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# Arizona Long Term Care System (ALTCS) Overview

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(AHCCCS)



Our first care is your health care  
Arizona Health Care Cost Containment System

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

# Arizona Managed Long Term Care

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- Overview
- Principles
- Payment Structure
- Duals
- Results



# Arizona Waiver History

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- 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

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- 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

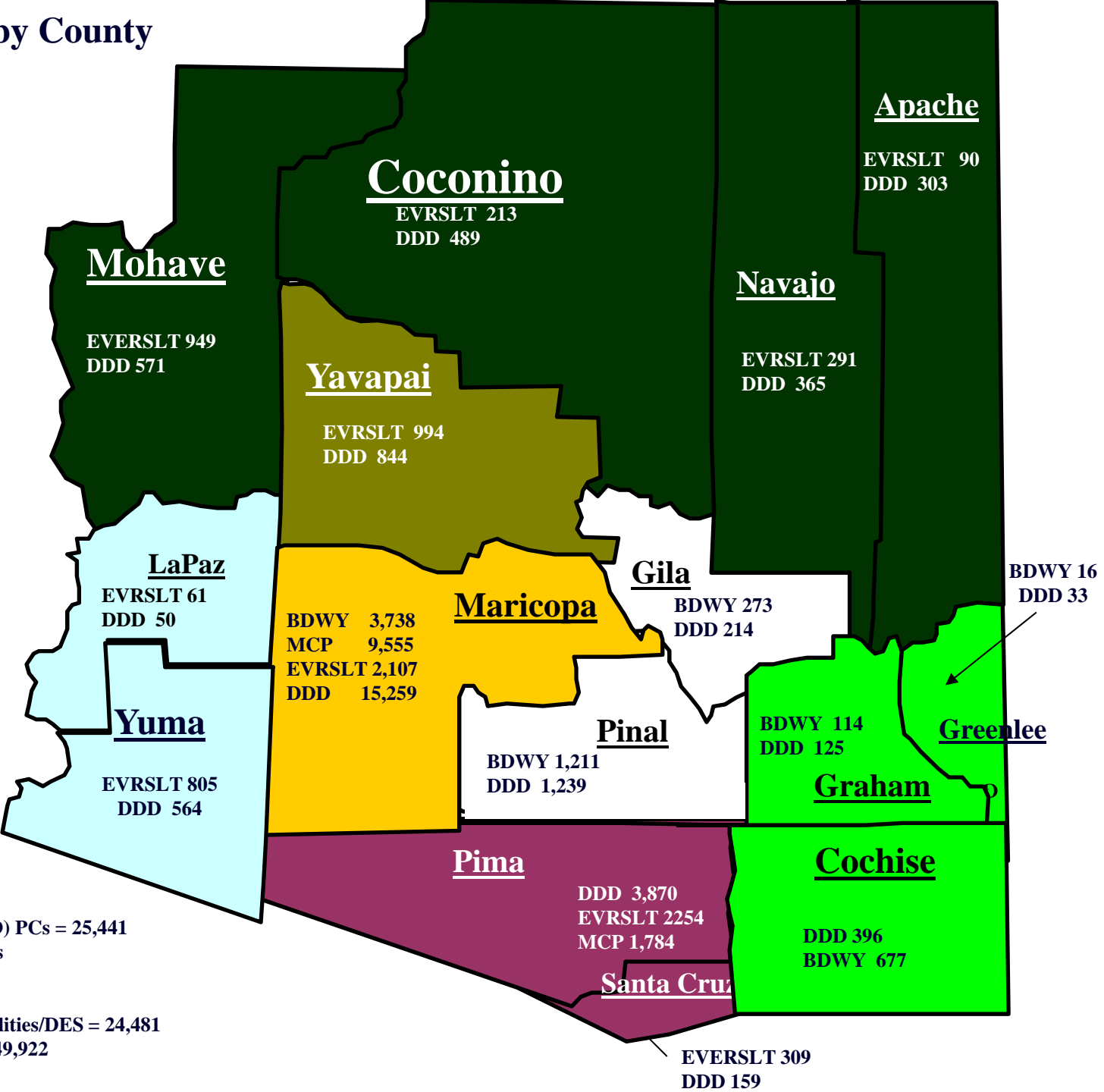
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- ❑ Maricopa County/Phoenix – 60% of state population
  - 4 Plans
  - Bridgeway Health Solutions, Evercare Select, Mercy Care Plan,
  - Division of Developmental Disabilities\*
- ❑ Pima County/Tucson – 20% of state population
  - 3 Plans
  - Evercare 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

