Arizona Long Term Care System (ALTCS) Overview

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Arizona Health Care Cost Containment System (AHCCCS)
Arizona Managed Long Term Care

- Overview
- Principles
- Payment Structure
- Duals
- Results
Arizona Waiver History

- 1982 – Arizona last state to enter into Medicaid program. First state to establish mandatory Medicaid managed care premised on competition, choice and appropriate utilization management.

- 1989 – Arizona expands Medicaid and establishes the Arizona Long Term Care Services (ALTCS) program including home and community based services.
  
  - Elderly and Physically Disabled Population (EPD) managed through Managed Care Organizations.
  
  - Developmentally Disabled (DD) contract with Department of Economic Security – state agency.
Arizona Medicaid Program Today

- 1.3 million Medicaid enrollees
- 49,922 ALTCS enrollees (as of 06/01/12)
  - 24,481 individuals with developmental disabilities (DD)
  - 25,441 individuals who are elderly and/or have physical disabilities (E/PD)
- ALTCS accounts for 4% of the AHCCCS population and 25% of the spending
ALTCS Plans By Region

- Maricopa County/Phoenix – 60% of state population
  - 4 Plans
  - Bridgeway Health Solutions, Evercare Select, Mercy Care Plan,
  - Division of Developmental Disabilities*

- Pima County/Tucson – 20% of state population
  - 3 Plans
  - Evercare Select, Mercy Care Plan
  - Division of Developmental Disabilities*

- Greater Arizona
  - 2 Plans Per Region (1 plan to serve DD membership, 1 plan to serve E/PD membership)

*Coordinates care for individuals with developmental disabilities statewide
ALTCS Enrollment by County
As of June 1, 2012

Elderly and Physically Disabled (EPD) PCs = 25,441
BDWY = Bridgeway Health Solutions
EVRS LT = Evercare Select
MCP = Mercy Care Plan
DD Division of Developmental Disabilities/DES = 24,481
ALTCS ENROLLMENT TOTAL = 49,922
ALTCS Population – April 1, 2012

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ALTCS Contractors

- **DES-DDD**
  - Bridgeway Health Solutions
  - Evercare Select
  - Mercy Care
  - ALTCS FFS – Tribal CM

Financial/Medical Eligibility

1. Citizen/Qualified Alien
2. AZ Resident
3. $2,000/$3,000 Resources
4. $2,022 Income Maximum
5. Transfer of Resources
6. SSN
7. Medical Eligibility/PAS

Potential ALTCS Member
2,750 Applications/Month

PCP/Case Manager

Covered Services

- Acute Care Services
- Nursing Facility
- ICF/MR
- Hospice
- Behavioral Health
- HCBS
  - Homemaker
  - Personal Care
  - Respite Care
  - Attendant Care
  - Home Health Nurse
  - Home Health Aide
  - Community Transition Services

**KEY**
- EPD - Elderly & Physically Disabled (Age 65+, Blind or Disabled)
- ICF/MR - Intermediate Care Facility for Mental Retarded
- NF - Nursing Facility
- PAS - Pre Admission Screening
Arizona Managed Care Principles

- Promote Competition and choice in marketplace
  - RFPs strong plan competition

- Establish proper infrastructure for oversight
  - Staff of 75 to oversee plans
  - Very good encounter data used for rate setting and quality measures

- Demand Improved member outcomes and Plan Performance
  - Track quality measures – sanctions for poor results

- Establish broad networks that ensure member access
  - Regular monitoring

- Be a competitive payer that attracts providers
  - Professional/OP rates typically at Medicare
Arizona Long Term Care System (ALTCS) Guiding Principles

- Member-centered case management
- Accessibility of network
- Service in the most appropriate setting
- Collaboration with stakeholders
- Integrate service model establishing accountability
- Leverage true potential of managed care with frail populations
Managed Care Competition

- EPD Procurement cycle – every 5 years
- DD – ongoing contract with DES
- Just awarded new EPD contracts – 10-1-11
- Competition statewide – 6 bid for 3 slots in Maricopa
- Procurement evaluated
- Program – Capitation Rate – Organization - Network
Setting Rates for E/PD Program

- Capitation is bid as component of Procurement
- Bid separately
  - All Medical Services – Case Management – Administrative
- Service Costs – weighted average of nursing facility and home and community setting costs – align incentives
- Data Sources for Rate Components
  - Enrollment history and projections
  - Reports on NF vs. HCBS placement by GSA and health plan
  - Databook for encounters approved and adjudicated
- AHCCCS currently has 3 actuaries on staff
- Agency makes annual adjustments based on trends and program changes
## ALTCS Capitation

<table>
<thead>
<tr>
<th>Service Category</th>
<th>Gross CYE12 Rate</th>
<th>Mix</th>
<th>Net CYE12 Rate</th>
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<tbody>
<tr>
<td>Nursing Facility</td>
<td>$5,242.23</td>
<td>28.56%</td>
<td>$1,497.18</td>
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<tr>
<td>Share of Cost</td>
<td>$5,017.63</td>
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<td>$5,017.63</td>
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<tr>
<td>Net Nursing Facility</td>
<td>$1,272.59</td>
<td></td>
<td>$1,272.59</td>
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<tr>
<td>Home and Community (HCBS)</td>
<td>$1,399.54</td>
<td>71.44%</td>
<td>$999.83</td>
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ALTCS and Dual members

- 120,000 dual eligible members in Arizona
- In AZ 83% of the elderly and physically disabled members in long term care program are dual members
- 22% of developmentally disabled members are dual members
- Since 2006 Arizona strongly encourages plans to be Special Needs Plans
- Arizona has approximately 40,000 members or one-third of duals aligned and integrated into the same plan for Medicare and Medicaid – nationally less than 200,000
AHCCCS Oversight

- Strong system and staff infrastructure
- Strong contracts that allow for graduated compliance (corrective action plans-sanctions)
- Strong Quality Management measurement reporting
- Strong and frequent operational reporting (grievances – finances – utilization)
- Every 3 years full operational and financial reviews
- Quarterly staff meetings to review and compare plan performance
Service Delivery Expectations

- Well documented case management policies
- Regular case management monitoring and training
- Established Network Standards
  - PCP and pharmacy within 5 mile radius (urban)
  - Requirements for MCO contracts with hospitals and SNFs and Assisted Living facilities by regions of metro area
  - Require appropriate specialists
  - Appointment standards – emergency/urgent/routine
Value of Managed Care

- Integration and alignment of all services for frail dual members provides opportunity to leverage full potential of MCOs -
- Leverage Data and turn to knowledge/information
- Seamless transition of care across settings
- Health Risk assessment tools
- Clinical support analytics, predictive modeling and care management staff to address
- Work with providers in getting them actionable data
- Serves as single entity accountable for outcomes of member
ALTCS Results
AHCCCS Results

- #1 ranking United Cerebral Palsy’s 2012 report
- 6 member hearing requests – May 2012
- 97.3% - 30 day initiation of services (EPD)
- 87% 3-6 years olds PCP visit (DD)
- 87%-92.5% Diabetes HbA1c test (EPD)

Avalere Study of Mercy Care Plan Duals
- 31% lower rate hospitalization
- 21% lower readmissions
- 9% lower ED use
ALTCS E/PD Trend in HCBS Placement
1989 - 2011
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## AHCCCS Results - Capitation

<table>
<thead>
<tr>
<th>Program</th>
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<th>9-30-13</th>
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<td>EPD</td>
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<tr>
<td>DD</td>
<td>$3,150</td>
<td>$3,223</td>
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