

January 30, 2018

The Honorable Douglas A. Ducey
Office of the Governor
1700 West Washington
Phoenix, Arizona 85007

Subject: Laws 2017, Chapter 305 AHCCCS Study Report on the Impact of Provider Cost Increases from Proposition 206 on ALTCS Network Adequacy

Dear Governor Ducey:

On November 8, 2016 Arizona voters approved the Fair Wages and Healthy Families Act, known as Proposition 206, increasing Arizona's minimum wage in stages starting January 1, 2017 to \$12.00 an hour by 2020 and requiring employers to offer earned paid sick time. At the same time, Proposition 414 was enacted in Flagstaff, ultimately increasing that city's minimum wage to \$15.00 an hour or \$2.00 above the state's minimum wage, whichever is greater.

Additional funding was provided starting in January, 2017 to increase rates for providers of Home and Community Based Services (HCBS) administered by the Arizona Health Care Cost Containment System's (AHCCCS) Arizona Long Term Care System (ALTCS) program. These providers employ paraprofessionals impacted by the increased wages and benefits.

Laws 2017, Chapter 305 directed AHCCCS to conduct an analysis of "the impact of provider cost increases resulting from the enactment of Proposition 206...on the adequacy of the provider network for enrollees in the Arizona Long Term Care System." AHCCCS awarded a competitively bid contract to Burns & Associates, Inc. (B&A), a Phoenix-based health care consulting firm, to assess this impact.

Please find attached the results of that study.


The report contains the following findings and recommendations. While it was not possible to collect enough meaningful member utilization data since the Propositions took effect in the time constraints of the report, baseline data from prior to the enactment of the Propositions found that the usage of HCBS and Nursing Facility services was not uniform across the state. This does not in of itself indicate a network access issue. Additionally, member proximity to HCBS services provided through the AHCCCS Arizona Long Term Care System's program for individuals who are Elderly and/or have a Physical Disability (EPD) and Department of Economic Securities' Division of Developmental Disabilities' (DES/DDD) programs also varied across the state.

Surveys of DES/DDD and EPD providers after January, 1, 2017, found the Propositions have added fiscal stress to both programs' providers in terms of increasing costs for starting

paraprofessional wages. Survey respondents reported they have leveraged all available options to cover these cost increases by reducing overall staff and benefits to staff not impacted by the wage increase. Increased staff turnover was also reported by half of all EPD providers, and DES/DDD providers reported a 22.5% turnover rate in the first six months of calendar year 2017.

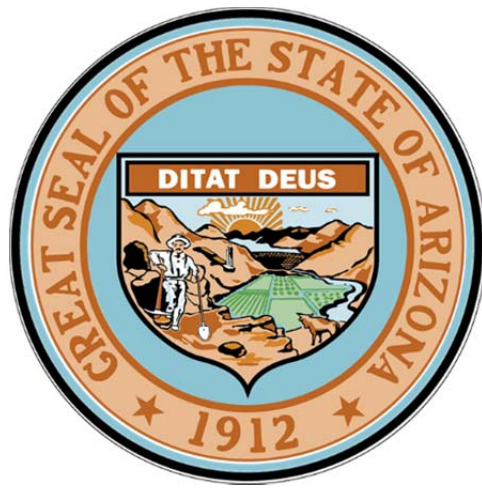
Current reporting mechanisms on network adequacy to AHCCCS may or may not be telling the whole story of the effects of Proposition 206, as they do not identify a specific concern related to access to HCBS and Nursing Facility services resulting from changes. As a result, AHCCCS should develop the ability to independently validate data on service provision from ALTCS contractors, create a new measure to assess provider access, continue examining utilization data against baseline utilization data, create incentives to reduce or mitigate staff turnover, and conduct a follow up provider survey.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Betlach".

Thomas J. Betlach
Director

cc: The Honorable Steve Yarbrough, President, Arizona State Senate
The Honorable J.D. Mesnard, Speaker, Arizona House of Representatives
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee



**ASSESSMENT OF THE IMPACT OF PROP 206,
THE FAIR WAGES AND HEALTHY FAMILIES ACT,
ON PROVIDER NETWORK ADEQUACY FOR
AHCCCS MEMBERS**

FINAL REPORT
SUBMITTED TO THE ARIZONA HEALTH CARE COST
CONTAINMENT SYSTEM

FEBRUARY 1, 2018

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EXECUTIVE SUMMARY

Introduction

Proposition 206, the Fair Wages and Healthy Families Act, enacted an increase in Arizona's minimum wage from \$8.05 per hour to \$10.00 per hour effective January 1, 2017. This has been increased to \$10.50 per hour effective January 1, 2018. By 2020, the minimum wage will increase to \$12.00 per hour. Proposition 414 was enacted specifically in Flagstaff whereby the city's minimum wage increased to \$10.50 per hour on July 1, 2017 and \$11.00 per hour on January 1, 2018. Flagstaff's minimum wage will ultimately be \$15.00 per hour or \$2.00 above the state's minimum wage, whichever is greater.

Proposition 206 also requires employers to offer earned paid sick time. The sick time accrues at one hour for every 30 hours worked. This means that part-time workers may also accrue paid sick time, albeit at a slower pace than full-time workers.

The Arizona Health Care Cost Containment System (AHCCCS) is Arizona's Medicaid agency. AHCCCS administers numerous programs to serve Arizona residents that each have unique program goals for the specific populations that are being served. One of these programs is named the Arizona Long Term Care System (ALTCS). The ALTCS program delivers services to three distinct member categories—members who are elderly and/or have physical disabilities (collectively these two groups are abbreviated as the EPD population) and persons with intellectual and developmental disabilities (I/DD).

A distinguishing feature of ALTCS is that, in addition to the physical and behavioral health services which are provided to every AHCCCS-eligible member, individuals enrolled in the ALTCS program are also offered services which serve as long-term supports for the individual. AHCCCS's goal in its administration of ALTCS is to provide these long-term supports in the least restrictive environment possible. To that end, long-term residential supports may be delivered to an individual in a congregate setting such as a nursing facility (NF), in other provider-owned settings in the community, or in the member's home. Non-residential services are also provided such as adult day health, day treatment and training and supported employment. Collectively, the long-term residential and non-residential support services (other than those delivered in a NF) are commonly referred to as home- and community-based services (HCBS).

AHCCCS conducts oversight of the ALTCS program but has agreements with other entities to administer services to AHCCCS members on a day-to-day basis. ALTCS EPD members are enrolled with one of three ALTCS contractors. AHCCCS has a separate agreement with the Division of Developmental Disabilities within the Arizona Department of Economic Security (DES/DDD) to administer services to all ALTCS I/DD members. There is also a Tribal ALTCS program specific to the tribal populations. At the end of Calendar Year (CY) 2017, total enrollment in ALTCS was 61,058. Of this total, 27,081 (44.4%) members were enrolled as ALTCS EPD members, 31,412 (51.4%) were enrolled with DES/DDD as ALTCS I/DD members and 2,565 (4.2%) were enrolled in the Tribal ALTCS program.

The ALTCS contractors and the DES/DDD contract with network providers who deliver the NF and HCBS services. Unlike acute care services which often require licensed or credentialed providers who are paid far above minimum wage, HCBS services are often delivered by staff members who are deemed paraprofessionals and are often paid at or near minimum wage. In NFs, although registered nurses (RNs) and licensed practical nurses (LPNs) are paid far above minimum wage, certified nurse aides (CNAs) are often paid near minimum wage. Therefore, it is anticipated that minimum wage increases may have a meaningful impact on the stability of the network of providers who deliver services in ALTCS program and, in particular, for NFs and HCBS providers.

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Action Taken by AHCCCS

Upon the initial enactment of the Propositions in January 2017, AHCCCS provided additional funding to pay for ALTCS services in both the managed care setting and the fee-for-service setting. Specifically, AHCCCS increased funding as follows:

- An additional \$20.3 million was added to capitation payments made to ALTCS contractors effective January 1, 2017 (for funding through June 30, 2017) for services delivered to EPD members by the health plans' providers.
- An additional \$25.1 million was added to capitation payments made to DES/DDD effective January 1, 2017 (for funding through June 30, 2017) for services delivered to I/DD members by DES/DDD providers.
- Rates paid for HCBS and Nursing Facility services delivered and paid for by AHCCCS outside of managed care in the fee-for-service system were increased as well. The anticipated cost due to these rate increases through June 30, 2017 was \$1.4 million.

The additional funding was targeted specifically to providers who would be impacted the most as a result of the Propositions. As a result, there were varying levels of increase to rates for specific services. For example, beginning in January 2017, many HCBS services were increased by 7.0 percent but the NF per diem rates were increased 3.5 percent across-the-board.

Further, many rates were increased once again on July 1, 2017 to address the minimum wage increase to \$10.50 per hour in Flagstaff and the Proposition 206 sick leave provision statewide.

AHCCCS increased HCBS and NF rates once again effective January 1, 2018 to address the change in the minimum wage to \$10.50 per hour statewide and \$11.00 per hour in Flagstaff. AHCCCS increased many HCBS service rates by 1.4 percent and NF per diem rates by 0.7 percent above CY 2017 rates. The rates were increased in both the managed care and fee-for-service delivery systems.

Construct of the Study

Laws 2017, Chapter 305 directed AHCCCS to conduct an analysis on “the impact of provider cost increases resulting from the enactment of Proposition 206...on the adequacy of the provider network for enrollees in the Arizona Long Term Care System.” AHCCCS awarded a competitively bid contract to Burns & Associates, Inc. (B&A), a Phoenix-based health care consulting firm, to assess this impact and to submit a report to AHCCCS.¹

The purpose of this report is to provide baseline information on the number of providers and the number of ALTCS members using NF and HCBS services by locality to assess current provider network adequacy levels. Also, now that the Propositions have taken effect, other measures that may inform pressures on provider network adequacy were examined. Finally, providers that are most impacted by the Propositions were surveyed to gauge their initial reaction to the minimum wage changes that have taken effect in CY 2017.

To conduct this assessment, B&A leveraged many reports that AHCCCS already required of its ALTCS contractors prior to the enactment of Proposition 206 that measure network adequacy. B&A separately conducted its own independent analysis of the NF and HCBS provider network in ALTCS as well and measured utilization of the HCBS services in the scope of this study for the baseline period of CY 2016.

¹ It should be noted that since the Tribal population is not impacted by Proposition 206, this portion of the ALTCS membership was excluded from the study.

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Services were examined for the EPD and I/DD membership separately and also at the individual county level and three geographic service areas (GSAs) in the northern, central and southern regions of the state. It will be useful to analyze encounter data on an ongoing basis in order to assess how the incremental increase in the minimum wage may, over time, impact access to services. The timing of this study prevented B&A from analyzing a meaningful amount of information since the minimum wage increases first began. This is because of the timing for claims to be submitted by providers to the ALTCS contractors and then for the ALCTS contractors, in turn, to submit encounters to AHCCCS. The analysis of encounters by B&A for the CY 2016 time period, therefore, is intended to serve as a benchmark against utilization trends in the post-Proposition implementation period once sufficient information becomes available.

Two provider surveys were also administered and the results from these surveys were incorporated into the assessment. One survey had already been administered by the DES/DDD in the summer of CY 2017 to agency providers² who deliver services to the I/DD population. B&A also released a survey, in consultation with AHCCCS, to agency providers who deliver services to the EPD population. There were 424 EPD providers surveyed, each representing payments of at least \$75,000 in CY 2016. A total of 349 agency providers were surveyed by DES/DDD in its survey (no minimum payment amount).

The two surveys did not ask exactly the same questions, but both surveys captured information at points in time such as immediately prior to the first minimum wage increase January 1, 2017 and then after the minimum wage changes (including Flagstaff) had taken effect July 1, 2017.

The response rates for each survey were:

- 28 percent for the EPD survey (but these providers represent 56% of all payments made)
- 63 percent for the DDD survey (but these providers represent 86% of all payments made)

Key Findings

1. ***Varying levels of utilization for HCBS and NF services were seen prior to Propositions 206 and 414.*** It is important to recognize that any analysis of the impact of the change in the minimum wage must be measured in the context of the period prior to the minimum wage. It was found that the use of each of the services examined in the study is not uniform across the state. Therefore, a lower utilization rate in the post-Propositions period in and of itself may not be indicative of an access issue. The utilization rate should be compared to the time period in that region before the minimum wage change.

B&A analyzed the percent of members who used each service in the study at both the statewide level and the individual county level. From this analysis, B&A found:

- Nursing facilities: Six of the 15 counties had significantly lower usage than the statewide average.
- Assisted living homes and DDD group homes: There were no counties that appeared as low-usage outlier counties for either service.
- In-home services, EPD members: Two counties (Coconino and Mohave) had lower usage than the statewide EPD member average.
- Habilitation, I/DD members: Maricopa County members are the outlier in this service (they are the highest users). Excluding Maricopa County from the average, there are two

² The DES/DDD contracts with network providers that are structured either as an agency model or as independent providers. The survey that was administered by the DES/DDD was limited to the agency providers.

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counties in the northern GSA and three in the southern GSA that had a lower proportion of habilitation users.

- Respite, I/DD members: Findings were similar to what was found for habilitation.
- Day treatment and training and supported employment, I/DD members: Santa Cruz County was the only low-usage outlier county.

2. *There are already differences in the level of proximity to services in the ALTCS program.*

Utilization of HCBS and NF services varied across regions of the state. In many of these areas, particularly some (but not all) rural areas, provider access is also limited. Therefore, lower utilization of a service could be a result of limited access. On the other hand, it may just reflect the needs and preferences of the ALTCS members in that region. Furthermore, even if the physical location of a provider is not in close proximity to the ALTCS member, the provider may have agreements in place to hire staff in close proximity to the ALTCS member. This is most likely for the provision of in-home residential services. Therefore, just as it is important to understand utilization trends before and after the Propositions took effect, it is also important to understand the provider network landscape before and after the Propositions took effect.

B&A plotted ALTCS member home addresses to provider service locations. An assessment was made for each of the services included in the study for each county. Maricopa was divided into two parts, so there are 16 regions. Seven services were considered in this assessment; therefore, 112 combinations were examined (16 regions x 7 services). There were 10 service/county combinations where no members used the service, so ultimately 102 combinations were examined. Among these:

- 92 were deemed to have sufficient access
- 5 were deemed to have limited access
- 5 were deemed to have very limited or no access

A similar test was conducted for services where the ALTCS member resides in one of three provider-owned residences (e.g., nursing facilities, assisted living homes and DDD group homes). Among the 48 combinations examined:

- 35 localities had more than one residential offering
- 4 localities had one residential offering
- 9 localities had no residential offering

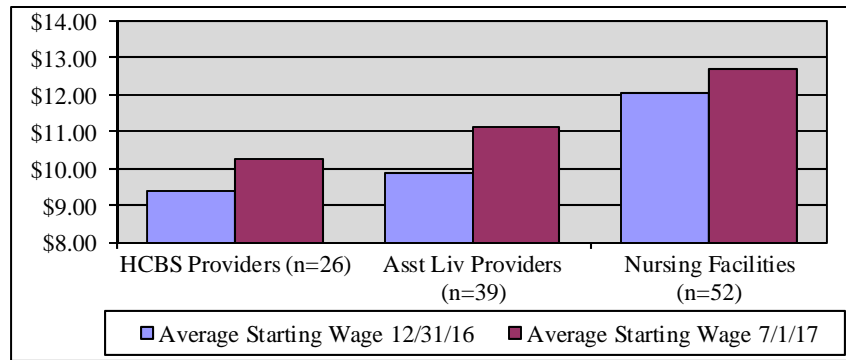
The dashboard report that was created to summarize the assessment of each region appears at the end of this Executive Summary. It should be noted, however that among the 23 county/service combinations that were deemed limited or very limited access, the counties impacted collectively represent 4.2 percent of the total ALTCS membership. Therefore, potential access issues appear to be contained at this time.

3. *The Propositions have added fiscal stress to providers.* The provider surveys administered by DES/DDD and B&A indicate that the increase in the minimum wage does appear to have added fiscal stress to providers serving EPD members and those serving I/DD members. For many paraprofessional labor categories, the starting wage was increased to meet the new minimum wage requirement. HCBS providers increased their average hourly wage 9.4 percent and assisted living providers increased 12.4 percent. Nursing facilities already paid their paraprofessionals above the new minimum wage (\$12.05 on average) but nonetheless increased their average hourly wage by 5.2 percent in early 2017.

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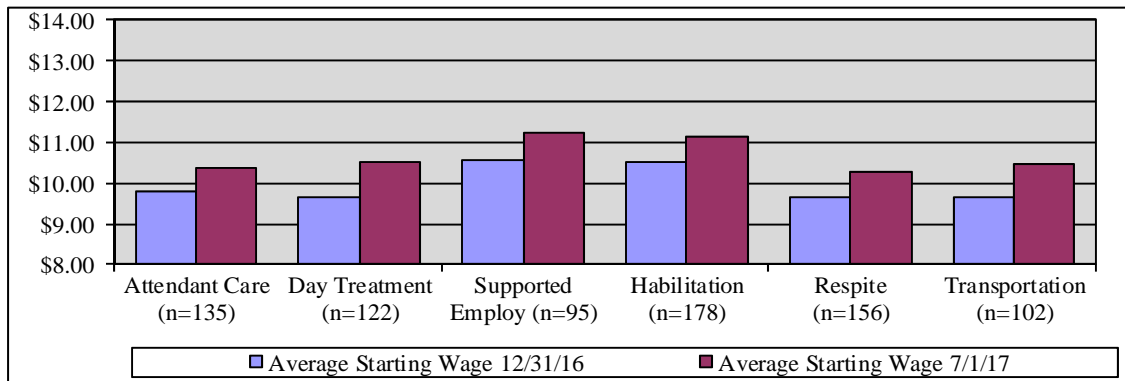
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**Change in Average Starting Wage for Paraprofessional Staff
Results from the Survey of EPD Providers**



From the DES/DDD survey, there was a similar finding in that four labor categories of paraprofessionals saw increases in starting wages in order to meet the January 2017 minimum of \$10.00 per hour. Two other categories already had starting wages of \$10.50 per hour. The increase across the six labor categories examined increased between 6.1 percent and 8.6 percent from the pre- and post- January 1, 2017 minimum wage change.

Results from I/DD Agency Providers, by Labor Category



In addition to the minimum wage change, many providers who previously had not offered sick leave are now required to offer it. Among the EPD survey respondents, 90 percent stated that they now offer paid sick leave. Only 66 percent of I/DD survey respondents stated that they do. Although the mandate is less for smaller businesses (accrual up to 24 paid sick hours per year) than larger businesses (accrual up to 40 paid sick hours per year), there appears to be confusion among providers about the paid sick leave requirements that took effect January 1, 2017.

With another increase in the minimum wage set for January 1, 2018, this will cause additional pressure on providers. Survey respondents indicated that they have effectively leveraged all of the options that they have to cover the finances of the minimum wage increase. Many stated that they have reduced other benefits both to minimum wage staff and non-minimum wage staff to pay for the new minimum wage requirements. In some cases, they are reducing their overall staffing.

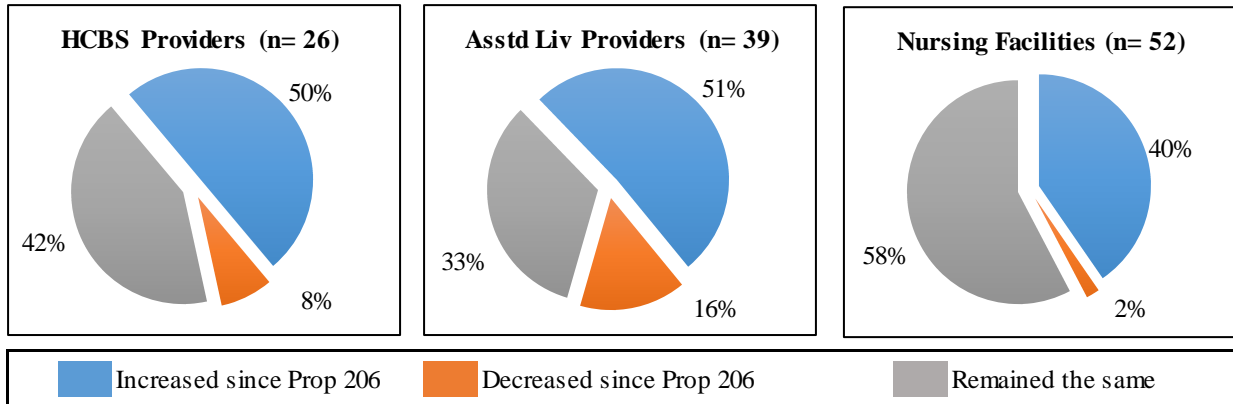
4. ***Staff turnover rates appear to be an unintended, though not unexpected, consequence of the minimum wage change.*** The turnover rate for paraprofessionals—which was already high—has increased since January 2017. ALTCS providers are now competing not only with other agencies

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for the same labor pool but also other industries that also had to increase wages as a result of the Propositions (e.g., retail). A continuing improving economy in Arizona along with a low unemployment rate (4.3% as of this writing) makes staff retention already challenging. The competition among many industries for the same labor pool could exacerbate this. Respondents to the provider surveys administered stated that they often have difficulty filling open vacancies.

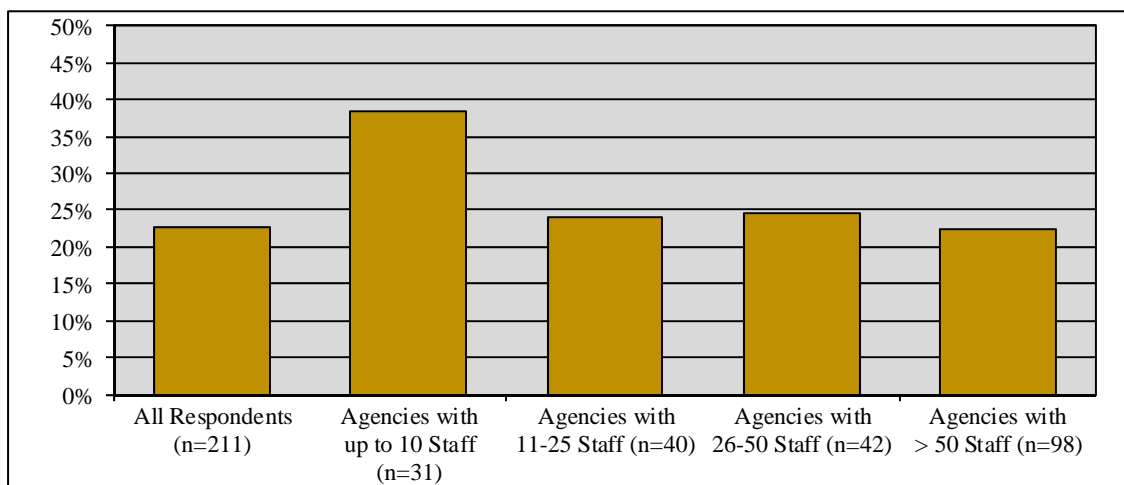
Turnover Rate Among Paraprofessional Staff for Providers who Serve the Elderly and Physically Disabled



Providers who deliver services to I/DD members reported a turnover rate of 22.5 percent *in the first six months of CY 2017 alone*. If this trend continues throughout all of CY 2017, this means that the annual turnover rate would end up at 45.0 percent. The turnover rate was similar among most agencies, except for those with 10 or fewer direct service employees the turnover rate was even higher (38% in first six months, 76% annualized).

