AHCCCS
Arizona Health Care Cost Containment System

Douglas A. Ducey, Governor
Thomas J. Betlach, Director

March 1, 2018

Annie Hollis
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.
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Dear Ms. Hollis:

In accordance with Special Terms and Conditions paragraph 41, enclosed please find the Quarterly Progress Report for October 1, 2017 through December 31, 2017, 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 Mohamed Arif at (602) 417- 4573.

Sincerely,

Elizabeth Lorenz
Assistant Director
AHCCCS Office of Intergovernmental Relations

AHCCCS Quarterly Report
October 1, 2017 – December 31, 2017

TITLE

Arizona Health Care Cost Containment System – AHCCCS
A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report
Demonstration Year: 35
Federal Fiscal Quarter: 1st (October 1, 2017 – December 31, 2017)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 41, 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

Table 1 contains a summary of the number of unduplicated enrollees for October 1, 2017 through December 31, 2017, by population categories. The table also includes the number of voluntarily and involuntary disenrolled members during this period.

Table 1

Population Groups	Number Enrollees	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,205,455	1,619	273,212
Acute SSI	191,756	121	21,899
Prop 204 Restoration	525,410	555	73,238
Adult Expansion	127,112	152	30,226
LTC DD	31,728	27	2,210
LTC EPD	32,242	47	4,292
Non-Waiver	31,815	89	11,580
Total	**2,145,518**	**2,610**	**416,657**

Table 2 is a snapshot of the number of current enrollees (as of January 1, 2018) by funding categories as requested by CMS.

Table 2

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan [1]	**1,354,952**
Title XXI funded State Plan [2]	**24,767**
Title XIX funded Expansion [3]	**393,250**
• **Prop 204 Restoration (0-100% FPL)**	80,306
• **Adult Expansion (100% - 133% FPL)**	312,944
Enrollment Current as of	1/1/18

OPERATIONAL/POLICY DEVELOPMENTS/ISSUES

Waiver Update

Pursuant to A.R.S. 36-2903.09 and taking into consideration over 500 public comments, AHCCCS submitted a waiver amendment request on December 19, 2017, to CMS seeking authority to implement community engagement requirements and a five-year maximum lifetime benefit limit for certain able-bodied AHCCCS members. This waiver amendment, titled "AHCCCS Works" is designed to provide low-income, able-bodied adults the tools needed to gain and maintain meaningful employment, job training, and education. Specifically, we proposed that able-bodied adults between the ages of 19 and 55 who do not qualify for an exemption will be required to meet the following activities or combination of activities for at least 20 hours per week to qualify for AHCCCS coverage:

- be employed or actively seek employment;
- attend school; or
- partake in Employment Support and Development program as defined in the waiver request.

Certain individuals would be exempted from the AHCCCS Works requirements, including:

- American Indians;
- Pregnant Women and Women up to the end of the month in which the 90th day of post-pregnancy occurs;
- Former Arizona foster youths up to age 26;
- Individuals determined to have a serious mental illness (SMI);
- Individuals currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government;
- Individuals who are determined to be medically frail;
- Full-time high school students who are older than 18 years old;
- Full-time college or graduate students;
- Victims of domestic violence;

[1] SSI Cash and Related, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1

[2] KidsCare

[3] Prop 204 Restoration & Adult Expansion

- Individuals who are homeless;
- Individuals who have recently been directly impacted by a catastrophic event such as a natural disaster or the death of a family member living in the same household;
- Parents, caretaker relatives, and foster parents; or
- Caregivers of a family member who is enrolled in the Arizona Long Term Care System (ALTCS)

AHCCCS sought broad-based stakeholder feedback regarding the AHCCCS Works waiver amendment in accordance with 42 C.F.R 431.408. In January 2017, over 140 participants attended AHCCCS community forums in Phoenix, Flagstaff, and Tucson, as well as an in-person tribal consultation. In addition, AHCCCS received more than 500 written public comments, including 14 letters from tribal nations and tribal affiliated organizations.

Targeted Investment Program Update

Below is a summary of the Targeted Investments (TI) program implementation activities conducted by AHCCCS from October 1, 2017 through December 31, 2017:

- AHCCCS completed reviewing over 300 unique applications of behavioral health, hospital, and primary care providers who have applied for the TI Program;
- The Agency determined Year One incentive payment amounts for each TI participant practice/organization, and the amount allocated among their contracted health plans;
- AHCCCS developed a portal for TI participants to attest that they have completed milestones in their area of concentration, and to upload validating documentation;
- AHCCCS prepared three, Year Two 438.6 (c) preprints and submitted to CMS;
- The Agency developed an action plan with the state Health Information Exchange (HIE) to onboard TI participants in order to ensure that they are able to receive admission, discharge, and transfer alerts from the HIE by September 30, 2018;
- AHCCCS developed a TI participant orientation module;
- AHCCCS initiated the development of education modules for TI participants to provide guidance on expectations for meeting Year Two milestones;
- AHCCCS developed multiple communication avenues for participants, and stakeholders including detailed and regularly updated Targeted Investment webpage[4], direct email, a dedicated Targeted Investments email address, and social media post which all together generated media coverage in major news outlets; and
- Pursuant to STC 57, AHCCCS has submitted the baseline data for the TI program Statewide Focus Population Measures and Targets.

State Plan Update

During the reporting period, the following State Plan Amendments (SPA) were filed and/or approved:

[4] TI program webpage: https://www.azahcccs.gov/PlansProviders/TargetedInvestments/

SPA #	Description	Filed	Approved	Eff. Date
Title XIX				
SPA 16-009 General Medical Education 2017	Updates GME funding for the service period July 1, 2016 through June 30, 2017 for programs with submitted IGAs.	09/30/2016	11/17/2017	09/30/2016
SPA 17-004 Nursing Facility Rate Update	Updates the State Plan to make changes to NF payments.	09/28/2017	11/08/2017	07/01/2017
SPA 17-005 Disproportionate Share Hospital	Updates the State Plan to transition the Disproportionate Share Hospital program from Arizona's 1115 waiver into the state plan.	09/28/2017	10/23/2017	10/01/2017
SPA 17-008 Adult Emergency Dental and Occupational Therapy	Updates the State Plan to add a benefit for adult emergency dental services and occupational therapy.	12/04/2017	Pending	10/01/2017
SPA 17-009 Share of Cost	Updates the State Plan to make changes to the share of cost deduction by expanding the list of services eligible for a share of cost deduction and adding a reasonable restriction on the period in which the expense occurred.	12/07/2017	02/13/2018	04/01/2018
SPA 17-011 Ambulance Rates	Updates the State Plan to make changes to ambulance rates.	02/11/2017	12/28/2017	10/01/2017
SPA 17-012 LTAC and Rehab Rates	Updates the State Plan to update LTAC and Rehab rates.	12/11/2017	02/07/2018	10/01/2017
SPA 17-013 Outpatient Hospital Rates	Updates the State Plan to update OP Hospital Rates.	12/11/2017	01/26/2018	10/01/2017
SPA 17-014 Other Provider Rates	Updates the State Plan to update the other provider rates.	12/11/2017	01/26/2018	10/01/2017

SPA #	Description	Filed	Approved	Eff. Date
SPA 17-015 Inpatient Differential Adjusted Payments	Updates the State Plan to establish differential adjusted payments for inpatient care.	12/27/2017	02/08/2018	10/01/2017
SPA 17-016 Integrated Clinic, Physician, Physician's Assistant and Registered Nurse Practitioner Differential Adjusted Payments	Updates the State Plan to establish differential adjusted payments for Integrated Clinic, Physician, Physician's Assistants and Registered Nurse Practitioners.	12/12/2017	Pending	10/01/2017
SPA 17-017 Nursing Facilities Differential Adjusted Payments	Updates the State Plan to establish differential adjusted payments for nursing facilities.	12/12/2017	02/07/2018	10/01/2017
Title XXI				
None				

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 October 1, 2017 – December 31, 2017.

Advocacy Issues[5]	October	November	December	Total
9+Billing Issues • Member reimbursements • Unpaid bills	23	14	8	**45**
Cost Sharing • Co-pays • Share of Cost (ALTCS) • Premiums (Kids Care, Medicare)	3	2	0	**5**
Covered Services	13	21	23	**57**

[5] Categories of good customer services, bad customer service, documentation, policy, and process are captured under the category it may relate to.

ALTCS • Resources • Income • Medical	6	2	8	**16**
DES • Income • Incorrect determination • Improper referrals	32	28	16	**76**
KidsCare • Income • Incorrect determination	1	1	3	**5**
SSI/Medical Assistance Only • Income • Not categorically linked	6	12	12	**30**
Information • Status of application • Eligibility Criteria • Community Resources • Notification (Did not receive or didn't understand)	83	46	39	**168**
Medicare • Medicare Coverage • Medicare Savings Program • Medicare Part D	0	0	0	**0**
Prescriptions • Prescription coverage • Prescription denial	8	27	29	**64**
Fraud-Referred to Office of Inspector General (OIG)	0	0	0	**0**
Quality of Care-Referred to Division of Health Care Management (DHCM)	4	3	0	**7**
Total	**179**	**156**	**138**	**473**

Table 2 **Issue Originator**[6]	Oct.	Nov.	Dec.	Total
Applicant, Member or Representative	162	146	131	439
CMS	4	0	0	4
Governor's Office	0	1	0	1
Ombudsmen/Advocates/Other Agencies…	7	6	7	20
Senate & House	6	3	0	9
Total	**179**	**156**	**138**	**473**

[6] **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.

SMI Member Grievances and Complaints	Oct-17	Nov-17	Dec-17	Total
Access to Care	37	47	52	136
Health Plan	114	92	91	297
Provider Satisfaction	493	455	415	1363
Total	644	594	558	**1796**

CRS Member Grievances and Complaints	Oct-17	Nov-17	Dec-17	Total
Access to Care	0	0	0	0
Health Plan	5	5	1	11
Provider Satisfaction	12	11	9	32
Total	17	16	10	**43**

OPT-OUT FOR CAUSE

Attached is a summary of the opt-out requests filed by individuals with SMI in Maricopa County and Greater Arizona, broken down by months, health plans, counties, reasons for opt-out requests, opt-out outcome, and post-appeal opt-out outcomes.