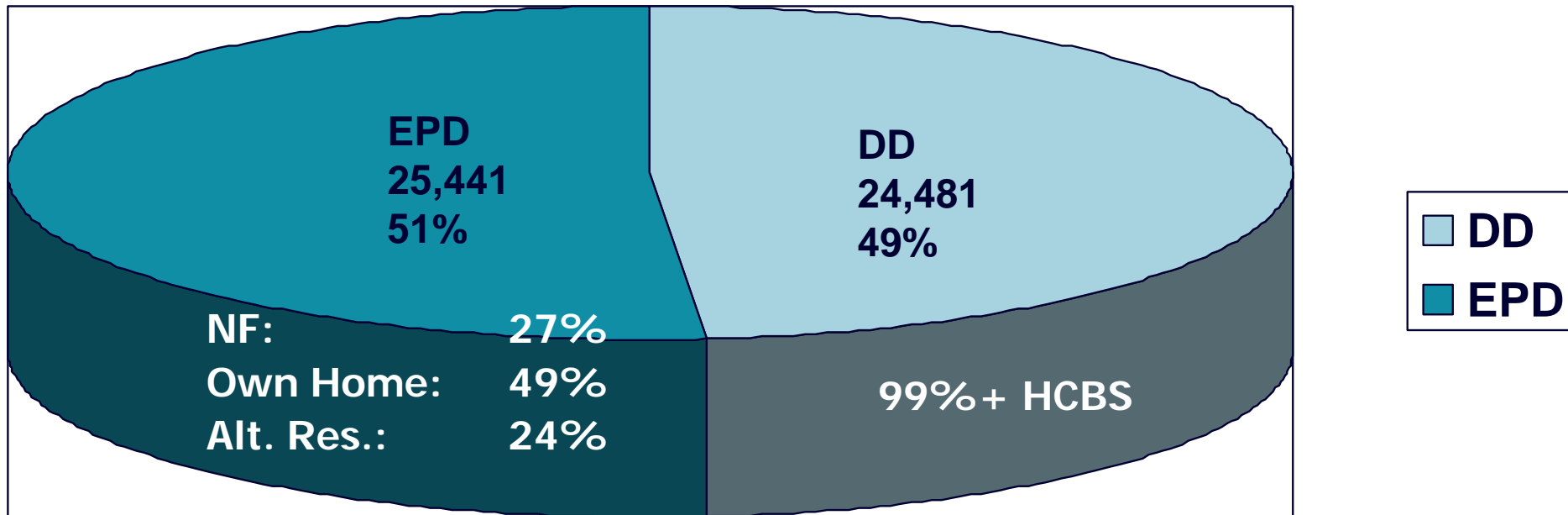


**ALTCS Enrollment by County**  
**As of June 1, 2012**

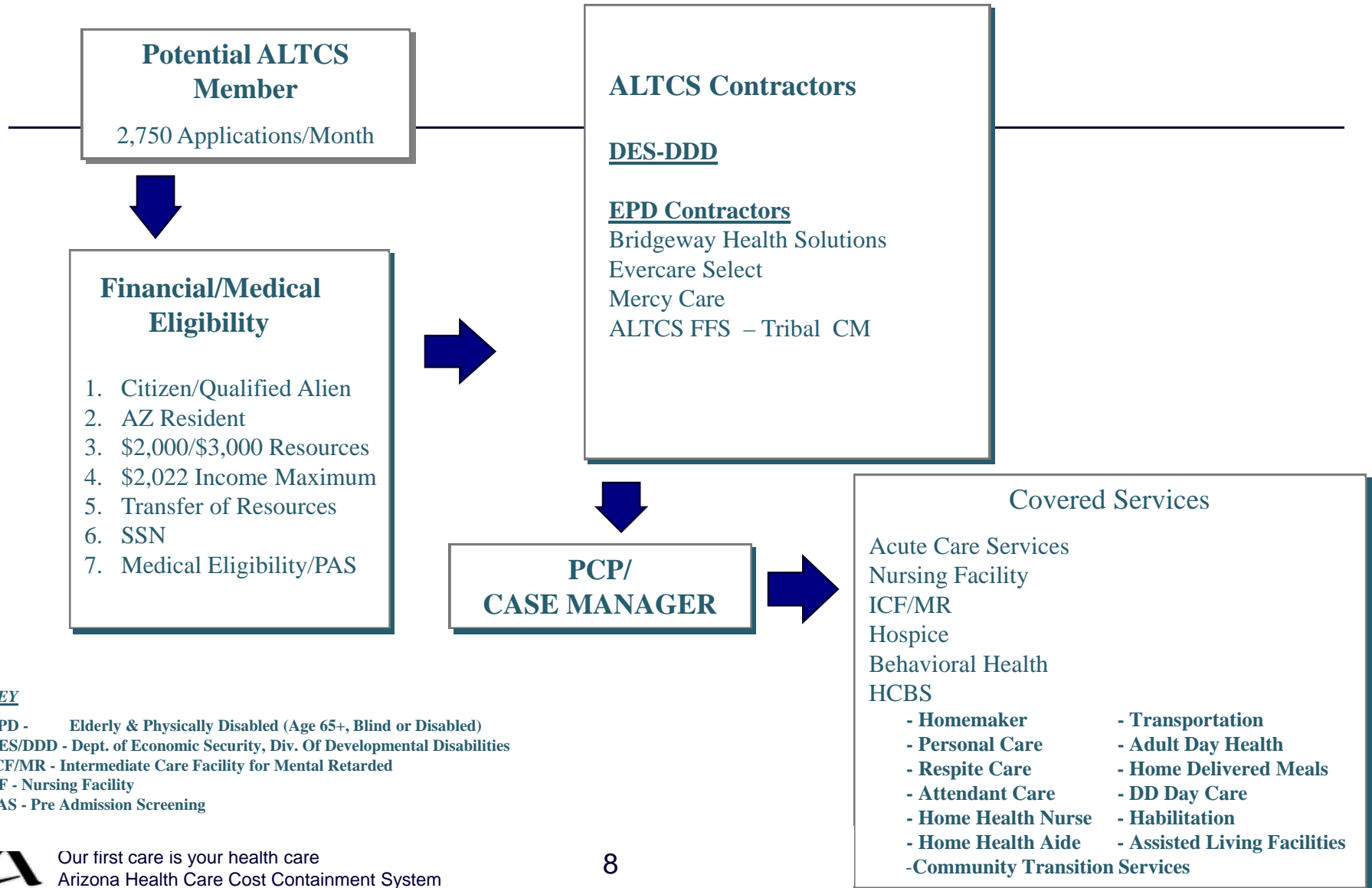


Elderly and Physically Disabled (EPD) PCs = 25,441  
BDWY = Bridgeway Health Solutions  
EVRSLT = Evercare Select  
MCP = Mercy Care Plan  
DD Division of Developmental Disabilities/DES = 24,481  
ALTCS ENROLLMENT TOTAL = 49,922

# ALTCS Population – April 1, 2012



# ALTCS Model



## KEY

EPD - Elderly & Physically Disabled (Age 65+, Blind or Disabled)  
DES/DDD - Dept. of Economic Security, Div. Of Developmental Disabilities  
ICF/MR - Intermediate Care Facility for Mental Retarded  
NF - Nursing Facility  
PAS - Pre Admission Screening



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# Arizona Managed Care Principles

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- 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

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- ❑ 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

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- ❑ 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

Service Category	Gross CYE12 Rate	Mix	Net CYE12 Rate
Nursing Facility	\$ 5,242.23	28.56%	\$ 1,497.18
Share of Cost			\$ (224.60)
Net Nursing Facility			\$ 1,272.59
Home and Community (HCBS)	\$ 1,399.54	71.44%	\$ 999.83