Turnover Rate Among I/DD Agency Providers in the First 6 Months of CY 2017 Based on Size of Agency

Turnover Rate = # Departures in First 6 Months of CY 2017 divided by Number of Staff on 7/1/17



5. **Current reporting mechanisms do not appear to tell the full story of the impact of the continuing minimum wage increases.** AHCCCS already collects a number of measures from which an assessment of network adequacy could be derived. Based on the specific data elements requested in each of these reports and how the reports are defined, the results from the reports below would suggest that the minimum wage change has not had a significant direct impact to

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date on access to services. Results from the information reported by the ALTCS contractors to AHCCCS on these reports is as follows:

- Critical Service Gap Log Report. Tracks the number of occurrences in which a member sought one of four in-home services and the service was not delivered within the timeframe requested. The measure is the hours of gap service as a percent of all hours provided for all four of the services combined.
Results from the period Jan – June 2017: gap found in 0.04% of all hours provided
Results from the period Jan – June 2016: gap found in 0.05% of all hours provided

Report Limitation: Only reports on attendant care, homemaker, personal care and respite services.

- Member Grievances. Among all grievances reported on a monthly basis, two specific reason codes tracked include “no provider to meet need” and “appointment availability”. The results below track the number of grievances for these two reasons only.

Results from the period Jan – August 2017: 66 grievances

Results from the period Jan – August 2016: 23 grievances

Report Limitation: Does not indicate if grievances for these reasons are concentrated in specific geographic areas.

- Provider Terminations or Reduction in Scope of Service Due to Rates. Two different reports that track providers who have left the program or who have diminished their participation for the specific reason due to the rate of reimbursement.

Results from the Jan – June 2017 time period: 6 providers terminated or reduced scope

Results from the Jan – June 2016 time period: 2 providers terminated or reduced scope

Report Limitation: Although it is apparent when a provider terminates in the ALTCS program, it is less certain that all providers are actively and formally communicating that they are reducing their scope of service at the time that they decide to do so.

As a result of the findings from this study, B&A offers six recommendations to AHCCCS and to its contractors as a means to continually monitor how the CY 2017 minimum wage increases as well as future minimum wage increases may impact ALTCS members’ access to providers of nursing facility and HCBS services.

Recommendations

1. ***More thorough verification of self-reported data by the ALTCS contractors***. Effective October 1, 2018, AHCCCS is imposing new requirements on its ALTCS contractors with respect to time and distance standards for ALTCS members to receive nursing facility care. There is already in place reports submitted on gaps in care for in-home services, member grievances and provider terminations or reductions in scope due to rates. All of this data is self-reported by the ALTCS contractors. B&A encourages AHCCCS to develop a robust independent verification system for the agency to ensure that the level of network coverage or gaps reported by the ALTCS contractors is accurate. Some examples of this may include:

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- Leveraging data that will become available as AHCCCS implements its electronic visit verification (EVV) system. This system, which is mandated by federal law for states to implement by January 1, 2019 for in-home services delivered by paraprofessionals, will verify the type of service performed, the individual receiving the service, the individual providing the service, the location where the service was delivered, and the date (including start and end time) for the service delivered. It is anticipated that this level of detail will provide not only more real time information but more robust information related to gaps in care and the continuity of the paraprofessionals serving members in their home (which may be an indicator of member satisfaction). AHCCCS should consider ways to standardize the data capture from the EVV system as a means to enhance or replace the current methods for gaps in care reporting.
 - Outreach to providers who terminated or diminished scope of service. The reports collected by AHCCCS pertaining to provider terminations and reductions in scope related to rates show only a nominal increase in CY 2017. The results of the provider survey, however, indicated more reductions in service than the reports submitted by the ALTCS contractors would indicate. AHCCCS is encouraged to proactively address this discrepancy by contacting the providers that indicated on the survey that they have reduced or terminated services but who were not on the ALTCS contractor reports. AHCCCS should learn more about which services were reduced, the locations in the state that are impacted, and what is any efforts can be made to mitigate this action by the providers.
2. ***Create a new measure as a leading indicator to assess provider access.*** The data thus far suggests that the rate of gaps in care continue to be low and that access to services does not appear to have diminished as a result of the minimum wage increase. AHCCCS already imposes requirements on the ALTCS contractors related to timeliness to deliver care. The standard timelines are 30 days for the initiation of a service to a new member and 15 days for a new service to a current member. The ability of the ALTCS contractors to meet these standards for timeliness to deliver services may be getting more difficult, however. For example, whereas prior to the Propositions a case manager for an ALTCS member may have found a provider on the first attempt, today it may take many attempts to find a provider to deliver the service to the member.

To that end, B&A recommends that AHCCCS develop a measure for the ALTCS contractors to track the number of attempts before identification of a provider with available capacity to deliver the requested service. Data would most likely be collected through the contractor's case management system. This measure may be limited to certain HCBS services such as in-home supports and supported employment. Upon receipt of information from the ALTCS contractors, AHCCCS should analyze the results and stratify the data by service and/or by geographic region. This can be used as a "leading indicator" to assess network adequacy for HCBS services.

3. ***Continue examining utilization to assess potential impacts on network access.*** The users of each HCBS service as well as nursing facility placements that are shown in Section III for the baseline period of CY 2016 are useful as a starting point for trend analyses. These results can be deemed as a "trailing indicator" to assess network adequacy. It has already been mentioned that the timing of this study precluded a more thorough examination of utilization in the post-Proposition period. B&A encourages AHCCCS to analyze the data for the period of CY 2017 to determine if utilization changes occurred at the service/county level. Any reductions in the percent of ALTCS members using a service may be indicative of a provider access issue.

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4. ***Create a value-based payment incentive to reduce or mitigate staff turnover.*** The rate of staff turnover reported among both the EPD and DDD providers in the provider surveys for its paraprofessional staff is an area of concern. Most likely, increasing turnover rates are being impacted by not just the minimum wage increase but also the overall bullish economy in Arizona. With the increase in the minimum wage statewide, service providers are now competing not only among each other in a limited labor pool but also against other industries. B&A recommends that AHCCCS lay the foundation for collecting more information from the ALTCS contractors on provider staffing and explore opportunities such as value-based payment strategies which reward providers who stay below a targeted staff turnover rate. AHCCCS should further ensure that any payments made in conjunction with value-based initiatives be shared with individual providers serving ALTCS members who met the standard.




5. ***Conduct another provider survey in the second half of CY 2018.*** Information gleaned from the results of the two provider surveys administered in the second half of CY 2017 yielded meaningful feedback on the fiscal pressures that many providers are facing with the increase in the minimum wage. AHCCCS, DES/DDD and the ALTCS contractors did provide some rate increases at the start of CY 2017 to mitigate the fiscal stress of the minimum wage change. Some other increases have gone in at the start of CY 2018 as well, but it is uncertain if these rate changes will suffice before providers start to terminate the program or reduce their scope. B&A recommends that AHCCCS (or the ALTCS contractors) conduct another survey at the end of CY 2018 to EPD providers to discern whether the trends found in the survey released for this report have remained the same or have worsened. (It should be noted that the DES/DDD is already conducting follow-up surveys with its providers in 2018.)

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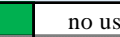








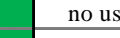








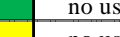






















Dashboard of Access to Provider Services









































Legend for Designation of Level of Provider Access






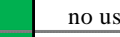








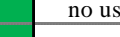








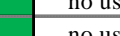











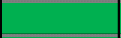
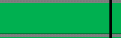
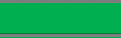
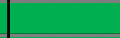
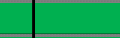

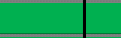
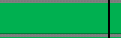
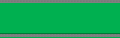

















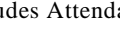
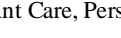
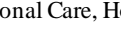
	<i>For Provider-owned Homes</i>	<i>For Other Services</i>
 Sufficient Access	More than one provider in county	90% or more of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.
 Limited Access	One provider in county	50-89% of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.
 Very Limited or No Access	No provider in county	Less than 50% of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.

Pct of ALTCs Enrolled	Provider-owned Residence			Services at Provider Locations			Services Provided in the Member's Home			
	Nursing Facilities	Assisted Living Homes	Group Homes	Day Treatment & Training	Supported Employment	Adult Day Health	In Home Services*	In Home Services*	In Home Respite	In Home Habilitation

ALTCs Population Users EPD & I/DD EPD DDD I/DD I/DD EPD EPD I/DD EPD & I/DD I/DD

Geographic Service Area 1 - North											
0.6%	Apache						no users				
1.2%	Coconino						no users				
3.3%	Mohave						no users				
1.1%	Navajo						no users				
3.3%	Yavapai										

Geographic Service Area 2 - Central											
0.9%	Gila										
50.6%	Maricopa - Central/East										
12.3%	Maricopa - West										
4.7%	Pinal										

Geographic Service Area 3 - South											
1.9%	Cochise						no users				
0.5%	Graham						no users				
0.1%	Greenlee						no users				
0.1%	La Paz						no users		no users		no users
15.8%	Pima										
0.9%	Santa Cruz										
2.7%	Yuma										

* Includes Attendant Care, Personal Care, Homemaker

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SECTION I: BACKGROUND

Summary of Minimum Wage Propositions

Proposition 206, the Fair Wages and Healthy Families Act, was passed in 2016 which enacted an increase in Arizona’s minimum wage from \$8.05 per hour to \$10.00 per hour effective January 1, 2017. Separately, through local Proposition 414, Flagstaff’s hourly wage was increased to \$10.50 per hour effective July 1, 2017 (later amended by the Flagstaff City Council). Proposition 206 specified that, by the year 2020, the minimum wage statewide will be \$12.00. Proposition 414 raises Flagstaff’s minimum wage at a higher rate than the statewide values up to \$15.00. Exhibit 1 below shows the minimum wage increases over time.

Proposition 206 also requires providers to offer earned paid sick time. The sick time accrues at one hour for every 30 hours worked. This means that part-time workers may also accrue paid sick time, albeit at a slower pace than full-time workers.

Exhibit 1
Timeline of Minimum Wage Changes Enacted in Prop 206 and Flagstaff Proposition

Effective January 1 in each Calendar Year	Minimum Wage Set Statewide	Minimum Wage Set Specifically for Flagstaff
CY 2017	\$10.00	\$10.50*
CY 2018	\$10.50	\$11.00
CY 2019	\$11.00	\$12.00
CY 2020	\$12.00	\$13.00
CY 2021	increase prior year value by the Consumer Price Index	\$15.00 or \$2.00 above state minimum wage, whichever is greater
CY 2022	increase prior year value by the Consumer Price Index	\$15.50 or \$2.00 above state minimum wage, whichever is greater
CY 2023	increase prior year value by the Consumer Price Index	increase prior year value by the Consumer Price Index

* First increase occurred July 1, 2017. All other Flagstaff increases will be effective January 1.

Sources

<http://www.flagstaff.az.gov/DocumentCenter/View/55667>

<http://aznha.org/wp-content/uploads/2017/03/Arizonas-Minimum-Wage-FAQ.pdf>

Overview of the ALTCS Program

The Arizona Health Care Cost Containment System (AHCCCS) is Arizona’s Medicaid agency. AHCCCS administers numerous programs to serve Arizona residents that each have unique program goals for the specific populations that are being served. One of these programs is named the Arizona Long Term Care System (ALTCS). The ALTCS program delivers services to three distinct member categories—members who are elderly and/or have physical disabilities (collectively these two groups are called the EPD population) and persons with intellectual and developmental disabilities (I/DD). In addition to medical services which are provided to every AHCCCS-eligible member, individuals enrolled in the ALTCS program are also offered non-medical services which serve as long-term supports for the

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individual. AHCCCS's goal in its administration of ALTCS is to provide these long-term supports in the least restrictive environment possible. To that end, the long-term supports may be delivered to an individual in a congregate setting such as a nursing facility, in other residential or other provider locations in the community, or in the member's home. Collectively, the long-term support services not delivered in a nursing facility are commonly referred to as home- and community-based services (HCBS).

AHCCCS conducts oversight of the ALTCS program but has agreements with other entities to administer services to AHCCCS members on a day-to-day basis. ALTCS EPD members are enrolled with one of three ALTCS contractors. Effective with the latest contract period which began October 1, 2017, three entities are under contract with AHCCCS to administer services to the ALTCS EPD members: Banner-University Family Care (Banner), Southwest Catholic Health Network Corporation dba Mercy Care Plan (Mercy Care) and UnitedHealthcare Community Plan (United). AHCCCS has a separate agreement with the Division of Developmental Disabilities within the Arizona Department of Economic Security (DES/DDD) to administer services to all ALTCS I/DD members.

The ALTCS contractors and the DES/DDD contract for the delivery of services to ALTCS members through private sector providers. Many providers deliver services to just the EPD or I/DD populations while others provide services to both populations. This most often occurs for services delivered in a member's home. The private sector providers may have a contract with more than one ALTCS contractor.

Unlike acute care services which often require licensed or credentialed providers who are paid far above minimum wage, HCBS services are often delivered by staff members who are deemed paraprofessionals and are often paid at or near minimum wage. In nursing facilities, although registered nurses (RNs) and licensed practical nurses (LPNs) are paid far above minimum wage, certified nurse aides (CNAs) are often paid near minimum wage.

Impact of the Propositions on ALTCS

It is anticipated that the Propositions may have a meaningful impact on the stability of the network of providers who deliver HCBS services in the ALTCS program because a significant number of the staff members who work for these providers are paid at or near the current minimum wage. Likewise, nursing facilities may feel financial pressures for salaries paid to CNAs.

Upon the initial enactment of the Propositions in January 2017, AHCCCS provided additional funding to pay for ALTCS services in both the managed care setting and the fee-for-service setting. Specifically, AHCCCS increased funding as follows:

- An additional \$20.3 million was added to capitation payments made to ALTCS contractors effective January 1, 2017 (for funding through June 30, 2017) for services delivered to EPD members by the health plans' providers.
- An additional \$25.1 million was added to capitation payments made to DES/DDD effective January 1, 2017 (for funding through June 30, 2017) for services delivered to I/DD members by DES/DDD providers.
- Rates paid for HCBS and Nursing Facility services delivered and paid for by AHCCCS outside of managed care in the fee-for-service system were increased as well. The anticipated cost due to these rate increases through June 30, 2017 was \$1.4 million.

For context, the expenditures for services addressed in this study delivered in Calendar Year 2016 to the EPD population were \$481 million (\$293 million for long-term nursing facility stays and \$188 million for HCBS services). For services delivered to the I/DD population during the same period, the expenditures

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totaled \$661 million. This means that there was a 4.2 percent increase to the budget for EPD members and a 3.8 percent increase in the budget for I/DD members enrolled in ALTCS at the beginning of 2017 to address the minimum wage increases at that time.

AHCCCS carefully considered the impact of the minimum wage on each service. As a result, there were varying levels of increase to rates for specific services. For example, beginning in January 2017, many HCBS services were increased by 7.0 percent but the nursing facility per diem rates were increased 3.5 percent across-the-board.

Further, many rates were increased once again on July 1, 2017 when the minimum wage increased to \$10.50 per hour in Flagstaff.

AHCCCS increased HCBS and nursing facility rates once again effective January 1, 2018 to address the change in the minimum wage to \$10.50 per hour statewide and \$11.00 per hour in Flagstaff. AHCCCS increased many HCBS service rates by 1.4 percent and nursing facility per diem rates by 0.7 percent. AHCCCS increased its rates paid in the fee-for-service system but also required its ALTCS contractors to pass on these rate increases to the providers contracted in the managed care delivery system (which is where most ALTCS members are enrolled).

Laws 2017, Chapter 305 directed AHCCCS to conduct an analysis on “the impact of provider cost increases resulting from the enactment of Proposition 206...on the adequacy of the provider network for enrollees in the Arizona Long Term Care System.” AHCCCS awarded a competitively bid contract to Burns & Associates, Inc. (B&A), a Phoenix-based health care consulting firm, to assess this impact and to submit a report to AHCCCS.

The purpose of this report is to provide baseline information on the number of providers and the number of ALTCS members using nursing facility and HCBS services by locality to assess current provider network adequacy levels. Also, now that the Propositions have taken effect, other measures that may inform pressures on provider network adequacy were examined. Finally, providers that are most impacted by the Propositions were surveyed to gauge their initial reaction to the minimum wage changes that have taken effect in CY 2017.

The remaining sections of the report describe each of these activities in more detail:

- Section II describes the methods used by B&A to measure provider network adequacy;
- Section III reports the findings on provider network adequacy for HCBS and nursing facility services;
- Section IV reports the results of the surveys administered to providers who deliver nursing facility and HCBS services to the EPD and I/DD populations; and
- Section V offers recommendations from Burns & Associates to AHCCCS and the ALTCS contractors on ways to continually monitor the impact of Proposition 206 on ALTCS members’ ability to access nursing facility and HCBS services.

The specific services that are the focus of this study include the following:

- *Nursing Facilities*- Permanent residential services to the EPD population and, in limited situations, to the I/DD population.
- *Assisted Living Homes*- Permanent residential services to the EPD population in community settings, such as a home or apartment complex.

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- *DDD Group Homes*- Permanent residential services to the I/DD population in community settings in a home setting.
- *Attendant Care, Homemaker and Personal Care*- Services delivered in an ALTCS member's home that provide services to the member or assist the member with activities of daily living.
- *Habilitation*- A service delivered to I/DD members in their home to assist with ongoing education and training on performing activities of daily living.
- *Respite*- A service provided in the ALTCS member's home to provide companion services to the member to relieve the individuals who provide natural supports (such as family members) to the ALTCS member.
- *Day Treatment and Training*- A service delivered to the I/DD population to provide meaningful educational and learning activities in a group setting.
- *Adult Day Health*- A service delivered to the EPD population to provide educational and recreational activities in a group setting.
- *Group Supported Employment*- A service delivered to the I/DD population in a small group setting to assist members with opportunities for paid employment. This service may occur in a center-based setting or in the community "on the job".

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SECTION II: METHODS USED TO ASSESS ACCESS TO HOME- AND COMMUNITY-BASED SERVICES

As part of its regular oversight of the ALTCS program, AHCCCS already collects information related to monitoring members' ability to access services covered in the program. Within its agreements with the ALTCS contractors, AHCCCS requests numerous reports that are submitted on a routine basis to AHCCCS. For this study, Burns & Associates (B&A) utilized these reports and also conducted its own analysis to assess ALTCS members' access to providers who deliver HCBS, particularly as a means to establish a baseline for the purposes of assessing the impact of the minimum wage Propositions statewide and in Flagstaff.

Reports Already Collected by AHCCCS

Network Development and Management Plan

Each ALTCS contractor submits to AHCCCS on an annual basis a *Network Development and Management Plan*. In this plan, the ALTCS contractor describes its approach to assessing its provider network, including the methodology used to identify gaps in service coverage at the individual service level. The Network Development and Management Plan is intended to cover both medical services and long-term supports such as HCBS. Current gaps are identified along with an action plan to close any gaps in service within specific geographic regions within the state that the ALTCS contractor has responsibility for ensuring coverage. The annual plan includes both a prospective outlook with a plan to ensure service coverage as well as a retrospective assessment of network adequacy in the prior year.

AHCCCS staff members review the Network Development and Management Plans and assess compliance with a policy within the AHCCCS Contractor Operations Manual (ACOM) related to network development and management. For the ALTCS program, at least 36 specific items are verified within the Network Development and Management Plans through a policy checklist against ACOM Policy 415.

As part of its ongoing oversight of the each ALTCS contractor's network, AHCCCS requires that the ALTCS contractors submit a provider roster on a quarterly basis in a specified format. In a separate AHCCCS policy (ACOM 436), there are specific requirements for maintaining a provider network across a wide variety of provider specialties. AHCCCS has recently updated ACOM 436 effective October 1, 2018 in which there are new and more specific requirements related to assisted living providers (for the EPD population) and group homes (for the I/DD population) in different localities in the state. ACOM 436 also contains time and distance requirements to access nursing facilities at the county level. The use of the ALTCS quarterly network roster submissions in this study are discussed in greater detail later in Section II.

Gap in Critical Services Log and Report

On a quarterly and biannual basis, each of the ALTCS contractors submits a *Gap in Critical Service Log*, and *Gap in Critical Service Report*. These reports focus on four services in particular—attendant care, homemaker, personal care and respite. Their purpose is to monitor and report the number of occurrences in which a member was scheduled to receive one of the four services and the service was not delivered, and evaluate the difference between authorized and received services. The ALTCS contractors are required to submit information for each situation in which a gap occurred with references to the provider agency, the member impacted, the location where the service was scheduled, the type of service, whether or not the service was ultimately delivered and, if so, by whom and when.

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AHCCCS staff track the total hours delivered for each of the four services by providers working with the ALTCS contractor and the percentage of total service hours where a gap in service was reported. Gaps in service are also tracked at the individual provider level.

Provider Terminations and Reductions in Scope

AHCCCS requires its ALTCS contractors to report on a monthly basis on two different reports actions that are taken by providers due to the rates that they are paid. The *Provider Terminations Due to Rates* report gives an accounting of any service providers that terminated their participation with the ALTCS contractor due to rates. A separate report of *Providers That Diminished Their Scope of Service and/or Closed Their Panel Due to Rates* identifies service providers who have not terminated outright but have reduced their level of participation with the ALTCS contractor. The ALTCS contractors are required to submit these reports to AHCCCS each month even if it is just to affirm that no providers terminated or reduced their scope of services.