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

Attachment 1: SMI Opt-Out for Cause Report

Attachment 2: Quality Assurance/Monitoring Activities

Attachment 3: Arizona Medicaid Administrative Claiming Random Moment Time Study Report

Attachment 4: Budget Neutrality Tracking Schedule

STATE CONTACT(S)

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Phoenix, AZ 85034
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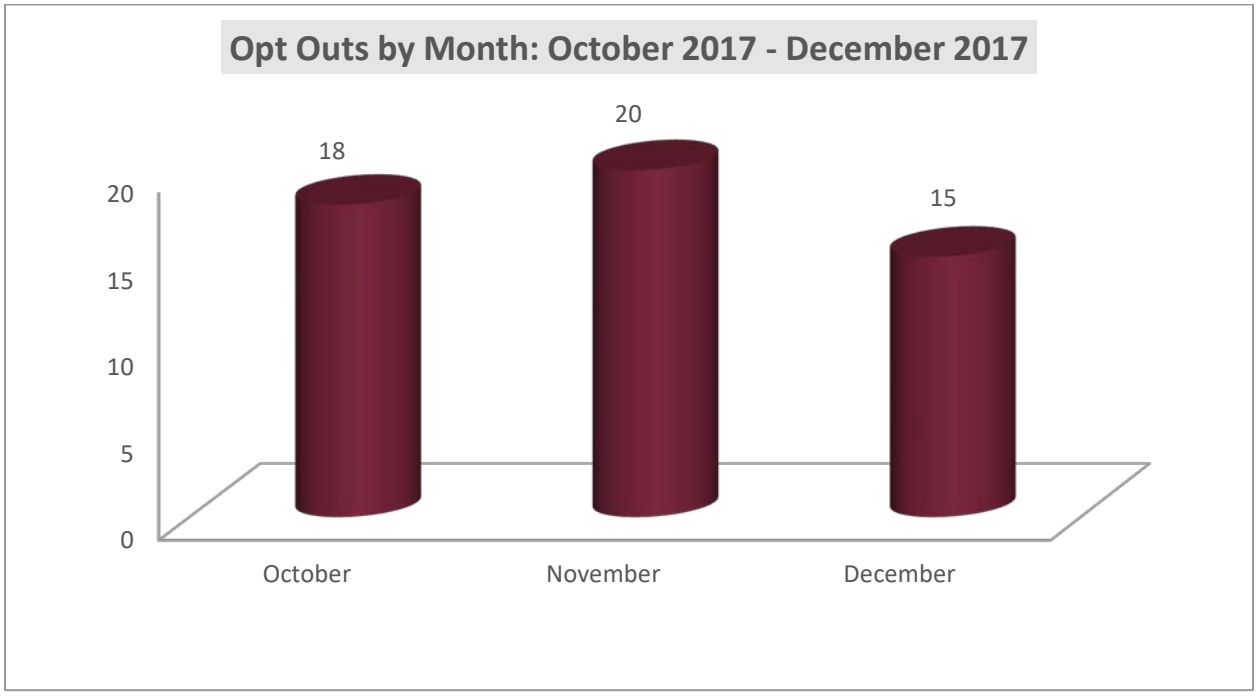
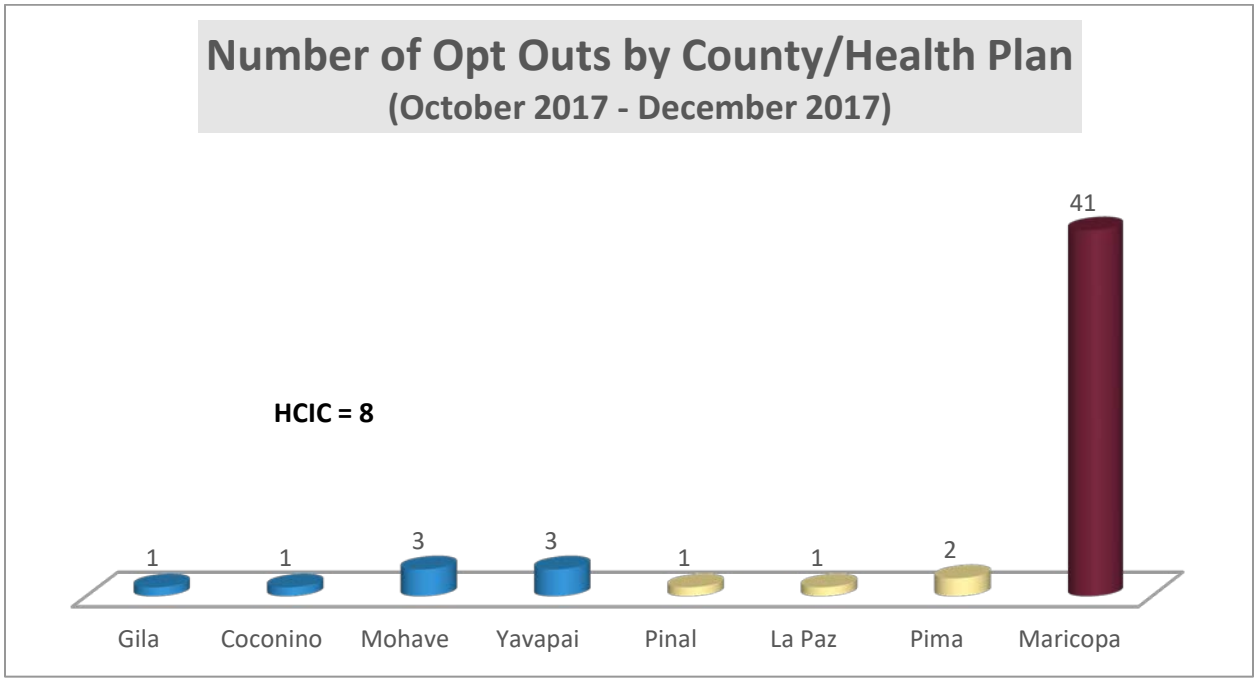
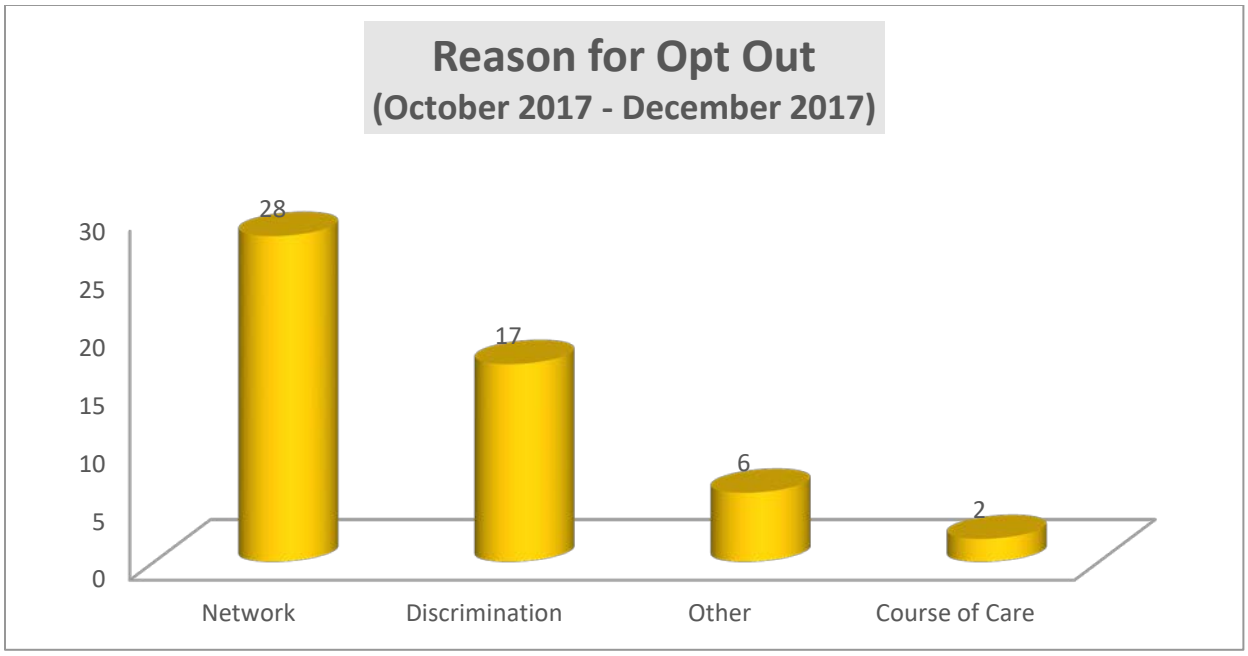
DATE SUBMITTED TO CMS

