AHCCCS

Janice K. Brewer, Governor
Thomas J. Betlach, Director

Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

801 East Jefferson, Phoenix, AZ 85034
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February 28, 2011

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Center for Medicaid, CHIP and Survey & Certification
Centers for Medicare and Medicaid Services
Mailstop: S2-01-16
7500 Security Blvd.
Baltimore, Maryland 21244-1850

Dear Ms. Schubel:

In accordance with Special Term and Condition paragraph 26, enclosed please find the Quarterly Progress Report for October 1, 2010 through December 31, 2010, which also includes the Quarterly Budget Neutrality Tracking Schedule, the Quarterly Quality Initiative, and Arizona Medicaid Administrative Claiming Random Moment Time Study results.

If you have any questions about the enclosed report, please contact Christine Goldberg at (602) 417-4616.

Sincerely,

Monica Coury
Assistant Director
AHCCCS Office of Intergovernmental Relations

Enclosure

cc: Cheryl Young
Hee Young Ansell
Susan Ruiz

AHCCCS

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AHCCCS Quarterly Report
October 1, 2010 through December 31, 2010

TITLE

Arizona Health Care Cost Containment System – AHCCCS
A Statewide Approach to Cost Effective Health Care Financing

Section 1115 Quarterly Report
Demonstration Year: 28
Federal Fiscal Quarter: 1st /2011 (October 1, 2010 – December 31, 2011)

INTRODUCTION

As written in Special Terms and Conditions, paragraph 26, the State submits quarterly progress reports to CMS. Quarterly reports inform CMS of significant demonstration activity from the time of approval through completion of the Demonstration.

ENROLLMENT INFORMATION

Population Groups (as hard-coded in the CMS 64)	Number Enrollees (to date)	Number Voluntarily Disenrolled-Current Qtr	Number Involuntarily Disenrolled-Current Qtr
Acute AFDC/SOBRA	1,145,570	445,695	1,256
Acute SSI	150,672	18,589	78
Acute AC/MED	310,341	105,434	398
Family Planning	4695	2373	3
LTC DD	23,601	1,855	24
LTC EPD	30,268	3,869	32
Non-Waiver	27,189	4,319	67
TOTAL	**1,692,336**	**582,134**	**1,858**

State Reported Enrollment in the Demonstration (as requested)	Current Enrollees
Title XIX funded State Plan[1]	1,074,791
Title XXI funded State Plan[2]	22,944
Title XIX funded Expansion[3]	226,773
Title XXI funded Expansion[4]	0
DSH Funded Expansion	
Other Expansion	
Pharmacy Only	*Included above*
Family Planning Only	*3,934*
Current Enrollment as of 01/01/11	1,328,442

[1] SSI, 1931 Families and Children, 1931 Related, TMA, SOBRA child and pregnant, ALTCS, FTW, QMB, BCCP, SLMB, QI-1
[2] KidsCare
[3] MI/MN
[4] AHCCCS for Parents

Outreach/Innovative Activities:

AHCCCS continues to lack the resources to provide education and partnership activities in the community.

Operational/Policy Developments/Issues:

Waiver Update

During the October-December, 2010 quarter, AHCCCS continued to work with CMS on a number of pending amendments to Arizona's 1115 waiver. On December 20, 2010, CMS approved the 2010 Waiver amendment which included:

- The FY 2010 Disproportionate Share funding amounts;
- The addition of Community Transition Services under Home and Community Based Services in ALTCS;
- Conforming the optional benefit reductions and limitations to those in the State Plan
- Allowing the State to continue direct reimbursement of the Indian Health Service (IHS) and 638 facilities; and
- Contracting directly with a health plan to provide program oversight of the Children's Rehabilitative Services program.

On September 30, 2010, the eve of the current reporting period, AHCCCS submitted Governor Brewer's request regarding Arizona's Section 1115 Research and Demonstration Waiver, a DRAFT Proposal and Evaluation.

AHCCCS also requested that services claimed at 100% Federal Financial Participation be exempted from the adult benefit changes imposed by SPA 10-006. This request is due to the fact that elimination/limitation of such services would fail to achieve cost savings for the State. Whereas CMS recommended AHCCCS include language in its STCs of such an exemption. However, this would then apply to non-Indians who receive services through IHS or 638 facilities, creating issues related to identification of non-Indian services. Consequently, the State's initial request is still pending.

Finally, AHCCCS submitted a draft of a new demonstration project at the Tucson Area Indian Health Service (TAIHS) San Xavier Health Center (SXHC). The draft seeks to obtain reimbursement for providing disease management to American Indian AHCCCS members with chronic conditions who receive services at the San Xavier Health Center.

State Plan Update

During this quarter, Arizona continued to work toward approval of the following State Plan Amendments:

- SPA #10-007 implements prescription drug rebates;
- SPA #10-009 provides additional information in the State Plan regarding rehabilitative services;
- SPA #10-011A reduces inpatient hospital reimbursement rates by 5% for period April 1, 2011 to September 30, 2011;

- SPA #10-011B reduces outpatient hospital reimbursement rates by 5% for the period April 1, 2011 to September 30, 2011;
- SPA #10-011C reduces reimbursement rates for services by 5% for the period April 1, 2011 to September 30, 2011;
- SPA #10-012 attests to implementation of a Medicaid RAC program;
- SPA #10-013 addresses the use of AHCCCS pharmacies to administer seasonal flu and pneumococcal vaccine.
- SPA #10-014 provides for Tribal Consultation

The following State Plan Amendments were approved during this quarter:

- SPA #10-010A updates inpatient hospital reimbursement rates beginning October 1, 2010 to September 30, 2011 to reflect a rate freeze such that the inflation factors would not apply;
- SPA #10-010B updates outpatient hospital reimbursement rates beginning October 1, 2010 to September 30, 2011 to reflect a rate freeze such that the inflation factors would not apply.

Legislative Update

The State Legislature was not in session during this reporting period.

Consumer Issues:

In support of the quarterly report to CMS, presented below is a summary of complaint issues received in OCA for the quarter October 1, 2010 through December 31, 2010.

Complaint Issue	July	Aug	Sept	Total
ALTCS	5	6	7	18
Can't get coverage (eligibility issues)	274	205	256	735
Caregiver issues	1	2	0	3
Credentialing	0	0	0	0
DES	22	10	18	50
Equipment	1	2	1	4
Fraud	3	2	1	6
Good customer service	0	0	0	0
Information	101	94	85	280
Lack of documentation	0	0	0	0
Lack of providers	7	5	4	16
Malfunctioning equipment	0	0	0	0
Medicare	4	8	14	26
Medicare Part D	7	11	6	24

Complaint Issue	July	Aug	Sept	Total
Member reimbursement	28	25	19	72
Misconduct	0	0	0	0
No notification	0	0	0	0
No Payment	0	0	0	0
Nursing home POS	0	0	0	0
Optical coverage	3	1	3	7
Over income	10	7	5	22
Paying bills	32	83	17	132
Policy	2	2	3	7
Poor customer service	0	0	0	0
Prescription	55	45	32	132
Prescription denial	2	1	2	5
Process	2	1	0	3
Surgical procedures	1	1	1	3
Termination of Coverage	20	16	22	58

Complaints regarding health plans for October = 44, November = 28, December = 19
Complaints regarding services October = 36, November = 32, December = 23

Note: With the exception of calls to report "good customer service" or calls requesting "information only," this report considers all calls to be complaints.

Quality Assurance/Monitoring Activity:

Attached is a description of AHCCCS' Quality Assurance/Monitoring Activities during the quarter. The attachment also includes updates on implementation of the AHCCCS Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

HIFA Issues:

Below is enrollment information for the quarter: October 1, 2010 through December 31, 2010.

HIFA Parents ever enrolled: 0
HIFA Parents enrolled at any time between 10/01/2010 and 12/31/2010: 0

HIFA Parent enrollment:
10/01/11: 0
11/01/11: 0
12/01/11: 0

Employer Sponsored Insurance Issues:

AHCCCS received CMS approval on October 2, 2008, to implement the ESI program. AHCCCS implemented the program on December 1, 2008 and began sending out information to families with children approved for KidsCare who have access to employer sponsored health insurance. As of 12/31/2010, there were five families enrolled in the ESI program.

Family Planning Extension Program (FPEP):

Family Planning Update:

AHCCCS monitors utilization of family planning services by women who are covered under the Family Planning Extension Program (FPEP) and enrolled with Acute-care health plans quarterly and on an annual basis. Quarterly data are reported to allow at least three months lag time for collection of encounters for the quarter being reported; thus, data reported below are for the quarter ending Sept. 30, 2010.

AHCCCS enrollment data show that 4379 unduplicated recipients were enrolled with Acute-care Contractors under the FPEP (contract type Q) during the quarter. This is a 17.4-percent increase from the previous quarter's enrollment of 3729 unduplicated Acute-care recipients, and represents the first increase in enrollment in several quarters. The increase may reflect an increase in births to SOBRA women over the last contract year.

Service data show that 564 women, or 12.9 percent of those enrolled in the FPEP, utilized a family planning service during the quarter based on encounters for services received. This compares with 558 women, or 15.0 percent utilizing a service in the previous quarter. The percent of women utilizing a service in the most recent quarter appears to have declined with the increase in enrollment. It should be noted that these data may be incomplete, as Contractors have up to eight months to submit encounters to AHCCCS.

Women utilizing services under the FPEP used an average of 2.8 services during the quarter; up slightly from an average of 2.6 services in the previous quarter. As expected, the majority of utilizers, 77.0 percent, were in the age range of 21 to 39 years old, with another 18.1 percent in the 18- to 20-year-old age range. These results are consistent with results of the previous quarter.

Family Planning Enrollment by Month:
10/10: 3,618
11/10: 3,640
12/10: 3,889

Innovative Activities:

Since implementation of the public online application screens for Medicaid and CHIP, as well as Food Stamps and Cash Assistance, public use of Arizona's web-based application for enrollment- Health-e-Arizona, has steadily grown. Increased use of this online application improves efficiency and reduces customer traffic in eligibility offices.

There were 114,908 total Health-e-Arizona applications submitted during the reporting period, including renewal and initial applications. Of this, 22,608 applications were submitted by Community Partners and 92,300 by public users.

AHCCCS also has a member website, www.myahcccs.com, which provides information regarding current and past eligibility and enrollment information. Myahcccs.com offers services like changing an address, paying monthly premiums and changing health plans annually. As of December 31, 2010, there were 197,437 members registered to the website.

Enclosures/Attachments:

Attached you will find the Budget Neutrality Tracking Schedule and the Quality Assurance/Monitoring Activities, including the CRS update for the quarter. Beginning this quarter AHCCCS will submit quarterly summary reports for the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) results as part of the ongoing quarterly reporting by AHCCCS to CMS.