AHCCCS staff review the reports submitted to identify trends in provider terminations or reductions in scope. It should be noted, however, that these reports are specific to reporting on provider terminations or diminished scope when the reason pertains to rates specifically. Providers may terminate or reduce their scope for reasons other than rates. Likewise, they may termination or reduce their scope but not explicitly state the reason for doing so.

Telephone Survey Report

AHCCCS requires the ALTCS contractors to conduct on a quarterly basis surveying providers who deliver attendant care, homemaker, personal care or respite services to ensure that the provider has availability after normal business hours, including weekends. The AHCCCS team reviews each ALTCS contractor's *Telephone Survey Log* to verify that the ALTCS contractor's providers are meeting the availability requirements in the AHCCCS policy.

Member Grievances

The ALTCS contractors are required to report to AHCCCS all *Member Grievances* on a monthly basis. Although an ALTCS member may grieve for any reason, the ALTCS contractors submit information on reasons for each grievance. Specific to the focus of this report, two reason codes for grievances that are reported include "no provider to meet need" and "appointment availability". The AHCCCS staff review the monthly grievance submissions to examine trends in the type of grievances over time and across ALTCS contractors.

Workforce Development

AHCCCS has created a new requirement in its October 2017 contracts with the EPD ALTCS contractors related to workforce development. Each ALTCS contractor was asked to submit a proposal on workforce development among paraprofessionals with its proposal submission for the ALTCS contract. Now that these contracts have been awarded, a designated AHCCCS liaison is working with the ALTCS contractors to solidify their plans related to workforce development, targeted goals to increase the workforce and methods to evaluate the effectiveness of their workforce development efforts.

Analysis Conducted by Burns & Associates

As part of its contractual requirements with AHCCCS, the ALTCS contractors submit information to AHCCCS on the claims paid for services rendered to its ALTCS members. When submitted to

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AHCCCS, these records are called encounters. B&A requested information from AHCCCS on encounters submitted by the ALTCS contractors for services delivered in Calendar Year (CY) 2016. AHCCCS provided the encounters for the EPD ALTCS contractors and DES/DDD provided its encounters to B&A directly for the I/DD members in ALTCS. Although it will be useful on an ongoing basis to analyze encounter data since the implementation of the Propositions, the timing of this study prevented B&A from analyzing a meaningful amount of information since the minimum wage increases first began. This is because of the timing for claims to be submitted by providers to the ALTCS contractors and then for the ALCTS contractors, in turn, to submit encounters to AHCCCS. The analysis of encounters by B&A for the CY 2016 time period, therefore, is intended to serve as a benchmark against utilization trends in the post-Proposition implementation period once sufficient information becomes available.

As stated previously, AHCCCS also receives a report on a quarterly basis from each ALTCS contractor that lists all contracted providers in its network. This is referred to as the Provider Affiliation Transmission (PAT) file. B&A utilized information from recent PAT file submissions from each ALTCS contractor to conduct its analysis.

B&A joined the data from the PAT files with the encounter data to analyze information on both ALTCS members and providers related to the services that were identified in Section I of this report.

Provider Affiliation Transmission Files

From the PAT files, B&A identified the unique number of providers for each service of interest. Providers who contract with multiple ALTCS contractors were identified to obtain a unique count of providers in the ALTCS program statewide for each service. Each ALTCS provider has a unique ID created by AHCCCS. This ID also appears on the encounters. As a result, B&A could identify not only the unique number of providers on record (the PAT file) but also the unique number of providers delivering services (the encounter file).

The PAT file also contains demographic information about each provider. B&A assigned each provider that was included in the study to a county based on the provider's service location (as opposed to, for example, their billing address). This was done so that providers could be identified on a map to assess a service coverage area. In some instances, B&A needed to validate the service location address to ensure the proper county assignment. For the services related to residential services (e.g., nursing facilities, assisted living homes and DDD group homes), the actual location of the home was identified.

There are some limitations, however, even when using the service location. For some services such as respite when the worker employed by the provider goes directly to the member's home, the worker may live a short distance from the member but the actual provider's office may be located further away. Therefore, any findings of provider service coverage areas when examining services provided in the member's home should be considered with caution. In addition to respite, this would also include other services examined in this study such as attendant care, homemaker, personal care and habilitation.

Encounter Data

Each service that was examined in this study can be identified either by the provider type given to the provider or a code identifying the service provided. The residential services in this study are identified by the provider type. In other words, AHCCCS has created a separate designation for nursing facilities,

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assisted living homes³ and DDD group homes. The encounters, therefore, can be aggregated for each of the provider types. For the residential services, the unit of measure is a day. B&A compiled from the encounter data the number of days utilized by ALTCS members in nursing facilities, assisted living centers and DDD group homes.

Some nursing facility information was excluded from the study. This study is intended to examine the utilization and access to long-term supports. Individuals may be placed in a nursing facility after a hospitalization on a temporary basis to recuperate prior to going home. Therefore, the utilization for individuals residing in a nursing facility for less than 60 days in CY 2016 was excluded from the study.

For non-residential services in the study, unique codes that identify each service were used. The Healthcare Common Procedure Coding System (HCPCS) is the nationally-recognized classification system used for, among other things, HCBS services. B&A identified the HCPCS codes for each non-residential service in the study. This list was shared with each ALTCS contractor to ensure that the list was comprehensive. With the exception of some minor additions to the list, the ALTCS contractors are using the national HCPCS codes.

B&A then aggregated the utilization for each non-residential service by HCPCS code(s). Through this process, it was determined that, in CY 2016, personal care and homemaker utilization was very low. Given low utilization rates and since these service codes are often co-mingled with attendant care, in this study, attendant care, personal care and homemaker services were joined in one group.

Some services may use multiple HCPCS codes and each is defined by a different unit of measure such as per 15 minutes, per hour or per day. When services have more than one unit of measure, B&A merged the data and formatted it into a per hour unit of measure.

It should also be noted that supported employment services may be delivered in a small group setting or may be specific to an individual ALTCS member (e.g., provided at the member's work location). For this study, the focus on supported employment services was limited to group supported employment. When provided in a group setting, the service can be delivered at a provider's service location or out in the community.

Analyses Completed on Utilization Data

Some services examined in this study are specific to the EPD population while others are specific to the I/DD population. Some services are used by both populations. In Appendix A of this report, there are ten reports that display utilization information for each service category. A summary of these reports appears in Exhibit 2 on the next page. When the service is used by the EPD and I/DD populations, B&A provides separate totals for each population.

³ It should be noted that Assisted Living Facilities are further subdivided by AHCCCS into Assisted Living Centers, Assisted Living Homes and Adult Foster Care Homes. The designations relate to the maximum number of individuals that could reside at the dwelling. In consultation with AHCCCS, it is the Assisted Living Homes that have been included by B&A in the analysis in this study.

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Exhibit 2

Summary of Reports Examining Utilization for Services in the Study

Report	Service(s)	Reported for		Service Unit of Measure	Analysis Shown Specific to this Service
		EPD	DDD		
1	Nursing Facility	X	X	Day	
2	Assisted Living Center	X	n/a	Day	
3	DDD Group Home	n/a	X	Day	
4	In Home Services*		X	Hour	Services delivered by spouse or family member reported discretely
5	In Home Services*	X		Hour	
6	Habilitation	n/a	X	Hour	
7	Respite	X	X	Hour	
8	Day Treatment & Training	n/a	X	Hour	Trips reported for distance travelled by member in mileage increments
9	Supported Employment	n/a	X	Hour	
10	Adult Day Health	X	n/a	Day	

* In Home services are reported separately for the EPD and I/DD populations for two reasons. First, in the EPD population in home services include attendant care, homemaker and personal care. In the I/DD population, the in home services include attendant care and homemaker but not personal care. A separate in home service that is unique to I/DD, Habilitation, is shown in Report 6 because it is the most commonly used in home service among the I/DD membership.

The format of most reports is the same. Information is displayed at the statewide level, the individual county level, the geographic service area (GSA) level, and the ALTCS contractor level⁴. For this report, three GSAs were defined by AHCCCS for reporting purposes:

- GSA 1 includes Apache, Coconino, Mohave, Navajo and Yavapai Counties
- GSA 2 includes Gila, Maricopa and Pinal Counties
- GSA 3 includes Cochise, Graham, Greenlee, La Paz, Pima and Santa Cruz Counties

Due to its volume, Maricopa County was further divided into two regions—Maricopa Central/East and Maricopa West.

Utilization information was tabulated for comparisons of individual counties or GSAs to the statewide average as well as county-by-county comparisons. Within each service category, the following information is reported:

- Total users of the service in CY 2016
- The percentage of users to the total ALTCS population (divided between EPD and I/DD)
- The total units used
- Units used by user in CY 2016 (e.g., for nursing facility, days per user; for attendant care, hours per user)

⁴ In CY 2016, Banner was not yet contracted with AHCCCS in the ALTCS program. Bridgeway Health Solutions was under contract. Therefore, for the CY 2016 baseline reports, information is displayed for Bridgeway but not for Banner.

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- Total payments made for the service in CY 2016
- Payments made per user of the service
- Total providers used

By capturing this information, AHCCCS can better understand the utilization of each service in the period just prior to enactment of Proposition 206 and use it as a comparative period to assess any utilization changes after Proposition 206 went into place. This information can also be reviewed on an annual basis to assess changes in utilization trends.

Additional information was captured and reported for selected services. For in-home services (attendant care, homemaker and personal care), ALTCS members have the option to use a spouse or a family member to provide the in-home support needed if the spouse/family member becomes employed by the agency provider. In a study measuring access to services, it is important to know the degree to which the in-home services are provided by spouses or family members since this should mitigate potential access concerns. As a result, the percentage of the time that these in-home services are provided by a spouse or family member is reported.

For programs supporting people during the day outside of the home (day treatment and training or supported employment for the I/DD members and adult day health for EPD members), the ALTCS member needs to travel to the provider's location. The number of unique member-to-provider trips was also determined. For example, an ALTCS member may go to the same day treatment and training program five days per week and 50 weeks per year. For this member, only one trip was tested for driving distance and not all 250 trips (250 days of service). B&A utilizes Google Distance Matrix or BING web services to obtain the driving distance information by means of latitude and longitude coordinates for the member's home and the service provider's location.

The average driving distance was computed for ALTCS members within each county for each service. Also, the trips that were tested for driving distance were divided into groups by distance travelled: up to 10 miles, 11 to 20 miles, 21 to 50 miles and over 50 miles.

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SECTION III: FINDINGS RELATED TO NETWORK ADEQUACY FOR HOME- AND COMMUNITY-BASED AND NURSING FACILITY SERVICES

In Section II of this report, the various sources of data that were used to make an assessment of network adequacy were identified. In Section III, B&A summarizes its findings from the review of each data source. Upon review of all of the data sources in totality, our assessment is that the change in the minimum wage effective January 1, 2017 has not materially impacted ALTCS members' access to nursing facility or HCBS. As the minimum wage increases over time, however, there are areas that merit enhanced oversight. Specific areas that are identified as potential "watch items" are revealed in the findings of individual data sources described below.

Findings from the Reports Compiled by AHCCCS

None of the findings from the reports submitted by the ALTCS contractors to AHCCCS indicate a specific concern related to access to ALTCS HCBS and nursing facility services as a result of the minimum wage increase. B&A's review of each data source is summarized below.

ALTCS Contractor Network Development and Management Plans

B&A reviewed each ALTCS contractor's Network Development and Management Plan for Calendar Year (CY) 2018. The reporting of the number of providers within specific mileage thresholds is not being reported by the ALTCS contractors for HCBS services as it is being done for many acute care providers. [B&A has independently conducted this analysis. The results appear at the end of this section of the report.] Effective October 2018, AHCCCS will be requiring time and distance standards for the availability of nursing facilities (e.g. 90% of members have access to a nursing facility within 30 miles in Maricopa County). Although there are not time and distance standards specifically, AHCCCS does require specific numbers of assisted living facilities and DDD group homes within jurisdictions in the state. Therefore, B&A expects that the information on HCBS providers will be strengthened in the CY 2019 Network Development and Management Plan submissions.

Notwithstanding the fact that specific counts of HCBS providers are listed in the Network Development and Management Reports, the ALTCS contractors have identified procedures in their documents to ensure network adequacy as required by AHCCCS such as:

- The methodology to identify network gaps and the actual gaps identified;
- The interventions used to fill network gaps and barriers to these interventions;
- The process to evaluate the interventions;
- A description of the network design for populations with special health care needs, such as ALTCS members; and
- Strategies that the ALTCS contractor will take to provide members with in-home HCBS services versus placement in an assisted living facility or nursing facility.

Most importantly, the ALTCS contractors are providing quarterly network adequacy report to AHCCCS to comply with ACOM 436 in order to prove compliance with network standards required for each provider category.

ALTCS Contractor Workforce Development Plans

Because workforce development plans are a new requirement of the ALTCS EPD contractors effective October 1, 2017, the plans are still in their infancy and are undergoing greater refinement as of the start of

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CY 2018. AHCCCS is facilitating coordination of these plans across the ALTCS EPD contractors and will be conducting ongoing monitoring of each contractor's adherence to its plan.

As of the start of CY 2018, some of the efforts put forth by each ALTCS EPD contractor include the following:

- Banner has hired a full-time Workforce Development Administrator who will focus on recruitment, hiring, development and retention of the paraprofessional workforce. Six specific strategies have been outlined which include developing a monitoring and training plan and workforce training and development materials.
- Mercy Care has identified the need for between 6,000 and 10,000 new paraprofessionals to serve its members in the next few years. To enhance its current labor force, Mercy Care is allocating a minimum of \$2 million plus value-based incentives over the next five years to help meet this need. Targeted workforce increases, recruitment efforts, training and retention incentives have been identified.
- United had already begun a pilot for a value-based payment model for HCBS and intends to update and refine the model to expand it more broadly. The model will require a percentage of any bonus payment paid out to the provider be shared with the staff member. United is also working to incentivize home health agencies to add attendant care to their scope of practice which will include some scholarships to smaller agencies. Another strategy under consideration is offering transportation for the staff worker to the ALTCS member's home in rural areas.

Gaps in Care Reports

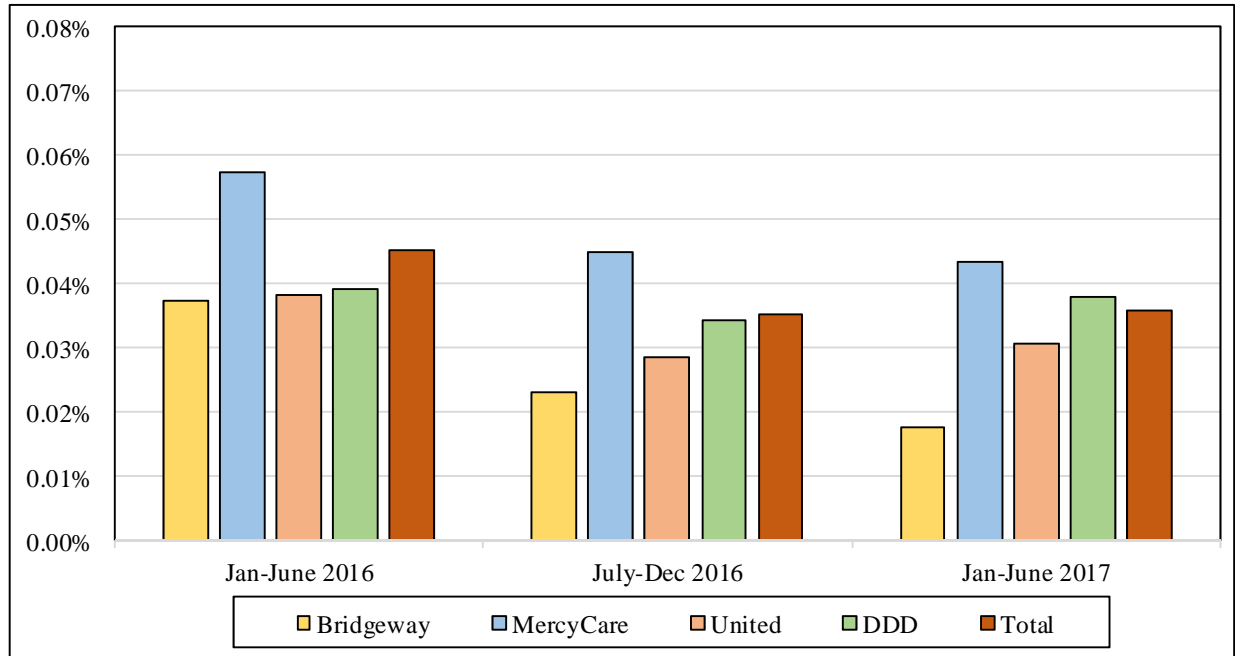
As seen in Exhibit 3 below, the number of occurrences of gap in service hours is extremely low. Among over ten million hours of service delivered in each of the six-month periods shown, there is usually less than one half of one percent of total hours (less than 5,000 hours) where a gap in service was reported. The trend is also consistent for each ALTCS contractor.

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Exhibit 3

Gap in Service Hours as a Percentage of Total Service Hours For Attendant Care, Homemaker, Personal Care and Respite Services Provided from January 2016 to June 2017



Telephone Survey Reports

Telephone survey reports submitted to AHCCCS go beyond the providers included in this study and also include other providers deemed “critical”. For the last two semi-annual audits conducted, each ALTCS contractor reported either full compliance for its providers with respect to availability or less than five providers that were non-compliant who were then put on a corrective action plan.

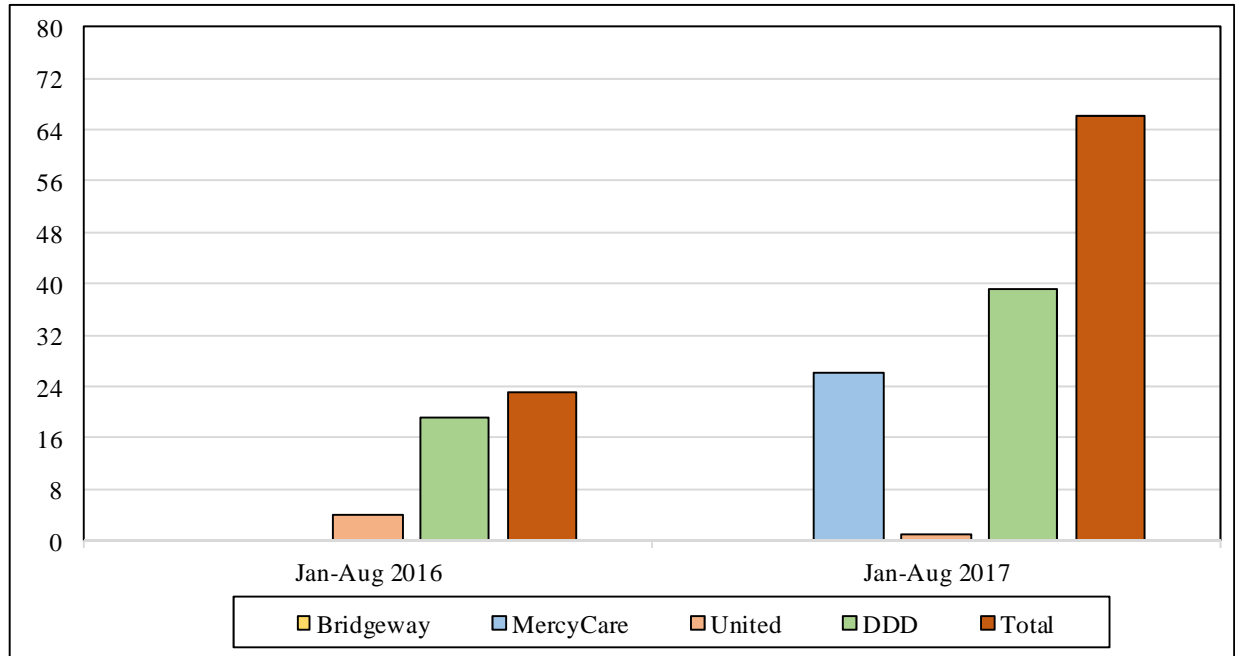
Member Grievance Reports

When comparing year-over-year change in member grievances related to provider accessibility, there has been an increase in the first eight months of CY 2017 (66 total grievances) compared to the first eight months of CY 2016 (23 total grievances). With an average monthly ALTCS enrollment of just over 56,000, however, even in the CY 2017 this equals just 0.15 grievances per 1,000 member months.

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Exhibit 4
Total Grievances from ALTCS Members
For Reasons "No Provider To Meet Need" or "Appointment Availability"
January - August 2016 Compared to January - August 2017



Provider Terminations and Reductions in Service Due to Rates

In the last six months of CY 2016, only two ALTCS providers terminated due to what they perceived as insufficient rate reimbursement. Both providers were contracted with DES/DDD. In the first six months of CY 2017, five providers have terminated. Of these, four were contracted with DES/DDD and one with United.

During the last six months of CY 2016, no providers diminished their scope or closed their member panel due to rates. In the first six months of CY 2017, only one provider contracted with DES/DDD has done so. No EPD providers have done this.

Findings from the Independent Analysis Completed by Burns & Associates

B&A used enrollment and utilization data to build a baseline from which AHCCCS and its ALTCS contractors could assess access to nursing facility and HCBS services to determine if changes in the minimum wage in the future threaten providers' ability to deliver services.

Due to the required submission date of this report, it was not possible to collect enough meaningful data since the Propositions took effect to determine findings that could be projected forward. This is because it takes time for claims to be submitted by providers to the ALTCS contractors and to DES/DDD and then for the ALTCS contractors and DES/DDD to submit the encounters to AHCCCS. It is important, however, to understand the baseline data prior to the Propositions going into effect because the service utilization today is not always consistent across the state. Therefore, if utilization patterns differ across counties in the future, for example, this may not be directly attributable to the minimum wage changes but may represent historical utilization patterns.

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In order to understand the nuances of ALTCS member utilization for the services in this study, the findings below represent B&A's analysis of:

- The profile of ALTCS members across the state
- Patterns in the users for each service examined among ALTCS members across the state
- Information regarding how some services are accessed across the state

Once the utilization itself was examined, B&A cross-tabulated users of each service with the location of providers who deliver each service to build a dashboard that assesses the level of access to each service at the county level.