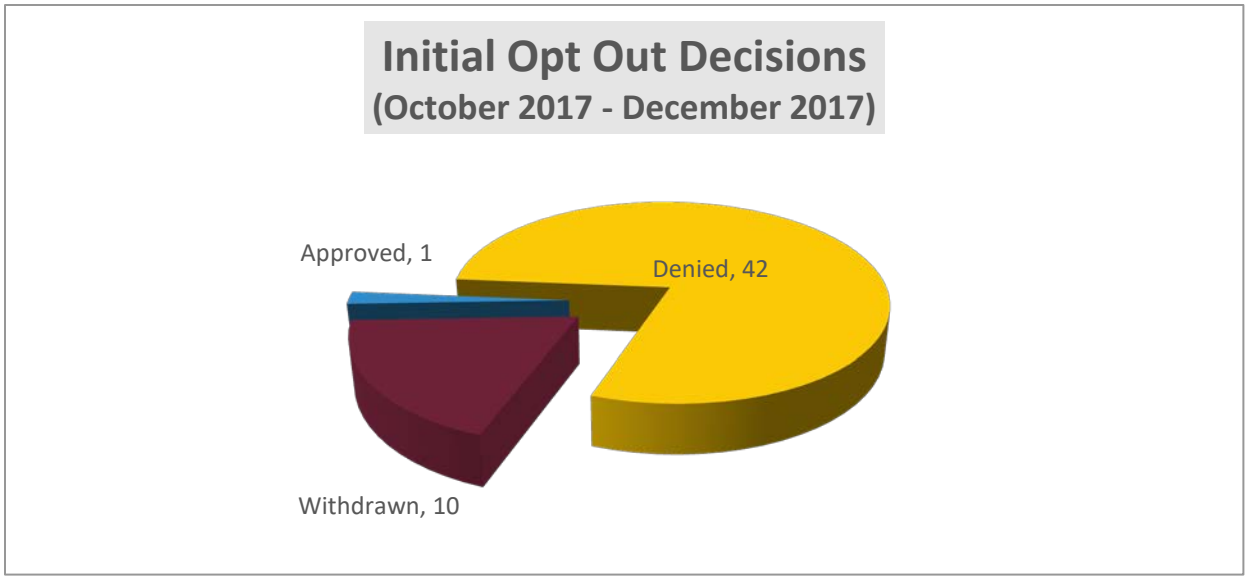
March 1, 2018

Attachment 1: SMI Opt-Out for Cause Report

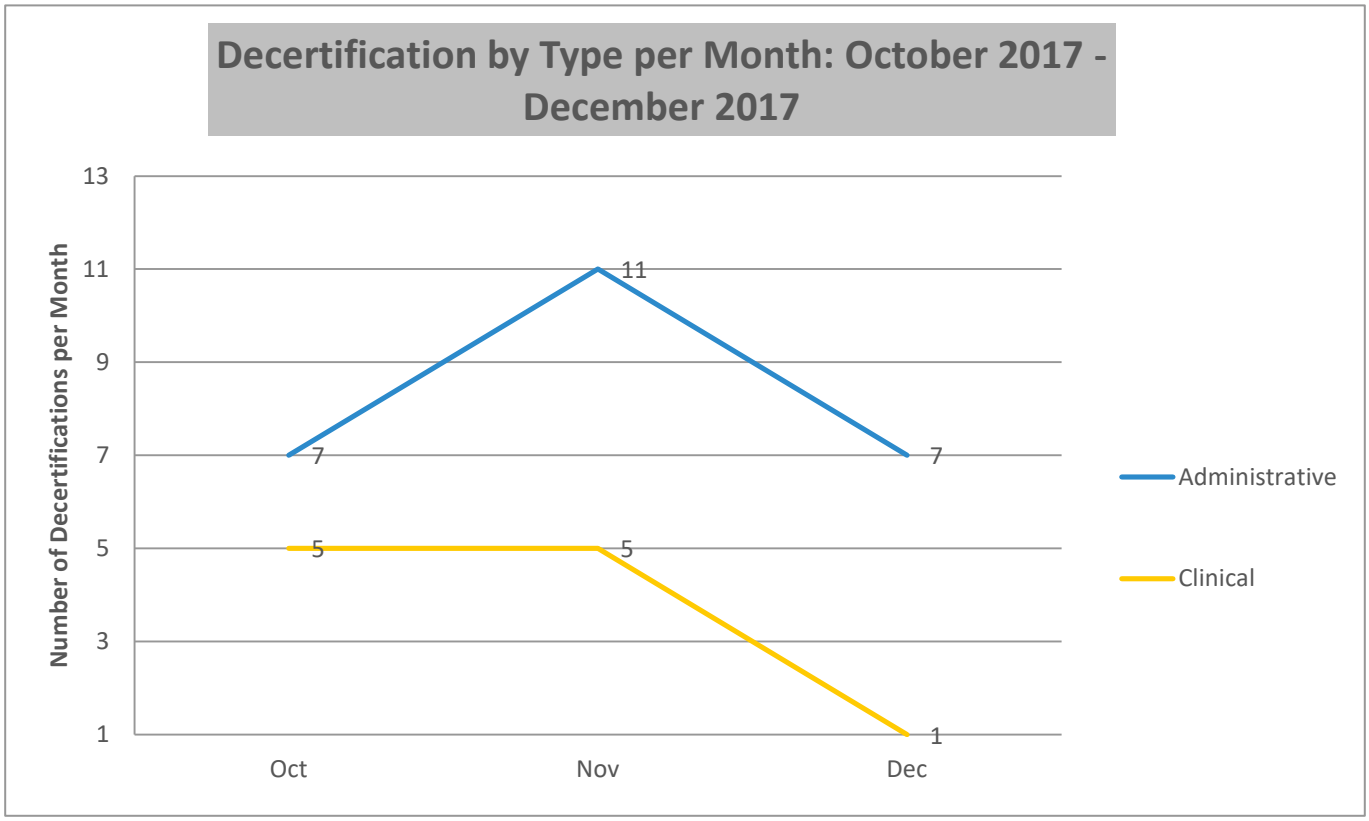








Appeal Opt Out Outcomes	
Pending	4
Withdrawn	0
Denied	0
Approved	0



Note:

There are two established mechanisms for changing an individual's designation and service eligibility as Seriously Mentally Ill (SMI) as follows:

- Administrative decertification. This process is an administrative option that allows for an individual to elect to change their behavioral health category from SMI to GMH. This process is available to individuals who have a designation of SMI in the system but have not received behavioral health services for two or more years. This process is facilitated by AHCCCS.

- Clinical decertification. Eligibility for SMI services is based upon a clinical determination involving whether a person meets a designated set of qualifying diagnostic and functional criteria. Clinical decertification involves a review of the criteria to establish whether or not an individual continues to meet SMI criteria. If a clinical review finds that a person no longer meets the established criteria, the person's SMI eligibility is removed. In this case the person will be eligible for behavioral health services under the general mental health (GMH) program category. These determinations are made by CRN.

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

Attachment II to the

Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period

Demonstration Year: 35

Federal Fiscal Quarter 1/2017 (10/1/17 – 12/31/17)

Prepared by the Division of Health Care Management
February 2018

Introduction

This report describes the Arizona Health Care Cost Containment System (AHCCCS) quality assurance and monitoring activities that took place during the first quarter of federal fiscal year 2018, as required in STC 41 of the State's Section 1115 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. 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 focuses on the provision of "comprehensive, quality health care for those in need", as delineated in the Agency mission.

DHCM is the division that houses the Quality Management (QM), Quality Improvement (QI), and Maternal and Child Health /Early and Periodic Screening, Diagnostic and Treatment (MCH/EPSDT) Units. Those -three units are the primary driver of efforts outlined in the Quality Strategy and the teams closely collaborate to ensure thoughtful processes for members, stakeholders, policies, and improvement activities.

The following sections provide an update on the State's progress and activities under each of the components of the 1115 Wavier and AHCCCS Quality Strategy.

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 (MCOs – also referred to as "Contractors"), providers, and the community. During the first quarter of CYE 2018, 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. AHCCCS also continued to address common issues and solve problems through ongoing networking activities. 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. AHCCCS has also made a concentrated effort to include member and stakeholder feedback in most facets of Agency operations, including Policy Committee, quarterly meetings, new advisory councils, and specialty workgroups (e.g. Autism and Foster Care).

Collaborative Stakeholders

The AHCCCS QM and MCH/EPSDT teams partner with a number of stakeholders, including but not limited to:

Arizona Department of Health Services (ADHS) Bureau of Tobacco and Chronic Disease	*Attorney General's Health Care Committee*
ADHS Bureau of USDA Nutrition Programs	*Healthy Mothers/Healthy Babies*
ADHS Immunization Program and Vaccines for Children Program	*Arizona Health-E Connection/Health Information Network of Arizona*
ADHS Office of Environmental Health – Targeted Lead Screening	*Arizona Diabetes Steering Committee*
Arizona Early Intervention Program (AzEIP)	*Injury Prevention Advisory Council*
Arizona Head Start Association	*Arizona Newborn Screening Advisory Committee*
Task Force on Prevention of Prenatal Exposure to Alcohol and other Drugs	*First Things First*
Arizona Medical Association	*Arizona Women, Infants, And Children Program*
Arizona Chapter of the American Academy of Pediatrics	*Strong Families*
The Arizona Partnership for Immunization (TAPI)	*ADHS Emergency Preparedness Office*
Arizona Perinatal Trust	*National Alliance on Mental Illness (NAMI) Arizona*
ADHS/HSAG Statewide Workgroup on Psychiatric Inpatient Readmissions	*ADHS Cancer Prevention and Control Office*

Innovative Practices

AHCCCS is continually reviewing opportunities to improve the effectiveness of Arizona's health care delivery system as well as methods to promote optimized health for members, transparency, and efficiency. There are teams throughout the Agency that promote innovation for both internal and external processes. Below are some of the efforts in which the QM, QI, and MCH/EPSDT teams are involved.

Developing and Implementing Projects to Improve the Delivery System

Administrative Simplification

Following successful efforts around Administrative Simplification, the Clinical team initiated several new initiatives to enhance the knowledge and understanding of behavioral health care. The Medical Management (MM) Unit, which regularly partners with the QM and MCH/EPSDT units, has added a second Behavioral Health Coordinator to support efforts for the Clinical team as a whole. The addition of Behavioral Health Coordinators enhances the ability for clinical considerations, service delivery, program and contract development to encompass a holistic approach in all aspects of care. AHCCCS continues to hire additional behavioral health expertise within its workforce.

Within the QM, QI, and MCH/EPSDT units, other activities designed to enhance integration have involved utilization of performance and quality measurement activities that provide a greater focus on specific aspects of integrated care. Highlights include:

- Required tracking of performance on frequency of diabetic screening for individuals with schizophrenia or bipolar disorder;
- Tracking performance on prenatal and postnatal timeliness of care with supplemental training to contracted health plan staff, relative to physical and behavioral health aspects of perinatal mood disorders; and
- Implementation of regular community-based meetings open to AHCCCS membership with a focus on enhancing member/stakeholder involvement and investment in performance and quality improvement activities for physical and behavioral health care.

Integration Efforts

AHCCCS released its Arizona Long Term Care System/Elderly and Physically Disabled (ALTCS/EPD) program Request for Proposals, continuing its integrated service delivery model. Contracts were awarded to three MCOs throughout Arizona to administrator Arizona's integrated long term care system; the contracts were executed on of October 1, 2017. Contracts were awarded based on the bidder's proposed approaches for the care and treatment of individuals enrolled in the ALTCS/EPD program, using a fully integrated care perspective at both the systemic and direct care levels (e.g. use of health homes, electronic health records, coordinated case management, collaboration between behavioral and physical health). An additional expectation centers on their ability to demonstrate a more thorough understanding and use of Arizona's long-standing model of behavioral health service delivery, in conjunction with traditional ALTCS physical health care activities. Although Arizona's ALTCS model has historically provided integrated care that included behavioral health treatment, emphasis was added to promote greater use of Arizona's behavioral health model, particularly with regard to individuals who have been determined to have a serious mental illness (SMI).

