Medicaid 50th Anniversary

- 70 m
- 1 in 3
- 1 in 7
- 10 m
- 25%
- 38 States
- 500 B

- Lives Covered
- Kids (33 m)
- Elderly (6 m)
- Disabled
- % of Total BH Spending
- Managed Care
- Total Cost

Reaching across Arizona to provide comprehensive quality health care for those in need
Medicaid Population and Spending

- Children: 48%
- Adults: 27%
- Elderly: 9%
- Disabled: 15%

Enrollees TOTAL = $68 Million

- Disabled: 15%
- Elderly: 9%
- Adults: 27%
- Children: 48%

Expenditures Total = $397.6 Billion

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

Reaching across Arizona to provide comprehensive quality health care for those in need
1115 Waiver

• New Waiver 10-1-16
• Public Process – meetings statewide
• Waiver provides flexibility for structure on mandatory managed care – benefits – etc...
• AHCCCS Choice Accountability Responsibility Engagement (CARE)
  o Exempts Children, Elderly, Disabled, Medically Frail
  o Includes copays and premiums/H.S.A
    ▪ Timely Payments – Participate in AHCCCS Works – Meet healthy Arizona Targets
AHCCCS Population
as of July 1, 1985 – 2015

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

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

- Bend the cost curve while improving the member’s health outcomes
- Pursue continuous quality improvement
- Reduce fragmentation in healthcare delivery driving towards an integrated system
- Maintain core organizational capacity, infrastructure and workforce.

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

- Value Based Purchasing Requirements for Plans
  - 2015 - 20% moving to 50% by 2017
- New Inpatient payment structure that can better tie to quality based payments
- Requirement for plans to pay FQHC PPS
- Value Based Plan Payments tied to Quality
  - Access Measures – ED visits - Readmissions
- Developing Learning Culture
## GAO - Conditions of Members (%)

<table>
<thead>
<tr>
<th>Condition</th>
<th>Asthma</th>
<th>Diabetes</th>
<th>HIV/AIDS</th>
<th>MH</th>
<th>SUD</th>
<th>Delivery</th>
<th>LTC</th>
<th>None</th>
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<tbody>
<tr>
<td>Asthma</td>
<td>24.5</td>
<td>3.9</td>
<td>65.1</td>
<td>29.1</td>
<td>6.5</td>
<td>7.3</td>
<td>7.3</td>
<td>17</td>
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<tr>
<td>Diabetes</td>
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<td>2.6</td>
<td>52.4</td>
<td>23.9</td>
<td>3.1</td>
<td>12.7</td>
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<tr>
<td>HIV/AIDS</td>
<td>17.9</td>
<td>15.6</td>
<td>48.1</td>
<td>39.4</td>
<td>2.1</td>
<td>7.2</td>
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<tr>
<td>MH</td>
<td>17.6</td>
<td>18.7</td>
<td>2.8</td>
<td>26.7</td>
<td>4.0</td>
<td>11.9</td>
<td>42.9</td>
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<tr>
<td>SUD</td>
<td>20.8</td>
<td>22.6</td>
<td>6.0</td>
<td>70.8</td>
<td>4.5</td>
<td>10.2</td>
<td>15.6</td>
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<tr>
<td>Delivery</td>
<td>9.3</td>
<td>5.9</td>
<td>0.7</td>
<td>21.3</td>
<td>9.0</td>
<td>0.5</td>
<td>66</td>
<td></td>
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<tr>
<td>LTC</td>
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<td>28.6</td>
<td>2.8</td>
<td>74.7</td>
<td>24.4</td>
<td>0.6</td>
<td>14.1</td>
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</tbody>
</table>

Reaching across Arizona to provide comprehensive quality health care for those in need
Economic Impact of Integration (Milliman)

- Costs for chronic medical conditions for those with co-occurring MH/SA are 2 to 3X
- Diabetes PMPM
  - w/o MH/SA - $1,068 – w/ $2,368
- Total Opportunities
  - Medicaid $100 B (Pre-Expansion)
  - Medicare $30 B
  - Commercial $162 B
- **Total Achievable $26-48 B**
Continuum of Integration

Coordinated Care
- Screening
- Navigators
- Care & Case Managers

Colocated Care
- Colocation

Integrated Care
- System-Level Integration
- Health Homes

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

- **Fully Integrated Care** – All providers function as a team to provide joint treatment planning and care. *Single system treating whole person.*
Administrative Simplification

CURRENT CONFIGURATION

<table>
<thead>
<tr>
<th>PROVIDERS</th>
<th>PROVIDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Plan (physical health)</td>
<td>RBHA</td>
</tr>
<tr>
<td>ADHS/DBHS (behavioral health)</td>
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</tr>
</tbody>
</table>

STREAMLINED CONFIGURATION

<table>
<thead>
<tr>
<th>PROVIDERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Plan/RBHA (physical &amp; behavioral health)</td>
</tr>
</tbody>
</table>

Reaching across Arizona to provide comprehensive quality health care for those in need
Arizona Health Care Cost Containment System

Agency Administration and Management

Arizona Governor
Douglas A. Ducey

DIRECTOR
Thomas J. Betlach

Office of Inspector General
Sharon Ormsby

DEPUTY DIRECTOR
Beth Kohler

Business & Finance
Jeff Tegen

Business Intelligence & Analytics
Craig Siren

Healthcare Management
Rate Development
Shellie Silver

Healthcare Management Operations
Vacant - Recruiting

Information Services
Jim Wang

Member Services
Penny Ellis (Acting)

Administrative Legal Services
Matthew Devlin

Fee for Service Management
Elizabeth Carpio

Healthcare Advocacy and Advancement
Vacant - Recruiting

HIT Coordinator
Lorie Mayer

Human Resources & Development
Roxanne Robles

Intergovernmental Relations
Monica Coury

Project Management / Payment Modernization
Michal Rudnick
George Jacobson

CHIEF MEDICAL OFFICER
Dr. Sara Salek

Clinical Services
Medical Director, Roger Wilcox
Dental Director, Michael Racoubi
Pharmacy Services, Suzanne Berman

Healthcare Management
Clinical
Vacant - Recruiting

Medical Policy & Coding
Coding Services, Vacant
Medical Policy, Kevin Neil

Reaching across Arizona to provide comprehensive quality health care for those in need
Social Determinants - Opportunities

**HOME**
9k-30k Savings

**FOOD**
2 x ROI

**CARE MANAGEMENT**
20% Inpatient
30% Emergency

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

9,000

4,000

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High Needs High Costs (HC & Care 1st)

Reaching across Arizona to provide comprehensive quality health care for those in need
Health Net Circle the City Utilization

IP N=32
ER N=34
OV N=29

Before
During
After
Delivery System
Transformation Initiatives

1. Members with Serious Mental Illness
2. High Need High Cost - Super Utilizers
3. Dual Eligible Members
4. American Indian Health Program
5. Justice System Transitions
6. Health Information Technology
7. Blind Spot Data Sharing
8. Children with Special Needs

Reaching across Arizona to provide comprehensive quality health care for those in need
American Indian Health Program: Care Coordination Initiative

Staff
Relationships
Data
The Model

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

• October 1, 2015 Rate Adjustments
• October 1, 2015 RBHA Transitions
• October 1, 2015 GMH/SA Duals
• Hospital Assessment Litigation
• Provider Registration – New ACA Requirements
• New State Accounting System – payments
• Managed Care Regs/Cap Rates