State Contact(s):

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Date Submitted to CMS:

February 28, 2011

Arizona Health Care Cost Containment System

Attachment II to the Section 1115 Quarterly Report

Quality Assurance/Monitoring Activity

Demonstration/Quarter Reporting Period
Demonstration Year: 28
Federal Fiscal Quarter: 1/2011 (10/10 – 12/10)

Prepared by the Division of Health Care Management
February 2011

INTRODUCTION

This report describes Quality Assurance/Monitoring Activities of AHCCCS during the quarter, as required in STC 26 of the State's Section 1115 Waiver. The report also includes updates on implementation of the Arizona Health Care Cost Containment System (AHCCCS) Quality Assessment and Performance Improvement Strategy, in accordance with Balanced Budget Act (BBA) requirements.

The AHCCCS Division of Health Care Management (DHCM) is responsible for directly overseeing the quality of health care services provided to members enrolled with managed care organizations and receiving services from the Arizona Department of Health Services (ADHS) through benefit carve outs as well as the administrative and financial functions of these contracted health plans. The Division works collaboratively and in conjunction with other AHCCCS divisions and external organizations to fulfill the AHCCCS mission of: Reaching across Arizona to provide comprehensive, quality health care for those in need.

The following sections provide an update on the State's progress and activities under each of the components of the 1115 Waiver and the AHCCCS Quality Strategy.

QUALITY ASSESSMENT ACTIVITIES

Receiving stakeholder input

The success of AHCCCS can be attributed, in part, to concerted efforts by the Agency to foster partnerships with its sister agencies, contracted managed care organizations/programs (Contractors), providers, and the community. During the quarter, AHCCCS continued these ongoing collaborations to improve the delivery of health services to Medicaid recipients and KidsCare members, including those with special needs, and to facilitate networking to address common issues and solve problems. Feedback obtained from sister agencies, providers and community organizations also is included in the agency's process for identifying priority areas for quality improvement and development of new initiatives.

Arizona Asthma Coalition

AHCCCS participates in regular meetings of this coalition to identify and provide to Contractors quality improvement resources that can be used to support optimal health outcomes among members with asthma and other respiratory diseases. AHCCCS clinical quality management staff attended an Arizona Asthma Coalition meeting during the quarter, and shared results of the first remeasurement of the AHCCCS Acute-care Contractor PIP to improve the use of appropriate medications for people with asthma. AHCCCS data show a significant overall improvement in the PIP indicator. The PIP is discussed in more detail later in this document.

Arizona Department of Economic Security (DES) Division of Developmental Disabilities

Periodic meetings covering quality improvement topics continue between AHCCCS and the Arizona Department of Economic Security Division of Developmental Disabilities (DES/DDD). Topics discussed during joint meetings include Notices of Action, Early and Periodic Screening Diagnostic and Treatment (EPSDT) services, behavioral health services, and performance measure results.

During the quarter, AHCCCS continued a work group with DDD to develop strategies related to quality of care, culture change within Intermediate Care Facilities for People with Mental Retardation (ICFMRs), quality management and peer review processes. A Quality Improvement Work Group meeting was held in September, with topics that included options for outside quality improvement consultation related to the Arizona Training Program, training by the Arizona Department of Health Services for ICF-MR staff from Coolidge and Phoenix-area group homes in October, and efforts to improve DDD's rates for Childhood Immunization performance measures.

Arizona Department of Health Services Bureau of Tobacco and Chronic Disease

In collaboration with ADHS, AHCCCS continued monitoring the smoking cessation drugs and nicotine replacement therapy program. Members are being encouraged to participate in ADHS' Tobacco Education and Prevention Program (TEPP) smoking cessation support programs such as the "QUIT Line" and/or counseling, in addition to seeking assistance from their Primary Care Physician. AHCCCS, along with the ADHS Division of Behavioral Health Services (ADHS/DBHS), began discussions on how a similar program could be implemented through the behavioral health system. AHCCCS continues to work with Contractors and ADHS to streamline processes to improve availability and accessibility to nicotine replacement/smoking cessation products.

Arizona Department of Health Services' Bureau of USDA Nutrition Programs

AHCCCS continues to work with the ADHS Bureau of USDA Nutrition Programs, which has the lead on a statewide initiative to reduce childhood obesity. AHCCCS adapted the Chronic Care Model for planning and development of a comprehensive approach to reduce or prevent childhood obesity. Components include medical guidelines for better screening and treatment of children who are or are at risk of becoming obese and implementation of data systems to evaluate outcomes. The AHCCCS health plans educate providers to utilize EPSDT services such as well visits, lab services, physical activity counseling, nutritional counseling and behavioral health services to assist and support children who are overweight to become more active and to choose healthy foods. During the quarter, a representative of ADHS provided updates on its nutrition programs, which also include the Women, Infants and Children (WIC) Supplemental Nutrition Program, during AHCCCS' Biannual Quality Management/Maternal and Child Health Contractor meeting.

Arizona Department of Health Services (ADHS) Children's Rehabilitative Services

AHCCCS has continued to work with the Children's Rehabilitative Services (CRS) program to ensure timely referral and care coordination with Acute-care Contractors for children with special health care needs. During the quarter, AHCCCS worked with ADHS and Arizona Physicians IPA (APIPA) to streamline administration of the CRS program by transitioning contract responsibilities to APIPA, which had subcontracted with ADHS to administer CRS services. AHCCCS developed a contract amendment with APIPA, which also has an Acute-care Contract, to assume administration of CRS services from ADHS effective Jan. 1, 2011. The contract amendment was designed to ensure a seamless and transparent transition for CRS members, their families and providers.

Arizona Department of Health Services Immunization Program
Ongoing collaboration with the Arizona Department of Health Services (ADHS) helps ensure efficient and effective administration and oversight of the federal Vaccines for Children (VFC) Program. This includes closely monitoring vaccine supplies and ensuring that Contractors have up-to-date information on availability of these vaccines, as well as assisting Contractors and providers as necessary to ensure that members are immunized. In addition, when ADHS takes actions regarding VFC providers (e.g., placing a provider on probation for failing to comply with vaccine management requirements), AHCCCS works with Contractors to ensure that members assigned to that provider continue to receive necessary immunizations. During the quarter, Arizona VFC and Arizona state Immunization Information System (ASIIS) staff gave vaccine and registry program updates at the Biannual Quality Management/Maternal and Child Health meeting with Contractors.

Arizona Department of Health Services Office of Environmental Health
Ongoing collaboration with ADHS also supports efforts to eliminate childhood lead poisoning in Arizona. AHCCCS and several Contractors participated in the Arizona Childhood Lead Poisoning Elimination Coalition to develop strategies to increase testing of children who are enrolled in AHCCCS or who live in areas with the highest risk of lead poisoning due to the prevalence of older housing, industries that use/produce lead, and the use of lead-containing pottery or folk medicines. AHCCCS supports ongoing education by Contractors of providers and members about potential sources of childhood lead poisoning and the need for testing at specific ages according to Medicaid requirements. The ADHS Office of Environmental Health (OEH) notifies MCH staff in the CQM unit when AHCCCS members have laboratory tests indicating elevated blood-lead levels. CQM then notifies the appropriate Contractor with this information for timely follow up and coordination of care.

Arizona Early Intervention Program
The Arizona Early Intervention Program (AzEIP), Arizona's IDEA Part C program, is administered by DES. MCH staff in the CQM unit continues working with AzEIP to facilitate early intervention services for children under 3 years of age who are enrolled with AHCCCS Contractors. During the quarter, AHCCCS CQM/MCH staff attended meetings of the AzEIP State Interagency Team and the Interagency Coordinating Council. AzEIP and AHCCCS MCH staff work together to ensure early intervention services are provided without delay and covered by Medicaid when appropriate. Acute Care contracts require AHCCCS–contracted health plans to reimburse AzEIP providers who provide medically necessary therapy to members. The AzEIP providers do not have to be contracted with the health plans, but must be registered as AHCCCS providers.

Arizona Medical Association and American Academy of Pediatrics
AHCCCS collaborates with the Arizona Medical Association (ArMA) and the Arizona chapter of the American Academy of Pediatrics (AAP) in a number of ways. The AAP has been instrumental in the implementation of the Parental Evaluation of Developmental Status (PEDS). Online training via the AAP website is available to physicians who wish to use the tool, as well as dates and times for training sessions. During the quarter, CQM staff attended ArMA Maternal and Child Health Committee and Adolescent Health Subcommittee meetings.

The Arizona Partnership for Immunization
CQM staff attended The Arizona Partnership for Immunization (TAPI) steering committee meeting and subcommittee meetings for community awareness, provider issues and adult immunization during the quarter. AHCCCS continues to collaborate with TAPI and contracted health plans to disseminate up-to-date information about the H1N1 virus and seasonal flu, and to promote increased levels of vaccination. AHCCCS monitors the latest recommendations and updates related to influenza vaccine and shares it with its partners.

Arizona Perinatal Trust
The Arizona Perinatal Trust (APT) oversees voluntary certification of hospitals for the appropriate level of perinatal care according to established guidelines, and conducts site visits for initial certification and recertification. CQM staff participates in site reviews of hospitals and provides consultation to APT's Board of Directors. Since AHCCCS covers approximately half the births in Arizona, the site reviews give the agency a better look at the hospitals that provide care, from normal labor and delivery to neonatal intensive care. In collaboration with the APT and its members, which include perinatal providers and the ADHS Bureau of Women's and Children's Health, AHCCCS reviews processes to ensure quality of care and culturally appropriate care, as well as quality improvement initiatives and collaboration with community resources to promote good birth outcomes. During this quarter AHCCCS participated in hospital site visits and an APT Board of Directors meeting.

Arizona Quality Counts Partnership (AQCP)
This partnership is coordinated by the Arizona Quality Improvement Organization, Health Services Advisory Group (HSAG). In addition to HSAG and AHCCCS, the meetings are attended by representatives of AHCCCS health plans, Medicare health plans, providers, health care associations and the Arizona Department of Health Services. AQCP serves as a forum to coordinate partners' efforts to improve quality across the continuum of health care services. Through this collaborative, AHCCCS was approached by the nursing home industry to apply for a type of pay-for-performance CMS grant. AHCCCS continues to participate in teleconference meetings with nursing facility participants, the state's Quality Improvement Organization, and CMS to support this initiative. AHCCCS clinical quality staff attended an AQCP meeting in November that covered the new Minimum Data Set (MDS) 3.0 assessment for nursing facilities. AHCCCS is beginning to utilize MDS data for some of its quality indicators.

Baby Arizona
CQM staff coordinates this streamlined eligibility process to ensure Medicaid-eligible women have access to early prenatal care. A network of community-based organizations continues to support the project by informing women of this avenue to service and referring them to care. AHCCCS has developed a stand-alone website for Baby Arizona that educates providers and potential enrollees about the Baby Arizona program, as well as lists the most current participating Baby Arizona providers. The website also includes a Baby Arizona training module for practitioners and their staff who wish to participate in the Baby Arizona application process. The three state agencies collaborating on the Baby Arizona Program — AHCCCS, DES and ADHS — worked closely with the March of Dimes to develop Baby Arizona outreach materials and continue to distribute them to the community.

