The AHCCCS CARE Program

Exploring New Opportunities to Support Tobacco Cessation
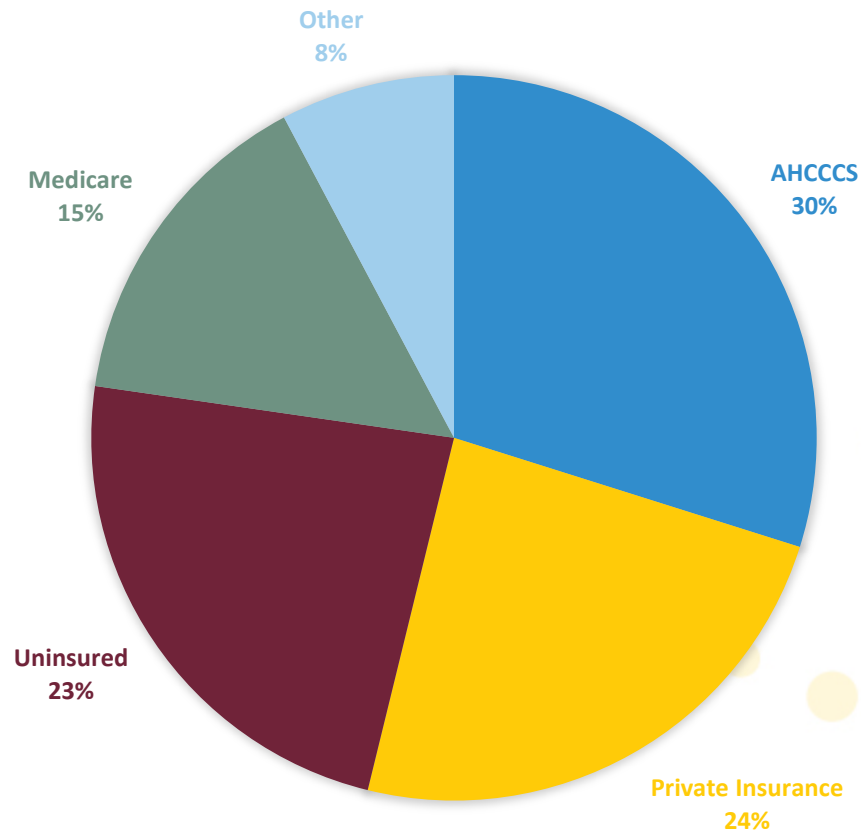
October 2015

Medicaid: A Critical Partner in the Fight Against Tobacco Use

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FY2015 Insurance Coverage for ASHLine Clients

Other
8%

Medicare
15%

AHCCCS
30%

Uninsured
23%

Private Insurance
24%

Note: "Other" refers to less commonly reported insurance plans that do not comprise the pre-populated set of options on the caller information form.

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Medicaid's Role

- Americans below poverty 40% more likely to smoke

- Almost 34% of Medicaid population smokes

- Per CDC: smoking-attributable medical expenditures in the adult Medicaid population **total $ 39 Billion** nationally, or **15 %** of total expenditures

- ASHLine quit rate for Medicaid 37%

- Improving quit rate requires building new partnerships

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The AHCCCS CARE Program

Choice

Accountability

Responsibility

Engagement

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Arizona's 1115 Waiver

- Arizona's current waiver scheduled to expire September 30, 2016

- Current terms require the State to give notice of its intentions one year in advance

- Arizona submit its letter of intent to apply for a new Demonstration September 30, 2015

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Federal Process

- The Centers for Medicare and Medicaid Services (CMS) is the federal agency responsible for oversight of State Medicaid agencies

- Arizona must obtain final approval from CMS

- The Office of Management and Budget and the Department of Health and Human Services also review waiver proposals

- 1115 Waivers are approved at the discretion of the HHS Secretary

Arizona's Application

- Arizona's application for a new 5-year waiver includes:
  - Part I: Governor Ducey's vision to modernize Medicaid: The AHCCCS CARE program
  - Part II: The Legislative Partnership
  - Part III: DSRIP: Arizona's Approach
  - Part IV: HCBS Final Rule
  - Part V: American Indian Medical Home
  - Part VI: Building Upon Past Successes
  - Part VII: Safety Net Care Pool

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AHCCCS Today

- Largest Insurer in the State of Arizona
- $12.0 billion program
- Mandatory Managed Care
- Public-Private Partnership
- System built on competition and choice
- Integrated delivery system—over 60,000 providers
- Covers two-thirds of nursing facility days
- Covers nearly as many adults as traditionally eligible populations, such as pregnant women, children, elderly, persons with disabilities

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Modernizing Arizona Medicaid