Profile of ALTCS Members

Exhibit 5 on the next page shows the enrollment of ALTCS members by county, by geographic service area and by ALTCS contractor in CY 2016.⁵ The EPD members comprised 54.1 percent of all ALTCS members and the I/DD members comprised 45.9 percent of the total. Just under two-thirds of all ALTCS members live in Maricopa County and 16 percent live in Pima County. Ten percent of ALTCS members live in the northern counties in GSA 1 and six percent of ALTCS members live in southern counties other than Pima in GSA 3.

DES/DDD has the enrollment for the entire I/DD population. The other three contractors split the enrollment among the EPD population. Bridgeway had 20 percent of all EPD members while Mercy Care and United each had 40 percent of all EPD members in CY 2016.

Users of Each Service

Exhibits 6, 7 and 8 appear on pages 17 through 19 and show the percent of ALTCS members within each county that used the service being examined. Exhibit 6 displays information on the residential services (nursing facility, assisted living and DDD group homes). Exhibit 7 displays information on community-based services used by the EPD population. Exhibit 8 displays information on community-based services used by the I/DD population. The findings from each exhibit appear on the page accompanying the exhibit.

⁵ Throughout this section, information will be shown for Bridgeway since it was under contract with ALTCS during CY 2016 and not Banner since it was not under contract until October 1, 2017.

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Exhibit 5

**Composition of ALTCS Membership in Calendar Year 2016
By Enrollment Category, By County and by ALTCS Contractor**

	EPD ALTCS Members	I/DD ALTCS Members	Total ALTCS Members	Percent EPD Members	Percent I/DD Members	Percent Total Members
STATEWIDE TOTAL	30,653	26,016	56,669	100.0%	100.0%	100.0%
	54.1%	45.9%	100.0%			
GSA 1 - Subtotal	3,066	2,292	5,358	10.0%	8.8%	9.5%
Apache	92	243	335	0.3%	0.9%	0.6%
Coconino	274	417	691	0.9%	1.6%	1.2%
Mohave	1,319	547	1,866	4.3%	2.1%	3.3%
Navajo	288	316	604	0.9%	1.2%	1.1%
Yavapai	1,093	769	1,862	3.6%	3.0%	3.3%
GSA 2 - Subtotal	20,287	18,545	38,832	66.2%	71.3%	68.5%
Gila	344	186	530	1.1%	0.7%	0.9%
Maricopa	18,748	16,889	35,637	61.2%	64.9%	62.9%
Maricopa - Central/East	14,883	13,799	28,682	48.6%	53.0%	50.6%
Maricopa - West	3,865	3,090	6,955	12.6%	11.9%	12.3%
Pinal	1,195	1,470	2,665	3.9%	5.7%	4.7%
GSA 3 - Subtotal	7,297	5,175	12,472	23.8%	19.9%	22.0%
Cochise	661	410	1,071	2.2%	1.6%	1.9%
Graham	145	134	279	0.5%	0.5%	0.5%
Greenlee	6	39	45	0.0%	0.1%	0.1%
La Paz	38	32	70	0.1%	0.1%	0.1%
Pima	5,114	3,838	8,952	16.7%	14.8%	15.8%
Santa Cruz	348	178	526	1.1%	0.7%	0.9%
Yuma	985	544	1,529	3.2%	2.1%	2.7%
By ALTCS Contractor						
DES/DDD	0	26,016	26,016	0.0%	100.0%	45.9%
Bridgeway	6,207	0	6,207	20.2%	0.0%	11.0%
Mercy Care	12,160	0	12,160	39.7%	0.0%	21.5%
United	12,286	0	12,286	40.1%	0.0%	21.7%

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On a statewide basis, 23.1 percent of ALTCS EPD members used nursing facility services as their regular home. (Individuals who are temporarily placed in a nursing facility to rehabilitate for 60 days or less were excluded from the study.) Within the I/DD population, only 0.3 percent of members used this service so the data is not shown in the exhibit. Only 9.9 percent of EPD members used assisted living while 11.2 percent of I/DD members used group homes.

When examining the nursing facility service, there are some counties that have far fewer users while others have far more users than the statewide average. These are color-coded in the exhibit. Lower usage may be indicative of the lack of providers (nursing homes) in the county. There are no counties that are disproportionately high or low for assisted living. Two counties are higher than average for DDD group homes, but no counties are much lower than the statewide average.

Exhibit 6
Distribution of ALTCS Users of Residential Services in Calendar Year 2016
By Enrollment Category and By County

	EPD ALTCS Members	Percent Who Used Nursing Facilities	Percent Who Used Assisted Living Homes	I/DD ALTCS Members	Percent Who Used Group Homes
STATEWIDE TOTAL	30,653	23.1%	9.9%	26,016	11.2%
GSA 1 - Subtotal	3,066	21.4%	4.5%	2,292	20.1%
Apache	92	2.2%	6.5%	243	23.5%
Coconino	274	7.7%	10.2%	417	39.6%
Mohave	1,319	23.7%	3.1%	547	9.0%
Navajo	288	17.7%	1.7%	316	18.0%
Yavapai	1,093	24.6%	5.3%	769	17.2%
GSA 2 - Subtotal	20,287	22.8%	9.3%	18,545	9.2%
Gila	344	50.0%	8.1%	186	20.4%
Maricopa	18,748	23.0%	9.5%	16,889	9.3%
Maricopa - Central/East	14,883	21.6%	9.3%	13,799	9.9%
Maricopa - West	3,865	28.4%	10.2%	3,090	6.9%
Pinal	1,195	11.6%	6.7%	1,470	6.7%
GSA 3 - Subtotal	7,297	24.7%	13.7%	5,175	12.6%
Cochise	661	32.1%	9.2%	410	18.8%
Graham	145	48.3%	2.8%	134	9.0%
Greenlee	6	0.0%	16.7%	39	2.6%
La Paz	38	0.0%	0.0%	32	9.4%
Pima	5,114	24.8%	16.4%	3,838	12.9%
Santa Cruz	348	0.0%	10.3%	178	8.4%
Yuma	985	25.4%	6.0%	544	9.4%

Low Outlier County Any county where percent of users is more than 10% below statewide
High Outlier County Any county where percent of users is more than 10% above statewide

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Exhibit 7 shows the results for community-based services for the EPD population. While many ALTCS EPD members use attendant care, personal care or homemaker services (42.3% statewide), far fewer use respite (7.7% statewide) or adult day health (1.6% statewide). Some counties have members that use fewer attendant care, personal care and homemaker (Coconino and Mohave) while others use much more (Pinal, Greenlee and Santa Cruz). There is general similarity across counties for member use of respite and adult day health when compared to the statewide average with the exception that Pinal County members use much more respite than the statewide average.

**Exhibit 7
Distribution of ALTCS EPD Users of Community-Based Services in Calendar Year 2016
By County**

	EPD ALTCS Members	Percent Who Used Attendant Care, Personal Care or Homemaker	Percent Who Used Respite	Percent Who Used Adult Day Health
STATEWIDE TOTAL	30,653	42.3%	7.7%	1.6%
GSA 1 - Subtotal	3,066	36.5%	8.1%	1.1%
Apache	92	40.2%	4.3%	0.0%
Coconino	274	24.8%	4.0%	0.0%
Mohave	1,319	31.9%	7.5%	0.0%
Navajo	288	49.3%	9.7%	0.0%
Yavapai	1,093	41.4%	9.6%	3.0%
GSA 2 - Subtotal	20,287	22.3%	7.3%	2.0%
Gila	344	32.6%	4.4%	0.3%
Maricopa	18,748	41.3%	6.4%	2.1%
Maricopa - Central/East	14,883	39.3%	6.0%	2.2%
Maricopa - West	3,865	48.9%	8.1%	1.8%
Pinal	1,195	71.2%	21.1%	1.3%
GSA 3 - Subtotal	7,297	42.9%	8.8%	0.8%
Cochise	661	48.4%	12.3%	0.0%
Graham	145	33.1%	1.4%	0.0%
Greenlee	6	100.0%	0.0%	0.0%
La Paz	38	50.0%	7.9%	0.0%
Pima	5,114	39.6%	7.7%	0.8%
Santa Cruz	348	76.1%	16.1%	0.0%
Yuma	985	45.5%	10.6%	2.1%

Low Outlier County Any county where percent of users is more than 10% below statewide
High Outlier County Any county where percent of users is more than 10% above statewide

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Exhibit 8 is displayed in the same manner as Exhibit 7 but shows information on the use of community-based services among the I/DD ALTCS members. On a statewide basis, fewer I/DD members are using attendant care, personal care and homemaker than the EPD members, but they are using habilitation instead (habilitation is a service specific to the I/DD population). The I/DD members also use much more respite (62.2% of all members) than do EPD members (7.7% of members). Services during the day are much more prevalent among I/DD members as well such as day treatment and training (38.6% of members) and supported employment (12.8% of members).

There are differences seen, however, in service use particularly for habilitation and respite. Members in Maricopa County are driving the statewide values and, as a result, the counties in GSAs 1 and 3 show a significantly lower percentage of members using these two services. The opposite is true, however, for some GSA 1 and 3 counties with respect to day treatment and training and supported employment.

Exhibit 8
Distribution of ALTCS I/DD Users of Community-Based Services in Calendar Year 2016
By County

	I/DD ALTCS Members	Percent Who Used Attendant Care, Personal Care or Homemaker	Percent Who Used Habilitation	Percent Who Used Respite	Percent Who Used Day Treatment and Training	Percent Who Used Supported Employment
STATEWIDE TOTAL	26,016	19.0%	47.0%	62.2%	38.6%	12.8%
GSA 1 - Subtotal	2,292	23.1%	27.2%	45.7%	47.2%	19.1%
Apache	243	23.5%	16.9%	49.4%	42.4%	3.7%
Coconino	417	19.9%	28.3%	41.2%	54.2%	19.7%
Mohave	547	19.2%	21.4%	33.1%	42.6%	16.6%
Navajo	316	21.5%	18.0%	46.8%	44.9%	21.5%
Yavapai	769	28.2%	37.7%	55.5%	49.0%	24.4%
GSA 2 - Subtotal	18,545	19.3%	54.9%	68.2%	36.5%	10.0%
Gila	186	18.3%	33.9%	47.3%	56.5%	15.1%
Maricopa	16,889	19.5%	55.9%	68.8%	36.9%	9.5%
Maricopa - Central/East	13,799	17.9%	54.0%	63.8%	34.8%	9.6%
Maricopa - West	3,090	26.6%	64.5%	91.3%	46.0%	9.5%
Pinal	1,470	17.1%	46.1%	63.8%	29.2%	15.2%
GSA 3 - Subtotal	5,175	15.7%	25.6%	46.2%	40.4%	18.5%
Cochise	410	6.6%	18.0%	26.1%	40.2%	24.4%
Graham	134	5.2%	20.1%	40.3%	38.8%	27.6%
Greenlee	39	15.4%	5.1%	46.2%	51.3%	38.5%
La Paz	32	0.0%	0.0%	3.1%	50.0%	6.3%
Pima	3,838	16.9%	27.2%	46.1%	42.4%	17.8%
Santa Cruz	178	19.7%	33.1%	42.7%	26.4%	17.4%
Yuma	544	16.5%	22.1%	66.9%	30.1%	16.9%

Low Outlier County Any county where percent of users is more than 10% below statewide

High Outlier County Any county where percent of users is more than 10% above statewide

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Accessing Services

For services delivered in the member's home—specifically attendant care, personal care and homemaker—ALTCS members have the option to use a spouse or a family member to deliver the service provided that the spouse or family member is employed by the agency.⁶ B&A examined the rate at which ALTCS members use attendant care, personal care or homemaker delivered by family members or non-family members.

In Exhibit 9, it shows that almost 58 percent of in-home services to EPD members are delivered by spouse or family members. A higher concentration of this is occurring in Maricopa County.

Exhibit 9
Type of Staff Used for In-Home Services Delivered to ALTCS EPD Members in CY 2016
By County

	Attendant Care, Personal Care or Homemaker Hours Delivered	Percent Delivered by Non-Family Member	Percent Delivered by Spouse	Percent Delivered by Family Member Living in the Member's Home	Percent Delivered by Family Member Living Outside the Member's Home
STATEWIDE TOTAL	10,257,021	41.9%	8.5%	36.4%	13.3%
GSA 1 - Subtotal	467,871	55.7%	14.2%	24.4%	5.7%
Apache	13,271	24.8%	27.2%	26.4%	21.6%
Coconino	25,762	69.8%	10.1%	18.5%	1.7%
Mohave	133,379	56.5%	12.2%	24.5%	6.9%
Navajo	45,867	39.4%	21.1%	23.6%	15.9%
Yavapai	249,593	58.5%	13.7%	25.0%	2.8%
GSA 2 - Subtotal	7,948,397	39.2%	8.6%	38.6%	13.6%
Gila	73,477	54.7%	6.9%	28.4%	10.0%
Maricopa	7,119,302	38.4%	8.1%	39.7%	13.8%
Maricopa - Central/East	5,306,549	39.5%	7.6%	38.7%	14.3%
Maricopa - West	1,812,753	35.2%	9.6%	42.7%	12.4%
Pinal	755,619	45.7%	13.1%	29.1%	12.1%
GSA 3 - Subtotal	1,837,511	49.7%	7.0%	29.8%	13.6%
Cochise	224,929	62.5%	8.3%	18.6%	10.6%
Graham	28,723	58.4%	3.8%	31.8%	6.0%
Greenlee	4,366	28.9%	22.7%	0.0%	48.4%
La Paz	5,713	67.7%	13.9%	2.3%	16.1%
Pima	1,326,041	46.2%	6.3%	33.2%	14.3%
Santa Cruz	83,170	51.2%	6.8%	25.8%	16.2%
Yuma	164,570	58.1%	10.3%	20.2%	11.4%

⁶ Within the I/DD program, members may also self-direct their services and go outside of the agency model and use independent providers or family members. The independent provider program is outside the scope of this study.

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Exhibit 10 shows the same information on staffing for attendant care, personal care and homemaker for the I/DD members that was shown in Exhibit 9 for the EPD members. The percentage of hours delivered by non-related individuals is higher for the I/DD population than the EPD population due to lower use of staffing by spouses and family members living outside the home. The statewide average of hours staffed by family members living in the ALTCS member’s home is similar among I/DD members (34.4% of all hours delivered) to the EPD members (36.4% of all hours). Trends are also similar between EPD and I/DD in GSAs 1 and 2 on this statistic, but I/DD members in GSA 3 have fewer hours delivered by family members than the EPD members in GSA 3.

Exhibit 10
Type of Staff Used for In-Home Services Delivered to ALTCS I/DD Members in CY 2016
By County

	Attendant Care, Personal Care or Homemaker Hours Delivered	Percent Delivered by Non-Family Member	Percent Delivered by Spouse	Percent Delivered by Family Member Living in the Member's Home	Percent Delivered by Family Member Living Outside the Member's Home
STATEWIDE TOTAL	5,212,239	59.5%	0.3%	34.4%	5.8%
GSA 1 - Subtotal	495,842	71.6%	0.0%	23.7%	4.7%
Apache	42,923	91.1%	0.0%	6.7%	2.2%
Coconino	77,436	95.4%	0.0%	4.6%	0.0%
Mohave	88,817	93.5%	0.0%	3.8%	2.6%
Navajo	51,742	67.6%	0.0%	27.0%	5.4%
Yavapai	234,924	52.8%	0.0%	39.8%	7.3%
GSA 2 - Subtotal	3,864,432	52.0%	0.4%	41.3%	6.4%
Gila	55,070	31.8%	0.0%	66.8%	1.4%
Maricopa	3,559,310	51.8%	0.4%	41.5%	6.3%
Maricopa - Central/East	2,631,006	53.8%	0.4%	39.6%	6.2%
Maricopa - West	928,304	46.2%	0.3%	46.9%	6.6%
Pinal	250,053	58.8%	0.0%	33.1%	8.2%
GSA 3 - Subtotal	830,579	87.0%	0.0%	9.1%	3.9%
Cochise	14,594	99.9%	0.0%	0.1%	0.0%
Graham	3,686	100.0%	0.0%	0.0%	0.0%
Greenlee	4,192	100.0%	0.0%	0.0%	0.0%
La Paz	0	0.0%	0.0%	0.0%	0.0%
Pima	723,290	86.2%	0.0%	9.4%	4.5%
Santa Cruz	22,551	91.0%	0.0%	9.0%	0.0%
Yuma	62,267	90.0%	0.0%	9.3%	0.8%

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As another way to measure access, B&A computed the average driving distance for ALTCS members to receive community-based services delivered during the day. For the I/DD members, this includes day treatment and training and supported employment. For the EPD members, this includes adult day health.

The average driving distance for each of these services is at or below 15 miles but this weighted average is driven by the volume in Maricopa and Pima Counties. For day treatment and training, the average driving distance was below 30 miles in all counties except for Navajo, Gila and La Paz. For supported employment, average driving distance was below 30 miles in all counties where data was available except for Gila. Adult day health is only offered in certain counties. For where it is offered, the average driving distance is below 30 miles except for a few hours delivered to members in Gila County.

Exhibit 11
Average Driving Distance Travelled by Members for Community Services Received During the Day
Utilization in CY 2016 by County

	Day Treatment and Training Hours for I/DD Members	Average Driving Distance	Supported Employment Hours for I/DD Members (Center-Based and Group)	Average Driving Distance	Adult Day Health Hours for EPD Members	Average Driving Distance
STATEWIDE TOTAL	10,040,876	15.7	2,789,012	13.4	48,540	9.7
GSA 1 - Subtotal	1,173,096	19.7	271,707	13.2	2,894	16.9
Apache	142,166	14.3	9,714	*	0	N/A
Coconino	293,083	18.6	50,676	19.2	0	N/A
Mohave	210,271	19.0	39,633	1.4	0	N/A
Navajo	161,141	49.4	47,818	18.1	0	N/A
Yavapai	366,436	21.8	123,867	12.1	2,894	16.9
GSA 2 - Subtotal	6,719,645	14.6	1,550,241	13.8	41,202	8.4
Gila	134,020	34.9	13,007	72.7	48	77.5
Maricopa	6,146,101	14.5	1,332,362	11.3	39,284	7.7
Maricopa - Central/East	4,640,394	14.4	1,154,474	10.5	32,911	7.6
Maricopa - West	1,505,707	15.0	177,888	19.5	6,373	8.1
Pinal	439,524	12.5	204,873	34.2	1,870	26.0
GSA 3 - Subtotal	2,032,167	16.8	967,063	12.3	4,444	10.2
Cochise	177,604	12.7	77,613	79.3	0	N/A
Graham	29,443	13.7	35,520	*	0	N/A
Greenlee	13,122	15.2	12,733	*	0	N/A
La Paz	13,636	40.3	691	*	0	N/A
Pima	1,563,662	17.8	730,882	11.7	2,373	10.5
Santa Cruz	58,171	18.1	37,277	*	0	N/A
Yuma	176,529	11.6	72,348	8.5	2,071	9.3

* Data not available to compute average driving distance. N/A = not applicable since no members used the service.

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Access Dashboard

By measuring average driving distance, B&A was able to compute accessibility to the providers chosen by the ALTCS member. B&A also wanted to assess the overall availability of providers for each service among the ALTCS members utilizing each service. Using the provider service location data, B&A plotted each provider on a map. For non-residential services, the home addresses of the ALTCS members who used each service in CY 2016 were then plotted on the map. A service catchment area was defined around each provider to determine, for example, the number of ALTCS members residing within 20 miles of a provider's service catchment area. For the rural counties of the state, a 40 mile catchment area was defined for each provider.

The dashboard which appears on Exhibit 12 on the next page synthesizes our analysis of provider access for ten service categories and 16 regions (the 15 counties in the state but Maricopa divided into two parts). This means that an assessment was made on provider access for 160 unique situations (10 services x 16 regions). The dashboard is divided into three service groups—residential services in provider-owned homes, services in which the ALTCS member goes to the provider service location and services in which the provider goes to the ALTCS member's home.

For the services in provider-owned homes, a geographic service area is not logical since the ALTCS member lives at the provider's service location. For these three services (nursing facilities, assisted living homes and DDD group homes), the assessment shown on the dashboard is as follows:

- A green means more than one provider is in the location being examined
- A yellow means that one provider is in the location being examined
- A red means that no providers are in the location being examined

For the other service categories, "service areas" were defined by finding each provider's location and drawing a radius around the provider on the map. In GSA 2, the radius drawn is 20 miles. In GSAs 1 and 3, the radius drawn is 40 miles. The ALTCS members who use each service were then plotted on a map based on their home residence. The number of users of each service was then reviewed to determine how many were in any provider's defined service area. The assessment of these services on the dashboard, therefore, is as follows:

- A green means that 90 percent or more of users in the location being examined reside within a provider's defined service area
- A yellow means 50 to 89 percent of users in the location being examined reside within a provider's defined service area
- A red means that less than 50 percent of users in the location being examined reside within a provider's defined service area




Among the 160 unique situations that were assessed, there are 127 green squares (79.4% of total), nine yellow squares (5.6% of the total), 14 red squares (8.7% of the total) and 10 that were not assessed (6.2% of the total) because there were no users of that service in the county. Of the 23 red or yellows squares, 10 are in GSA 1, three are in GSA 2 and ten are in GSA 3. By service category, 13 are related to provider-owned homes, three are related to provider community-based locations, and seven are related to services in the member's home. For the in-home services, B&A recognizes that there are limitations in this assessment. For example, a provider delivering respite may have a service location in Phoenix. However, if the ALTCS member lives in Apache County and the respite worker also lives in Apache County, B&A was limited to plotting the member outside of the provider's service area because the home address of the worker providing respite is not known.

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**Exhibit 12
Dashboard of Access to Provider Services**







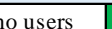








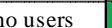


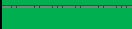

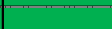
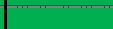


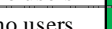

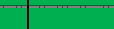






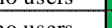











Legend for Designation of Level of Provider Access




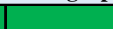







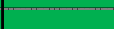

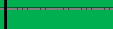
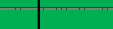



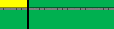





















	<i>For Provider-owned Homes</i>	<i>For Other Services</i>
 Sufficient Access	More than one provider in county	90% or more of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.
 Limited Access	One provider in county	50-89% of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.
 Very Limited or No Access	No provider in county	Less than 50% of members using the service reside within specified miles of a provider delivering service. In GSA 2, within 20 miles of the provider. In GSAs 1 and 3, within 40 miles of the provider.