Healthy Mothers, Healthy Babies
CQM staff participates in the Maricopa County Healthy Mothers, Healthy Babies (HMHB) Coalition, as well as a related project in the Maryvale area of west-central Phoenix, designed to promote early prenatal care and good birth outcomes. CQM staff is working with the state HMHB organization to assist in educating communities about AHCCCS-covered services for women and children and the Baby Arizona process for AHCCCS application and initiation of prenatal care. CQM staff also attended coalition meetings during the quarter.

Project LAUNCH
Kim – Is this still goin on?
Project LAUNCH is a grant received by ADHS from the Substance Abuse and Mental Health Service Administration (SAMSHA). The purpose of the grant is to improve care coordination and develop comprehensive medical homes in two south Phoenix zip codes. Project LAUNCH participants, including AHCCCS, have moved into subject work groups focusing on medical home, special needs, developmental screening, etc. AHCCCS is represented on some of the work groups.

Developing and assessing the quality and appropriateness of care/services for members
AHCCCS develops measures and assesses the quality and appropriateness of care/services for its members, including those with special health care needs, using a variety of processes.

- Identifying priority areas for improvement

AHCCCS has established an objective, systematic process for identifying priority areas for improvement and selecting new Performance Measures and Performance Improvement Projects (PIPs). This process involves a review of data from both internal and external sources. Preliminary recommendations for measures or PIP topics are developed and scored by an interdepartmental AHCCCS team that takes into account such factors as the prevalence of a particular condition and population affected, the resources required by both AHCCCS and Contractors to conduct studies and effect improvement, and whether the areas currently are priorities of CMS or state leadership and/or can be combined with existing initiatives. Contractor input also is sought in prioritizing areas for improvement. The following PIPs will be implemented in CYE 2011:

- **Coordination of Care for Acute Members Receiving Services through the ADHS Division of Behavioral Health Services.** AHCCCS worked with ADHS and Acute-care Contractors to develop a PIP across the Behavioral Health and Acute-care programs to improve coordination of care for members receiving prescriptions for benzodiazepines and opiates for conditions such as chronic pain, substance abuse, anxiety and/or depression. The purpose of the PIP is to coordinate management of these members to avoid mortality and morbidity as a result of prescription overdose. During the quarter, AHCCCS made final revisions to the PIP methodology, based on review and comments by Acute-care Contractors, and developed technical specifications for baseline and successive measurements. AHCCCS will facilitate the implementation of improved care coordination processes between ADHS/DBHS and Acute-care Contractors.

- **New ALTCS PIP.** AHCCCS has developed a PIP to reduce hospital readmission rates within 30 days among ALTCS elderly and disabled (E/PD) members. During the quarter, AHCCCS staff began evaluating data collection and reporting processes for PIP measurements, using existing reports through the AHCCCS data warehouse.

- Establishing realistic outcome-based performance measures

ALTCS Contractor Performance Measures
AHCCCS incorporated two new measures — influenza vaccination and prevalence of pressure ulcers — into ALTCS contracts beginning with CYE 2009. AHCCCS will collect data for the new measures in 2011 for the measurement period of CYE 2010. Methodologies developed by AHCCCS with Contractor input have been provided to Contractors and posted to the AHCCCS website. Contractors have implemented processes to internally monitor and improve performance in these areas. AHCCCS has begun receiving Minimum Data Set data, which will augment data collected through encounters and by Contractors from medical and/or case management records when it begins measurements.

Acute-care Contractor Performance Measures
AHCCCS also incorporated new Acute-care Performance Measures into CYE 2009 contracts. These include three measures that are part of the Healthcare Effectiveness Data and Information Set (HEDIS) Comprehensive Diabetes Care measures – hemoglobin A1c tests, lipid screening and eye exams – and the HEDIS measure of Use of Appropriate Medications for People with Asthma. AHCCCS had planned to collect data for the diabetes measures using a hybrid methodology, but suspended data collection in CYE 2010 for budgetary reasons. As noted below, AHCCCS has implemented a Performance Improvement Project (PIP) among Acute-care Contractors to improve use of appropriate asthma medicines, using HEDIS specifications for measuring performance. AHCCCS will collect data for the asthma and diabetes measures in 2011 for the measurement period of CYE 2010. Contractors have implemented processes to internally monitor and improve performance in these areas.

Children's Rehabilitative Services Administration (CRSA) Performance Measures
In the previous contract year, AHCCCS Clinical Quality Management staff worked closely with CRSA to develop and incorporate into contractual new Performance Measures that reflect improvements in the process for enrolling AHCCCS members into CRS services and which should provide more meaningful and valid data for monitoring access and availability of services. These measures were incorporated into the APIPA contract amendment for CRS services, in order to continue monitoring of performance in a consistent manner and identify any opportunities for improvement. Measurement methodologies and performance standards were included in the contract.

Division of Behavioral Health Services (DBHS) Performance Measures
In 2009, AHCCCS completed a major overhaul of DBHS Performance Measures, in conjunction with the Division, developing and refining several measures. These measures are designed to collect more meaningful data on access, availability and quality of behavioral health services received by AHCCCS members, as well as improve data validity. The measures were incorporated into the CYE 2010 contract, which was effective July 1, 2009.

Performance Measure methodologies are specified as part of the contract. AHCCCS also set Minimum Performance Standards and Goals for DBHS to achieve for each of these measures, which are included in the contract. Preliminary data from DBHS show improvement in the continuing measures, and AHCCCS is working with the agency to ensure that its data are complete, valid and reliable.

On Sept. 30, 2010, DBHS submitted Performance Measure results and supporting data for the four quarters from Quarter 4 of CYE 2009 through Quarter 3 of CYE 2010, due to the time lag for collecting encounter data on which measures are based. The data indicate that DBHS is meeting the AHCCCS Minimum Performance Standard (MPS) for three of four measures it reported (other measures will be collected and reported by AHCCCS later this year). DBHS did not meet the MPS for the measure of Behavioral Health Service Plans (i.e., the percent of AHCCCS members with current service plans that incorporate the needs and service recommendations identified in their assessments) for both the adult and children's populations. The MPS for this measure is 85 percent and DBHS reported a rate of 63 percent for adults and 68 percent for children. DBHS' report for the entire CYE 2010 measurement year is due to AHCCCS March 1, 2011. AHCCCS will require implementation of corrective action plans (CAPs) and evaluation of the effectiveness of improvement activities already under way for any measures for which DBHS does not meet the minimum standard. Performance Measure data also will be validated by an External Quality Review Organization (EQRO) as part of its annual review and report to CMS regarding this Contractor's compliance with Medicaid Managed Care regulations under 42 CFR 438.

- Identifying, collecting and assessing relevant data

ALTCS Performance Measures
During the quarter, AHCCCS reported results for the annual measurement of three measure of Diabetes Care among ALTCS E/PD members. Data are collected through a hybrid methodology according to HEDIS methodology for hemoglobin A1c testing, lipid screening and retinal examinations.

In the current measurement**:**

- **Hb A_{1c} Testing —** The overall rate was 86.5 percent, compared with the previous rate of 78.9 percent ($p < .001$). Rates by Contractor ranged from 74.5 percent to 92.4 percent. Six Contractors exceeded the AHCCCS MPS, as well as the most recent HEDIS national mean for Medicaid health plans (80.6 percent). Three Contractors also exceeded the HEDIS commercial health plan mean (89.2 percent).

- **Lipid (LDL-C) Profiles —** The overall rate was 77.9 percent, compared with 70.9 percent in the previous measurement ($p < .001$). Contractor rates ranged from 65.7 percent to 90.4 percent. Five Contractors exceeded the MPS. These same five Contractors also exceeded the HEDIS national Medicaid mean (74.2 percent) and two surpassed the national commercial mean (85.0 percent).

- **Retinal Exams —** The overall rate was 63.9 percent, compared with 59.8 percent in the previous measurement ($p = .027$). Rates by Contractor ranged from 45.1 percent to 78.3 percent. Four Contractors exceeded the MPS, and seven surpassed the HEDIS national means for both Medicaid (52.7 percent) and commercial health plans (56.5 percent).

These data were shared with Contractors during the quarter. Contractors that did not meet the MPS for any measure are required to implement corrective action plans to bring their rates up to the standard. AHCCCS will advise Contractors of requirements for CAPs and issue any other regulatory notices during the next quarter.

Acute-care Performance Measures

During the quarter, AHCCCS continued work on its annual measurement of Acute-care Performance Measures, based on HEDIS specifications, for the measurement period of CYE 2009. Final results were generated in October to include data loaded into the data warehouse for encounters submitted by Contractors through July 2010. Clinical Quality Management, Data Analysis and Research and Information Systems Division personnel continued working together on a rigorous quality check (QC) of results, using random samples of member-specific data from the denominators and numerators for each measure. Data were determined to be accurate and reliable and were analyzed for statistical significance of change since the previous measurement. Of the 22 measures analyzed and reported, 17 (77.3 percent) showed statistically significant improvement (age groups for Children's and Adolescents' Access to Primary Care Practitioners and Adults' Access to Preventive/Ambulatory Health Services are considered separate measures, as are Medicaid and KidsCare populations, which are reported separately for child and adolescent measures). Overall results were as follows:

- ***Children's Access to PCPs*** –Rates in all four age groups improved over the previous measurement (the overall rate also improved, but AHCCCS does not have a performance standard for the total rate because there is no comparable national benchmark reported). For KidsCare members, rates for three age groups also improved, while another age group did not show a statistically significant change. KidsCare rates for two age groups exceeded HEDIS national means for both Medicaid and commercial health plans.

- ***Well-Child Visits in the First 15 Months of Life*** – The rate for Medicaid-eligible children showed a statistically significant improvement, and continues to exceed the national HEDIS Medicaid mean. The rate for KidsCare members did not change significantly from the previous year, but also is well above the national mean for Medicaid health plans.

- ***Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life –*** The overall rate for Medicaid members increased, while the rate for KidsCare members did not show a statistically

significant change. AHCCCS rates for Medicaid and KidsCare members exceed the national means for both Medicaid and commercial health plans.

- ***Adolescent Well-Care Visits*** – The overall rate for Medicaid members increased, and the rate for KidsCare members did not show a statistically significant change. AHCCCS rates for Medicaid and KidsCare members exceed the national means for both Medicaid and commercial health plans for this measure as well.

- ***Annual Dental Visits*** – Overall rates for both Medicaid and KidsCare populations increased from the previous year and remain well above the national Medicaid mean, with rates for both populations in the 90th percentile of Medicaid plans nationally (because commercial medical plans generally do not include dental services, NCQA does not report commercial benchmarks for this measure)

- ***Adults' Access to Preventive/Ambulatory Health Services*** – Rates for both age groups increased from the previous measurement, and continue to exceed the national Medicaid means.