- Expanding Private Sector Partnerships and Leveraging Today's Technology to Reinvent AHCCCS

Engage Arizonans to take charge of their health	Make Medicaid a temporary option	Promote a quality product at the most affordable price

The AHCCCS CARE Program: Requiring Member Contributions

- Copays:
  - o Up to 3% of annual household income
  - o Members will make monthly AHCCCS CARE payments reflecting copays for services already obtained
  - o This also removes the burden of collecting the copay by providers at the point of service
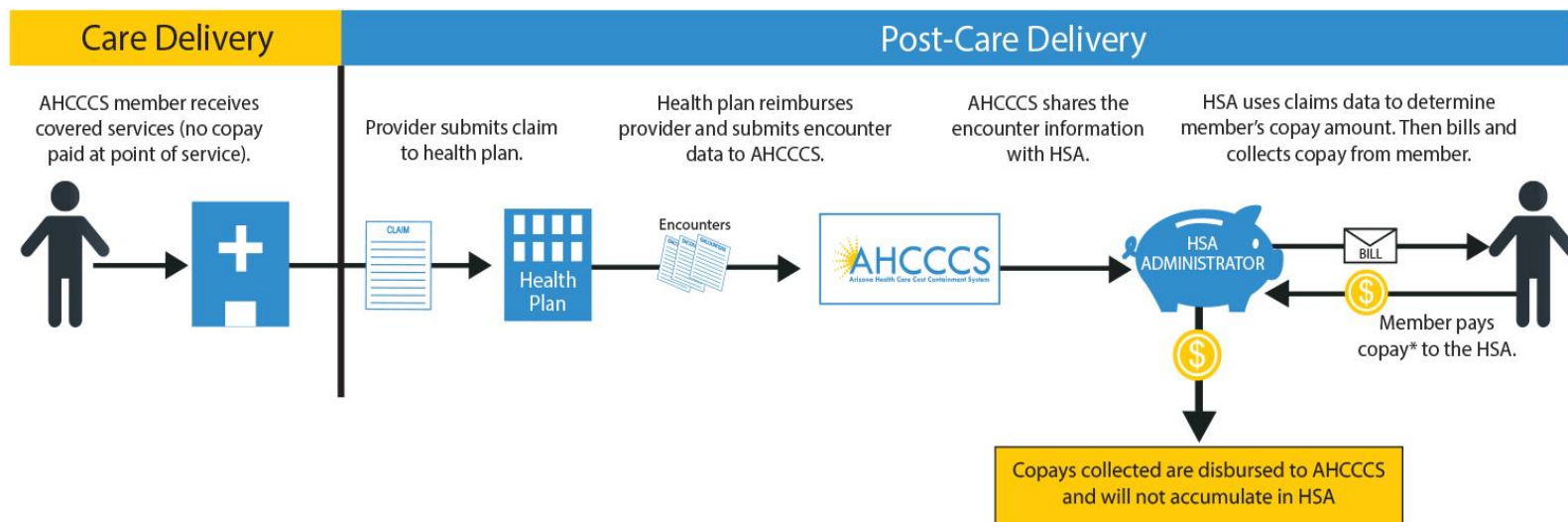
Strategic Copays

No Copays

- Preventive Services

- Wellness

- Chronic illness

- Persons with Serious Mental Illness

- Services obtained at your Primary Care Physician or OB-GYN

Copay Required

- Opioids, except cancer and terminal illness

- Non-Emergency use of ED

- Missed Appointments

- Specialist services without PCP referral

- Brand name drugs when generic available unless physician determines generic ineffective

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COPAYS

Care Delivery

AHCCCS member receives covered services (no copay paid at point of service).

Post-Care Delivery

Provider submits claim to health plan.

Health plan reimburses provider and submits encounter data to AHCCCS.

AHCCCS shares the encounter information with HSA.

HSA uses claims data to determine member's copay amount. Then bills and collects copay from member.

Member pays copay* to the HSA.

Copays collected are disbursed to AHCCCS and will not accumulate in HSA

*Members pay up to 3% of income in copays. Cost sharing (premiums and copays) cannot exceed 5% of household income as required by federal law.

AHCCCS CARE Premiums

- Included in the monthly AHCCCS CARE payment

- Premium requirement set at 2% of annual household income

- Member contributions do not exceed 5% of annual household income

PREMIUMS

In addition to copays, member pays monthly premiums to HSA (regardless if services are received). The premium amount is billed monthly by the HSA, and collected with any relevant copays due.