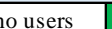








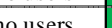








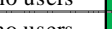

















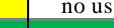


















Pct of ALTCS Enrolled	Provider-owned Residence			Services at Provider Locations			Services Provided in the Member's Home			
	Nursing Facilities	Assisted Living Homes	Group Homes	Day Treatment & Training	Supported Employment	Adult Day Health	In Home Services*	In Home Services*	In Home Respite	In Home Habilitation

ALTCS Population Users

EPD & I/DD EPD DDD I/DD I/DD EPD EPD I/DD EPD & I/DD I/DD

Geographic Service Area 1 - North											
0.6%	Apache						no users				
1.2%	Coconino						no users				
3.3%	Mohave						no users				
1.1%	Navajo						no users				
3.3%	Yavapai										

Geographic Service Area 2 - Central											
0.9%	Gila										
50.6%	Maricopa - Central/East										
12.3%	Maricopa - West										
4.7%	Pinal										

Geographic Service Area 3 - South											
1.9%	Cochise						no users				
0.5%	Graham						no users				
0.1%	Greenlee						no users				
0.1%	La Paz						no users		no users		no users
15.8%	Pima										
0.9%	Santa Cruz										
2.7%	Yuma										

* Includes Attendant Care, Personal Care, Homemaker

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SECTION IV: PROVIDER FEEDBACK RELATED TO PROPOSITION 206

The providers who deliver services within the scope of this study were surveyed to gain insight into how Proposition 206 has impacted the management of their business and their ongoing participation in the ALTCS program. A survey instrument was created by B&A in cooperation with AHCCCS that was administered to providers who deliver services to the EPD population. This survey was in the field from November 17 to December 29, 2017. The Department of Economic Security's Division of Developmental Disabilities (DES/DDD) had conducted a survey of its providers in the late summer of 2017 already. The results of this survey are incorporated into the findings in this section of the report along with the results of the EPD survey. Appendix B of the report contains a copy of the EPD survey instrument. Appendix C of the report contains a copy of the DES/DDD survey instrument.

Defining the Providers to Survey

The DES/DDD survey was sent to all agency providers who contract with the DES/DDD for the services in this study without any exclusion. The B&A survey for EPD providers was limited to those providers who were paid a minimum of \$75,000 in CY 2016 for the services included in this study. If a provider was contracted with more than one ALTCS contractor, payments from all ALTCS contractors were combined to run the test. Although all EPD providers were sent the same survey to complete, for reporting purposes the responses were tabulated for three discrete provider groups—nursing facilities, assisted living providers and non-residential HCBS providers.

Survey Administration and Response Rate

For both the EPD survey and the DES/DDD survey, providers were sent an email requesting participation to complete the survey. For the EPD survey, providers were directed to a website to fill in their responses to the survey questions online. For the DES/DDD survey, providers were asked to complete a fillable PDF form and to submit the form back to the Division. In both surveys, the responding provider was asked to identify themselves.

In total, 424 providers were sent the EPD survey and 349 providers were sent the DES/DDD survey. The response rates were 27.6 percent and 63.3 percent, respectively. In addition to tracking the response rate based on number of providers, the responses were tracked based on the payments made to these providers. When using CY 2016 payments as the method to track the response rate for each survey, the response rates were higher for both surveys. For the EPD survey, the response rate was 55.9 percent; for the DES/DDD survey, 85.8 percent. Refer to Exhibit 13 on the next page for the results of the survey response rates.

Among the providers who were sent the EPD survey, the response rates by provider type were 35.1 percent for HCBS providers (52.1% of payments), 41.3 percent for nursing facilities (60.8% of payments) and 17.4 percent for assisted living providers (17.1% of payments).

Although individual nursing facility locations are each considered a unique provider by AHCCCS, many are owned by a parent organization. B&A outreached to each of these parent organizations to obtain responses on behalf of all of the nursing facilities that they owned. In some situations, the parent organization responded on behalf of all of their facilities. In other situations, each nursing facility site responded separately. Regardless, the response rate shown for nursing facilities is at the individual location level and not at the parent entity level.

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Exhibit 13

Response Rate from Surveys Administered by Burns & Associates and DES/DDD

Provider Type	Surveyed	Responded	Percent Responded
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Based on Count of Unique Providers

All EPD Providers	424	117	27.6%
HCBS Providers Only	74	26	35.1%
Nursing Facilities Only	126	52	41.3%
Assisted Living Homes Only	224	39	17.4%
All DDD Providers	349	221	63.3%

Based on Payments Made in CY 2016 to Surveyed Providers

All EPD Providers	\$506,811,333	\$283,065,806	55.9%
HCBS Providers Only	\$171,760,230	\$89,543,827	52.1%
Nursing Facilities Only	\$311,862,865	\$189,552,183	60.8%
Assisted Living Homes Only	\$23,188,238	\$3,969,796	17.1%
All DDD Providers	\$666,100,170	\$571,306,715	85.8%

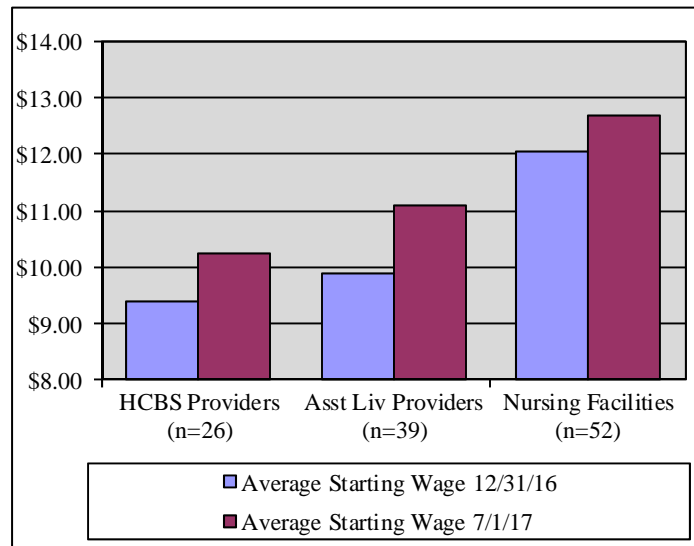
Findings from the EPD Survey

As a result of the minimum wage increases mandated by the Propositions, the average starting wage for paraprofessional staff increased significantly for those employed by HCBS provider agencies and assisted living providers since their wages were below the minimum \$10.00 threshold set for January 1, 2017. There was less of an increase among staff in nursing facilities since their average starting wage was already well above the \$10.00 per hour requirement.

Exhibit 14

Change in Average Starting Wage for Paraprofessional Staff

Exhibit 14 shows that between December 31, 2016 and July 1, 2017, the average hourly wage for paraprofessional staff increased 9.4 percent among HCBS providers (from \$9.38 to \$10.26) and 12.4 percent among assisted living providers (from \$9.88 to \$11.11) but only 5.2 percent among nursing facilities (from \$12.05 to \$12.68).

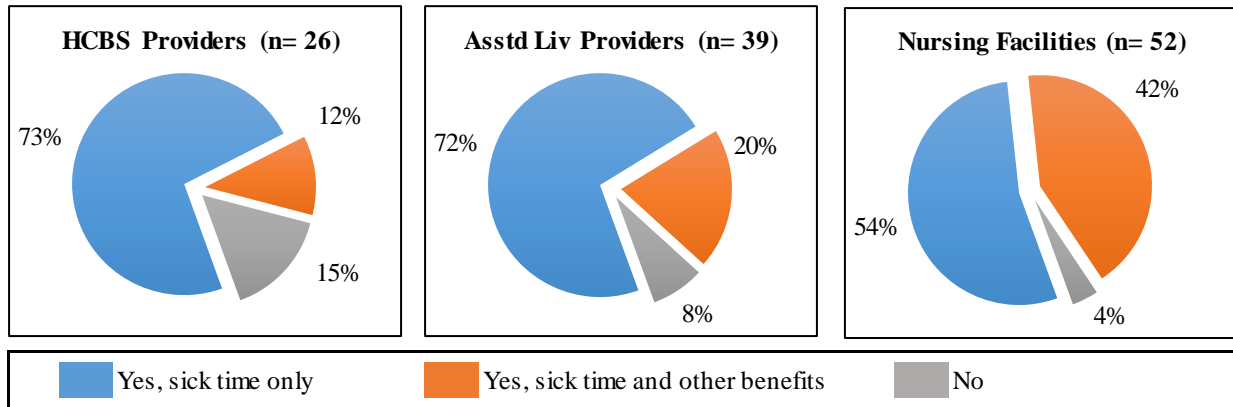


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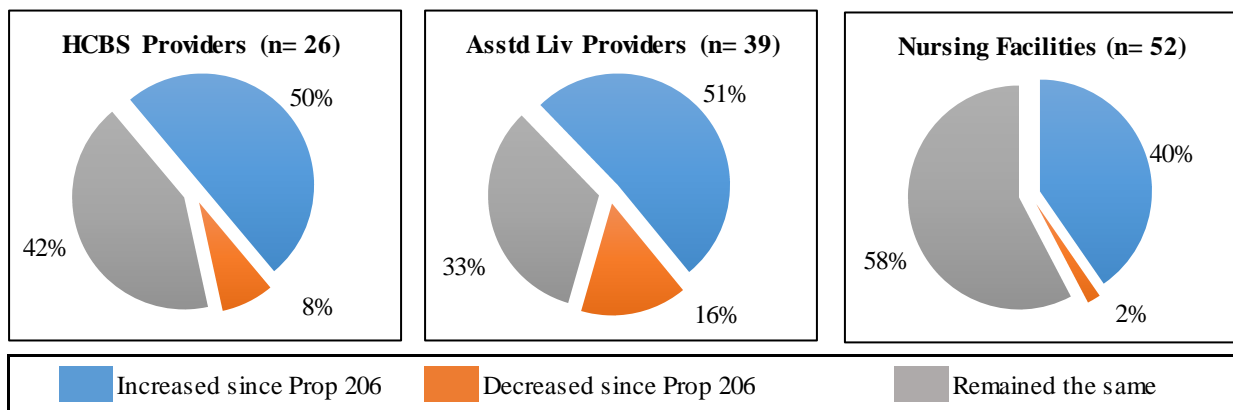
In addition to the minimum wage change, many providers who previously had not offered sick leave are now required to offer it. Among the EPD providers, 85 percent of HCBS providers indicated that they began offering sick leave and potentially other benefits as well since the enactment of the Proposition. Almost all assisted living providers (92%) and nursing facilities (96%) offer paid sick leave as a fringe benefit. There appears to be confusion among some providers about the paid sick leave requirements that took effect January 1, 2017 since not all providers stated that they are offering sick leave in 2017.

Exhibit 15
Benefit Changes Since the Enactment of Proposition 206



Staff turnover has increased among almost half of the survey respondents. When asked to compare the agency’s turnover rate in CY 2017 to date against CY 2016, 50 percent of the HCBS providers who responded said it had increased in CY 2017, 51 percent of assisted living providers reported an increase and 40 percent of nursing facilities reported an increase.

Exhibit 16
Turnover Rate Among Paraprofessional Staff for Providers who Serve the Elderly and Physically Disabled



The turnover rate can vary among staff between those that are recent hires versus those with longer tenures with the organization. As a result, the survey asked providers what has been the retention rate among paraprofessional staff with the longest durations of employment. The minimum wage increase does not appear to have impacted this employee group as much as the overall staff when comparing them to the overall staff turnover rates.

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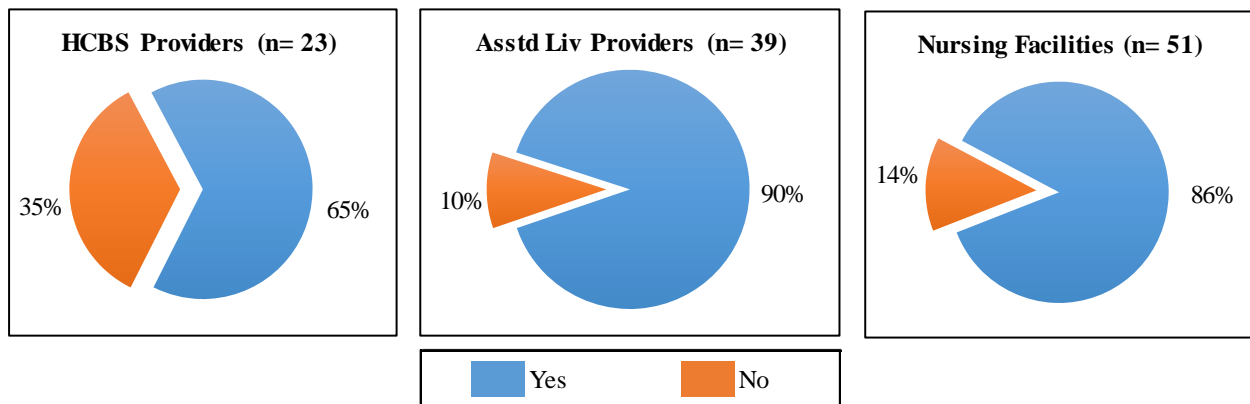
Assessment of the Impact of Prop 206 on Provider Network Adequacy for AHCCCS Members

Among the longest-tenured staff, 35 percent of HCBS providers (n= 26) said retention has decreased since the introduction of Proposition 206. For assisted living providers, 23 percent (n= 39) indicated that retention has decreased; for nursing facilities, 29 percent (n= 52) indicated a decrease.

A majority of EPD providers are having a more difficult time filling vacant positions. This may be due to increased competition among other industries for the same labor pool now that the minimum wage has been increased across all industries. Since the enactment of Proposition 206, 69 percent of HCBS providers (n= 26) reported a more difficult time filling vacancies in paraprofessional positions, 72 percent of assisted living providers (n= 39) reported greater difficulty and 54 percent of nursing facilities (n= 52) reported greater difficulty.

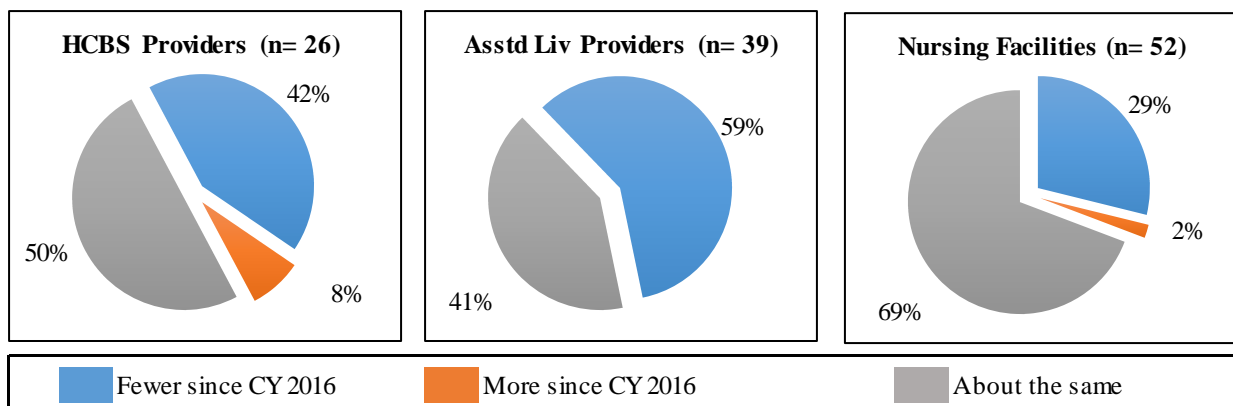
Because of the challenges related to turnover and staff vacancies, most EPD providers have spent more on overtime with current staff to fill these gaps. Since Proposition 206 was enacted, 65 percent of HCBS providers, 90 percent of assisted living providers and 86 percent of nursing facilities reported spending more on overtime pay.

Exhibit 17
Has Spending on Overtime Increased Since Proposition 206 Began?



Another means to mitigate the fiscal pressure of the minimum wage is to employ fewer staff. There is a distinction between the EPD providers who have used this approach to address fiscal pressures. Among HCBS providers, 42 percent reported fewer paraprofessional staff in CY 2017 than in CY 2016. Among assisted living providers, 59 percent reported fewer paraprofessional staff. But among nursing facilities, only 29 percent reported fewer paraprofessional staff.

Exhibit 18
Number of Paraprofessional Staff Since Proposition 206 Began



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Yet another option that many providers have utilized to cover minimum wage increases is to shift costs among other labor categories. When asked about other actions taken since the introduction of Proposition 206, many providers stated that they have adjusted staffing or benefit costs among employees not impacted by the minimum wage increase to help offset the increased costs due to the minimum wage. Among the 25 HCBS providers responding to this question, 56 percent stated that this was true. Among assisted living providers who responded (n=39), 64 percent stated that this was true. For nursing facility respondents (n=52), only 29 percent used this approach. Eliminating other employee benefits was also cited by 28 percent of HCBS providers, 41 percent of assisted living providers and 17 percent of nursing facilities.

Among the providers that did reduce or eliminate employee benefits in CY 2017, the most common change was smaller raises or bonuses or the outright elimination of raises or bonuses. This was cited by 67 percent of HCBS providers, 87 percent of assisted living providers and 38 percent of nursing facilities. The next most common response was the reduction in vacation pay (33% of HCBS providers, 20% of assisted living providers and 12% of nursing facilities).

Exhibit 19
Type of Benefits Reduced by Providers Since Prop 206 Began

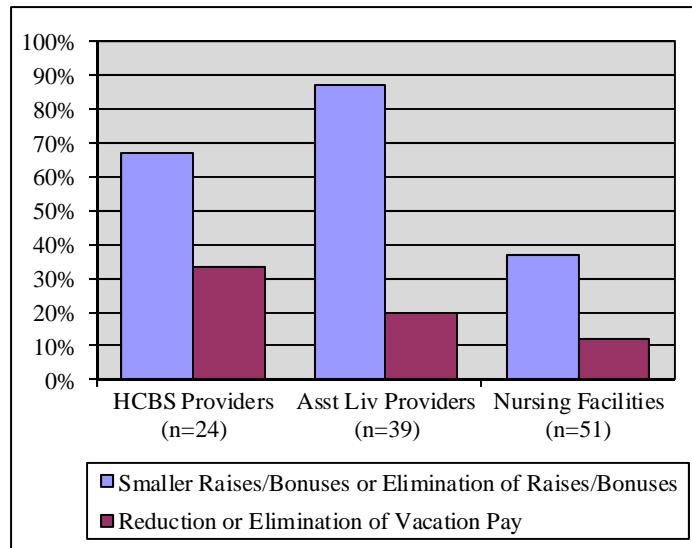
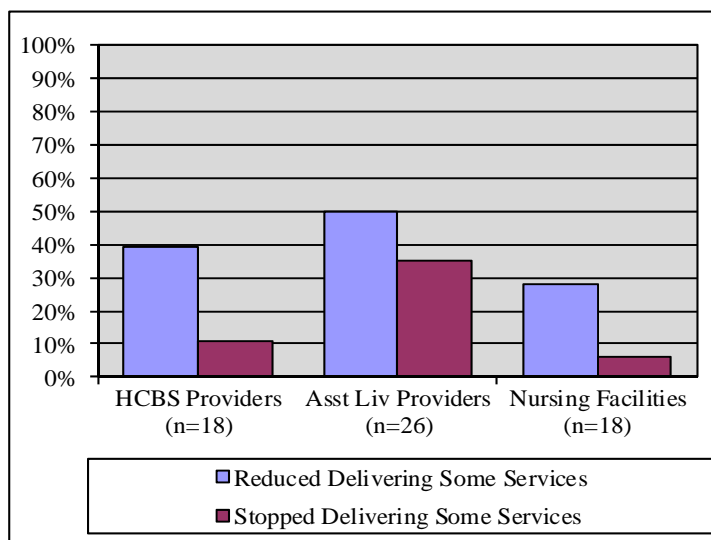


Exhibit 20
Change in Services Provided Since Prop 206 Began



Although the sample of respondents is small, it appears that some services to ALTCS members have been curtailed since Proposition 206 began. Among 18 HCBS providers, seven have reduced some services delivered and two have stopped delivering some services. Among 26 assisted living providers, 13 have reduced and nine have eliminated some services provided. For 18 nursing facility respondents, five had reduced services and one provider has eliminated services delivered.

No providers who responded to the survey indicated that they have stopped serving ALTCS members altogether as a result of Proposition 206. However, seven HCBS providers, five assisted living providers and four nursing facilities stated that they have reduced the number of ALTCS members served (results are not shown in the exhibit above).

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Findings from the DES/DDD Survey

Similar to what was found in the EPD survey, the DES/DDD providers who responded to the survey indicated that their starting salaries for paraprofessionals increased in CY 2017 as a result of Proposition 206. Six different labor categories all saw an increase in the average starting salary between December 31, 2016 and July 1, 2017 including those in which the average starting salary was already above the new minimum wage threshold.

Each labor category increased by at least six percent over this time period. Staff members who work in attendant care, habilitation, respite and supported employment all received an average increase of 6.1 to 6.8 percent. Staff working in day treatment and training and transportation received an average increase of 8.6 percent. The lowest average starting wage among all labor categories reviewed is for respite at \$10.29 per hour.