- ***Breast Cancer Screening*** – The rate for women 52 to 69 years increased from the previous year and exceeds the national Medicaid mean for this age group.

- ***Cervical Cancer Screening*** – This measure showed a small but significant decrease from the previous measurement, and falls below the national Medicaid mean.

- ***Chlamydia Screening*** – The overall rate for this measure increased over the previous year, but falls below the national Medicaid mean.

- ***Timeliness of Prenatal Care*** – This measure showed a significant increase from the previous measurement, but also falls below the national Medicaid mean.

Results for DES/DDD

AHCCCS has set performance standards for seven of the measures for children and adolescents enrolled with DES/DDD under Medicaid. Because many DDD members with AHCCCS coverage often have other medical coverage and services may be provided through other insurers, AHCCCS may not have complete encounters for those services. The AHCCCS-established performance standards reflect the data limitations for this population. Results include the following:

- ***Children's Access to PCPs*** –Rates in all four age groups improved over the previous measurement. Rates for two age groups – 12 to 24 months and 25 months to 6 years – exceeded HEDIS national means for Medicaid health plans, and the rate for children 12 to 24 months also exceeded the commercial health plan mean.

- ***Well-Child Visits in the Third, Fourth, Fifth and Sixth Years of Life*** **–** This rate also increased, but is below the national means for both Medicaid and commercial health plans.

- ***Adolescent Well-Care Visits*** – The rate for this measure increased, and also is below the national means for Medicaid and commercial health plans.

- ***Annual Dental Visits*** – The rate for this measure increased as well, and exceeded the national Medicaid mean.

These data were shared with Contractors during the quarter. Contractors that did not meet the MPS for any measure are required to implement corrective action plans to bring their rates up to the standard. AHCCCS will advise Contractors of requirements for CAPs and issue any other regulatory notices during the next quarter.

Performance Improvement Projects (PIPS)
AHCCCS has a number of Performance Improvement Projects under way with Contractors, which are designed to improve enrollee health outcomes and/or satisfaction. Recent activity related to data collection and analysis for these projects includes:

- ***Inappropriate Refusal of Influenza Immunization (ALTCS E/PD).*** In 2008, AHCCCS developed the methodology for a Performance Improvement Project to reduce the rate of refusal of influenza vaccination for inappropriate reasons. The PIP includes Arizona Long Term Care System (ALTCS) Elderly and Physically Disabled (E/PD) members age 18 and older. Members are considered to have refused an influenza immunization if they did not receive a vaccination in the 2007/2008 flu season and did not have specific contraindications to the vaccine.

  Contractors have implemented interventions to better educate members of the benefits of influenza immunization and the minimal risks associated with vaccines compared with the risks of disease. Improvements are expected to decrease unnecessary or uninformed refusal of vaccination and potential mortality and morbidity from influenza. Contractor interventions also are aimed at improving documentation of members' receipt of the vaccine. During the quarter, AHCCCS collected and began validating sample data for the first remeasurement, based on the 2009/2010 flu season, which will show whether Contractors achieved statistically significant reductions in the percent of members who refused vaccination. Contractor-specific samples and service data collected from the AHCCCS encounter system will be sent to Contractors in January 2011 for collection of additional service data and supporting documentation.

- ***Behavioral Health PIPs.*** AHCCCS continues to work with ADHS Division of Behavioral Health Services (DBHS) staff to refine its PIPs, in order to make them more focused on outcomes that demonstrate an increase in member satisfaction and/and member care. DBHS implemented a PIP to increase the percentage of Title XIX members who have been diagnosed as seriously mentally ill (SMI) who receive psycho-educational services (pre-job training and job development). Research indicates that a majority of people with SMI want to return to work and that employment is an important part of rehabilitation and recovery. The first remeasurement of performance for this PIP demonstrated a significant improvement in the proportion of members with SMI who received psycho-educational services, from 13.5 percent to 24.7 percent. DBHS submitted its report for the second remeasurement of this PIP on Oct. 1, 2010. Data submitted for the most recent measurement shows the rate has further increased to 28.6 percent, indicating sustained improvement.

AHCCCS will provide data for this PIP to an EQRO for validation of the most recent measurement in next quarter.

As previously noted, AHCCCS is working with DBHS and Acute-care Contractors to implement a PIP to improve care coordination among members receiving medical and behavioral health services in CYE 2011. During the quarter, AHCCCS finalized the methodology and technical specifications for the PIP. AHCCCS will begin working with Contractors to identify barriers to care coordination, as well as collect baseline data in the next quarter.

National Clinical Quality Measures

During the quarter AHCCCS continued major initiatives related to health information technology (HIT) that are expected to have a significant impact on quality improvement efforts. These include activities as outlined in the CMS-approved Planning-Advance Planning Document (P-APD) and Implementation- Advance Planning Document (I-APD). Significant work has been accomplished in reviewing proposed outcomes measures and AHCCCS has provided extensive feedback during public comment periods on EHR Meaningful Use Measures, as well as proposed NCQA Comprehensive Well Child Measures and the CHIPRA Core Measure Set. Using this analysis, AHCCCS continued evaluating initiatives to enhance or develop new processes to implement these measures and use results for quality improvement. An Agency HIT Steering Committee comprised of top management meets regularly to ensure progress according to P-APD timelines. During the quarter, AHCCCS provided feedback to the Quality Measures Workgroup formed by the Health Information Technology Policy Committee on proposed measure concepts for State II of Meaningful Use of Electronic Health Records.

Also during the quarter, AHCCCS reported to CMS data for Core Measures under the Children's Health Insurance Program Reauthorization Act (CHIPRA), including an assessment of progress and goals. These results were reported as part of the Annual CHIP Report. In addition, AHCCCS participated in a conference call related to CHIPRA Quality Measure Reporting conducted by the Medicaid-CHIP Health IT for Children's Health Care Quality Community of Practice on Oct. 19. staff also participated in a follow-up call on Final Recommendations for the Initial Core Quality Measures for Adults in Medicaid as Required under the Affordable Care Act on Oct. 28.

In addition, AHCCCS participated in the Subcommittee of the Agency for Healthcare Research and Quality's National Advisory Council meeting to identify and recommend to CMS an initial core set of measures for adults in Medicaid, which was held Oct. 18 and 19. Also on Oct. 19, AHCCCS participated in the Center to Promote Public Payer Implementation call during which the National Association for State Health Policy (NASHP) presented the recently released report, *Making Connections: Medicaid, CHIP, and Title V Working Together on State Medical Home Initiatives*. The report will be helpful as AHCCCS continues to monitor and evaluate Contractor Medical Home initiatives.

Finally, in November, AHCCCS responded to a request from the Medicaid and CHIP Payment and Access Commission (MACPAC), which was examining what states are doing to monitor access to care for Medicaid beneficiaries.

- Providing incentives for excellence and imposing sanctions for poor performance

In 2010, Notices to Cure and Letters of Concern were issued to Acute-care Contractors that did not meet Minimum Performance Standards (MPSs) for Performance Measures for multiple years and/or multiple measures. Contractors were required to develop Corrective Actions Plans (CAPs) to bring their performance up to the AHCCCS minimum standards or evaluate each activity under CAPs currently in place to determine their effectiveness. AHCCCS also advised Contractors of potential sanction amounts based on results of these measures. Contractors were encouraged to put resources toward improvement rather than absorbing financial sanctions for poor performance. AHCCCS also continued providing technical assistance to Contractors to help them improve their ability to effectively monitor their performance from internal data and reinforced strategies to improve rates for these measures. Many of the AHCCCS minimum standards were increased in the CYE 2009 Acute-care Contract to levels that meet or exceed HEDIS national Medicaid means.

This approach to performance improvement has been successful. AHCCCS found that Contractors were able to effect improvements in their rates during the most recent measurement at a level not previously seen. AHCCCS notified Contractors that it was relieving them of any pending sanctions; however, Contractors were required to continue CAPs and submit updates on the progress of those CAPs and/or new CAPs in the third quarter of CYE 2010. They also were reminded that they may still face sanctions if they fail to show continued improvement. During the fourth quarter, AHCCCS completed review of Contractor CAP submissions and responded with approvals and recommendations for improvement. With the most recent measurement of Contractor performance measures completed during the first quarter of CYE 2011, AHCCCS is re-evaluating each Contractor's status in relation to its Notice to Cure and CAPs, and will advise Contractors of that status in the next quarter.

Also during 2010, AHCCCS incorporated language into the CYE 2011 Acute-care contract to incentivize improvements in performance measure results by linking performance to each Contractor's placement in the auto-assignment algorithm, based on two factors, which are weighted as follows:

#	Factor	Weighting
1	The Contractor's final awarded capitation rate from AHCCCS.	50%
2	The Contractor's percent of all Clinical Quality Performance Measures for which the Contractor meets the Minimum Performance Standard (MPS). Only those Contractors that meet at least 75% of the Minimum Standards for the measurement period of CYE 2011 receive points.	50%

The new weighting will be effective for the auto-assignment algorithm for CYE 2013, giving Contractors time to improve results for the CYE 2011 measurement period (AHCCCS will collect and report these data in CYE 2012).

AHCCCS also adjusted some Minimum Performance Standards in the Acute-care and CRS contracts, reflecting improvement is specific measures to encourage continued improvement in those rates. Some adult measures related to preventive services were removed from the contract in light of the benefit redesign. However, AHCCCS will begin publicly reporting results of HEDIS

asthma and diabetes measures for Acute-care Contractors under the CYE 2011 contract, with an initial measurement period of CYE 2010. Reporting and holding Contractors accountable for performance standards for these measures will support improved or sustained quality in chronic disease management.

- Sharing best practices

AHCCCS regularly shares best practices with and provides technical assistance to its Contractors. In addition, Contractors are encouraged to share evidence-based best practices with each other and their providers. An example of this is the sharing of successful interventions during AHCCCS Contractor meetings. The Division of Health Care Management held a Quality Management/Maternal and Child Health (QM/MCH) meeting with Contractors during the quarter. The meeting on October included the following quality-related topics:

- An updates on the Arizona Baby Steps to Breastfeeding Success program from the ADHS Bureau of USDA Nutrition Programs.
- Updates on the Vaccines for Children (VFC) program and the Arizona Statewide Immunization Information System (ASIIS) from ADHS.
- An update Performance Measure & Performance Improvement Project activities.
- An overview of the next measurement of Childhood Immunization Status, which will include the measurement year of CYE 2011, plus sharing of potential barriers to improvement and best practices by three Contractors along with group discussion.
- Updates and review of the AHCCCS Medical Policy Manual (AMPM) Chapters 400 (Maternal and Child Health) and 900 (Quality Management and Performance Improvement), including methods for improving documentation submitted for annual Operational and Financial Reviews (OFRs) to demonstrate compliance with federal and AHCCCS requirements.

