Proposed Changes to Benefit Coverage under the Demonstration as Amended:

This Demonstration does not change the Medicaid benefit package design; there are no new or fewer services, cost-sharing, copayments, or coinsurance for any benefit provided under the waiver. State Plan benefits will continue to be applied in accordance with the State Plan and all eligibility groups will continue to receive all State Plan benefits.

D. Proposed Changes to Eligibility Requirements.

For individuals determined to meet the Former Foster Youth criteria at Social Security Act Section 1902(a)(10)(A)(i)(IX), annually renew eligibility on an automatic basis without requiring additional information from the person until the person reaches twenty-six years of age, unless:

1. The person notifies the administration that they may qualify for a different eligibility category,
2. The Agency or its designee receives information from the person or a reliable electronic data match that the person is no longer an Arizona resident, or
3. The individual withdraws the enrollment voluntarily or is deceased.

IV. WAIVER AND EXPENDITURE AUTHORITIES NECESSARY TO AUTHORIZE THE DEMONSTRATION

REQUESTED WAIVER & EXPENDITURE AUTHORITIES

Application for other benefits

(42 CFR 435.608)

To the extent necessary to relieve individuals who meet the statutory definition at 1902(a)(10)(A)(i)(IX) of the obligation to apply for other cash benefits at renewal as a condition of eligibility.

Cooperation to assist in pursuing third parties who may be liable to pay

(42 CFR 433.147)

⁷<https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-the-unwinding-of-the-medicaid-continuous-enrollment-requirement/>

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To the extent necessary to relieve individuals who meet the statutory definition at 1902(a)(10)(A)(i)(IX) of the obligation to provide information about potentially liable third parties at renewal as a condition of eligibility.

V. EVALUATION DESIGN

Arizona’s 1115 Waiver Evaluation design for Project Number 11-W-00275/9, will be modified to incorporate the Former Foster Youth Annual Automatic Renewal waiver amendment. The demonstration will test whether this demonstration, if approved, effectively promotes continuity of care, simplifies administrative burden, and reduces unnecessary churn of individuals’ eligibility to access Medicaid covered services. In addition, the Demonstration will be tested to assess the provision of quality health care and improvement in health outcomes through continuity of care to the Former Foster Youth Population.

Objectives	Proposed Hypotheses	Potential Approaches
The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will promote continuity of care, simplify administrative burden and reduce unnecessary churn of individuals’ eligibility to access Medicaid Services	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will maintain or improve health outcomes for AHCCCS members.	Data will be drawn from a variety of sources including, but not limited to: <ul style="list-style-type: none"> ● Member surveys, ● State eligibility and enrollment data, ● Claims/encounter data, ● Administrative program data (PMMIS), ● T-MSIS, ● National/regional benchmarks, and ● Key informant interviews and focus groups.
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will maintain or improve the management of chronic conditions for AHCCCS members.	
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will maintain or improve access to care for AHCCCS members	
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will maintain or increase utilization of primary care and preventative health services.	
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will maintain or improve member satisfaction with care.	
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will promote continuity of care for its members.	
	The AHCCCS Former Foster Youth Annual Automatic Renewal demonstration will yield cost-effective care for AHCCCS members.	

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VI. PUBLIC NOTICE PROCESS

Pursuant to the terms and conditions that govern Arizona’s Demonstration, Arizona must provide documentation of its compliance with Demonstration of Public Notice process (42 CFR 431.408), the tribal consultation requirements pursuant to Section 1902(a)(73) of the Act as amended by Section 5006(e) of the American Recovery and Reinvestment Act of 2009, and the tribal consultation requirements outlined in STC 13.

Public Website

The Demonstration amendment request was posted on the AHCCCS website for public comment on January 13, 2023 at <https://www.azahcccs.gov/YATIWaiverRequest>. The web page includes a summary of Arizona’s Demonstration amendment request, the schedule (dates and times) of public forums across the state and this draft Demonstration amendment proposal. In addition to the website posting, AHCCCS uses social media accounts and electronic mail to notify interested parties about Arizona’s Demonstration amendment proposal.