Exhibit 21
Change in Average Starting Wage for Paraprofessional Staff
Among I/DD Agency Providers, by Labor Category

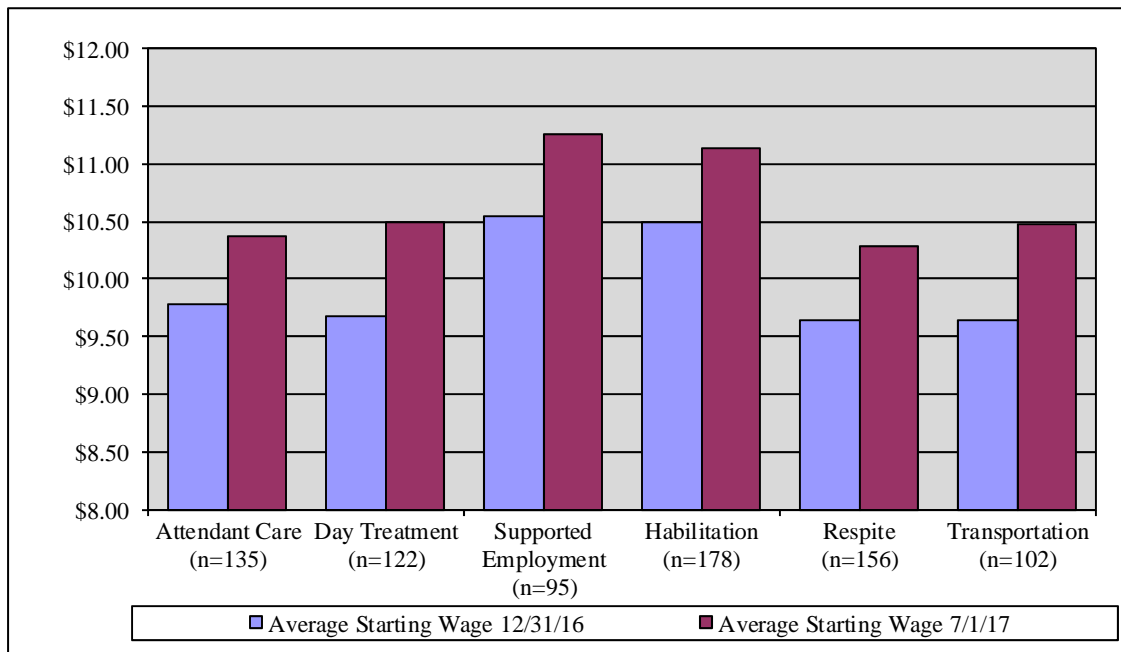
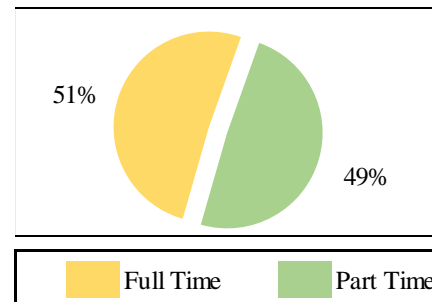


Exhibit 22
Full and Part Time Status of Direct Service Workers (Paraprofessionals) as of July 1, 2017 (n=192)



Among the 192 respondents who answered the survey question, the median values for full-time and part-time staff were 51 and 49 percent, respectively. The weighted average values were 40 percent and 60 percent, respectively, meaning that providers that have larger numbers of employees tend to have a slightly higher distribution of part-time staff.

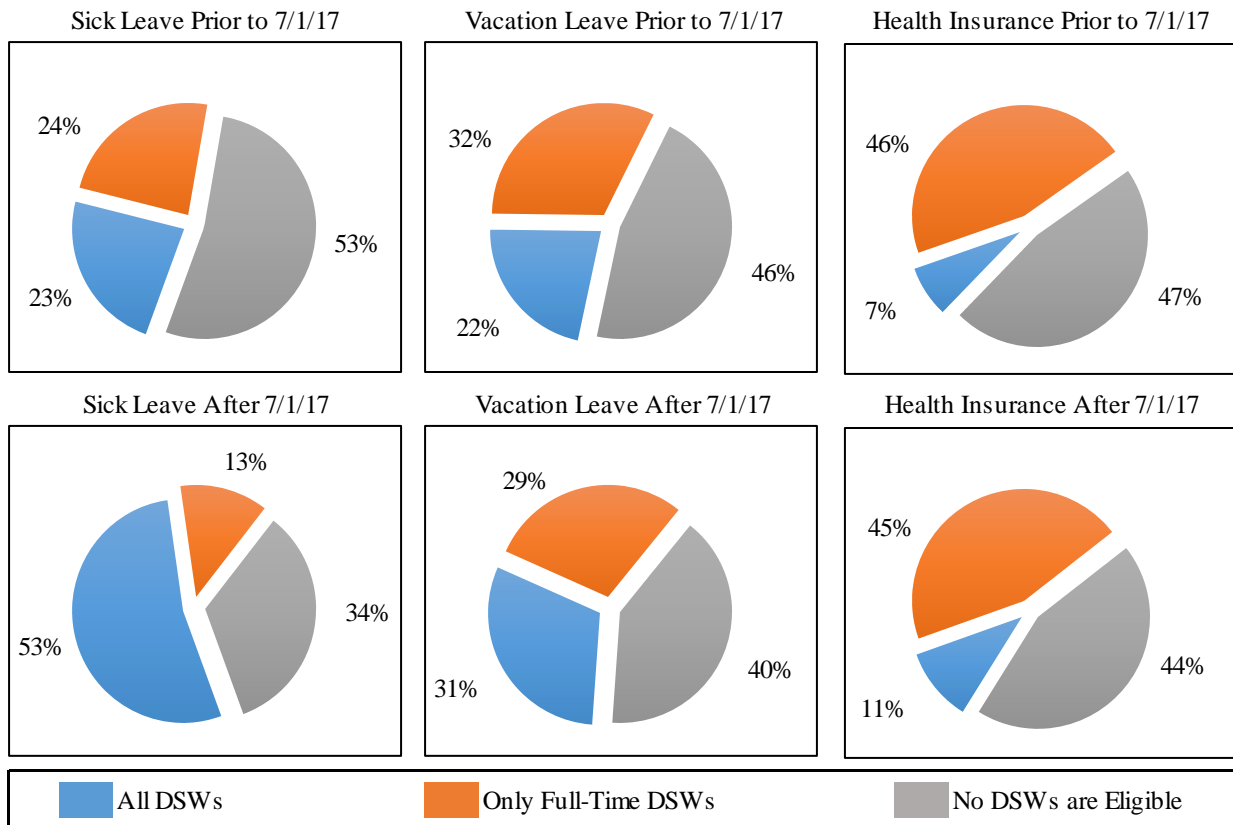
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The requirement in Proposition 206 to offer paid sick leave has impacted the percentage of all paraprofessionals who work for DES/DDD providers that receive paid sick leave. Providers were asked about their benefit offerings in the period before and after July 1, 2017. Whereas prior to July 1, 2017, providers reported that 23 percent of all direct service workers received paid sick leave, after this date this has increased to 53 percent (refer to Exhibit 23 below). There may be confusion among providers on the new sick leave requirement since the Proposition requires that paid sick leave be offered to all employees. There is a distinction in the number of hours offered which is 40 hours annual for larger employers and 24 hours for smaller employers. In both cases, time accrues at one hour for every 30 hours worked, so part-time staff will accrue at a slower rate than full-time staff.

There has been less of an increase in paid vacation. Twenty-two percent received paid vacation prior to July 1, 2017 and 31 percent received it after this date. Health insurance offering has remained unchanged with 46 percent of full-time employees eligible for this benefit. Unlike sick leave, vacation pay and health insurance were not addressed in Proposition 206.

Exhibit 23
Changes in Benefit Offerings Among I/DD Agencies for Direct Service Workers (DSWs)
(n = 215)



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Employment duration, staff turnover and vacancies are also a concern for DES/DDD providers just as they were found to be so for EPD providers. Although the DES/DDD did not ask providers for information before and after Proposition 206 took effect, as of July 1, 2017 it was found that among the 164 responding providers, 25 percent of their staff had been with the agency less than six months, 19 percent were employed there between six and 12 months, and 57 percent were employed for more than one year.

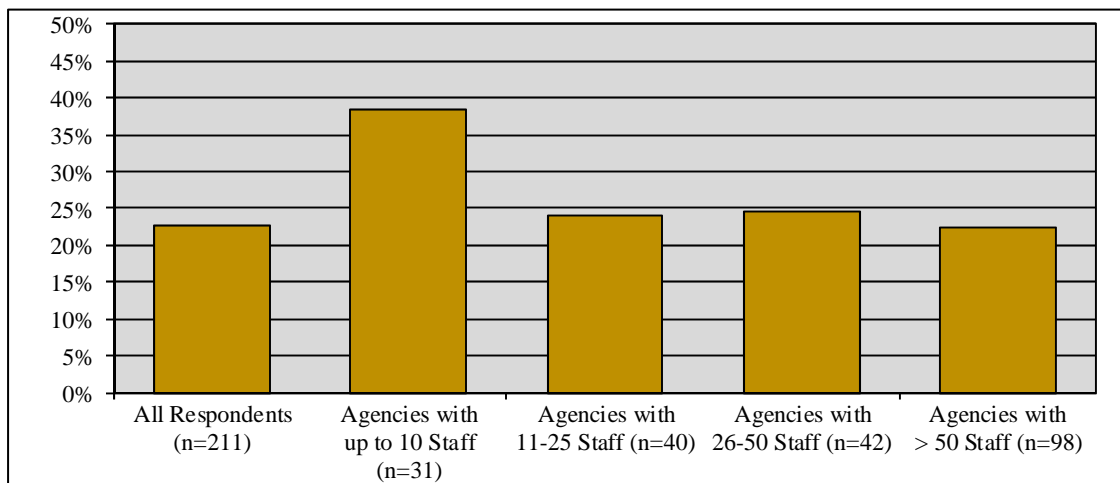
The turnover rates among DES/DDD providers were found to be high which correlates with the percentage of staff employed for less than one year. Providers were asked to provide the number of direct support workers who left their employment in the first six months of 2017. Separately, providers were asked for the number of both full-time and part-time direct service workers. A turnover rate, therefore, was calculated as the number of departures in the first six months of 2017 divided by the total full-time and part-time direct service workers on staff as of July 1, 2017.

Among the 211 providers who responded to these questions, the turnover rate computed was 22.5 percent *in the first six months of CY 2017 alone*. If this trend continues throughout all of CY 2017, this means that the annual turnover rate would end up at 45.0 percent. This is a weighted average rate meaning that employers with a larger number of staff contribute more to the average turnover rate.

Separate turnover rates were also computed within four subcategories of providers based on their staff size. Agencies with the fewest staff had the highest turnover rate (38%). The turnover rates were similar, however, among the other three agency sizes analyzed near the overall average. Only 21 out of 211 agencies reported no turnover among direct service workers in the first half of CY 2017.

Exhibit 24
Turnover Rate Among I/DD Agency Providers in the First 6 Months of CY 2017
Based on Size of Agency

Turnover Rate = # Departures in First 6 Months of CY 2017 divided by Number of Staff on 7/1/17

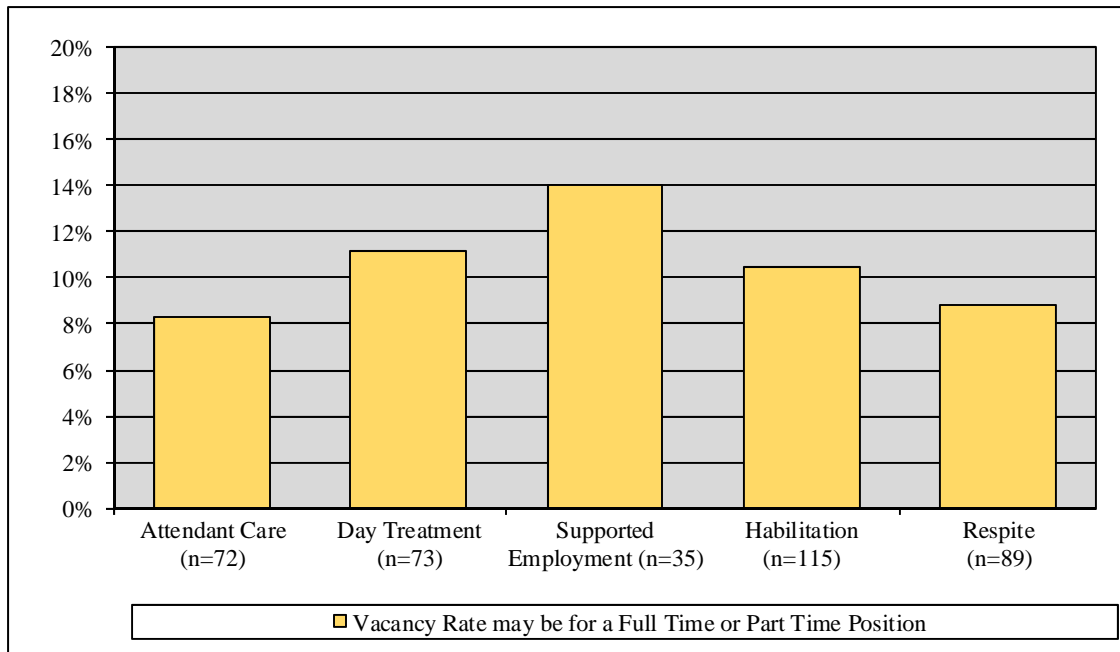


Vacancy rates as of September 1, 2017 were found to be at least eight percent among all labor categories examined, but the vacancy rate does vary somewhat across the labor categories (refer to Exhibit 25 on the next page). The lowest weighted average vacancy rate (meaning the rate is weighted by the number of staff within the labor category) was found in attendant care at 8.3 percent. The highest weighted average vacancy rate was found among supported employment workers at 14.0 percent.

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Exhibit 25
Staff Vacancy Rates Among I/DD Agency Providers as of September 1, 2017
By Labor Category



Summary of Results from Both Surveys

There will continue to be fiscal pressure specifically among HCBS providers who serve ALTCS EPD clients and some DES/DDD providers in January 2018 when the minimum wage increases once again to \$10.50 per hour. This is because the HCBS providers will need to increase the starting wage from the reported average of \$10.26 per hour to \$10.50 per hour. This is after a 9.4 percent increase starting in January 2017. Likewise, the average wage paid for attendant care, respite and transportation staff for some DES/DDD providers will also need to increase since the average wage reported for July 1, 2017 was below \$10.50 per hour for all three staffing categories and as low as \$10.29 per hour.

Filling vacancies also appears to be an issue for both EPD and DES/DDD providers. A majority of EPD providers (HCBS, assisted living and nursing facilities) reported that it is taking more time to fill vacant staffing slots since Proposition 206 took effect. Among DES/DDD providers, a minimum of eight percent of all staff positions among paraprofessionals are vacant at the present time.

The percentage of DES/DDD providers who receive paid sick leave doubled since the start of CY 2017, but providers responded that one-third of paraprofessional staff still do not receive paid sick leave. This, however, contradicts the requirements of Proposition 206, so there may need to be education or clarification with some providers as to the requirements related to the Proposition.

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SECTION V: RECOMMENDATIONS RELATED TO NETWORK ADEQUACY FINDINGS

Final Assessment

In this initial assessment of the impact of Proposition 206 and the related Flagstaff proposition on access to services for ALTCS members, the data does not show a direct impact yet on access to services. The volume of gaps in care reported to AHCCCS remains very low in Calendar Year (CY) 2017. Although they have increased in CY 2017, the number of member grievances related to provider availability is extremely low. There are just a few providers who have either terminated or reduced their scope of services due to the rates that they are paid.

That being said, there are a few areas where provider access was compromised even before the Propositions took effect. When plotting ALTCS member home addresses to provider service locations, in 14 percent of the situations reviewed (crossing service delivered and county), provider access is limited. In the situations where access may be limited, however, it impacts members in counties representing only 4.2 percent of the total ALTCS membership. It is yet to be determined if the minimum wage increases will have an effect in the areas that have limited access today.

The increase in the minimum wage does appear to have added fiscal stress to both providers for EPD members and providers for I/DD members. For many paraprofessional labor categories, the starting wage was increased to meet the new minimum wage requirement. With another increase in the minimum wage set for January 1, 2018, this will cause additional pressure on providers. From the responses provided in the EPD and I/DD provider surveys, the responses have indicated that they have effectively leveraged all of the tools that they have to cover the finances of the minimum wage increase. Many stated that they have reduced other benefits both to minimum wage staff and non-minimum wage staff to pay for the new minimum wage requirements. In some cases, they are reducing their overall staffing or, even when they want to maintain the same level, are seeing higher turnover and harder-to-fill vacancies.

Based on the data analyzed for this report, B&A has determined that no immediate action must be taken to address provider access to nursing facility and home- and community-based services (HCBS) in the ALTCS programs, but there are recommendations for continued monitoring since the continual increases in the minimum wage may become impactful on the program starting in 2018. B&A's recommendations to AHCCCS and to the ALTCS contractors appear below.

Recommendations

1. ***More thorough verification of self-reported data by the ALTCS contractors.*** Effective October 1, 2018, AHCCCS is imposing new requirements on its ALTCS contractors with respect to time and distance standards for ALTCS members to receive nursing facility care. There is already in place reports submitted on gaps in care for in-home services, member grievances and provider terminations or reductions in scope due to rates. All of this data is self-reported by the ALTCS contractors. B&A encourages AHCCCS to develop a robust independent verification system for the agency to ensure that the level of network coverage or gaps reported by the ALTCS contractors is accurate. Some examples of this may include:
 - Leveraging data that will become available as AHCCCS implements its electronic visit verification (EVV) system. This system, which is mandated by federal law for states to implement by January 1, 2019 for in-home services delivered by paraprofessionals, will verify the type of service performed, the individual receiving the service, the individual

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providing the service, the location where the service was delivered, and the date (including start and end time) for the service delivered. It is anticipated that this level of detail will provide not only more real time information but more robust information related to gaps in care and the continuity of the paraprofessionals serving members in their home (which may be an indicator of member satisfaction). AHCCCS should consider ways to standardize the data capture from the EVV system as a means to enhance or replace current gaps in care reporting.

- Outreach to providers who terminated or diminished scope of service. The reports collected by AHCCCS pertaining to provider terminations and reductions in scope related to rates show only a nominal increase in CY 2017. The results of the provider survey, however, indicated more reductions in service than the reports submitted by the ALTCS contractors would indicate. AHCCCS is encouraged to proactively address this discrepancy by contacting the providers that indicated on the survey that they have reduced or terminated services but who were not on the ALTCS contractor reports. AHCCCS should learn more about which services were reduced, the locations in the state that are impacted, and what is any efforts can be made to mitigate this action by the providers.
2. ***Create a new measure as a leading indicator to assess provider access.*** The data thus far suggests that the rate of gaps in care continue to be low and that access to services does not appear to have diminished as a result of the minimum wage increase. AHCCCS already imposes requirements on the ALTCS contractors related to timeliness to deliver care. The standard timelines are 30 days for the initiation of a service to a new member and 15 days for a new service to a current member. The ability of the ALTCS contractors to meet these standards for timeliness to deliver services may be getting more difficult, however. For example, whereas prior to the Propositions a case manager for an ALTCS member may have found a provider on the first attempt, today it may take many attempts to find a provider to deliver the service to the member.

To that end, B&A recommends that AHCCCS develop a measure for the ALTCS contractors to track the number of attempts before identification of a provider with available capacity to deliver the requested service. Data would most likely be collected through the contractor's case management system. This measure may be limited to certain HCBS services such as in-home supports and supported employment. Upon receipt of information from the ALTCS contractors, AHCCCS should analyze the results and stratify the data by service and/or by geographic region. This can be used as a "leading indicator" to assess network adequacy for HCBS services.

3. ***Continue examining utilization to assess potential impacts on network access.*** The users of each HCBS service as well as nursing facility placements that are shown in Section III for the baseline period of CY 2016 are useful as a starting point for trend analyses. These results can be deemed as a "trailing indicator" to assess network adequacy. It has already been mentioned that the timing of this study precluded a more thorough examination of utilization in the post-Proposition period. B&A encourages AHCCCS to analyze the data for the period of CY 2017 to determine if utilization changes occurred at the service/county level. Any reductions in the percent of ALTCS members using a service may be indicative of a provider access issue.
4. ***Create a value-based payment incentive to reduce or mitigate staff turnover.*** The rate of staff turnover reported among both the EPD and DDD providers in the provider surveys for its paraprofessional staff is an area of concern. Most likely, increasing turnover rates are being impacted by not just the minimum wage increase but also the overall bullish economy in Arizona.

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With the increase in the minimum wage statewide, service providers are now competing not only among each other in a limited labor pool but also against other industries. B&A recommends that AHCCCS lay the foundation for collecting more information from the ALTCS contractors on provider staffing and explore opportunities such as value-based payment strategies which reward providers who stay below a targeted staff turnover rate. AHCCCS should further ensure that any payments made in conjunction with value-based initiatives be shared with individual providers serving ALTCS members who met the standard.

5. ***Conduct another provider survey in the second half of CY 2018.*** Information gleaned from the results of the two provider surveys administered in the second half of CY 2017 yielded meaningful feedback on the fiscal pressures that many providers are facing with the increase in the minimum wage. AHCCCS, DES/DDD and the ALTCS contractors did provide some rate increases at the start of CY 2017 to mitigate the fiscal stress of the minimum wage change. Some other increases have gone in at the start of CY 2018 as well, but it is uncertain if these rate changes will suffice before providers start to terminate the program or reduce their scope. B&A recommends that AHCCCS (or the ALTCS contractors) conduct another survey at the end of CY 2018 to EPD providers to discern whether the trends found in the survey released for this report have remained the same or have worsened. (It should be noted that the DES/DDD is already conducting follow-up surveys with its providers in 2018.)