In addition, AHCCCS convened a work group with Acute-care Contractors to improve results for the Performance Measure of Timeliness of Prenatal Care, part of the HEDIS Prenatal and Postpartum Care compound measure. AHCCCS facilitated a root cause analysis among Contractors to identify opportunities to improve the rate, which lags behind the most recent HEDIS national Medicaid mean. Contractors identified the most significant barrier as the ability to capture dates of individual prenatal visits from encounters because of the global obstetrical billing process used. They also identified potential improvements in communicating with pregnant members to ensure timely prenatal services. Contractor Quality Management and Maternal and Child Health staff participating in the work group will take these results and potential next steps back to their plans for further discussion and possible interventions. Those interventions and best practices by the two highest-performing plans for this measure will be shared at the next work group meeting.

Including medical quality assessment and performance improvement requirements in the AHCCCS contracts

Contracts with health plans are reviewed to ensure that they include all federally required elements prior to renewal. As noted above, revisions were incorporated into contracts to continue incentivizing improvement in performance.

Regular monitoring and evaluating of Contractor compliance and performance

AHCCCS monitors and evaluates access to care, organizational structure and operations, clinical and non-clinical quality measurement and performance improvement outcomes through the following methods.

- Annual on-site Operational and Financial Reviews

Operational and Financial Reviews (OFRs) are used by AHCCCS to evaluate Contractor compliance related to access/availability and quality of services, including implementation of policies and procedures and progress toward plans of correction to improve quality of care and service for members. AHCCCS conducted the following reviews during the quarter:

- Oct. 4 – 7: ADHS Division of Behavioral Health Services
- Dec. 6 - 9: Care1st Health Plan (Acute)

Clinical Quality Management staff also provided follow-up technical assistance to Yavapai County Long Term Care for its OFR CAPs related to provisional credentialing of providers and the health information system during the quarter.

- Review and analysis of periodic reports

A number of contract deliverables are used to monitor and evaluate Contractor compliance and performance. AHCCCS reviews, provides feedback and approves these reports as appropriate. A number of annual deliverables were received from Contractors during the quarter, including:

- ***Annual Quality Management/Performance Improvement Plan and Evaluation of the previous year's plan***
- ***Annual Maternity Care/Family Planning Plan and Evaluation of the previous year's plan***
- ***Annual EPSDT/Oral Plan and Evaluation of the previous year's plan***
- ***Annual Performance Improvement Project Reports***
- ***Annual Medical/Utilization Management Plan and Evaluation of the previous year's plan***

AHCCCS Clinical Quality Management and Medical Management staff began reviewing the plans with the use of standardized checklists and will respond to Contractors in the next quarter.

- ***Quarterly EPSDT and Adult Monitoring Reports***. AHCCCS requires Acute and ALTCS Contractors to submit quarterly EPSDT and Adult Monitoring Reports demonstrating their efforts to inform families/caregivers of EPSDT services and ensure that members receive these services according to the AHCCCS Periodicity Schedule. AHCCCS has developed a template for Contractors to report data on member and provider outreach, as well as Contractor rates for various EPSDT services. The template prompts Contractors to evaluate the effectiveness of activities, including care coordination, follow up and new or revised interventions to improve quality and access to care. These reports were received and reviewed during the quarter. CQM staff responded to Contractors with requests for clarification and some recommendations for improvement.

- Review and analysis of program-specific Performance Measures and Performance Improvement Projects

AHCCCS considers a Performance Improvement Project (PIP) as a planned process of data gathering, evaluation, and analysis to determine interventions or activities that are anticipated to have a positive outcome. PIPs are designed to improve the quality of care and service delivery and usually last at least four years. While Contractors may select and implement their own PIPs to address problems specific to their plans, AHCCCS mandates other program-wide PIPs in which Contractors must participate, and monitors performance until each health plan meet requirements for demonstrable and sustained improvement.

Another method by which AHCCCS monitors the quality and appropriateness of care provided to members is through Performance Measures. Contractors submit encounter data to AHCCCS, which measures each plan's performance and evaluates its compliance in meeting contractual performance standards for specific health care services. Under their contracts with AHCCCS, Contractors are required to improve their rates for Performance Measures and achieve specific goals for each. AHCCCS requires corrective action plans from Contractors that do not meet the Minimum Performance Standard, or that show a statistically significant decline in their rates. Contractors also could face significant financial sanctions if they do not improve performance to a level that meets or exceeds the minimum standard.

As noted earlier in this report, AHCCCS collected, analyzed or reported to Contractors their results for some Performance Measures during the quarter. The agency also closely monitored and participated in activities for the development of processes to collect and report nationally standardized measure sets, including Meaningful Use Clinical Quality Measures and Core Measures for children and adults.

Also during the quarter, AHCCCS retained two EQROs to conduct annual reviews of MCOs and PIHPs and write reports on all Contractors' compliance with Medicaid Managed Care regulations under 42 CFR 438. The agency began assembling the volumes of documents required for these reviews to provide to the EQROs.

Maintaining an information system that supports initial and ongoing operations and review of the established Quality Strategy

The AHCCCS Data Decision Support (ADDS) system provides greater flexibility and timeliness in monitoring a broad spectrum of data, including information that supports ongoing operations and review of quality management and performance improvement activities. Enhancements have been made to the ADDS function that generates Performance Measure data. The system is used to support performance monitoring, as well as provide data through specific queries to guide new quality initiatives.

In addition, AHCCCS has an ongoing process of reviewing and updating its programming for collecting and analyzing Performance Measures according to HEDIS specifications through the ADDS data warehouse. Measures are validated against historical data, as well as individual recipient and service records in PMMIS, to ensure accuracy and reliability of data. In 2009, AHCCCS completed an extensive review of Performance Measure specifications and programming, in conjunction with one of its Contractors. DHCM made some revisions to its programming of

HEDIS measures to meet current specifications and documented processes in a crosswalk of NCQA specifications, which it shared with Contractors, to ensure continued comparability with national means and percentiles, while supporting their internal monitoring activities. And, as noted earlier, it completed a rigorous review of data for the current measurement during the fourth quarter of CYE 2010. The review demonstrates that the AHCCCS health information system is providing valid and reliable results, based on administrative data (recipient and encounter data).

During the quarter, AHCCCS also worked with APIPA to refine a PIP developed by CRSA to improve access to and use of laboratory data as part of its web-based eHR system. AHCCCS has incorporated this PIP, which had not yet been implemented, into the contract amendment with APIPA. The project will move forward in early 2011.

Reviewing, revising and beginning new projects in any given area of the Quality Strategy

Review and revision of the components of the Quality Strategy is an ongoing process for AHCCCS. The quality Strategy is aligned with federal Medicaid Managed Care requirements, including the CMS toolkit, and links to other significant documents, including annual External Quality Review reports, the AHCCCS Five Year Strategic Plan, AHCCCS E-Health Initiative, managed care contracts and reports by the Agency. The Quality Strategy was last revised in March 2010 to incorporate substantive changes, including ensuring that is aligns with relevant provisions of the Child Health Insurance Program Reauthorization Act (CHIPRA), as recommended by CMS.

The Quality Strategy will be reviewed again in the next quarter to determine if any substantive changes are required.

Arizona Health Care Cost Containment System (AHCCCS)
Quarterly Random Moment Time Study Report
October 2010 – December 2010

The October 2010 through December 2010 quarter for the Arizona Medicaid Administrative Claiming (MAC) Random Moment Time Study (RMTS) was completed successfully with the administrative and direct service time study meeting return rate compliance.

Active Participants

The "*Medicaid Administrative Claiming Program Guide*" mandates that all school district employees identified by the district's MAC RMTS coordinator as being qualified to provide direct services or administrative activities participate in a RMTS. Staff rosters are updated by district coordinators on a quarterly basis to ensure accuracy of participants in the time study. The table below shows the number of participants in the administrative and direct service time study staff pools at the beginning of the quarter.

Staff Pool	October – December 2010
Administrative	3,313
Direct Service	4,174

The table below demonstrates the administrative and direct service time study achieved the 85% return rate in the October 2010 to December 2010 quarter. The return rate reflects number of responses received divided by the total number of moments generated, or 3,200 moments per quarter.

Return Rate

Cost Pool	Moments Generated	Valid Response	Return Rate
Administrative	3,200	3,108	97.13%
Direct Service	3,200	3,113	97.28%

As these results illustrate, the administrative and direct service time study met the 85% return rate for the October – December 2010 quarter.

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended December 31, 2010

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:

Medicaid Enrollment Group	FFY 1999 PM/PM (Base Year)	Trend Rate	DY 01 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 6/01	QE 9/01	Total	Federal Share Budget Neutrality Limit FFY 2001	
AFDC/SOBRA	$208.71	1.09495	250.23	67.93%	169.99	1,173,981	1,308,825	2,482,806	$ 422,050,481	
SSI	$414.28	1.0688	473.25	67.31%	318.55	266,244	275,434	541,678	172,553,043	
									$ 594,603,524	MAP Subtotal
									75,946,612	Add DSH Allotment
									$ 670,550,136	Total BN Limit

	DY 01 PM/PM			Member Months QE 12/01	QE 3/02	QE 6/02	QE 9/02	Total	Federal Share Budget Neutrality Limit FFY 2002	
AFDC/SOBRA	273.98	67.93%	186.13	1,435,146	1,525,535	1,595,458	1,684,857	6,240,996	$ 1,161,635,311	
SSI	505.81	67.31%	340.47	284,726	291,398	297,897	304,532	1,178,553	401,261,035	
									$ 1,562,896,346	MAP Subtotal
									86,014,710	Add DSH Allotment
									$ 1,648,911,056	Total BN Limit

	DY 02 PM/PM			Member Months QE 12/02	QE 3/03	QE 6/03	QE 9/03	Total	Federal Share Budget Neutrality Limit FFY 2003	
AFDC/SOBRA	300.00	71.11%	213.32	1,774,468	1,844,375	1,939,268	2,028,395	7,586,506	$ 1,618,372,412	
SSI	540.60	70.58%	381.58	310,938	317,975	325,764	333,564	1,288,241	491,572,485	
									$ 2,109,944,897	MAP Subtotal
									82,215,000	Add DSH Allotment
									$ 2,192,159,897	Total BN Limit

	DY 03 PM/PM			Member Months QE 12/03	QE 3/04	QE 6/04	QE 9/04	Total	Federal Share Budget Neutrality Limit FFY 2004	
AFDC/SOBRA	328.48	71.42%	234.59	2,041,317	2,016,771	2,014,977	2,094,497	8,167,562	$ 1,916,065,119	
SSI	577.80	70.72%	408.60	343,767	347,630	354,603	361,514	1,407,514	575,109,763	
									$ 2,491,174,882	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 2,586,544,282	Total BN Limit