# ALTCS and Dual members

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- ❑ 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

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- ❑ 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

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- ❑ 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

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- ❑ 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





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# ALTCS Results



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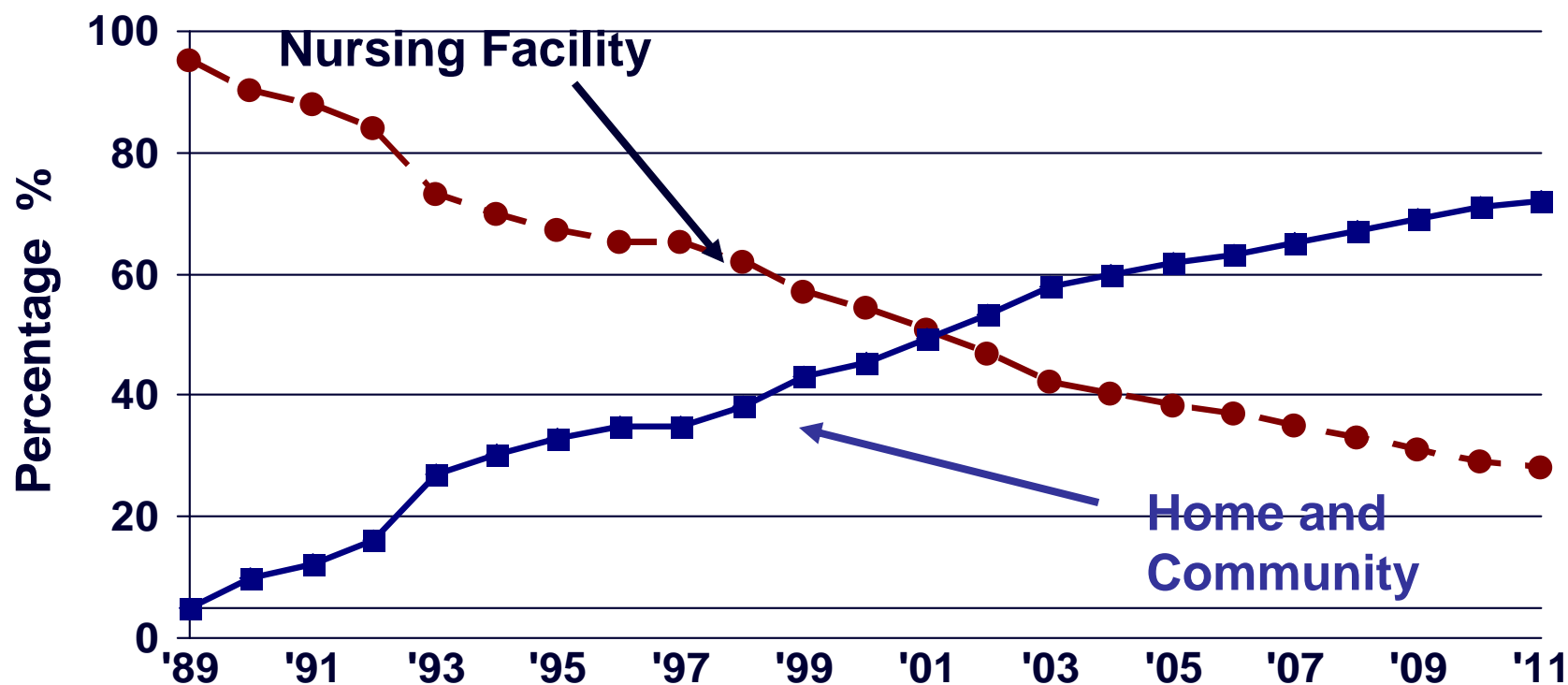
- ❑ #1 ranking United Cerebral Palsy's 2012 report
- ❑ 6 member hearing requests – May 2012
- ❑ 97.3% - 30 day initiation of services (EPD)
- ❑ 87% 3-6 years olds PCP visit (DD)
- ❑ 87%-92.5% Diabetes HbA1c test (EPD)
- ❑ 37% (2007)-57% (2010) Advanced Directives