APPENDIX A
UTILIZATION IN CALENDAR YEAR 2016 FOR EACH SERVICE IN THE STUDY
BY COUNTY AND BY GEOGRAPHIC SERVICE AREA (GSA)

Report 1
Baseline Utilization Data for Nursing Facility
For EPD and DDD Members
For Utilization Occurring in Calendar Year 2016

	EPD Members Only (limited to Members in a NF at least 60 days in CY 2016)							DDD Members Only								
	EPD ALTCS Members	Total Users	Percent Using Service	Total Days Used	Days/ User/ Year	Total Payments	Payments Per User	# of Facilities	DDD ALTCS Members	Total Users	Percent Using Service	Total Days Used	Days/ User/ Year	Total Payments	Payments Per User	# of Facilities
Statewide Total	30,653	7,078	23.1%	1,697,447	240	\$293,027,681	\$41,400	131	26,016	69	0.3%	16,578	240	\$4,118,295	\$59,685	67

GSA 1 - Subtotal	3,066	656	21.4%	95,349	145	\$13,298,282	\$20,272	22	2,292	6	0.3%	1,711	285	\$374,818	\$62,470	6
Apache	92	2	2.2%	367	184	\$51,901	\$25,950	0	243	1	0.4%	366	366	\$68,090	\$68,090	1
Coconino	274	21	7.7%	3,533	168	\$454,320	\$21,634	2	417	0	0.0%	0	0	\$0	\$0	0
Mohave	1,319	313	23.7%	43,279	138	\$6,134,119	\$19,598	7	547	2	0.4%	472	236	\$100,382	\$50,191	2
Navajo	288	51	17.7%	8,051	158	\$1,170,450	\$22,950	3	316	1	0.3%	366	366	\$70,517	\$70,517	1
Yavapai	1,093	269	24.6%	40,119	149	\$5,487,492	\$20,400	10	769	2	0.3%	507	254	\$135,829	\$67,914	2

GSA 2 - Subtotal	20,287	4,618	22.8%	1,203,891	261	\$215,380,387	\$46,639	78	18,545	38	0.2%	9,309	245	\$2,293,055	\$60,344	35
Gila	344	172	50.0%	44,810	261	\$6,243,294	\$36,298	4	186	2	1.1%	376	188	\$60,862	\$30,431	2
Maricopa	18,748	4,307	23.0%	1,122,618	261	\$203,945,081	\$47,352	72	16,889	29	0.2%	6,942	239	\$1,897,732	\$65,439	29
Maricopa - Central/East	14,883	3,209	21.6%	837,294	261	\$155,632,103	\$48,499	57	13,799	20	0.1%	4,343	217	\$1,327,600	\$66,380	22
Maricopa - West	3,865	1,098	28.4%	285,324	260	\$48,312,977	\$44,001	15	3,090	9	0.3%	2,599	289	\$570,131	\$63,348	7
Pinal	1,195	139	11.6%	36,463	262	\$5,192,012	\$37,353	2	1,470	7	0.5%	1,991	284	\$334,461	\$47,780	4

GSA 3 - Subtotal	7,297	1,801	24.7%	397,964	221	\$64,312,983	\$35,710	31	5,175	25	0.5%	5,558	222	\$1,450,421	\$58,017	26
Cochise	661	212	32.1%	57,205	270	\$7,597,631	\$35,838	4	410	3	0.7%	1,093	364	\$194,234	\$64,745	2
Graham	145	70	48.3%	19,722	282	\$2,473,490	\$35,336	1	134	0	0.0%	0	0	\$0	\$0	0
Greenlee	6	0	0.0%	0	0	\$0	\$0	0	39	0	0.0%	0	0	\$0	\$0	0
La Paz	38	0	0.0%	0	0	\$0	\$0	0	32	0	0.0%	0	0	\$0	\$0	0
Pima	5,114	1,269	24.8%	281,415	222	\$48,556,179	\$38,263	22	3,838	21	0.5%	4,389	209	\$1,244,840	\$59,278	24
Santa Cruz	348	0	0.0%	0	0	\$0	\$0	0	178	1	0.6%	76	76	\$11,348	\$11,348	0
Yuma	985	250	25.4%	39,622	158	\$5,685,683	\$22,743	4	544	0	0.0%	0	0	\$0	\$0	0

By ALTCS Contractor							
DDD							
Bridgeway	6,207	1,533	24.7%	419,833	274	\$69,258,949	\$45,179
Mercy Care	12,160	3,201	26.3%	924,876	289	\$165,080,729	\$51,572
United	12,286	2,344	19.1%	352,738	150	\$58,688,003	\$25,038

26,016	69	0.3%	16,578	240	\$4,118,295	\$59,685
6,207						
12,160						
12,286						

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 2
Baseline Utilization Data for Assisted Living
For EPD Members Only
For Utilization Occurring in Calendar Year 2016

	EPD ALTCS Members	Total Users	Percent Using Service	Total Days Used	Days/ User/ Year	Total Payments	Payments Per User	# of Homes
Statewide Total	30,653	3,028	9.9%	629,101	208	\$31,183,472	\$10,298	731
GSA 1 - Subtotal	3,066	138	4.5%	23,586	171	\$936,701	\$6,788	39
Apache	92	6	6.5%	1,082	180	\$57,291	\$9,549	1
Coconino	274	28	10.2%	4,631	165	\$193,824	\$6,922	7
Mohave	1,319	41	3.1%	6,817	166	\$230,394	\$5,619	13
Navajo	288	5	1.7%	829	166	\$25,901	\$5,180	0
Yavapai	1,093	58	5.3%	10,227	176	\$429,290	\$7,402	18
GSA 2 - Subtotal	20,287	1,885	9.3%	406,120	215	\$19,561,163	\$10,377	508
Gila	344	28	8.1%	7,218	258	\$406,330	\$14,512	7
Maricopa	18,748	1,777	9.5%	381,724	215	\$18,333,230	\$10,317	486
Maricopa - Central/East	14,883	1,381	9.3%	297,503	215	\$15,125,373	\$10,952	380
Maricopa - West	3,865	396	10.2%	84,221	213	\$3,207,857	\$8,101	106
Pinal	1,195	80	6.7%	17,178	215	\$821,603	\$10,270	15
GSA 3 - Subtotal	7,297	1,002	13.7%	198,786	198	\$10,656,159	\$10,635	184
Cochise	661	61	9.2%	11,861	194	\$662,358	\$10,858	9
Graham	145	4	2.8%	193	48	\$11,246	\$2,811	1
Greenlee	6	1	16.7%	59	59	\$1,399	\$1,399	0
La Paz	38	0	0.0%	0	0	\$0	\$0	0
Pima	5,114	841	16.4%	169,048	201	\$9,129,850	\$10,856	158
Santa Cruz	348	36	10.3%	5,683	158	\$336,513	\$9,348	4
Yuma	985	59	6.0%	11,942	202	\$514,793	\$8,725	12
By ALTCS Contractor								
Bridgeway	6,207	948	15.3%	221,825	234	\$10,362,097	\$10,930	
Mercy Care	12,160	738	6.1%	172,414	234	\$8,685,973	\$11,770	
United	12,286	1,342	10.9%	234,862	175	\$12,135,402	\$9,043	

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 3
Baseline Utilization Data for Group Home
For DDD Members Only
For Utilization Occurring in Calendar Year 2016

	DDD ALTCS Members	Total Users	Percent Using Service	Total Days Used	Days/ User/ Year	Total Payments	Payments Per User	# of Homes
Statewide Total	26,016	2,906	11.2%	950,837	327	\$234,098,014	\$80,557	649
GSA 1 - Subtotal	2,292	460	20.1%	154,188	335	\$33,089,346	\$71,933	103
Apache	243	57	23.5%	19,748	346	\$3,664,535	\$64,290	1
Coconino	417	165	39.6%	56,679	344	\$11,307,018	\$68,527	46
Mohave	547	49	9.0%	16,074	328	\$3,778,475	\$77,112	16
Navajo	316	57	18.0%	19,095	335	\$4,553,181	\$79,880	9
Yavapai	769	132	17.2%	42,592	323	\$9,786,138	\$74,137	31
GSA 2 - Subtotal	18,545	1,711	9.2%	554,927	324	\$143,209,949	\$83,700	389
Gila	186	38	20.4%	12,384	326	\$3,527,042	\$3,355	9
Maricopa	16,889	1,575	9.3%	510,942	324	\$132,256,886	\$83,973	357
Maricopa - Central/East	13,799	1,363	9.9%	446,067	327	\$114,563,528	\$84,052	330
Maricopa - West	3,090	212	6.9%	64,875	306	\$17,693,359	\$83,459	27
Pinal	1,470	98	6.7%	31,601	322	\$7,426,021	\$75,776	23
GSA 3 - Subtotal	5,175	654	12.6%	214,681	328	\$51,939,293	\$79,418	157
Cochise	410	77	18.8%	24,530	319	\$5,294,243	\$68,756	10
Graham	134	12	9.0%	4,352	363	\$1,101,396	\$91,783	3
Greenlee	39	1	2.6%	366	366	\$85,295	\$85,295	0
La Paz	32	3	9.4%	966	322	\$167,405	\$55,802	0
Pima	3,838	495	12.9%	160,767	325	\$39,607,077	\$80,014	128
Santa Cruz	178	15	8.4%	5,392	359	\$1,096,476	\$73,098	3
Yuma	544	51	9.4%	18,308	359	\$4,587,401	\$89,949	13

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 4
Baseline Utilization Data for Attendant Care & Homemaker
For DDD Members Only
For Utilization Occurring in Calendar Year 2016

	EPD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used	Distribution of Hours/Payments by Who Delivered the Service							
									Hours Delivered by Staff Unrelated to Member	Payments Staff Unrelated to Member	Hours Delivered by Spouse	Payments Delivered by Spouse	Hours Delivered by Family Member Not Living w/Member	Payments Delivered by Family Member Not Living w/Member	Hours Delivered by Family Member Living w/Member	Payments Delivered by Family Member Living w/Member
Statewide Total	26,016	4,950	19.0%	5,212,239	1,053	\$78,296,515	\$15,817	172	3,099,763	\$46,482,262	13,995	\$211,009	303,930	\$4,558,963	1,794,550	\$27,044,281
Percent of Total										59.4%		0.3%		5.8%		34.5%
GSA 1 - Subtotal	2,292	530	23.1%	495,842	936	\$7,413,621	\$13,988	54	355,113	\$5,291,947	0	\$0	23,261	\$350,685	117,469	\$1,770,988
Percent of Total										6.8%		0.0%		0.4%		2.3%
Apache	243	57	23.5%	42,923	753	\$647,339	\$11,357	6	39,092	\$589,583	0	\$0	951	\$14,333	2,880	\$43,424
Coconino	417	83	19.9%	77,436	933	\$1,158,787	\$13,961	15	73,845	\$1,104,667	0	\$0	0	\$0	3,591	\$54,120
Mohave	547	105	19.2%	88,817	846	\$1,337,775	\$12,741	17	83,062	\$1,251,015	0	\$0	2,338	\$35,225	3,418	\$51,535
Navajo	316	68	21.5%	51,742	761	\$780,197	\$11,473	16	34,972	\$527,301	0	\$0	2,801	\$42,225	13,969	\$210,671
Yavapai	769	217	28.2%	234,924	1,083	\$3,489,522	\$16,081	34	124,142	\$1,819,382	0	\$0	17,172	\$258,903	93,610	\$1,411,238
GSA 2 - Subtotal	18,545	3,578	19.3%	3,864,432	1,080	\$58,230,423	\$16,275	143	2,007,895	\$30,257,778	13,995	\$211,009	246,811	\$3,701,264	1,595,732	\$24,060,372
Percent of Total										38.6%		0.3%		4.7%		30.7%
Gila	186	34	18.3%	55,070	1,620	\$830,386	\$24,423	6	17,497	\$263,770	0	\$0	798	\$11,970	36,774	\$554,646
Maricopa	16,889	3,293	19.5%	3,559,310	1,081	\$53,637,042	\$16,288	142	1,843,480	\$27,786,404	13,995	\$211,009	225,529	\$3,380,459	1,476,305	\$22,259,170
Maricopa - Central/East	13,799	2,472	17.9%	2,631,006	1,064	\$39,642,060	\$16,036	134	1,414,277	\$21,316,989	11,385	\$171,669	163,975	\$2,452,676	1,041,370	\$15,700,725
Maricopa - West	3,090	821	26.6%	928,304	1,131	\$13,994,983	\$17,046	90	429,203	\$6,469,415	2,611	\$39,341	61,555	\$927,782	434,935	\$6,558,445
Pinal	1,470	251	17.1%	250,053	996	\$3,762,995	\$14,992	55	146,917	\$2,207,604	0	\$0	20,484	\$308,835	82,653	\$1,246,556
GSA 3 - Subtotal	5,175	814	15.7%	830,579	1,020	\$12,330,040	\$15,147	56	722,332	\$10,715,020	0	\$0	32,746	\$490,306	75,502	\$1,124,713
Percent of Total										13.7%		0.0%		0.6%		1.4%
Cochise	410	27	6.6%	14,594	541	\$220,043	\$8,150	9	14,576	\$219,765	0	\$0	0	\$0	19	\$278
Graham	134	7	5.2%	3,686	527	\$55,584	\$7,941	2	3,686	\$55,584	0	\$0	0	\$0	0	\$0
Greenlee	39	6	15.4%	4,192	699	\$63,213	\$10,536	2	4,192	\$63,213	0	\$0	0	\$0	0	\$0
La Paz	32	0	0.0%	0	0	\$0	\$0	0	0	\$0	0	\$0	0	\$0	0	\$0
Pima	3,838	649	16.9%	723,290	1,114	\$10,711,915	\$16,505	48	623,328	\$9,221,892	0	\$0	32,269	\$483,109	67,692	\$1,006,915
Santa Cruz	178	35	19.7%	22,551	644	\$340,143	\$9,718	6	20,524	\$309,521	0	\$0	0	\$0	2,027	\$30,622
Yuma	544	90	16.5%	62,267	692	\$939,142	\$10,435	9	56,027	\$845,046	0	\$0	476	\$7,197	5,764	\$86,899

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 5
Baseline Utilization Data for Attendant Care, Personal Care, and Homemaker
For EPD Members Only
For Utilization Occurring in Calendar Year 2016

	EPD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used	Distribution of Hours/Payments by Who Delivered the Service							
									Hours Delivered by Staff Unrelated to Member	Payments Staff Unrelated to Member	Hours Delivered by Spouse	Payments Delivered by Spouse	Hours Delivered by Family Member Not Living w/Member	Payments Delivered by Family Member Not Living w/Member	Hours Delivered by Family Member Living w/Member	Payments Delivered by Family Member Living w/Member
Statewide Total	30,653	12,953	42.3%	10,257,021	792	\$150,085,522	\$11,587	107	4,293,073	\$63,023,198	874,466	\$12,827,628	1,359,408	\$19,803,330	3,730,073	\$54,431,366
Percent of Total										42.0%		8.5%		13.2%		36.3%
GSA 1 - Subtotal	3,066	1,120	36.5%	467,871	418	\$6,868,760	\$6,133	30	260,507	\$3,804,206	66,452	\$986,896	26,820	\$394,861	114,093	\$1,682,797
Percent of Total										2.5%		0.7%		0.3%		1.1%
Apache	92	37	40.2%	13,271	359	\$196,682	\$5,316	3	3,292	\$49,382	3,607	\$53,299	2,871	\$42,402	3,502	\$51,599
Coconino	274	68	24.8%	25,762	379	\$381,329	\$5,608	14	17,975	\$264,731	2,601	\$39,144	427	\$6,284	4,759	\$71,170
Mohave	1,319	421	31.9%	133,379	317	\$1,958,196	\$4,651	18	75,294	\$1,102,429	16,263	\$241,462	9,202	\$136,680	32,620	\$477,624
Navajo	288	142	49.3%	45,867	323	\$687,400	\$4,841	15	18,051	\$273,597	9,692	\$143,882	7,283	\$108,300	10,841	\$161,622
Yavapai	1,093	452	41.4%	249,593	552	\$3,645,154	\$8,064	20	145,895	\$2,114,067	34,290	\$509,109	7,037	\$101,195	62,371	\$920,782
GSA 2 - Subtotal	39,035	8,701	22.3%	7,948,397	914	\$116,260,806	\$13,362	80	3,118,223	\$45,856,114	680,039	\$9,940,976	1,082,473	\$15,743,531	3,067,662	\$44,720,185
Percent of Total										30.6%		6.6%		10.5%		29.8%
Gila	344	112	32.6%	73,477	656	\$1,063,737	\$3,355	17	40,162	\$585,719	5,072	\$76,198	7,381	\$103,119	20,862	\$298,701
Maricopa	18,748	7,738	41.3%	7,119,302	920	\$104,007,050	\$13,441	80	2,733,113	\$40,149,596	575,614	\$8,375,883	983,293	\$14,308,596	2,827,282	\$41,172,976
Maricopa - Central/East	14,883	5,847	39.3%	5,306,549	908	\$77,553,742	\$13,264	78	2,094,308	\$30,767,295	401,844	\$5,845,396	757,957	\$11,037,072	2,052,440	\$29,903,979
Maricopa - West	3,865	1,891	48.9%	1,812,753	959	\$26,453,308	\$13,989	64	638,805	\$9,382,301	173,770	\$2,530,487	225,336	\$3,271,523	774,842	\$11,268,996
Pinal	1,195	851	71.2%	755,619	888	\$11,190,019	\$13,149	33	344,948	\$5,120,799	99,353	\$1,488,895	91,800	\$1,331,816	219,518	\$3,248,508
GSA 3 - Subtotal	7,297	3,129	42.9%	1,837,511	587	\$26,944,095	\$8,611	56	912,689	\$13,356,718	127,975	\$1,899,755	250,116	\$3,664,938	546,730	\$8,022,684
Percent of Total										8.9%		1.3%		2.4%		5.3%
Cochise	661	320	48.4%	224,929	703	\$3,396,728	\$10,615	12	140,482	\$2,114,147	18,674	\$285,420	23,909	\$365,629	41,865	\$631,532
Graham	145	48	33.1%	28,723	598	\$441,256	\$9,193	7	16,784	\$251,545	1,095	\$17,958	1,711	\$26,599	9,133	\$145,153
Greenlee	6	6	100.0%	4,366	728	\$64,896	\$10,816	5	1,262	\$19,497	993	\$16,312	2,111	\$29,087	0	\$0
La Paz	38	19	50.0%	5,713	301	\$84,582	\$4,452	6	3,866	\$57,028	797	\$11,885	920	\$13,707	131	\$1,962
Pima	5,114	2,023	39.6%	1,326,041	655	\$19,296,548	\$9,539	51	612,082	\$8,891,300	83,891	\$1,230,358	189,208	\$2,743,575	440,859	\$6,431,314
Santa Cruz	348	265	76.1%	83,170	314	\$1,263,778	\$4,769	9	42,586	\$646,849	5,640	\$86,529	13,496	\$207,935	21,448	\$322,465
Yuma	985	448	45.5%	164,570	367	\$2,396,307	\$5,349	10	95,629	\$1,376,352	16,886	\$251,293	18,761	\$278,405	33,295	\$490,258
By ALTCS Contractor																
Bridgeway	6,207	2,582	41.6%	2,260,761	876	\$33,856,889	\$13,113	64	1,056,194	\$15,841,812	202,228	\$3,042,215	251,655	\$3,700,414	750,683	\$11,272,447
Mercy Care	12,160	5,642	46.4%	6,041,928	1,071	\$87,365,022	\$15,485	50	2,278,374	\$33,043,530	491,257	\$7,091,424	877,396	\$12,690,481	2,394,902	\$34,539,586
United	12,286	4,729	38.5%	1,954,332	413	\$28,863,611	\$6,104	65	958,505	\$14,137,856	180,981	\$2,693,989	230,358	\$3,412,434	584,488	\$8,619,333

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 6
Baseline Utilization Data for Habilitation
For DDD Members Only
For Utilization Occurring in Calendar Year 2016

	DDD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used
Statewide Total	26,016	12,126	46.6%	5,079,799	419	\$118,516,494	\$9,774	211
GSA 1 - Subtotal	2,292	623	27.2%	198,755	319	\$4,524,423	\$7,262	70
Apache	243	41	16.9%	7,971	194	\$153,332	\$3,740	5
Coconino	417	118	28.3%	35,495	301	\$988,039	\$8,373	24
Mohave	547	117	21.4%	46,463	397	\$1,199,488	\$10,252	21
Navajo	316	57	18.0%	13,784	242	\$284,897	\$4,998	18
Yavapai	769	290	37.7%	95,042	328	\$1,898,668	\$6,547	43
GSA 2 - Subtotal	18,545	10,183	54.9%	4,316,837	424	\$92,290,195	\$9,063	184
Gila	186	63	33.9%	32,798	521	\$1,153,026	\$3,355	17
Maricopa	16,889	9,442	55.9%	4,043,659	428	\$85,713,916	\$9,078	178
Maricopa - Central/East	13,799	7,449	54.0%	3,231,564	434	\$69,594,198	\$9,343	171
Maricopa - West	3,090	1,993	64.5%	812,095	407	\$16,119,718	\$8,088	123
Pinal	1,470	678	46.1%	240,379	355	\$5,423,253	\$7,999	83
GSA 3 - Subtotal	5,175	1,213	23.4%	527,082	435	\$20,439,786	\$16,851	71
Cochise	410	74	18.0%	31,902	431	\$1,014,380	\$13,708	19
Graham	134	27	20.1%	5,753	213	\$230,050	\$8,520	5
Greenlee	39	2	5.1%	821	411	\$15,956	\$7,978	2
La Paz	32	0	0.0%	0	0	\$0	\$0	0
Pima	3,838	1,045	27.2%	421,990	404	\$16,661,541	\$15,944	56
Santa Cruz	178	59	33.1%	28,156	477	\$545,087	\$9,239	10
Yuma	544	6	1.1%	38,460	6,410	\$1,972,773	\$328,795	14

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 7
Baseline Utilization Data for Respite
For EPD and DDD Members
For Utilization Occurring in Calendar Year 2016

	EPD Members Only								DDD Members Only							
	EPD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used	DDD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used
Statewide Total	30,653	2,312	7.5%	298,201	129	\$4,538,648	\$1,963	86	26,016	16,194	62.2%	5,900,190	364	\$89,107,122	\$5,502	226
GSA 1 - Subtotal	3,066	247	8.1%	28,311	115	\$423,517	\$1,715	17	2,292	1,048	45.7%	295,896	282	\$4,854,399	\$4,632	77
Apache	92	4	4.3%	394	99	\$5,835	\$1,459	1	243	120	49.4%	32,505	271	\$533,156	\$4,443	12
Coconino	274	11	4.0%	1,298	118	\$19,933	\$1,812	8	417	172	41.2%	49,799	290	\$792,057	\$4,605	28
Mohave	1,319	99	7.5%	9,364	95	\$138,625	\$1,400	7	547	181	33.1%	45,370	251	\$757,213	\$4,183	24
Navajo	288	28	9.7%	4,514	161	\$67,318	\$2,404	9	316	148	46.8%	44,038	298	\$754,874	\$5,101	26
Yavapai	1,093	105	9.6%	12,741	121	\$191,806	\$1,827	11	769	427	55.5%	124,183	291	\$2,017,098	\$4,724	45
GSA 2 - Subtotal	20,287	1,476	7.3%	204,617	139	\$3,146,443	\$2,132	61	18,545	12,651	68.2%	4,883,397	386	\$73,536,833	\$5,813	195
Gila	344	15	4.4%	2,396	160	\$35,110	\$2,341	7	186	88	47.3%	26,774	304	\$416,085	\$4,728	18
Maricopa	18,748	1,209	6.4%	158,393	131	\$2,436,344	\$2,015	59	16,889	11,625	68.8%	4,521,836	389	\$68,068,342	\$5,855	190
Maricopa - Central/East	14,883	896	6.0%	114,793	128	\$1,753,098	\$1,957	58	13,799	8,805	63.8%	3,359,873	382	\$50,589,663	\$5,746	181
Maricopa - West	3,865	313	8.1%	43,600	139	\$683,247	\$2,183	39	3,090	2,820	91.3%	1,161,963	412	\$17,478,679	\$6,198	138
Pinal	1,195	252	21.1%	43,828	174	\$674,989	\$2,679	21	1,470	938	63.8%	334,787	357	\$5,052,406	\$5,386	92
GSA 3 - Subtotal	7,297	589	8.1%	65,274	111	\$968,688	\$1,645	36	5,175	2,391	46.2%	693,032	290	\$10,276,528	\$4,298	90
Cochise	661	81	12.3%	6,760	83	\$109,322	\$1,350	8	410	107	26.1%	15,973	149	\$265,586	\$2,482	18
Graham	32,501	2	0.0%	87	44	\$1,334	\$667	3	134	54	40.3%	7,480	139	\$100,291	\$1,857	7
Greenlee	6	0	0.0%	0	0	\$0	\$0	0	39	18	46.2%	1,841	102	\$22,270	\$1,237	3
La Paz	38	3	7.9%	333	111	\$4,939	\$1,646	2	32	1	3.1%	8	8	\$1,605	\$1,605	1
Pima	5,114	393	7.7%	43,994	112	\$634,987	\$1,616	28	3,838	1,771	46.1%	513,871	290	\$7,598,030	\$4,290	75
Santa Cruz	348	6	1.7%	2,886	481	\$45,012	\$7,502	7	178	76	42.7%	17,320	228	\$262,469	\$3,454	10
Yuma	985	104	10.6%	11,215	108	\$173,095	\$1,664	7	544	364	66.9%	136,539	375	\$2,026,278	\$5,567	16
By ALTCS Contractor																
DDD	26,016								26,016	16,194	62.2%	5,900,190	364	\$89,107,122	\$5,502	226
Bridgeway	6,207	675	10.9%	112,401	167	\$1,759,110	\$2,606	49								
Mercy Care	12,160	604	5.0%	70,357	116	\$1,033,438	\$1,711	40								
United	12,286	1,083	8.8%	115,444	107	\$1,746,101	\$1,612	52								