Additional integration efforts during the first quarter of 2018 were focused on a statewide integrated contract, known as AHCCCS Complete Care. The AHCCCS Complete Care Request for Proposals was issued on November 2, 2017, with proposal responses due by January 25, 2018. The proposed implementation date for the AHCCCS Complete Care contract is October 1, 2018.

Contractors under AHCCCS Complete Care will be responsible for provision of integrated physical and behavioral health care for the following populations:

- Adults who are not determined to have a Serious Mental Illness (excluding members enrolled with Department of Economic Security/Division of Developmental Disabilities – DES/DDD);

- Children, including those with special health care needs, (excluding Department of Economic Security/Division of Developmental Disabilites – DES/DDD and Department of Child Safety/Comprehensive Medical Dental Plan – DCS/CMDP); and
- Members determined to have SMI who opt out to transfer to the Contractor for the provision of physical health services.

AHCCCS, as part of its preparation efforts for the October 1, 2018 implementation, began providing technical assistance to Contractors during quarterly meetings that focus on Maternal Child Health and adult aspects of coordinating and integrated care. Examples of technical assistance include:

- Behavioral Health Resources including: AHCCCS Behavioral Health Services Guide and Billing Guides, Clinical Guidance tools for working with very young children and adolescents, Adult and Children's Behavioral Health Systems of Care within Arizona;
- Techniques for operationalizing and integrating behavioral health services into the physical health services world;
- CMS Performance Measures that combine physical and behavioral health indicators; and
- Guidance regarding the relationship between quality measurements and clinical intervention to ensure a coordinated approach.

Behavioral Health Learning Opportunities

With the advent of Administrative Simplification, AHCCCS recognized the need to provide further learning opportunities for staff in order to increase behavioral health knowledge and expertise. As such, on July 1, 2016, AHCCCS began offering formal meetings and informal workshops/lunch-hour trainings to ensure staff had opportunities to increase behavioral health system knowledge. Internal behavioral health subject matter experts, licensed behavioral health practitioners and community professionals were procured to offer training on topics such as infant/toddler mental health, trauma informed care, perinatal mood disorders and adult system of care processes for individuals with general mental health needs and serious mental illnesses.

To further enhance integration efforts, and facilitate quality of care reviews utilizing a behavioral health perspective, QM has scheduled additional Behavioral Health "Lunch and Learn" trainings for QM and QOC staff in particular, with attendance open to other departments based on department need. Topics include:

- Regulatory requirements for individuals determined to have a serious mental illness (SMI) versus general mental health and/or substance abuse needs (GMHSA);
- Grant-based housing for individuals with SMI;
- Short term behavioral health residential services;
- Crisis process and requirements;
- Diagnostic categories/symptoms;
- Best and Evidence-practice clinical approaches for adults and children; and

- Mental Health Awareness.

Community Initiatives

AHCCCS Opioid Initiative: The overarching goal of this initiative is to reduce the prevalence of Opioid Use Disorders and opioid-related overdose deaths. The initiative approach includes developing and supporting state, regional, and local level collaborations and service enhancements to develop and implement best practices to comprehensively address the full continuum of care related to opioid misuse, abuse and dependency. Strategies include:

1. Increasing access to Naloxone through community-based education and distribution, as well as a co-prescribing campaign for individuals receiving opioid prescriptions in excess of 90 morphine equivalent daily doses and combinations of opioids and benzodiazepines;
2. Increasing access to and participation and retention in Medication Assisted Treatment;
3. Reducing the number of opioid-naïve members unnecessarily started on opioid treatment; and
4. Promoting best practices and improving care process models for chronic pain and high-risk members.

The Opioid State Targeted Response grant, awarded to AHCCCS in May 2017, will enhance community-based prevention activities and treatment activities that will include 24/7 access to care points in "hotspot" areas throughout the state, increasing the availability of peer supports, providing additional care coordination efforts among high risk and priority populations, and adding recovery supports.

AHCCCS' Medication Assisted Treatment – Prescription Drug Opioid Addiction Program (MAT-PDOA) grant focuses on the need for medication assisted treatment to treat opioid use disorder for adults involved with the criminal justice system. This program has three primary goals:

- Create a bridge to connect those incarcerated to treatment services when re-rentering into the community;
- Reduce stigma associated with MAT for individuals in the criminal justice system; and
- Support individuals participating in drug courts, probation and parole.

The Quality Caregiver Initiative (QCI): The objective of the QCI is to improve relationship-based, trauma-informed service supports for foster, kinship and adoptive parents by identifying a matrix of evidence-based intervention programs that are developmentally appropriate and span the continuum of service intensity needs from basic trauma trainings to brief intervention to intensive in-home services. In doing so, the goal is provide the right services and the right time to the family unit as a mechanism to decrease disruptions, increase permanency and ultimately,

the social and emotional outcomes of the children in the child welfare system. The collaborative consists of several state agencies, behavioral health providers and experts in infant-toddler mental health, child development, family systems and trauma-informed care. The group is currently reviewing the matrix of options and identifying training needs, provider capacity and ways to integrate with developmental screening and referral processes from pediatrics and other acute care settings.

Arizona Association of Health Plans (AzAHP)

The Arizona Association of Health Plans (AzAHP) is an Association comprised of all AHCCCS Contractors for Medicaid business except CMDP and DES/DDD.The Association is a welcome partner for AHCCCS because it offers a singe point of contact for the Contractors and promotes consistency across the system. The Association works closely with AHCCCS to discuss Contractor concerns, barriers, and challenges to the efforts they are asked to undertake. It also provides valuable feedback for consideration as the direct link to the care and services being provided. AHCCCS utilizes the Association to provide stakeholder insight and to collaborate and promote new initiatives.

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: (1) the prevalence of a particular condition and population affected, (2) the resources required by both AHCCCS and its Contractors to conduct studies and affect improvement, (3) whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives, and (4) whether CMS priorities can be combined with current initiatives. Of importance is whether initiatives focused on the topic area are actionable and have the potential to result in improved quality improvement, member satisfaction and system efficiencies. Contractor input is also sought in prioritizing areas for improvement.

During the first quarter, two initiatives are ongoing, while one initiative has been added.

1. The initiative on behavioral health care for children in the foster care system continues. Development of these metrics focused on children served under Comprehensive Medical and Dental Plan (CMDP), Arizona's health plan for children in Arizona's Foster Care system. AHCCCS' goal for these measures is to identify whether access and timeliness standards are met, and assess overall utilization trends for CMDP children needing behavioral health care.

2. AHCCCS updated two guidance tools that provide best practice strategies for infants and toddlers, including psychotropic prescribing, and early childhood mental health intervention and trauma informed care. The focus of the documents is on the most current

prescribing practices and psychotherapeutic approaches during early childhood, with the recommendation that psychotherapeutic approaches be the preferred method of treatment prior to implementation of psychopharmacologic intervention. To further ensure realization of the treatment recommendations within these tools, AHCCCS has begun a statewide Birth to Five Initiative to address the unique needs of infants and toddlers. Additionally, AHCCCS is collaborating with CMDP for their Birth to Five Learning Collaborative.

3. AHCCCS has embarked on an initiative to develop a consistent, statewide tool for monitoring behavioral health service delivery. Contracted Regional Behavioral Health Authority (RBHA) staff were brought together to evaluate relevancy of current requirements. Feedback from these meetings was used to build a draft tool, which is under review and finalization by an internal AHCCCS committee of subject matter experts.

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 toward indicators of standardized 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 also been incorporated into contracts for all lines of business. These measures include behavioral health measures for adults such as: "Follow-up After Hospitalization for Mental Illness", "Mental Health Utilization" and "Use of Opioids at High Dosage". The new measures and related Minimum Performance Standards/Goals became effective October 1, 2016. This date aligned with the new contract effective date 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 other measure sets being implemented by CMS. AHCCCS has also aligned the measure sets with contracts to reflect changes on measures implemented by CMS for the current contract year.

It is AHCCCS' goal to continue development and implementation of additional Core measures as the data sources become valid and reliable. Initial measures were chosen based on a number

of criteria that included member needs, 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 the data sources and methodologies that previously existed will no longer be enough. 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. Informatics, such as electronic health records, health information exchanges plus data and information available through public health connectivity, are yet to become fully available. Transitioning the AHCCCS measure sets is anticipated to support the adoption of electronic health records and use of the health information exchanges. This will in turn, result in efficiencies and data/information designed to achieve the following:

1. transform care practices;
2. continue evolution to fully integrated care across all statewide systems;
3. improve individual patient outcomes;
4. guide population health management;
5. improve patient satisfaction with the care experience;
6. increase efficiencies; and
7. reduce health care costs.