	DY 04 PM/PM			Member Months QE 12/04	QE 3/05	QE 6/05	QE 9/05	Total	Federal Share Budget Neutrality Limit FFY 2005	
AFDC/SOBRA	359.67	69.52%	250.04	2,199,720	2,179,395	2,207,146	2,209,957	8,796,218	$ 2,199,433,940	
SSI	617.55	68.74%	424.49	371,439	377,441	382,376	384,219	1,515,475	643,311,032	
									$ 2,842,744,972	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 2,938,114,372	Total BN Limit

		DY 05 PM/PM			Member Months QE 12/05	QE 3/06	QE 6/06	QE 9/06	Total	Federal Share Budget Neutrality Limit FFY 2006	
AFDC/SOBRA		393.82	69.13%	272.26	2,207,081				2,207,081	$ 600,909,194	
SSI		660.04	68.42%	451.62	385,825				385,825	174,247,968	
AFDC/SOBRA	Post MMA	392.97	69.13%	271.68		2,169,799	2,163,955	2,151,485	6,485,239	1,761,887,619	
SSI	Adj	590.02	68.42%	403.71		385,922	383,020	383,059	1,152,001	465,078,808	
										$ 3,002,123,589	MAP Subtotal
										95,369,400	Add DSH Allotment
										$ 3,097,492,989	Total BN Limit

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended December 31, 2010

I. CALCULATION OF BUDGET NEUTRALITY LIMIT BY DEMONSTRATION YEAR (WITHOUT WAIVER CEILING FEDERAL SHARE)

WAIVER PERIOD OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2011:

	FFY 2006 PM/PM	Trend Rate	DY 06 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/06	QE 3/07	QE 6/07	QE 9/07	Total	Federal Share Budget Neutrality Limit FFY 2007	
AFDC/SOBRA	392.97	1.072	421.27	68.80%	289.82	2,149,485	2,143,127	2,170,201	2,215,442	8,678,255	$ 2,515,108,509	
SSI	590.02	1.072	632.50	68.10%	430.72	383,283	383,873	387,784	390,596	1,545,536	665,691,864	
ALTCS-DD		1.072	3516.33	66.58%	2341.04	55,517	56,312	57,250	58,197	227,276	532,062,459	
ALTCS-EPD		1.072	3409.91	66.64%	2272.24	74,665	74,308	74,734	75,740	299,447	680,416,757	
											$ 4,393,279,590	MAP Subtotal
											95,369,400	Add DSH Allotment
											$ 4,488,648,990	Total BN Limit

	DY 07 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/07	QE 3/08	QE 6/08	QE 9/08	Total	Federal Share Budget Neutrality Limit FFY 2008	
AFDC/SOBRA	451.60	68.65%	310.03	2,253,067	2,263,628	2,299,376	2,343,729	9,159,800	2,839,851,810	
SSI	678.04	67.95%	460.74	393,316	395,483	396,561	398,362	1,583,722	729,680,254	
ALTCS-DD	3769.51	66.33%	2500.26	59,159	60,072	61,096	62,026	242,353	605,944,301	
ALTCS-EPD	3655.42	66.51%	2431.20	76,698	77,291	78,212	79,776	311,977	758,479,659	
									$ 4,933,956,025	MAP Subtotal
									95,369,400	Add DSH Allotment
									$ 5,029,325,425	Total BN Limit

	DY 08 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/08	QE 3/09	QE 6/09	QE 9/09	Total	Federal Share Budget Neutrality Limit FFY 2009	
AFDC/SOBRA	484.12	77.14%	373.46	2,405,311	2,485,266	2,626,221	2,778,635	10,295,433	3,844,933,460	
SSI	726.86	76.68%	557.37	400,731	404,390	406,219	410,457	1,621,797	903,944,466	
ALTCS-DD	4040.91	75.55%	3053.06	62,981	64,127	65,334	66,219	258,661	789,706,874	
ALTCS-EPD	3918.61	75.65%	2964.37	80,840	81,822	82,367	83,194	328,223	972,975,006	
									$ 6,511,559,807	MAP Subtotal
									102,054,795	Add DSH Allotment
									$ 6,613,614,602	Total BN Limit

	DY 09 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/09	QE 3/10	QE 6/10	QE 9/10	Total	Federal Share Budget Neutrality Limit FFY 2010	
AFDC/SOBRA	518.97	77.56%	402.53	2,882,118	2,871,797	2,861,671	2,844,197	11,459,783	4,612,887,832	
SSI	779.19	77.13%	600.97	415,144	418,811	422,641	425,908	1,682,504	1,011,133,429	
ALTCS-DD	4331.86	76.00%	3292.25	66,806	67,449	68,310	69,045	271,610	894,207,000	
ALTCS-EPD	4200.75	76.07%	3195.47	83,837	83,966	84,448	84,914	337,165	1,077,401,534	
									$ 7,595,629,795	MAP Subtotal
									104,606,165	Add DSH Allotment
									$ 7,700,235,960	Total BN Limit

	DY 10 PM/PM	Effective FMAP	Federal Share PM/PM	Member Months QE 12/10	QE 3/11	QE 6/11	QE 9/11	Total	Federal Share Budget Neutrality Limit FFY 2011	
AFDC/SOBRA	556.34	77.14%	429.16	2,825,680				2,825,680	1,212,658,850	
SSI	835.29	76.88%	642.15	427,660				427,660	274,622,969	
ALTCS-DD	4643.75	75.98%	3528.24	69,425				69,425	244,948,107	
ALTCS-EPD	4503.21	76.01%	3423.00	83,813				83,813	286,892,038	
									$ 2,019,121,964	MAP Subtotal
									101,357,836	Add DSH Allotment
									$ 2,120,479,800	Total BN Limit

Based on CMS-64 certification date of 1/31/11

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended December 31, 2010

II. WAIVER COSTS AND VARIANCE FROM BUDGET NEUTRALITY LIMIT - BY QUARTER, BY DATE OF PAYMENT

	Budget Neutrality Limit - Federal Share			Expenditures from CMS-64, Schedule B - Federal Share								
WAIVER PERIOD APRIL 1, 2001 THROUGH SEPTEMBER 30, 2006:												
	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED				DSH	Total	VARIANCE
QE 6/01	$ 284,376,993	$ -	$ 284,376,993	$ 141,986,847	$ 59,681,038	$ 31,346,872	$ -	$ -	$ -	$ 49,741,851	$ 294,745,993	$ (10,369,000)
QE 9/01	310,226,531	75,946,612	386,173,143	190,394,084	89,174,119	35,440,263	-	-	-	9,964,155	319,071,317	67,101,826
QE 12/01	364,063,874	-	364,063,874	212,600,041	91,278,326	54,069,757	-	-	-	-	357,948,124	6,115,750
QE 3/02	383,159,571	-	383,159,571	279,700,520	129,324,172	69,531,395	-	-	-	(59,706,006)	412,762,000	(29,602,429)
QE 6/02	398,387,035	-	398,387,035	251,569,392	119,396,617	69,516,073	-	-	-	-	440,482,082	(42,095,047)
QE 9/02	417,285,865	86,014,710	503,300,575	254,526,472	100,795,403	72,123,681	-	-	-	-	427,445,556	75,855,019
QE 12/02	497,182,992	-	497,182,992	283,042,237	112,605,459	81,611,127	-	-	-	-	477,258,823	19,924,169
QE 3/03	514,780,937	-	514,780,937	307,833,501	124,015,853	83,135,076	-	-	-	-	514,984,430	(203,493)
QE 6/03	537,995,908	-	537,995,908	335,897,265	153,636,989	103,921,589	-	-	-	-	593,455,843	(55,459,935)
QE 9/03	559,985,060	82,215,000	642,200,060	326,904,740	130,779,492	99,910,965	-	-	-	-	557,595,197	84,604,863
QE 12/03	619,344,824	-	619,344,824	342,194,130	141,669,588	117,472,377	-	-	-	-	601,336,095	18,008,729
QE 3/04	615,164,888	-	615,164,888	356,575,718	144,541,374	121,487,252	-	-	-	-	622,604,344	(7,439,456)
QE 6/04	617,593,191	-	617,593,191	378,397,587	178,126,369	119,699,074	-	-	-	-	676,223,030	(58,629,839)
QE 9/04	639,071,978	95,369,400	734,441,378	357,025,418	145,285,954	127,097,490	-	-	-	-	629,408,862	105,032,516
QE 12/04	707,698,757	-	707,698,757	374,496,706	153,711,596	134,379,346	-	-	-	-	662,587,648	45,111,109
QE 3/05	705,164,448	-	705,164,448	389,097,040	171,977,149	152,130,280	-	-	-	-	713,204,469	(8,040,021)
QE 6/05	714,198,276	-	714,198,276	400,547,496	165,585,571	167,446,873	-	-	-	-	733,579,940	(19,381,664)
QE 9/05	715,683,491	95,369,400	811,052,891	413,657,520	174,077,443	162,560,598	-	-	-	-	750,295,561	60,757,330
QE 12/05	775,157,162	-	775,157,162	404,061,498	191,370,840	160,614,226	-	-	-	-	756,046,564	19,110,598
QE 3/06	745,285,667	-	745,285,667	405,005,129	235,354,779	118,877,866	-	-	-	-	759,237,774	(13,952,107)
QE 6/06	742,526,411	-	742,526,411	141,514,299	(35,409,090)	184,960,886	-	-	-	509,691,703	800,757,798	(58,231,387)
QE 9/06	739,154,349	95,369,400	834,523,749	400,869,032	166,963,246	193,842,243	-	-	-	17,513,729	779,188,250	55,335,499

WAIVER PERIOD OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2011:

	MAP	DSH	Total	AFDC/SOBRA	SSI	AC/MED	ALTCS-DD	ALTCS-EPD	Family Plan	DSH/CAHP	Total	VARIANCE
QE 12/06	1,087,669,969	-	1,087,669,969	433,715,853	176,371,015	190,249,157	124,180,959	154,103,335	270,452	-	1,078,890,771	8,779,198
QE 3/07	1,087,131,371	-	1,087,131,371	420,960,087	175,385,343	175,652,301	128,103,178	160,067,805	265,323	15,570,598	1,076,004,635	11,126,736
QE 6/07	1,099,826,300	-	1,099,826,300	430,645,025	181,860,134	160,414,980	109,129,722	164,184,289	267,338	63,265,880	1,109,767,368	(9,941,068)
QE 9/07	1,118,651,951	95,369,400	1,214,021,351	451,362,225	183,298,829	206,505,026	131,045,943	172,571,072	251,682	17,380,376	1,162,415,153	51,606,198
QE 12/07	1,214,124,477	-	1,214,124,477	441,087,082	158,955,002	172,368,837	141,711,614	179,249,253	217,152	281,350	1,093,870,290	120,254,187
QE 3/08	1,222,121,604	-	1,222,121,604	474,365,681	187,556,226	209,641,419	141,151,012	180,491,321	897,152	281,350	1,194,384,161	27,737,443
QE 6/08	1,238,500,783	-	1,238,500,783	482,388,876	199,304,269	212,059,299	155,838,638	182,521,867	280,379	76,673,242	1,309,066,570	(70,565,787)
QE 9/08	1,259,209,161	95,369,400	1,354,578,561	541,335,374	211,292,752	261,662,599	152,639,539	195,919,083	229,663	281,350	1,363,360,360	(8,781,799)
QE 12/08	1,553,568,410	-	1,553,568,410	525,677,827	202,250,698	274,725,051	148,096,235	196,824,526	226,470	17,589,300	1,365,390,107	188,178,303
QE 3/09	1,591,877,654	-	1,591,877,654	524,965,413	200,642,044	282,940,670	163,216,095	195,589,822	215,314	279,523	1,367,848,881	224,028,773
QE 6/09	1,650,838,780	-	1,650,838,780	751,742,559	275,925,200	420,276,136	183,857,956	277,501,770	205,805	72,613,790	1,982,123,216	(331,284,436)
QE 9/09	1,715,274,962	102,054,795	1,817,329,757	739,870,928	264,570,277	353,050,273	228,393,380	239,839,814	219,000	17,084,907	1,843,028,579	(25,698,822)
QE 12/09	1,897,463,761	-	1,897,463,761	697,955,153	247,041,712	415,432,097	186,043,975	232,351,612	172,615	-	1,778,997,164	118,466,597
QE 3/10	1,898,042,151	-	1,898,042,151	682,440,767	244,483,923	423,983,433	166,666,907	230,817,483	170,172	645,405	1,749,208,090	148,834,061
QE 6/10	1,900,642,703	-	1,900,642,703	562,367,036	212,083,758	352,829,405	102,570,911	233,568,310	124,938	18,722,247	1,482,266,605	418,376,098
QE 9/10	1,899,481,180	104,606,165	2,004,087,345	825,091,140	293,963,090	557,588,599	263,426,740	237,238,816	208,188	645,405	2,178,161,978	(174,074,633)
QE 12/10	2,019,121,964	101,357,836	2,120,479,800	718,021,505	276,629,615	389,922,965	185,596,533	238,247,373	149,281	31,674,069	1,840,241,341	280,238,459
QE 3/11												
QE 6/11												
QE 9/11												
	$ 38,057,035,391	$ 1,029,042,118	$ 39,086,077,509	$ 16,651,889,203	$ 6,635,556,174	$ 7,520,477,556	$ 2,711,669,337	$ 3,471,087,551	$ 4,370,924	$ 860,194,224	$ 37,855,244,969	$ 1,230,832,540

Last Updated: 2/2/2011

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
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III. SUMMARY BY DEMONSTRATION YEAR AND WAIVER PERIOD

	Federal Share of Budget Neutrality Limit	Federal Share of Waiver Costs on CMS-64	Annual Variance	As % of Annual Budget Neutrality Limit	Cumulative Federal Share of Budget Neutrality Limit	Cumulative Federal Share of Waiver Costs on CMS-64	Cumulative Federal Share Variance	As % of Cumulative Budget Neutrality Limit
DY 01	$ 2,319,461,192	$ 2,409,339,736	$ (89,878,544)	-3.87%				
DY 02	2,192,159,897	2,107,943,456	84,216,441	3.84%				
DY 03	2,586,544,282	2,480,603,549	105,940,733	4.10%				
DY 04	2,938,114,372	2,854,452,259	83,662,113	2.85%				
DY 05	3,097,492,989	3,135,093,849	(37,600,860)	-1.21%	$ 13,133,772,732	$ 12,987,432,849	$ 146,339,883	1.11%
DY 06	4,488,648,990	4,514,062,521	(25,413,531)	-0.57%				
DY 07	5,029,325,425	5,089,778,964	(60,453,539)	-1.20%				
DY08	6,613,614,602	6,403,058,533	210,556,069	3.18%				
DY09	7,700,235,960	7,248,727,630	451,508,330	5.86%				
DY10	2,120,479,800	1,612,184,472	508,295,328	23.97%	25,952,304,777	24,867,812,120	1,084,492,657	4.18%
	$ 39,086,077,509	$ 37,855,244,969	$ 1,230,832,540		$ 39,086,077,509	$ 37,855,244,969	$ 1,230,832,540	3.15%

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
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IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,829,570	543,434,414	622,381,402	834,295,387	1,060,201,695	1,096,590,959	1,337,846,700	1,627,783,434	2,272,873,114	496,818,312	10,418,054,987
AFDC/SOBRA	1,940,280,463	1,651,570,583	1,898,339,176	2,183,765,814	2,360,614,055	2,540,023,695	2,885,894,215	3,251,711,131	3,607,324,532	802,847,694	23,122,371,358
SSI	853,832,412	659,648,138	830,518,696	968,024,870	1,002,252,964	1,053,801,190	1,163,552,951	1,229,377,275	1,282,054,773	282,131,460	9,325,194,729
ALTCS-DD	-	-	-	-	-	784,978,197	874,118,126	930,799,496	951,152,230	241,034,735	3,782,082,784
ALTCS-EPD	-	-	-	-	-	1,022,429,899	1,108,475,411	1,202,560,001	1,224,334,213	278,213,895	4,836,013,419
Family Planning Extension	-	-	-	-	-	1,746,613	1,208,586	936,282	738,604	158,343	4,788,428
DSH/CAHP	-	-	-	-	-	145,177,300	135,042,088	137,152,618	86,177,829	-	503,549,835
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-	-	-	-	789,015,636
Total	3,565,175,839	2,976,896,093	3,493,031,424	4,127,478,806	4,561,423,113	6,644,747,853	7,506,138,077	8,380,320,237	9,424,655,295	2,101,204,439	52,781,071,176

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,898,856	385,731,444	442,177,306	575,537,126	724,672,343	747,357,214	910,728,322	1,247,800,077	1,750,332,056	381,242,812	7,520,477,556
AFDC/SOBRA	1,318,117,997	1,174,392,827	1,355,741,648	1,518,140,673	1,631,970,455	1,747,069,232	1,980,977,826	2,508,341,009	2,797,847,052	619,290,484	16,651,889,203
SSI	574,734,417	465,610,796	587,315,195	665,405,060	685,781,274	717,622,454	790,655,128	942,719,955	988,816,469	216,895,426	6,635,556,174
ALTCS-DD	-	-	-	-	-	522,609,149	579,789,065	703,253,511	722,883,577	183,134,035	2,711,669,337
ALTCS-EPD	-	-	-	-	-	681,311,405	737,241,413	909,718,320	931,339,059	211,477,354	3,471,087,551
Family Planning Extension	-	-	-	-	-	1,594,863	1,101,783	855,483	674,434	144,361	4,370,924
DSH/CAHP	-	-	-	-	-	96,498,204	89,285,427	90,370,178	56,834,983	-	332,988,792
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-	-	-	-	527,205,432
Total	2,409,339,736	2,107,943,456	2,480,603,549	2,854,452,259	3,135,093,849	4,514,062,521	5,089,778,964	6,403,058,533	7,248,727,630	1,612,184,472	37,855,244,969

Adjustments to Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	446,293	358,997	554,800	632,573	-	1,992,663
AFDC/SOBRA	-	-	-	-	-	2,666,908	1,886,717	1,797,428	1,556,677	158,343	8,066,073
SSI	-	-	-	-	-	333,412	237,872	284,054	249,354	-	1,104,692
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-	-	-	-
Family Planning Extension[2]	-	-	-	-	-	(1,746,613)	(1,208,586)	(936,282)	(738,604)	(158,343)	(4,788,428)
CAHP[3]	-	-	-	-	-	(1,700,000)	(1,275,000)	(1,700,000)	(1,700,000)	-	(6,375,000)
Total	-	-	-	-	-	-	-	-	-	-	-

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	-	-	-	-	-	296,345	237,656	421,131	480,313	-	1,435,445
AFDC/SOBRA	-	-	-	-	-	2,205,962	1,550,706	1,503,951	1,295,597	144,361	6,700,577
SSI	-	-	-	-	-	221,399	157,471	213,392	189,334	-	781,596
ALTCS-DD (Cost Sharing)[1]	-	-	-	-	-	-	-	-	-	-	-
Family Planning Extension[2]	-	-	-	-	-	(1,594,863)	(1,101,783)	(855,483)	(674,434)	(144,361)	(4,370,924)
CAHP[3]	-	-	-	-	-	(1,128,843)	(844,050)	(1,282,991)	(1,290,810)	-	(4,546,694)
Total	-	-	-	-	-	-	-	-	-	-	-

[1] The CMS 1115 Waiver, Special Term and Condition 46,e requires that premiums collected by the State shall be reported on Form CMS-64 Summary Sheet line 9,D. The State should include these premium collections as a manual adjustment (decrease) to the Demonstration's actual expenditures on a quarterly basis.

[2] The Family Planning Extension (FPE) waiver expenditures are included in the AFDC\SOBRA rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the FPE expenditures to the AFDC\SOBRA waiver category for budget neutrality comparison purposes.

[3] The Critical Access Hospital Payment (CAHP) waiver expenditures are included in the AFDC\SOBRA and SSI rate development while the expenditures are required to be reported on separate Forms CMS-64.9 and CMS-64.9P Waiver. This adjustment transfers the CAHP expenditures to the AFDC\SOBRA, SSI and AC/MED waiver categories for budget neutrality comparison purposes. The CAHP expenditures are allocated to the waiver categories in the same proportion as the capitation payments made for the CAHP service period.