Publication of Public Notice in the Arizona Administrative Register

On January 13, 2023, public notice of Arizona’s Demonstration amendment request was published in the Arizona Administrative Register. The notice included a summary description of the Demonstration request, locations, dates and times of the public hearings, instructions on how to submit comments, and a link to copies of the Demonstration application for public review and comments.

Stakeholder Meetings

AHCCCS will present the details about Arizona’s Demonstration amendment proposal during a virtual Tribal Consultation meeting and will conduct two virtual public forum meetings. In addition, the Demonstration amendment proposal will be presented at the State Medicaid Advisory Committee (SMAC) meeting. Details regarding the public forum meetings can be found below:

Public Forum Meeting	Meeting Dates & Times	Meeting Web Link & Call-in Information
Public Forum #1	January 23, 2023, 11 a.m.-12 p.m. AZ Time	Register in advance for this webinar: https://ahcccs.zoom.us/webinar/register/WN_-7O_0M50T0O2Qw9N3IZEYg Or join by phone: US: +1 669 900 6833 or +1 408 638 0968 or +1 669 444 9171 or +1 346 248 7799 or

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		<p>+1 719 359 4580 or +1 253 205 0468 or +1 253 215 8782 or +1 564 217 2000 or +1 646 876 9923 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847</p> <p>Webinar ID: 876 1261 2718 Passcode: 67873274</p>
<p>Public Forum #2</p>	<p>February 22, 2023, 3:00 p.m.-4:00 p.m. AZ Time</p>	<p>Register in advance for this webinar: https://ahcccs.zoom.us/webinar/register/WN_zT-VTjj4Ry6XgdiBpNidrA</p> <p>Or join by phone:</p> <p>US: +1 669 444 9171 or +1 669 900 6833 or +1 408 638 0968 or +1 253 205 0468 or +1 253 215 8782 or +1 346 248 7799 or +1 719 359 4580 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 876 9923</p> <p>Webinar ID: 821 3658 0044</p>

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		Passcode: 57867042
Tribal Consultation	February 9, 2023 1:00 p.m.- 5:00 p.m. AZ Time	<p>Register in advance for this Webinar: https://ahcccs.zoom.us/webinar/register/WN_9zmQJUu9QWCNDAkehF3N5A</p> <p>Or join by phone:</p> <p>US: +1 669 900 6833 or +1 408 638 0968 or +1 669 444 9171 or +1 253 215 8782 or +1 346 248 7799 or +1 719 359 4580 or +1 253 205 0468 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 876 9923</p> <p>Webinar ID: 831 1228 7623 Passcode: 90240070</p>
State Medicaid Advisory Committee (SMAC)	January 11, 2023 1:00 p.m.-3:00 p.m. AZ Time	<p>Please click this URL to join: https://ahcccs.zoom.us/j/83165050454?pwd=a3VsUE9XY1ZRY096SctqWnVmdk1pUT09</p> <p>Passcode: SMAC2023!</p> <p>Join by Audio Only:</p> <p>877 853 5257 (Toll Free) or 888 475 4499 (Toll Free) or 833 548 0276 (Toll Free) or</p>

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		833 548 0282 (Toll Free) Webinar ID: 831 6505 0454 Passcode: 840617815
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Comments and questions about the proposed 1115 Waiver amendment request can also be submitted by email to: waiverpublicinput@azahcccs.gov or by mail to: AHCCCS, c/o Division of Community Advocacy and Intergovernmental Relations (DCAIR); 801 E. Jefferson Street, MD 4200, Phoenix, AZ 85034. All comments must be received by February 27, 2023. More information about the proposed 1115 Waiver amendment, including the proposed 1115 Waiver application and the full public notice and public input process, can be found on <https://www.azahcccs.gov/YATIWaiverRequest>

VII. BUDGET NEUTRALITY

This proposal will not have a material impact on the state's budget neutrality model for demonstration number 11-W-00275/9 .

VIII. APPENDIX



Former Foster Youth Annual Automatic Renewal Waiver Amendment



Section 1115 of the Social Security Act

- Allows states flexibility to design Demonstration projects that promote the objectives of the Medicaid program,
- Demonstration projects are typically approved for a five-year period and can be renewed every five years, and
- Must be budget neutral, meaning that federal spending under the waiver cannot exceed what it would have been in absence of the waiver.