CYE2018 Performance Measures are provided below:

MEASURES *"R" denotes "Reserve" Status*	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Inpatient Utilization - General Hospital/Acute Care (IPU)	X	X	R	X	X		X	X		
Ambulatory Care - ED Utilization (AMB)	X	X	R	X	X		X	X		
Mental Health Utilization (MPT)	X	X		X		X	X	X		
Adult Measures										
Plan All-Cause Readmissions (PCR-AD)	X	X		X	X		X		X	
Breast Cancer Screening (BCS-AD)	X				X		X		X	
Cervical Cancer Screening (CCS-AD)	X				X		X		X	
Chlamydia Screening in Women Ages 21-24 (CHL-AD)	X				X		X		X	
Colorectal Cancer Screening (COL)	X	R					X	X		
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Testing (HA1C-AD)	X	X			X		X		X	
Comprehensive Diabetes Care: Hemoglobin A1c (HbA1c) Poor Control (>9.0%) (HPC-AD)	X	X			X		X		X	
Comprehensive Diabetes Care - Eye Exam (CDC)	X	X			X		X	X		
Prenatal and Postpartum Care: Timeliness of Prenatal Care (PPC-CH)	X						X			X
Prenatal and Postpartum Care: Postpartum Care (PPC-AD)	X						X		X	
Use of Opioids at High Dosage in Persons Without Cancer (OHD-AD)	X	X	X	X	X	X	X		X	
Use of Opioids from Multiple Providers (UOP)	X	X	X	X	X	X	X	X		

MEASURES *"R" denotes "Reserve" Status*	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Adults' Access to Preventive/Ambulatory Health Services (AAP)	R	R			X		X	X		
Flu Vaccinations for Adults Ages 18 to 64 (FVA-AD)	R	X - 18 to 64, 65 and Older			X		R		X	
PQI 01: Diabetes Short-Term Complications Admission Rate (PQI01-AD)	R	R			R		R		X	
PQI 05:Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate (PQI05-AD)	R	R			R		R		X	
PQI 08: Heart Failure Admission Rate (PQI08-AD)	R	R			R		R		X	
PQI 15: Asthma in Younger Adults Admission Rate (PQI15-AD)	R				R		R		X	
Screening for Clinical Depression and Follow-Up Plan (CDF-AD)		R							X	
Annual Monitoring for Patients on Persistent Medications (MPM-AD)		R			R		R		X	
Advance Directives		X			X			AHCCCS		
Diabetes Screening for People with Schizophrenia or Bipolar Disorder Who are Using Antipsychotic Medication (SSD-AD)							R		X	
Follow-Up after Emergency Department Visit for Mental Illness or Alcohol and Other Drug Dependence (FUA-AD) - 7 Days, 30 Days						R	R		X	

CYE 2018 Performance Measures Continued

MEASURES *"R" denotes "Reserve" Status*	Acute	ALTCS/ EPD	CMDP	CRS	DDD	GMH/SA	SMI	HEDIS	CMS Adult Core Measures	CHIPRA Core Measures
Follow-Up After Hospitalization for Mental Illness (FUH) - 7 Days, 30 Days (Adult/Children)		X		R - Children Only		X	X		X	

Identifying, Collecting and Assessing Relevant Data

Performance Measures

AHCCCS has implemented several efforts over the past few 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 identified was the possibility that the reduction of information system and data analytic staff resources would not allow the level of review and validation of performance measure programming necessary to ensure the validity and accuracy of Performance Measurement activities. To address this concern, the Agency is utilizing its External Quality Review Organization to perform the measurement calculations. 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 sustaining and improving continuing measures. Some of these efforts will include new work groups, new reporting mechanisms, increased opportunities for technical assistance, and a more transparent reporting process with plans for proactive reporting prior to the end of the measurement period. Such efforts should facilitate the Contractors' ability to make necessary adjustments/final pushes and payment reform initiatives that align with performance measure thresholds.

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 require a Corrective Action Plan. Additional actions could include mandatory technical assistance, Notices to Cure, and financial sanctions.

Re-evaluation/Re-development of Performance Measures

AHCCCS has implemented a payment reform initiative (PRI) for the Acute Care, Childrens Rehabilitative Services (CRS) and ALTCS populations 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.

The contracts executed with health care providers, governed by shared savings arrangements will have increases according to the tables immediately below:

Acute:

YEAR	INTENDED MINIMUM VALUE PERCENTAGE AND CONTRACTOR
CYE 16	20% - ACUTE
CYE 17	35% - ACUTE
CYE 18	50% - ACUTE
CYE 19	50% - ACC
CYE 20	60% - ACC
CYE 21	70% - ACC

ALTCS/EPD & MA/DSNP:

ALTCS	
YEAR	INTENDED MINIMUM VALUE PERCENTAGE (ALTCS/EPD AND MA-DSNP)
CYE 16	15%
CYE 17	25%
CYE 18	35%
CYE 19	50%
CYE 20	60%
CYE 21	70%

CRS:

YEAR	INTENDED MINIMUM VALUE PERCENTAGE
CYE 18	50%
CYE 19	60%
CYE 20	70%
CYE 21	70%

Performance Improvement Projects (PIPs)

AHCCCS currently has a two Performance Improvement Projects (PIPs) under way, The PIP for E-prescribing is required for all Contractors including the Regional Behavioral Health Authorities (RBHAs). The Developmental Screening PIP is required for all Contractors (excluding RBHAs) for all lines of business. Both are designed to improve enrollee health outcomes and satisfaction.

- E-Prescribing - The purpose of this 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 was Contract Year Ending (CYE; federal fiscal year) 2014. Baseline data has been collected, validated and released to Contractors. Efforts are currently underway to collect and validate data for remeasurement year 1. Additionally, the three RBHA Contractors have divergent baseline years due to different contract start-up dates. The baseline measure for two RBHAs began in 2016, whereas one RBHA had a baseline year beginning in 2015. Efforts are underway to collect and validate data from each of the RBHAs.

- 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 has focused on the number of children receiving 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 was reflective of Contract Year Ending (CYE) 2016. Efforts continue for collection and validation of data for remeasurement year 1.

Including Medical Quality Assessment and Performance Improvement Requirements in AHCCCS Contracts

Contracts with MCOs are reviewed at least annually to ensure that they include all federally required elements prior to renewal. In addition, contracts are reviewed for clarity and for opportunities to strengthen expectations and/or promote new opportunities. AHCCCS has begun efforts to identify Performance Improvement Projects targeted to begin CYE 2018.

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 reports* - 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 RBHA Contractors to submit quarterly EPSDT and Adult Monitoring Reports, demonstrating their efforts to sustain or improve annual performance rates for all contractually mandated performance measures as well as their efforts to inform families/caregivers and providers of EPSDT/Adult services. 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 are received and reviewed on a quarterly basis.

    - 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).

    - Integrated Care Reports – Previously, only those plans (e.g. Integrated RBHAs) that followed an integrated model, were required to submit distinct Integrated Care reports. However, as of October 1, 2017 all Contractors for ALTCS/EPD were also required to submit integrated care reports. These reports focus on the quality and quantity of coordination and integration activities.

- *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 meets 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 Contractor'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. Significant financial sanctions can be imposed by AHCCCS if Contractors do not improve performance to a level that meets or exceeds the minimum standard.

Maintaining an Information System that Supports Initial and Ongoing Operations

AHCCCS maintains a robust information system—the Prepaid Medical Management Information System (PMMIS)—that documents all members, their claims and encounter data, plus many other data points. PMMIS data feeds into the AHCCCS Data Warehouse, which is the centralized system used for data analytics. There is a newly formed Data Integrity team that supports maintaining valid, accurate, and reliable data; this team is made up of data users and system experts from across the Agency and meets at least quarterly to discuss any issues or opportunities around the data and systems. AHCCCS has focused on building data expertise within every division of the Agency, promoting data analytics as the cornerstone of operations and monitoring/oversight activities.

Reviewing and Revising the Quality Strategy

AHCCCS continues its efforts to implement the new Managed Care Rule through revisions of the Agency's Quality Strategy. The focus of revisions is to create a cohesive reflection of numerous efforts underway around integrated care, increased member satisfaction, and improvement of clinical outcomes. QM is in the process of leading a cross-functional Agency team to draft a practical Quality Strategy that brings together the requirements of the Rule as well as the mission, vision, and operational goals of the Agency.

Attachment 3

Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
October 2017 – December 2017

The October through December 2017 quarter for the Medicaid School Based Claiming (MSBC) program Random Moment Time Study (RMTS) was completed successfully with the administrative, direct service, and personal care time study cost pools.

Active Participants

The "*Medicaid Administrative Claiming Program Guide*" mandates that all school district employees identified by the district's RMTS coordinator as being qualified to provide direct services or administrative activities participate in a RMTS. Staff rosters are updated by RMTS coordinators on a quarterly basis to ensure accuracy of participants in the time study. The table below shows the number of participants in the administrative, direct service, and personal care time study staff pools at the beginning of the quarter.

Staff Pool	October - December 2017
Administrative	3,070
Direct Service	3,280
Personal Care	5,057

The table below demonstrates the administrative, direct service, and personal care time study achieved the 85% return rate in the October to December 2017 quarter.

The return rate reflects number of responses received divided by the total number of moments generated per quarter.

Return Rate

Cost Pool	Moments Generated	Valid Response	Return Rate
Administrative	3,200	3,102	96.94%
Direct Service	3,400	3,232	95.06%
Personal Care	3,500	3,197	91.34%

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 31, 2017

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD OCTOBER 1, 2011 THROUGH SEPTEMBER 2021:

	FFY 2012 PM/PM	DY1-5 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%	408.78	2,932,499	2,920,185	2,914,062	2,938,791	11,705,537	$ 4,785,003,954	
SSI	835.29	1.06	885.41	69.10%	611.79	487,587	489,022	489,058	491,710	1,957,377	1,197,498,189	
AC [1]			562.09	69.74%	391.97	527,244	430,723	365,132	310,396	1,633,495	640,283,373	
ALTCS-DD	4643.75	1.06	4922.38	67.38%	3316.47	72,519	73,155	73,965	74,820	294,459	976,563,725	
ALTCS-EPD	4503.21	1.052	4737.37	67.50%	3197.93	85,460	85,506	85,730	86,512	343,208	1,097,554,259	
Family Plan Ext [1]		1.058	17.04	90.00%	15.33	12,471	12,424	12,440	12,689	50,024	767,009	
											$ 8,697,670,510	MAP Subtotal
											103,890,985	Add DSH Allotment
											$ 8,801,561,495	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	68.85%	423.93	2,911,421	2,891,165	2,902,999	2,918,889	11,624,474	$ 4,927,972,889	
SSI	938.53	67.86%	636.91	494,798	497,202	499,840	503,467	1,995,307	1,270,829,770	
AC [1]	600.80	68.73%	412.94	274,990	248,817	228,204	217,114	969,125	400,193,772	
ALTCS-DD	5217.72	65.83%	3434.66	75,639	76,467	77,281	78,035	307,422	1,055,890,374	
ALTCS-EPD	4983.71	66.01%	3289.98	86,829	86,075	86,303	87,133	346,340	1,139,450,774	
Family Plan Ext [1]	18.42	90.00%	16.58	13,104	13,824	14,187	14,856	55,971	927,946	
									$ 8,795,265,525	MAP Subtotal
									106,384,369	Add DSH Allotment
									$ 8,901,649,894	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	70.55%	457.00	2,891,743	2,839,304	2,955,538	3,113,327	11,799,912	$ 5,392,500,825	
SSI	994.84	69.27%	689.14	506,880	514,608	523,565	529,905	2,074,958	1,429,929,731	
AC [1]	600.56	69.84%	419.45	206,419	87	2	-	206,508	86,620,364	
ALTCS-DD	5530.78	67.35%	3725.09	78,841	79,683	80,672	81,758	320,954	1,195,583,385	
ALTCS-EPD	5242.86	67.54%	3541.12	87,679	87,893	88,734	89,362	353,668	1,252,379,366	
Family Plan Ext [1]	12.99	90.00%	11.69	14,885	-	-	-	14,885	174,071.00	
Expansion State Adults [1]	624.03	85.37%	532.72	-	443,825	624,070	755,473	1,823,368	971,349,199	
									$ 10,328,536,941	MAP Subtotal
									108,086,519	Add DSH Allotment
									$ 10,436,623,460	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	71.43%	486.73	3,145,818	3,084,503	3,104,647	3,208,504	12,543,472	$ 6,105,270,634	
SSI	1054.53	70.24%	740.73	537,515	544,207	545,054	545,153	2,171,929	1,608,823,144	
AC	0.00	68.43%	0.00	-	-	-	-	-	-	
ALTCS-DD	5862.63	68.54%	4018.17	82,724	83,823	84,824	85,600	336,971	1,354,008,337	
ALTCS-EPD	5515.49	68.69%	3788.49	90,013	89,881	89,933	90,021	359,848	1,363,281,265	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	569.92	87.76%	500.14	817,109	835,082	844,823.00	865,138.00	3,362,152	1,681,558,786	
									$ 12,112,942,165	MAP Subtotal
									109,815,903	Add DSH Allotment
									$ 12,222,758,068	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	71.46%	512.27	3,260,781	3,257,636	3,246,401	3,330,967	13,095,785	$ 6,708,599,449	
SSI	1117.81	70.51%	788.16	550,100	552,624	549,535	552,209	2,204,468	1,737,478,161	
AC	0.00	68.59%	0.00	-	-	-	-	-	-	
ALTCS-DD	6214.39	68.96%	4285.72	86,366	87,130	88,239	89,203	350,938	1,504,021,194	
ALTCS-EPD	5802.30	69.10%	4009.41	89,884	89,468	89,625	89,906	358,883	1,438,909,622	
Family Plan Ext	0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults	573.75	90.69%	520.32	914,910	929,241	930,821	936,776	3,711,748	1,931,311,748	
									$ 13,320,320,174	MAP Subtotal
									110,145,351	Add DSH Allotment
									$ 13,430,465,525	Total BN Limit

	DY6-10 Trend Rate	DY 06 PM/PM			Member Months QE 12/16	QE 3/17	QE 6/17	QE 9/17	Total		
AFDC/SOBRA	1.045	749.11	72.01%	539.43	3,382,203	3,386,024	3,368,828	3,355,416	13,492,471	7,278,303,405	
SSI	1.04	1162.52	70.90%	824.27	553,331	554,762	553,874	553,903	2,215,870	1,826,484,560	
AC		0.00	71.19%	0.00	-	-	-	-	-	-	
ALTCS-DD	1.04	6462.96	69.29%	4478.11	90,179	91,265	92,446	93,374	367,264	1,644,647,978	
ALTCS-EPD	1.037	6016.98	69.43%	4177.58	90,264	89,961	90,344	90,980	361,549	1,510,398,282	
Family Plan Ext		0.00	90.00%	0.00	-	-	-	-	-	-	
Expansion State Adults		599.65	90.79%	544.44	953,914	959,719	960,646	960,228	3,834,507	2,087,673,662	
										$ 14,347,507,888	MAP Subtotal
										111,136,659	Add DSH Allotment
										$ 14,458,644,547	Total BN Limit

	DY 07 PM/PM			Member Months QE 12/17	QE 3/18	QE 6/18	QE 9/18	Total		
AFDC/SOBRA	782.81	71.84%	562.40	3,315,982				3,315,982	$ 1,864,916,402	
SSI	1209.02	71.12%	859.81	555,077				555,077	477,258,962	
AC	0.00	90.84%	0.00	-				-	-	
ALTCS-DD	6721.48	69.90%	4698.54	94,082				94,082	442,048,185	
ALTCS-EPD	6239.61	69.95%	4364.68	90,223				90,223	393,794,787	
Family Plan Ext	0.00	90.00%	0.00	-				-	-	
Expansion State Adults	639.693	90.41%	578.32	956,554				956,554	553,190,142	
									$ 3,731,208,477	MAP Subtotal
									103,095,220	Add DSH Allotment
									$ 3,834,303,697	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 12/31/2017

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 31, 2017

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 2021:	MAP	DSH	Total	AFDC/SOBRA	SSI	AC	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	SNCP/DSHP	UNC CARE	MED	Exp St Adults	TIP	TIP-DSHP	Total	VARIANCE
QE 12/11	$ 2,217,707,654	$ 103,890,985	$ 2,321,598,639	$ 502,890,921	$ 191,249,757	$ 175,610,617	$ 151,638,753	$ 164,685,415	$ 167,197	$ -	$ -	$ -	$ 458,635	$ -			$ 1,186,701,295	$ 1,134,897,344
QE 3/12	2,177,974,020	-	2,177,974,020	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	883,201,432
QE 6/12	2,153,186,198	-	2,153,186,198	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	717,914,398
QE 9/12	2,148,802,638	-	2,148,802,638	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	808,149,051
QE 12/12	2,208,614,943	106,384,369	2,314,999,312	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	876,709,929
QE 3/13	2,191,126,156	-	2,191,126,156	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	846,770,900
QE 6/13	2,192,863,065	-	2,192,863,065	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	777,554,520
QE 9/13	2,202,661,361	-	2,202,661,361	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	682,358,316
QE 12/13	2,361,750,349	108,086,519	2,469,836,868	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	964,213,177
QE 3/14	2,496,720,925	-	2,496,720,925	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	1,012,069,550
QE 6/14	2,658,658,993	-	2,658,658,993	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	1,050,633,918
QE 9/14	2,811,406,674	-	2,811,406,674	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	946,832,645
QE 12/14	3,011,401,458	109,815,903	3,121,217,361	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	1,094,865,561
QE 3/15	2,999,419,645	-	2,999,419,645	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	1,245,840,364
QE 6/15	3,018,942,808	-	3,018,942,808	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	1,107,900,562
QE 9/15	3,083,178,254	-	3,083,178,254	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	1,199,115,306
QE 12/15	3,310,545,569	110,145,351	3,420,690,920	745,437,161	343,103,540	21,576,137	214,617,413	214,987,023	-	9,941,072	-	-	-	473,302,437			2,022,964,783	1,397,726,137
QE 3/16	3,319,986,932	-	3,319,986,932	648,184,948	312,291,893	(1,729,262)	213,667,327	224,085,947	(1)	20,729,076	43,581,049	3,093,001	-	482,776,013			1,946,679,991	1,373,306,941
QE 6/16	3,318,001,378	-	3,318,001,378	634,709,981	301,905,309	(1,180,414)	215,370,099	223,597,734	(3)	106,020,956	48,305,720	2,494,969		439,313,652			1,970,538,003	1,347,463,375
QE 9/16	3,371,786,295	-	3,371,786,295	669,689,230	311,948,359	(750,198)	221,278,330	214,057,429	(685)	504,237	-	2,161,386		491,624,231			1,910,512,319	1,461,273,976
QE 12/16	3,580,841,841	111,136,659	3,691,978,500	693,694,761	331,020,951	2,802,954	225,745,743	223,415,036	(5,466)	3,195,395	39,578,110	2,726,671	-	524,641,615			2,046,815,770	1,645,162,730
QE 3/17	3,590,840,473	-	3,590,840,473	698,367,817	340,649,746	(91,276)	231,791,677	232,289,659	(72)	4,775,270	-	-	-	533,802,478			2,041,585,299	1,549,255,174
QE 6/17	3,588,225,760	-	3,588,225,760	753,982,845	381,866,177	26,531,976	251,886,540	247,601,051	(70)	112,797,468	27,231,927	269,020		506,442,446			2,308,609,380	1,279,616,380
QE 9/17	3,587,599,814	-	3,587,599,814	678,845,907	344,221,688	(194,349)	242,239,652	246,326,890	(58)	-	-	646,701		499,804,367			2,011,890,798	1,575,709,016
QE 12/17	3,731,208,477	103,095,220	3,834,303,697	701,480,418	358,012,550	8,567,838	257,308,208	250,593,667	(20)	4,267,595	37,995,104	-	-	545,879,873	14,754,469	9,115,704	2,187,975,406	1,646,328,291
QE 3/18			-														-	-
QE 6/18			-														-	-
QE 9/18			-														-	-
	$ 71,333,451,680	$ 752,555,006	$72,086,006,686	$ 16,067,060,979	$7,120,328,538	$1,177,010,554	$4,883,054,788	$5,179,517,775	$ 1,866,794	$661,843,090	$982,643,766	$ 198,000,032	$ 453,960	$ 7,165,487,244	$ 14,754,469	$ 9,115,704	$43,461,137,693	$28,624,868,993

Last Updated: 2/7/2018

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 31, 2017

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 2021:								
DY 01	$ 8,801,561,495	$ 5,636,236,798	$ 3,165,324,697	35.96%				
DY 02	8,901,649,894	5,839,365,419	3,062,284,475	34.40%				
DY 03	10,436,623,460	6,477,405,946	3,959,217,514	37.94%				
DY 04	12,222,758,068	7,380,517,452	4,842,240,616	39.62%				
DY 05	13,430,465,525	8,020,424,126	5,410,041,399	40.28%				
DY 06	14,458,644,547	8,189,210,685	6,269,433,862	43.36%				
DY 07	3,834,303,697	1,917,977,267	1,916,326,430	49.98%	$ 72,086,006,686	$ 43,461,137,693	$ 28,624,868,993	39.71%
	$ 72,086,006,686	$ 43,461,137,693	$ 28,624,868,993					