Qualified Member

Members can earn Qualified Member status by:

✅ Completing Preventive Services

✅ Making Timely Payments

✅ Meeting Work Requirement

Healthy Incentives for Qualified Members

Premiums collected can be used by Qualified Members to either pay for health related services not covered by AHCCCS or be rolled over to offset copay payment amounts in the next benefit period.

HSA ADMINISTRATOR

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The AHCCCS CARE Account (cont.)

- Contributions for premiums go into the AHCCCS CARE Account, which can be used for non-covered services
  - o Dental
  - o Vision
  - o Chiropractic services
  - o Nutrition counseling
  - o Recognized weight loss programs
  - o Gym memberships
  - o Sunscreen

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Healthy Arizona: Promoting Healthy Behaviors

- Healthy Arizona is a set of targets
  - Promoting wellness: wellness exams, flu shots, glucose screenings, mammograms, tobacco cessation, and others.
  - Managing Chronic Disease: such as, diabetes, substance use disorders, asthma.

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Healthy Arizona (cont.)

- If members meet their Healthy Arizona target, they have the choice of either:

  o Reducing their required AHCCCS CARE payments; or

  o Rolling unused AHCCCS CARE Account funds over into next benefit year.

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AHCCCS Works:
Viewing AHCCCS as a Pit Stop

- Supporting Work Incentives:
  - o Partner with existing employment supports programs to build skills and promote work
  - o Arizona Department of Economic Security manages numerous programs that provide support to job seekers

- **Unused AHCCCS CARE funds roll over into private HSA or AHCCCS CARE account can be maintained when member transitions out of Medicaid**

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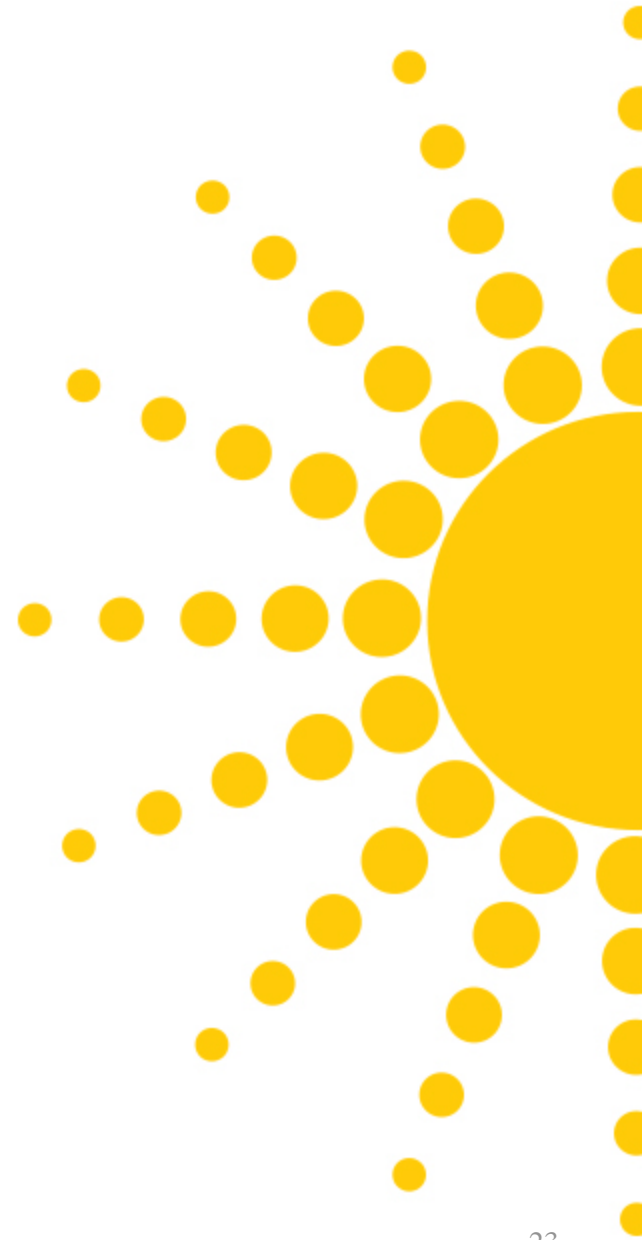Arizona Health Care Cost Containment System

Targeted Participation

- Employers will be able to make direct contributions into their employees' AHCCCS CARE Account that employees can use toward non-covered services

- Employer contributions reduce employee's contribution requirements or help build up funds in their AHCCCS CARE Account that can be used for non-covered services

- Employers can target contributions toward tobacco cessation

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Targeted Participation

- The Philanthropic community can make contributions for targeted purposes, such as smoking cessation

- Organizations can invest in members' AHCCCS CARE account to support their health goals

- Private sector contributions are tax-deductible

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Questions?

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Thank You.

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