## *Avalere Study of Mercy Care Plan Duals*

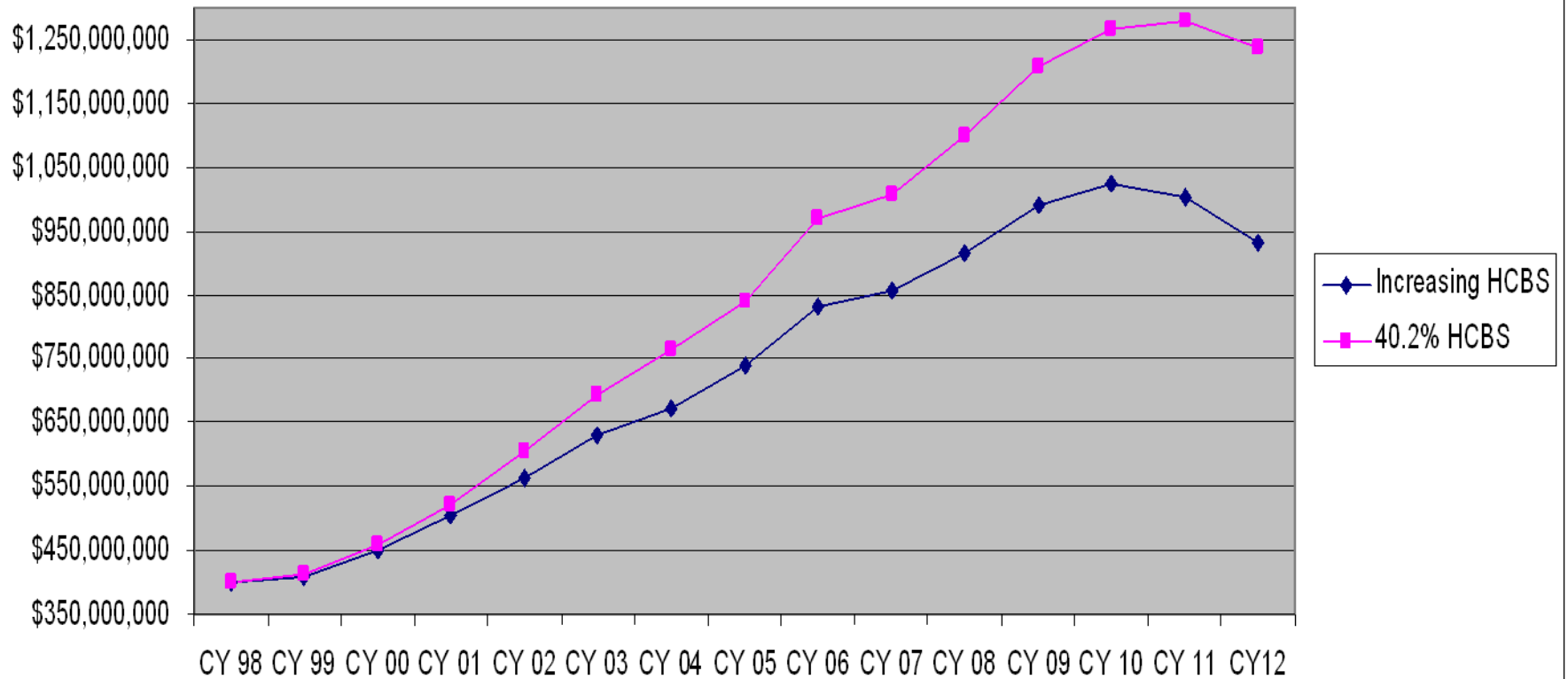
- ❑ 31% lower rate hospitalization
- ❑ 21% lower readmissions
- ❑ 9% lower ED use



# ALTCS E/PD Trend in HCBS Placement 1989 - 2011



## ALTCS Program Savings



# AHCCCS Results - Capitation

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<b>Program</b>	<b>1-1-06</b>	<b>9-30-13</b>
EPD	\$2,976	\$2,950
DD	\$3,150	\$3,223