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	06	07	Total
AC	917,851,866	582,039,256	123,931,943	36,049,882	38,045,531	(609,341)	(9,769)	1,697,299,368
AFDC/SOBRA	3,415,736,718	3,582,710,021	3,540,132,758	3,605,121,044	3,959,421,216	3,745,177,298	855,871,366	22,704,170,421
ALTCS-EPD	1,061,768,031	1,166,886,303	1,196,001,180	1,244,727,639	1,266,094,868	1,352,759,440	308,198,774	7,596,436,235
ALTCS-DD	939,086,691	1,005,552,529	1,067,548,651	1,170,363,999	1,252,694,732	1,368,231,383	365,222,984	7,168,700,969
DSH/CAHP	155,762,651	163,280,200	162,283,023	170,517,535	165,250,384	153,634,100	5,245,950	975,973,843
Expansion State Adults	-	-	1,137,609,612	1,913,121,237	2,126,401,695	2,296,031,634	553,190,142	8,026,354,320
Family Planning Extension	830,631	1,008,110	190,026	(1,337)	(763)	(342)	(21)	2,026,304
MED	673,818	-	-	-	-	-	-	673,818
SNCP/DSHP	296,636,120	558,334,298	240,250,917	135,561,857	116,750,000	95,000,000	22,500,000	1,465,033,192
SSI	1,349,511,856	1,426,877,375	1,545,340,671	1,738,232,916	1,836,368,824	1,862,684,999	439,267,998	10,198,284,639
TIP						19,535,714		19,535,714
TIP - DSHP						13,165,373		13,165,373
Uncomp Care IHS/638	22,866,717	97,192,513	53,888,765	13,437,080	7,647,155	3,208,226		198,240,456
Subtotal	8,160,725,099	8,583,880,605	9,067,177,546	10,027,131,852	10,768,673,642	10,908,818,484	2,549,487,424	60,065,894,652
New Adult Group	-	-	108,360,385	309,188,795	482,815,213	499,108,669	107,071,545	1,506,544,607
Total	8,160,725,099	8,583,880,605	9,175,537,931	10,336,320,647	11,251,488,855	11,407,927,153	2,656,558,969	61,572,439,259

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	640,072,339	400,055,348	86,561,373	24,670,313	26,093,844	(433,789)	(8,874)	1,177,010,554
AFDC/SOBRA	2,385,704,230	2,466,797,840	2,497,708,758	2,575,263,431	2,829,598,323	2,697,053,916	614,934,481	16,067,060,979
ALTCS-EPD	716,739,301	770,315,602	807,798,872	854,981,000	874,876,792	939,217,450	215,588,758	5,179,517,775
ALTCS-DD	632,712,981	661,923,939	719,015,624	802,153,483	863,914,281	948,031,235	255,303,245	4,883,054,788
DSH/CAHP	104,828,265	107,242,435	109,102,877	116,736,303	113,890,565	106,376,251	3,666,394	661,843,090
Expansion State Adults	-	-	971,199,116	1,679,475,039	1,929,100,548	2,085,355,685	500,356,856	7,165,487,244
Family Planning Extension	767,009	927,946	174,071	(1,212)	(689)	(311)	(20)	1,866,794
MED	453,960	-	-	-	-	-	-	453,960
SNCP/DSHP	199,636,108	366,713,968	161,520,692	92,805,648	80,464,100	65,778,000	15,725,250	982,643,766
SSI	932,474,570	968,320,662	1,070,478,733	1,221,026,458	1,294,856,082	1,320,760,856	312,411,177	7,120,328,538
TIP						14,754,469		14,754,469
TIP - DSHP						9,115,704		9,115,704
Uncomp Care IHS/638	22,848,035	97,067,679	53,845,830	13,406,989	7,630,280	3,201,219		198,000,032
Subtotal	5,636,236,798	5,839,365,419	6,477,405,946	7,380,517,452	8,020,424,126	8,189,210,685	1,917,977,267	43,461,137,693
New Adult Group	-	-	108,360,385	309,181,490	482,362,260	480,313,811	101,835,352	1,482,053,298
Total	5,636,236,798	5,839,365,419	6,585,766,331	7,689,698,942	8,502,786,386	8,669,524,496	2,019,812,619	44,943,190,991

Adjustments to Schedule C Waiver 11-W00275/9

Total Computable

Waiver Name	01	02	03	04	05	06	07	Total
AC	313,572	210,756	87,745	(7)	326	119	2	612,513
AFDC/SOBRA	1,014,881	1,090,143	990,293	5,056,392	4,912,060	4,769,809	2,328,711	20,162,289
SSI	365,158	399,101	398,723	2,391,771	2,371,156	2,374,229	1,726,429	10,026,566
Expansion State Adults	-	-	223,239	3,043,744	3,208,358	3,347,743	1,190,808	11,013,893
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-
CAHP[2]	(1,693,611)	(1,700,000)	(1,700,000)	(10,491,900)	(10,491,900)	(10,491,900)	(5,245,950)	(41,815,261)
Total	-	-	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	211,034	138,424	58,991	(5)	225	83	1	408,752
AFDC/SOBRA	683,014	716,006	665,774	3,461,607	3,385,392	3,302,616	1,627,536	13,841,945
SSI	245,752	262,130	268,062	1,637,406	1,634,201	1,643,916	1,206,601	6,898,068
Expansion State Adults	-	-	150,083	2,083,747	2,211,200	2,317,977	832,256	7,595,264
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-
CAHP[2]	(1,139,800)	(1,116,560)	(1,142,910)	(7,182,755)	(7,231,017)	(7,264,592)	(3,666,394)	(28,744,029)
Total	-	-	-	-	-	0	-	0

[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 Summary Sheet line 9,D. The State should include

[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.

Arizona Health Care Cost Containment System
Medicaid Section 1115 Demonstration Number 11-W00275/9
Budget Neutrality Tracking Report
For the Period Ended December 31, 2017

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	06	07	Total
AC	918,165,438	582,250,012	124,019,688	36,049,875	38,045,857	(609,221.79)	(9,767.21)	1,697,911,881
AFDC/SOBRA	3,416,751,599	3,583,800,164	3,541,123,051	3,610,177,436	3,964,333,276	3,749,947,107	858,200,077	22,724,332,710
ALTCS-EPD	1,061,768,031	1,166,886,303	1,196,001,180	1,244,727,639	1,266,094,868	1,352,759,440	308,198,774	7,596,436,235
ALTCS-DD	939,086,691	1,005,552,529	1,067,548,651	1,170,363,999	1,252,694,732	1,368,231,383	365,222,984	7,168,700,969
DSH/CAHP	154,069,040	161,580,200	160,583,023	160,025,635	154,758,484	143,142,200	-	934,158,582
Expansion State Adults	-	-	1,137,832,851	1,916,164,981	2,129,610,053	2,299,379,377	554,380,950	8,037,368,213
Family Planning Extension	830,631	1,008,110	190,026	(1,337)	(763)	(342)	(21)	2,026,304
MED	673,818	-	-	-	-	-	-	673,818
SNCP/DSHP	296,636,120	558,334,298	240,250,917	135,561,857	116,750,000	95,000,000	22,500,000	1,465,033,192
SSI	1,349,877,014	1,427,276,476	1,545,739,394	1,740,624,687	1,838,739,980	1,865,059,228	440,994,427	10,208,311,205
TIP	-	-	-	-	-	19,535,714	-	19,535,714
TIP - DSHP	-	-	-	-	-	13,165,373	-	13,165,373
Uncomp Care IHS/638	22,866,717	97,192,513	53,888,765	13,437,080	7,647,155	3,208,226	-	198,240,456
Subtotal	8,160,725,099	8,583,880,605	9,067,177,546	10,027,131,852	10,768,673,642	10,908,818,484	2,549,487,424	60,065,894,652
New Adult Group	-	-	108,360,385	309,188,795	482,815,213	499,108,669	107,071,545	1,506,544,607
Total	8,160,725,099	8,583,880,605	9,175,537,931	10,336,320,647	11,251,488,855	11,407,927,153	2,656,558,969	61,572,439,259

Federal Share

Waiver Name	01	02	03	04	05	06	07	Total
AC	640,283,373	400,193,772	86,620,364	24,670,308	26,094,069	(433,706)	(8,873)	1,177,419,306
AFDC/SOBRA	2,386,387,244	2,467,513,846	2,498,374,532	2,578,725,038	2,832,983,715	2,700,356,532	616,562,017	16,080,902,924
ALTCS-EPD	716,739,301	770,315,602	807,798,872	854,981,000	874,876,792	939,217,450	215,588,758	5,179,517,775
ALTCS-DD	632,712,981	661,923,939	719,015,624	802,153,483	863,914,281	948,031,235	255,303,245	4,883,054,788
DSH/CAHP	103,688,465	106,125,875	107,959,967	109,553,548	106,659,548	99,111,659	(0)	633,099,061
Expansion State Adults	-	-	971,349,199	1,681,558,786	1,931,311,748	2,087,673,662	501,189,112	7,173,082,508
Family Planning Extension	767,009	927,946	174,071	(1,212)	(689)	(311)	(20)	1,866,794
MED	453,960	-	-	-	-	-	-	453,960
SNCP/DSHP	199,636,108	366,713,968	161,520,692	92,805,648	80,464,100	65,778,000	15,725,250	982,643,766
SSI	932,720,322	968,582,792	1,070,746,795	1,222,663,864	1,296,490,283	1,322,404,772	313,617,778	7,127,226,606
TIP	-	-	-	-	-	14,754,469	-	14,754,469
TIP - DSHP	-	-	-	-	-	9,115,704	-	9,115,704
Uncomp Care IHS/638	22,848,035	97,067,679	53,845,830	13,406,989	7,630,280	3,201,219	-	198,000,032
Subtotal	5,636,236,798	5,839,365,419	6,477,405,946	7,380,517,452	8,020,424,126	8,189,210,685	1,917,977,267	43,461,137,693
New Adult Group	-	-	108,360,385	309,181,490	482,362,260	480,313,811	101,835,352	1,482,053,298
Total	5,636,236,798	5,839,365,419	6,585,766,331	7,689,698,942	8,502,786,386	8,669,524,496	2,019,812,619	44,943,190,991