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 8
Baseline Utilization Data for Day Treatment and Training
For DDD Members Only
For Utilization Occurring in Calendar Year 2016

	DDD ALTCS Members	Total Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used	Total Trips	Trips by Distance Group (from Member Residence to Provider)				
										0-10	11-20	21-50	50+	Avg Dist (miles)
Statewide Total	26,016	10,037	38.6%	10,040,876	1,000	\$112,632,202	\$11,222	169	1,338,491	50.4%	28.4%	15.4%	5.9%	15.7
GSA 1 - Subtotal	2,292	1,081	47.2%	1,173,096	1,085	\$12,625,750	\$11,680	70	122,927	57.8%	13.7%	7.9%	20.6%	19.7
Apache	243	103	42.4%	142,166	1,380	\$1,516,476	\$14,723	13	10,167	70.6%	5.2%	15.3%	9.0%	14.3
Coconino	417	226	54.2%	293,083	1,297	\$3,186,606	\$14,100	20	26,987	74.3%	3.1%	7.6%	15.0%	18.6
Mohave	547	233	42.6%	210,271	902	\$2,183,987	\$9,373	16	25,832	66.5%	6.3%	0.2%	26.9%	19.0
Navajo	316	142	44.9%	161,141	1,135	\$1,786,326	\$12,580	28	7,836	24.5%	0.0%	6.5%	69.0%	49.4
Yavapai	769	377	49.0%	366,436	972	\$3,952,354	\$10,484	41	52,105	47.4%	26.7%	10.6%	15.3%	21.8
GSA 2 - Subtotal	18,545	6,761	36.5%	6,719,645	994	\$74,613,277	\$11,036	138	923,215	50.9%	30.3%	14.0%	4.8%	14.6
Gila	186	105	56.5%	134,020	1,276	\$1,510,633	\$14,387	19	16,589	48.5%	11.6%	5.2%	34.7%	34.9
Maricopa	16,889	6,227	36.9%	6,146,101	987	\$68,119,887	\$10,939	129	837,821	50.4%	30.9%	14.3%	4.4%	14.5
Maricopa - Central/East	13,799	4,806	34.8%	4,640,394	966	\$51,881,784	\$10,795	123	640,195	50.6%	31.1%	14.1%	4.3%	14.4
Maricopa - West	3,090	1,421	46.0%	1,505,707	1,060	\$16,238,103	\$11,427	86	197,626	49.7%	30.3%	15.0%	5.1%	15.0
Pinal	1,470	429	29.2%	439,524	1,025	\$4,982,756	\$11,615	49	68,805	58.1%	28.1%	12.5%	1.3%	12.5
GSA 3 - Subtotal	5,175	2,093	40.4%	2,032,167	971	\$24,074,068	\$11,502	78	292,349	45.4%	28.3%	23.1%	3.1%	16.8
Cochise	410	165	40.2%	177,604	1,076	\$1,990,983	\$12,067	25	22,252	62.3%	17.8%	18.5%	1.4%	12.7
Graham	134	52	38.8%	29,443	566	\$389,967	\$7,499	5	6,316	51.6%	42.4%	6.0%	0.0%	13.7
Greenlee	39	20	51.3%	13,122	656	\$151,247	\$7,562	3	2,345	41.2%	36.4%	11.7%	10.7%	15.2
La Paz	25,168	16	0.1%	13,636	852	\$133,033	\$8,315	5	1,437	0.0%	0.0%	100.0%	0.0%	40.3
Pima	3,838	1,629	42.4%	1,563,662	960	\$18,842,066	\$11,567	63	224,396	43.9%	27.2%	25.3%	3.6%	17.8
Santa Cruz	178	47	26.4%	58,171	1,238	\$687,909	\$14,636	6	7,414	28.2%	34.5%	33.9%	3.4%	18.1
Yuma	544	164	30.1%	176,529	1,076	\$1,878,863	\$11,456	9	28,189	50.5%	41.5%	7.0%	1.0%	11.6

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

Report 9
Baseline Utilization Data for Supported Employment
For DDD Members Only
For Utilization Occurring in Calendar Year 2016

	Total ALTCS Members	Total ALTCS Users	Percent Using Service	Total Hours Used	Hours/ User/ Year	Total Payments	Payments Per User	Providers Used	Percent of Hours		Total Trips	Trips by Distance Group (from Member Residence to Provider)				
									Center- Based Empl	Group Supp Emp		0-10	11-20	21-50	50+	Avg Dist (miles)
Statewide Total	26,016	3,328	12.8%	2,857,544	859	\$29,301,373	\$8,804	78	41.1%	56.5%	569,858	53.0%	34.0%	11.8%	11.9%	13.4
GSA 1 - Subtotal	2,292	438	19.1%	271,707	620	\$2,836,232	\$6,475	36	40.4%	59.6%	44,674	64.2%	22.7%	9.1%	4.9%	13.2
Apache	243	9	3.7%	9,714	1,079	\$139,670	\$15,519	4	9.0%	91.0%	*	0.0%	0.0%	0.0%	0.0%	0.0
Coconino	417	82	19.7%	50,676	618	\$581,284	\$7,089	13	11.5%	88.5%	1,926	80.5%	0.0%	0.0%	19.5%	19.2
Mohave	547	91	16.6%	39,633	436	\$619,052	\$6,803	10	9.8%	90.2%	*	0.0%	0.0%	0.0%	0.0%	0.0
Navajo	316	68	21.5%	47,818	703	\$568,192	\$8,356	11	28.3%	71.7%	6,224	52.7%	6.8%	25.7%	14.7%	18.1
Yavapai	769	188	24.4%	123,867	659	\$928,034	\$4,936	19	69.2%	30.8%	36,524	64.2%	26.6%	6.8%	2.4%	12.1
GSA 2 - Subtotal	18,545	1,863	10.0%	1,550,241	832	\$14,937,704	\$8,018	58	49.7%	50.3%	441,250	51.6%	34.4%	13.1%	0.9%	13.8
Gila	186	28	15.1%	13,007	465	\$160,106	\$3,355	12	25.3%	74.7%	1,284	0.0%	34.9%	0.0%	65.1%	72.7
Maricopa	16,889	1,611	9.5%	1,332,362	827	\$12,384,803	\$7,688	52	52.2%	47.8%	208,338	54.3%	36.1%	9.2%	0.4%	11.3
Maricopa - Central/East	13,799	1,318	9.6%	1,154,474	876	\$10,292,154	\$7,809	52	55.2%	44.8%	189,864	58.0%	34.8%	6.8%	0.3%	10.5
Maricopa - West	3,090	293	9.5%	177,888	607	\$2,092,649	\$7,142	37	32.7%	67.3%	18,474	16.7%	49.6%	33.0%	0.6%	19.5
Pinal	1,470	224	15.2%	204,873	915	\$2,392,795	\$10,682	23	35.0%	65.0%	23,290	5.6%	3.5%	84.3%	6.6%	34.2
GSA 3 - Subtotal	5,175	959	18.5%	967,063	1,008	\$10,873,664	\$11,339	29	30.6%	69.4%	83,934	54.5%	38.0%	6.6%	0.9%	12.3
Cochise	410	100	24.4%	77,613	776	\$1,055,379	\$10,554	10	15.0%	85.0%	668	0.0%	0.0%	0.0%	100.0%	79.3
Graham	134	37	27.6%	35,520	960	\$566,112	\$15,300	4	0.0%	100.0%	*	0.0%	0.0%	0.0%	0.0%	0.0
Greenlee	39	15	38.5%	12,733	849	\$234,393	\$15,626	3	0.0%	100.0%	*	0.0%	0.0%	0.0%	0.0%	0.0
La Paz	31,375	2	0.0%	691	346	\$13,261	\$6,631	1	0.0%	100.0%	*	0.0%	0.0%	0.0%	0.0%	0.0
Pima	3,838	682	17.8%	730,882	1,072	\$7,422,359	\$10,883	26	36.4%	63.6%	76,518	53.2%	40.3%	6.5%	0.1%	11.7
Santa Cruz	178	31	17.4%	37,277	1,202	\$571,848	\$18,447	3	0.0%	100.0%	*	0.0%	0.0%	0.0%	0.0%	0.0
Yuma	544	92	16.9%	72,348	786	\$1,010,313	\$10,982	4	25.5%	74.5%	6,748	75.4%	15.8%	8.8%	0.0%	8.5

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* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.
Note: Individual employment (ISE) is not reflected in this report (0.5% of all Supported Employment hours provided).

Report 10
Baseline Utilization Data for Adult Day Health
For EPD Members Only
For Utilization Occurring in Calendar Year 2016

	EPD ALTCS Members	Total Users	Percent Using Service	Total Days Used	Days/ User/ Year	Total Payments	Payments Per User	Providers Used	Total Trips	Trips by Distance Group (from Member Residence to Provider)				
										0-10	11-20	21-50	50+	Avg Dist (miles)
Statewide Total	30,653	502	1.6%	48,540	97	\$2,983,004	\$5,942	21	32,420	68.1%	24.1%	6.1%	1.7%	9.7
GSA 1 - Subtotal	3,066	33	1.1%	2,894	88	\$152,450	\$4,620	4	7,562	39.6%	41.7%	14.8%	3.9%	16.9
Apache	92	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Coconino	274	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Mohave	1,319	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Navajo	288	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Yavapai	1,093	33	3.0%	2,894	88	\$152,450	\$4,620	4	7,562	39.6%	41.7%	14.8%	3.9%	16.9
GSA 2 - Subtotal	20,287	409	2.0%	41,202	101	\$2,597,566	\$6,351	17	18,556	82.2%	12.9%	3.4%	1.5%	8.4
Gila	344	1	0.3%	48	48	\$3,055	\$3,055	1	8	0.0%	0.0%	0.0%	100.0%	77.5
Maricopa	18,748	392	2.1%	39,284	100	\$2,479,271	\$6,325	17	16,974	87.9%	10.9%	0.6%	0.7%	7.7
Maricopa - Central/East	14,883	324	2.2%	32,911	102	2,074,881	\$6,404	16	14,686	87.6%	11.1%	0.4%	0.8%	7.6
Maricopa - West	3,865	68	1.8%	6,373	94	\$404,390	\$5,947	12	2,288	89.2%	9.1%	1.7%	0.0%	8.1
Pinal	1,195	16	1.3%	1,870	117	\$115,241	\$7,203	3	1,574	22.1%	35.2%	33.3%	9.4%	26.0
GSA 3 - Subtotal	7,297	60	0.8%	4,444	74	\$232,988	\$3,883	5	6,302	60.5%	35.8%	3.7%	0.0%	10.2
Cochise	661	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Graham	145	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Greenlee	6	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
La Paz	31,986	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Pima	5,114	39	0.8%	2,373	61	\$116,359	\$2,984	4	5,990	60.9%	35.9%	3.2%	0.0%	10.5
Santa Cruz	348	0	0.0%	0	0	\$0	\$0	0	0	0.0%	0.0%	0.0%	0.0%	0.0
Yuma	985	21	2.1%	2,071	99	\$116,629	\$5,554	1	312	53.2%	34.6%	12.2%	0.0%	9.3
6														
By ALTCS Contractor														
Bridgeway	6,207	75	1.2%	7,176	96	\$433,001	\$5,773	1						
Mercy Care	12,160	268	2.2%	28,839	108	\$1,820,715	\$6,794	14						
United	12,286	159	1.3%	12,525	79	\$729,288	\$4,587	9						

* Some members in the Statewide line with out of state addresses have been excluded from the GSA subtotals.

APPENDIX B
SURVEY TOOL ADMINISTERED TO PROVIDERS DELIVERING SERVICES TO
ALTCS MEMBERS WHO ARE ELDERLY AND/OR HAVE PHYSICAL DISABILITIES
Survey shown in appendix was loaded onto a website to be filled out online.

Survey of ALTCS Providers Regarding Proposition 206

As you are aware, Proposition 206, the Fair Wages and Healthy Families Act, increased Arizona's minimum wage from \$8.05 to \$10.00 per hour effective January 1, 2017 and, through a local Proposition, Flagstaff's hourly wage was increased to \$10.50 effective July 1, 2017. By the year 2020, the minimum wage statewide will be \$12.00 (\$13.00 in Flagstaff). Prop 206 also requires that employers offer sick leave.

This increase is expected to have a material effect on providers who deliver home- and community-based services to AHCCCS members as well as to nursing facilities. In order to address the increased costs of service delivery, funding was provided to increase rates for a variety of providers. Additionally, legislation was enacted in 2017 requiring AHCCCS to conduct an analysis on "the impact of provider cost increases resulting from the enactment of Proposition 206...on the adequacy of the provider network for enrollees in the Arizona Long-Term Care System (ALTCS)."

You are receiving this survey since your organization serves ALTCS members through the Elderly and Physically Disabled (EPD) program. The responses to this survey will be included, among other items, in AHCCCS's report to the Legislature and the Governor in February 2018. Burns & Associates, a Phoenix-based health care consulting firm, is assisting AHCCCS with this report.

This survey contains nine check-the-box questions, one question asking for detailed wage data and one question where you may include qualitative feedback. The survey is designed to be completed in 5-10 minutes. AHCCCS is greatly interested in your feedback. We do ask for tracking purposes that you identify yourself; however, no provider will be specifically named in the report without prior consent. No anonymous responses will be considered, and there may be some efforts to validate responses provided.

If you have specific questions about the survey, please contact Barry Smith at Burns & Associates at (602) 241-8578 or bsmith@burnshealthpolicy.com.

The questions below are specific to your paraprofessional staff, for example, Nurse Aides in nursing facilities and Direct Service Professionals in community-based organizations. For most questions, the period(s) under review are Calendar Years (CY) 2016 and 2017 (to date).

Enter your agency name: _____
Enter your AHCCCS Provider ID: _____

1. Please provide the following wage information for your paraprofessional staff:
 - Average starting wage as of 12/31/16: _____
 - Average starting wage as of 7/1/17: _____
2. Since the enactment of the Propositions, has your organization provided benefits increase(s) to your paraprofessional staff (check only one)?
 - Yes, in the form sick time only
 - Yes, in the form sick time and other benefits
 - No
3. Since the enactment of the Propositions, the turnover rate among your paraprofessional staff has (check only one):
 - Increased compared to CY 2016
 - Decreased compared to CY 2016
 - Remained about the same as CY 2016
4. Since the enactment of the Propositions, the retention rate among paraprofessional staff with longest durations of employment with your organization has (check only one):
 - Increased compared to CY 2016
 - Decreased compared to CY 2016
 - Remained about the same as CY 2016

5. Since the enactment of the Propositions, the amount of time required to fill a vacant position with a qualified paraprofessional has (check only one):
 - Increased compared to CY 2016
 - Decreased compared to CY 2016
 - Remained about the same as CY 2016
6. If turnover has increased or vacancy rates have increased since the Propositions took effect, has your organization been required to spend more on overtime pay for paraprofessionals (check only one)?
 - Yes
 - No
7. What has been your response thus far in **CY 2017** to the minimum wage and benefits increases with respect to the number of paraprofessional staff on your roster (check only one)?
 - Fewer paraprofessional staff than in CY 2016
 - More paraprofessional staff than in CY 2016
 - About the same number of paraprofessional staff as in CY 2016
8. Please indicate if any of the following statements are true in **CY 2017** as a consequence to the Propositions (check all that apply):
 - We have reduced some employee benefits to help cover the costs of the minimum wage and benefits increases
 - We have eliminated some employee benefits to help cover the costs of the minimum wage and benefits increases
 - We have adjusted staffing and/or benefits costs among staff **not** impacted by minimum wage changes to help cover the costs of the minimum wage and benefits increases
 - We have made no changes to employee benefits
9. If you have reduced or eliminated any employee benefits during **CY 2017**, please indicate which employee benefits have been reduced (check all that apply):
 - Employer payment towards health insurance
 - Vacation pay
 - Sick leave pay
 - Other personal leave pay
 - Employer contribution toward retirement plan (e.g. 401k or pension)
 - Smaller raises/bonuses or elimination of raises/bonuses
 - No changes to employee benefits
10. Please indicate if any of the following statements are true in **CY 2017** as a consequence to the Propositions (check all that apply):
 - We have increased delivering some services to AHCCCS members
 - We have reduced delivering some services to AHCCCS members
 - We have stopped delivering some services to AHCCCS members
 - We have increased the number of AHCCCS members served
 - We have reduced the number of AHCCCS members served
 - We have stopped serving AHCCCS members entirely
11. If you wish to provide additional details on the impact to your organization related to the enactment of the Propositions, please type it in the space below:

APPENDIX C
SURVEY TOOL ADMINISTERED TO PROVIDERS DELIVERING ALTCS SERVICES
TO PERSONS WITH INTELLECTUAL AND DEVELOPMENTAL DISABILITIES



Prop 206 - One Time Funding

Important Note: For all questions below, a direct service worker (also known as a direct support professional) is a care provider whose full-time job is in the direct provision of services to individuals/members. Direct service workers do not include supervisory or managerial staff that may be providing direct care to help cover shifts, for example.

* 1. What is your Agency name?

* 2. Provide Agency Contact Information:

Contact Name

Phone Number

* 3. Enter an email for confirmation of survey receipt.

* 4. Enter your AHCCCS Provider ID:

5. Does your agency only support people with intellectual/developmental disabilities (IDD)?

Yes

No

6. How many direct service workers (DSWs) are providing the following services as of September 1st in your agency?

Attendant Care

Day Treatment (DTA)/Transportation

Employment (GSE, CBE, etc.)/Transportation

Habilitation (Hourly/Per Daily)

Respite (Hourly/Daily)

7. How many direct service worker (DSW) vacancies do you have as of September 1st for the following services in your agency?

Attendant Care

Day Treatment (DTA)/Transportation

Employment (GSE, CBE, etc.)/Transportation

Habilitation (Hourly/Per Daily)

Respite (Hourly/Daily)

8. Is your agency? (select one)

Private for-profit

Private non-profit

Public or Government Entity

9. What was the average starting hourly wage and average wage paid to all DSWs providing **Attendant Care**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

10. What was the average starting hourly wage and average wage paid to all DSWs providing **Day Treatment**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

11. What was the average starting hourly wage and average wage paid to all DSWs providing **Employment**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

12. What was the average starting hourly wage and average wage paid to all DSWs providing **Habilitation**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

13. What was the average starting hourly wage and average wage paid to all DSWs providing **Respite**?

Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

14. What was the average starting hourly wage and average wage paid to all DSWs providing **Transportation**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

15. What was the average starting hourly wage and average wage paid to all DSWs providing **Other Services Receiving a Prop 206 Rate Adjustment**? Please exclude overtime rates from your calculations.

Avg Starting Hourly Wage-
Dec. 31st, 2016

Avg Starting Hourly Wage
July 1, 2017

Avg Hourly Wage
regardless of length of
employment as of July 1st,
2017

16. As of July 1, 2017, how many of your current DSWs had been continuously employed in a direct support capacity for?

Less than 6 months

Between 6 months and 12
months

More than 12 months

17. How many direct support workers left your agency within the last 6 months (January to June 2017)?

18. As of July 1, 2017, how many DSWs were considered full-time employees (working more than 30 hours per week)?

19. As of July 1, 2017, how many DSWs were considered part-time employees (working less than 30 hours per week)?

For questions below, refer to the period PRIOR to July 1, 2017.

20. Which of the following DSWs were eligible to earn sick leave time?

- All DSWs
- Only Full-time DSWs
- Only Part-Time DSWs
- No DSWs are eligible for sick leave time

21. Which of the following DSWs were eligible to earn and use paid personal time or vacation time?

- All DSWs
- Only Full-time DSWs
- Only Part-Time DSWs
- No DSWs are eligible for paid personal time

22. Which of the following DSWs are eligible for health insurance coverage through your agency?

- All DSWs
- Only Full-time DSWs
- Only Part-Time DSWs
- No DSWs are eligible health insurance coverage through my agency

For questions below, refer to the period AFTER to July 1, 2017

23. Which of the following DSWs are eligible to earn sick leave time above and beyond the required paid time off benefit from Proposition 206?

- All DSWs
- Only Full-time DSWs
- Only Part-Time DSWs
- No DSWs are eligible for sick leave

24. Which of the following DSWs are eligible to earn and use paid personal time or vacation time?

- All DSWs
- Only Full-time DSWs
- Only Part-Time DSWs
- No DSWs are eligible for paid personal time

25. Which of the following DSWs are eligible for health insurance coverage through your agency?

All DSWs

Only Full-time DSWs

Only Part-Time DSWs

No DSWs are eligible health insurance coverage through my agency