1115 Waiver Renewal Approval

- On Oct.14, 2022 CMS approved Arizona's request for a five-year extension of its 1115 Waiver
 - October 14, 2022 through Sept. 30, 2027
- Continues:
 - Retroactive Eligibility
 - HCBS
 - Managed Care
 - ACC
 - ALTCS
 - CHP
 - ACC-RBHA



1115 Waiver Approval- New Initiatives

- Extended dental coverage for individuals receiving care in an IHS or 638 facility,
- Targeted Investments (TI) 2.0, and
- Housing and Health Opportunities (H20) demonstration.

Requests Subject to Continued Negotiation:

- Traditional Healing services
- Pre-release services for individuals in federal, state, local and tribal correctional facilities.

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Former Foster Youth Annual Automatic Renewal - Current Program Overview

- Eligible Group: Youth who age out of foster care and are on Medicaid when they reach the age of majority.
- Eligibility Period: After aging out of care until reaching 26 years of age.
- Eligibility Requirements: AZ resident, identify and take action needed to get payments from TPL sources, cooperate with child support enforcement, and apply for potential benefits.
- This is otherwise known as the 'Young Adult Transitional Insurance (YATI)' group.

Former Foster Youth Annual Automatic Renewal: What is changing?

- Maintaining eligibility: Young Adult Transitional Insurance (YATI) eligibility will be automatically renewed without requiring additional information from the individual until the individual reaches 26 years of age.
- Effective Date: Effective upon CMS approval and completion of necessary operational and system modifications.

Former Foster Youth Annual Automatic Renewal- Eligibility Limitations

Coverage may end if:

- The individual reaches 26 years of age,
- The individual ceases to be a resident of the state,
- AHCCCS determines that eligibility was determined incorrectly because of agency error or fraud, abuse or perjury attributed to the individual, or
- The individual dies.

Former Foster Youth Annual Automatic Renewal - Future Steps

Upon CMS approval, the following operational and system modifications will be implemented:

1. System programming to stop generating requests for information related to TPL and application for potential benefits,
2. Policy-revisions,
3. Training updates and staff training on policy change, and
4. Develop and deploy communication plan.

Waiver Proposal/SUPPORT Act Comparison

Authority	Provision	What Changes?	Impact on other YATI initiatives
SUPPORT Act	Youth who received Medicaid at the time they aged out of foster care may qualify for Former Foster Youth (FFY) eligibility, regardless of their state of residence when they aged out.	Provides eligibility under YATI for youth who aged out of care in other states after 12/31/2022.	No impact on proposed renewal changes for Former Foster Youth.
SUPPORT Act	Youth can be eligible for, but not enrolled in, another mandatory group and still be enrolled in the FFY group	State option: May enroll youth who become FFY-eligible after 12/31/2022 in YATI, even if eligible for another group, e.g. Caretaker Relative, Child, Pregnant Woman.	No impact on proposed renewal changes for Former Foster Youth.
1115 Waiver/ A.R.S. § 36-2903.04	Renew eligibility under <u>A.R.S. § 2901(6)(a)(iii)</u> * automatically without requiring additional information unless the youth provides notice of moving out of state or that they may qualify for a different eligibility category.	Once determined eligible for YATI, that eligibility will continue uninterrupted until the youth turns 26, moves out of state, or provides information that puts them in a different category.	No direct conflict with SUPPORT Act provisions

* Under twenty-six years of age and who was in the custody of the department of child safety pursuant to title 8, chapter 4 when the person became eighteen years of age

Public Comments

Public comments or written testimony may be submitted to AHCCCS via:

waiverpublicinput@azahcccs.gov

AHCCCS, c/o Division of Community Advocacy and
Intergovernmental Relations,
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Comments are received through February 27, 2023



Resources

Former Foster Youth Amendment Resources

- More information on the Former Foster Youth Annual Automatic Renewal can be found at <https://www.azahcccs.gov/YATIWaiverRequest>.
- The web page includes a summary of Arizona's Demonstration amendment request & the schedule (dates and times) of public forums across the state.