Calculation of Effective FMAP:

AFDC/SOBRA							
Federal	2,386,387,244	2,467,513,846	2,498,374,532	2,578,725,038	2,832,983,715	2,700,356,532	616,562,017
Total	3,416,751,599	3,583,800,164	3,541,123,051	3,610,177,436	3,964,333,276	3,749,947,107	858,200,077
Effective FMAP	0.698437441	0.688518816	0.70553169	0.714293157	0.714617949	0.720105232	0.718436217
SSI							
Federal	932,720,322	968,582,792	1,070,746,795	1,222,663,864	1,296,490,283	1,322,404,772	313,617,778
Total	1,349,877,014	1,427,276,476	1,545,739,394	1,740,624,687	1,838,739,980	1,865,059,228	440,994,427
Effective FMAP	0.69096689	0.678623104	0.692708486	0.702428199	0.70509713	0.709041704	0.711160412
ALTCS-EPD							
Federal	716,739,301	770,315,602	807,798,872	854,981,000	874,876,792	939,217,450	215,588,758
Total	1,061,768,031	1,166,886,303	1,196,001,180	1,244,727,639	1,266,094,868	1,352,759,440	308,198,774
Effective FMAP	0.675043211	0.660146237	0.675416451	0.686881992	0.691004137	0.694297465	0.699512056
ALTCS-DD							
Federal	632,712,981	661,923,939	719,015,624	802,153,483	863,914,281	948,031,235	255,303,245
Total	939,086,691	1,005,552,529	1,067,548,651	1,170,363,999	1,252,694,732	1,368,231,383	365,222,984
Effective FMAP	0.673753538	0.658268882	0.67352024	0.685388036	0.689644699	0.692888094	0.699033895
AC							
Federal	640,283,373	400,193,772	86,620,364	24,670,308	26,094,069	(433,706)	(8,873)
Total	918,165,438	582,250,012	124,019,688	36,049,875	38,045,857	(609,222)	(9,767)
Effective FMAP	0.697350768	0.687322909	0.698440428	0.68433824	0.685858349	0.71190236	0.908422159
Expansion State Adults							
Federal	-	-	971,349,199	1,681,558,786	1,931,311,748	2,087,673,662	501,189,112
Total	-	-	1,137,832,851	1,916,164,981	2,129,610,053	2,299,379,377	554,380,950
Effective FMAP			0.85368356	0.877564721	0.906885158	0.907929193	0.904051829
New Adult Group							
Federal	-	-	108,360,385	309,181,490	482,362,260	480,313,811	101,835,352
Total	-	-	108,360,385	309,188,795	482,815,213	499,108,669	107,071,545
Effective FMAP			1	0.999976374	0.99906185	0.962343155	0.951096316

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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	2,932,499	487,587	72,519	85,460	527,244	467	12,471		
Quarter Ended March 31, 2012	2,920,185	489,022	73,155	85,506	430,723	-	12,424		
Quarter Ended June 30, 2012	2,914,062	489,058	73,965	85,730	365,132	-	12,440		
Quarter Ended September 30, 2012	2,938,791	491,710	74,820	86,512	310,396	-	12,689		
Quarter Ended December 31, 2012	2,911,421	494,798	75,639	86,829	274,990	-	13,104		
Quarter Ended March 31, 2013	2,891,165	497,202	76,467	86,075	248,817	-	13,824		
Quarter Ended June 30, 2013	2,902,999	499,840	77,281	86,303	228,204	-	14,187		
Quarter Ended September 30, 2013	2,918,889	503,467	78,035	87,133	217,114	-	14,856		
Quarter Ended December 31, 2013	2,891,743	506,880	78,841	87,679	206,419	-	14,885		
Quarter Ended March 31, 2014	2,839,304	514,608	79,683	87,893	87	-	-	443,825	38,998
Quarter Ended June 30, 2014	2,955,538	523,565	80,672	88,734	2	-	-	624,070	86,533
Quarter Ended September 30, 2014	3,113,327	529,905	81,758	89,362	-	-	-	755,473	122,894
Quarter Ended December 31, 2014	3,145,818	537,515	82,724	90,013	-	-	-	817,109	149,773
Quarter Ended March 31, 2015	3,084,503	544,207	83,823	89,881	-	-	-	835,082	191,094
Quarter Ended June 30, 2015	3,104,647	545,054	84,824	89,933	-	-	-	844,823	245,209
Quarter Ended September 30, 2015	3,208,504	545,153	85,600	90,021	-	-	-	865,138	284,816
Quarter Ended December 31, 2015	3,260,781	550,100	86,366	89,884	-	-	-	914,910	312,421
Quarter Ended March 31, 2016	3,257,636	552,624	87,130	89,468	-	-	-	929,241	331,662
Quarter Ended June 30, 2016	3,246,401	549,535	88,239	89,625	-	-	-	930,821	333,985
Quarter Ended September 30, 2016	3,330,967	552,209	89,203	89,906	-	-	-	936,776	325,164
Quarter Ended December 31, 2016	3,382,203	553,331	90,179	90,264	-	-	-	953,914	331,286
Quarter Ended March 31, 2017	3,386,024	554,762	91,265	89,961	-	-	-	959,719	335,247
Quarter Ended June 30, 2017	3,368,828	553,874	92,446	90,344	-	-	-	960,646	338,050
Quarter Ended September 30, 2017	3,355,416	553,903	93,374	90,980	-	-	-	960,228	338,499
Quarter Ended December 31, 2017	3,315,982	555,077	94,082	90,223	-	-	-	956,554	337,162

	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	-	-
Quarter Ended December 31, 2016	-	-
Quarter Ended March 31, 2017	-	-
Quarter Ended June 30, 2017	-	-
Quarter Ended September 30, 2017	-	-

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VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2012	FFY 2013	FFY 2014	FFY 2015	FFY 2016	FFY 2017	FFY 2018	
Total Allotment	**103,890,985**	**106,384,369**	**108,086,519**	**109,815,903**	**110,145,351**	**111,136,659**	**103,095,220**	**752,555,006**
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	(4)			6,325,567				6,325,563
Mar-16			20,729,076					20,729,076
Jun-16		(14,886)	180,953	4,170,769	98,068,611			102,405,447
Sep-16				504,238				504,238
Dec-16		(1,292,221)		270,327	584,993			(436,900)
Mar-17				4,775,270				4,775,270
Jun-17		1,152,106		1,483,173	8,005,943	98,523,950		109,165,172
Sep-17								-
Dec-17			13,492			587,709		601,201
Total Reported to Date	103,688,465	106,125,875	107,959,966	109,553,550	106,659,547	99,111,659	-	633,099,062
Unused Allotment	**202,520**	**258,494**	**126,553**	**262,353**	**3,485,804**	**12,025,000**	**103,095,220**	**119,455,944**

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VII. BUDGET NEUTRALITY TRACKING SCHEDULE -- NEW ADULT GROUP

WAIVER PERIOD JANUARY 1, 2014 THROUGH SEPTEMBER 30, 2021:

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

	DY3-5 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	-	38,998	86,533	122,894	248,425	143,723,800

		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%	605.72	149,773	191,094	245,209	284,816	870,892	527,514,149

		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	99.91%	633.61	312,421	331,662	333,985	325,164	1,303,232	825,735,327

	DY6-10 Trend Rate	DY 06 PM/PM			Member Months QE 12/16	QE 3/17	QE 6/17	QE 9/17	Total	
New Adult Group	1.033	655.13	96.23%	630.46	331,286	335,247	338,050	338,499	1,343,082	846,758,503

		DY 07 PM/PM			Member Months QE 12/17	QE 3/18	QE 6/18	QE 9/18	Total	
New Adult Group	1.033	676.75	95.11%	643.65	337,162	-	-	-	337,162	217,015,382

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

	Budget Neutrality Limit - Federal Share MAP	DSH	Total	Expenditures New Adult Grp	VARIANCE
QE 12/13	$ -	$ -	$ -	$ -	$ -
QE 3/14	22,561,903	-	22,561,903	13,870,414	8,691,489
QE 6/14	50,062,802	-	50,062,802	34,313,342	15,749,460
QE 9/14	71,099,095	-	71,099,095	47,984,458	23,114,637
QE 12/14	90,720,063	-	90,720,063	46,004,135	44,715,928
QE 3/15	115,748,898	-	115,748,898	70,387,348	45,361,550
QE 6/15	148,527,277	-	148,527,277	85,319,153	63,208,124
QE 9/15	172,517,913	-	172,517,913	97,948,283	74,569,630
QE 12/15	197,951,751	-	197,951,751	113,800,738	84,151,013
QE 3/16	210,142,960	-	210,142,960	122,290,142	87,852,818
QE 6/16	211,614,826	-	211,614,826	123,158,494	88,456,332
QE 9/16	206,025,790	-	206,025,790	108,777,377	97,248,413
QE 12/16	208,862,331	-	208,862,331	126,789,923	82,072,408
QE 3/17	211,359,580	-	211,359,580	122,882,603	88,476,977
QE 6/17	213,126,758	-	213,126,758	125,355,939	87,770,819
QE 9/17	213,409,834	-	213,409,834	127,776,681	85,633,153
QE 12/17	217,015,382	-	217,015,382	115,394,268	101,621,114
QE 3/18	-	-	-		-
QE 6/18	-	-	-		-
QE 9/18	-	-	-		-
	$ 2,560,747,161	$ -	$ 2,560,747,161	$ 1,482,053,298	$ 1,078,693,863

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	$ 143,723,800	$ 96,168,214	$ 47,555,586	33.09%				
DY 04	527,514,149	299,658,919	227,855,230	43.19%				
DY 05	825,735,327	468,026,751	357,708,576	43.32%				
DY 06	846,758,503	502,805,146	343,953,357	40.62%				
DY 07	217,015,382	115,394,268	101,621,114	46.83%	$ 2,560,747,161	$ 1,482,053,298	$ 1,078,693,863	42.12%
	$ 2,560,747,161	$ 1,482,053,298	$ 1,078,693,863					

Based on CMS-64 certification date of 12/31/2017