Arizona Health Care Cost Containment System
Budget Neutrality Tracking Report
For the Period Ended December 31, 2010

IV. Schedule C as Adjusted for Manual Entries and Waiver PMPM Groupings

Revised Schedule C

Total Computable

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	525,829,570	543,434,414	622,381,402	834,295,387	1,060,201,695	1,097,037,252	1,338,205,697	1,628,338,234	2,273,505,687	496,818,312	10,420,047,650
AFDC/SOBRA	1,940,280,463	1,651,570,583	1,898,339,176	2,183,765,814	2,360,614,055	2,542,690,603	2,887,780,932	3,253,508,559	3,608,881,209	803,006,037	23,130,437,431
SSI	853,832,412	659,648,138	830,518,696	968,024,870	1,002,252,964	1,054,134,602	1,163,790,823	1,229,661,329	1,282,304,127	282,131,460	9,326,299,421
ALTCS-DD	-	-	-	-	-	784,978,197	874,118,126	930,799,496	951,152,230	241,034,735	3,782,082,784
ALTCS-EPD	-	-	-	-	-	1,022,429,899	1,108,475,411	1,202,560,001	1,224,334,213	278,213,895	4,836,013,419
Family Planning Extension	-	-	-	-	-	-	-	-	-	-	-
DSH/CAHP	-	-	-	-	-	143,477,300	133,767,088	135,452,618	84,477,829	-	497,174,835
Residual DSH	245,233,394	122,242,958	141,792,150	141,392,735	138,354,399	-	-	-	-	-	789,015,636
Total	3,565,175,839	2,976,896,093	3,493,031,424	4,127,478,806	4,561,423,113	6,644,747,853	7,506,138,077	8,380,320,237	9,424,655,295	2,101,204,439	52,781,071,176

Federal Share

Waiver Name	01	02	03	04	05	06	07	08	09	10	Total
AC/MED	354,898,856	385,731,444	442,177,306	575,537,126	724,672,343	747,653,559	910,965,978	1,248,221,208	1,750,812,369	381,242,812	7,521,913,001
AFDC/SOBRA	1,318,117,997	1,174,392,827	1,355,741,648	1,518,140,673	1,631,970,455	1,749,275,194	1,982,528,532	2,509,844,960	2,799,142,649	619,434,845	16,658,589,780
SSI	574,734,417	465,610,796	587,315,195	665,405,060	685,781,274	717,843,853	790,812,599	942,933,347	989,005,803	216,895,426	6,636,337,770
ALTCS-DD	-	-	-	-	-	522,609,149	579,789,065	703,253,511	722,883,577	183,134,035	2,711,669,337
ALTCS-EPD	-	-	-	-	-	681,311,405	737,241,413	909,718,320	931,339,059	211,477,354	3,471,087,551
Family Planning Extension	-	-	-	-	-	-	-	-	-	-	-
DSH/CAHP	-	-	-	-	-	95,369,361	88,441,377	89,087,187	55,544,173	-	328,442,098
Residual DSH	161,588,466	82,208,389	95,369,400	95,369,400	92,669,777	-	-	-	-	-	527,205,432
Total	2,409,339,736	2,107,943,456	2,480,603,549	2,854,452,259	3,135,093,849	4,514,062,521	5,089,778,964	6,403,058,533	7,248,727,630	1,612,184,472	37,855,244,969

Calculation of Effective FMAP:

AFDC/SOBRA										
Federal	1,318,117,997	1,174,392,827	1,355,741,648	1,518,140,673	1,631,970,455	1,749,275,194	1,982,528,532	2,509,844,960	2,799,142,649	619,434,845
Total	1,940,280,463	1,651,570,583	1,898,339,176	2,183,765,814	2,360,614,055	2,542,690,603	2,887,780,932	3,253,508,559	3,608,881,209	803,006,037
Effective FMAP	0.679344055	0.711076377	0.714172507	0.6951939	0.691333025	0.687962268	0.686523174	0.771427188	0.775626153	0.771395004
SSI										
Federal	574,734,417	465,610,796	587,315,195	665,405,060	685,781,274	717,843,853	790,812,599	942,933,347	989,005,803	216,895,426
Total	853,832,412	659,648,138	830,518,696	968,024,870	1,002,252,964	1,054,134,602	1,163,790,823	1,229,661,329	1,282,304,127	282,131,460
Effective FMAP	0.673123214	0.705847207	0.707166735	0.687384261	0.684239707	0.680979309	0.67951438	0.766823616	0.771272417	0.768774337
ALTCS-DD										
Federal						522,609,149	579,789,065	703,253,511	722,883,577	183,134,035
Total						784,978,197	874,118,126	930,799,496	951,152,230	241,034,735
Effective FMAP						0.665762630	0.663284570	0.755537056	0.760008287	0.759782755
ALTCS-EPD										
Federal						681,311,405	737,241,413	909,718,320	931,339,059	211,477,354
Total						1,022,429,899	1,108,475,411	1,202,560,001	1,224,334,213	278,213,895
Effective FMAP						0.666364907	0.665094963	0.756484765	0.760690218	0.760125061

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V. Budget Neutrality Member Months and Cost Sharing Premium Collections

Budget Neutrality Member Months:	AFDC/SOBRA	SSI	ALTCS-DD	ALTCS-EPD	AC/MED
Quarter Ended June 30, 2001	1,173,981	266,244			57,192
Quarter Ended September 30, 2001	1,308,825	275,434			64,782
Quarter Ended December 31, 2001	1,435,146	284,726			125,548
Quarter Ended March 31, 2002	1,525,535	291,398			192,006
Quarter Ended June 30, 2002	1,595,458	297,897			230,478
Quarter Ended September 30, 2002	1,684,857	304,532			258,095
Quarter Ended December 31, 2002	1,774,468	310,938			284,814
Quarter Ended March 31, 2003	1,844,375	317,975			304,123
Quarter Ended June 30, 2003	1,939,268	325,764			320,623
Quarter Ended September 30, 2003	2,028,395	333,564			333,938
Quarter Ended December 31, 2003	2,041,317	343,767			334,948
Quarter Ended March 31, 2004	2,016,771	347,630			328,922
Quarter Ended June 30, 2004	2,014,977	354,603			316,282
Quarter Ended September 30, 2004	2,094,497	361,514			325,671
Quarter Ended December 31, 2004	2,199,720	371,439			363,049
Quarter Ended March 31, 2005	2,179,395	377,441			367,464
Quarter Ended June 30, 2005	2,207,146	382,376			374,851
Quarter Ended September 30, 2005	2,209,957	384,219			369,316
Quarter Ended December 31, 2005	2,207,081	385,825			370,692
Quarter Ended March 31, 2006	2,169,799	385,922			364,216
Quarter Ended June 30, 2006	2,163,955	383,020			359,977
Quarter Ended September 30, 2006	2,151,485	383,059			348,818
Quarter Ended December 31, 2006	2,149,485	383,283	55,517	74,665	339,603
Quarter Ended March 31, 2007	2,143,127	383,873	56,312	74,308	336,277
Quarter Ended June 30, 2007	2,170,201	387,784	57,250	74,734	342,112
Quarter Ended September 30, 2007	2,215,442	390,596	58,197	75,740	354,208
Quarter Ended December 31, 2007	2,253,067	393,316	59,159	76,698	372,953
Quarter Ended March 31, 2008	2,263,628	395,483	60,072	77,291	386,274
Quarter Ended June 30, 2008	2,299,376	396,561	61,096	78,212	401,164
Quarter Ended September 30, 2008	2,343,729	398,362	62,026	79,776	416,341
Quarter Ended December 31, 2008	2,405,311	400,731	62,981	80,840	424,652
Quarter Ended March 31, 2009	2,485,266	404,390	64,127	81,822	439,032
Quarter Ended June 30, 2009	2,626,221	406,219	65,334	82,367	485,406
Quarter Ended September 30, 2009	2,778,635	410,457	66,219	83,194	563,789
Quarter Ended December 31, 2009	2,882,118	415,144	66,806	83,837	626,459
Quarter Ended March 31, 2010	2,871,797	418,811	67,449	83,966	655,966
Quarter Ended June 30, 2010	2,861,671	422,641	68,310	84,448	677,410
Quarter Ended September 30, 2010	2,844,197	425,908	69,045	84,914	701,728
Quarter Ended December 31, 2010	2,825,680	427,660	69,425	83,813	719,171

	ALTCS Developmentally Disabled	
Cost Sharing Premium Collections:	Total Computable	Federal Share
Quarter Ended December 31, 2006	$ -	$ -
Quarter Ended March 31, 2007	-	-
Quarter Ended June 30, 2007	-	-
Quarter Ended September 30, 2007	-	-
Quarter Ended December 31, 2007	-	-
Quarter Ended March 31, 2008	-	-
Quarter Ended June 30, 2008	-	-
Quarter Ended September 30, 2008	-	-
Quarter Ended December 31, 2008	-	-
Quarter Ended March 31, 2009	-	-
Quarter Ended June 30, 2009	-	-
Quarter Ended September 30, 2009	-	-
Quarter Ended December 31, 2009	-	-
Quarter Ended March 31, 2010	-	-
Quarter Ended June 30, 2010	-	-
Quarter Ended September 30, 2010	-	-
Quarter Ended December 31, 2010	-	-

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VI. Allocation of Disproportionate Share Hospital Payments

Federal Share

	FFY 2001 *	FFY 2002	FFY 2003	FFY 2004	FFY 2005	FFY 2006	FFY 2007	FFY 2008	FFY 2009	FFY 2010	FFY 2011	
Regular Allotment	75,946,612	86,014,710	82,215,000	95,369,400	95,369,400	95,369,400	95,369,400	95,369,400	99,565,654	99,565,654	101,357,836	
ARRA Allotment	-	-	-	-	-	-	-	-	2,489,141	5,040,511	-	
Total Allotment	**75,946,612**	**86,014,710**	**82,215,000**	**95,369,400**	**95,369,400**	**95,369,400**	**95,369,400**	**95,369,400**	**102,054,795**	**104,606,165**	**101,357,836**	**1,029,042,118**
Reported in QE												
Jun-01	49,741,851	-	-	-	-	-	-	-	-	-	-	49,741,851
Sep-01	9,964,155	-	-	-	-	-	-	-	-	-	-	9,964,155
Dec-01	-	-	-	-	-	-	-	-	-	-	-	-
Mar-02	-	31,742,730	-	-	-	-	-	-	-	-	-	31,742,730
Jun-02	-	25,195,280	-	-	-	-	-	-	-	-	-	25,195,280
Sep-02	-	-	-	-	-	-	-	-	-	-	-	-
Dec-02	6,706,135	6,911,991	-	-	-	-	-	-	-	-	-	13,618,126
Mar-03	-	-	30,321,680	-	-	-	-	-	-	-	-	30,321,680
Jun-03	7,391,794	10,860,127	45,641,513	-	-	-	-	-	-	-	-	63,893,434
Sep-03	2,142,676	70,751	6,248,559	-	-	-	-	-	-	-	-	8,461,986
Dec-03	-	-	-	-	-	-	-	-	-	-	-	-
Mar-04	-	-	-	29,594,400	-	-	-	-	-	-	-	29,594,400
Jun-04	-	10,760,702	-	63,177,451	-	-	-	-	-	-	-	73,938,153
Sep-04	-	100,274	-	2,597,548	-	-	-	-	-	-	-	2,697,822
Dec-04	-	-	-	-	-	-	-	-	-	-	-	-
Mar-05	-	-	-	-	32,038,750	-	-	-	-	-	-	32,038,750
Jun-05	-	-	-	-	46,343,073	-	-	-	-	-	-	46,343,073
Sep-05	-	-	-	-	16,987,577	-	-	-	-	-	-	16,987,577
Dec-05	-	-	-	-	-	-	-	-	-	-	-	-
Mar-06	-	-	-	-	-	34,829,600	-	-	-	-	-	34,829,600
Jun-06	-	-	(3,363)	-	-	40,326,448	-	-	-	-	-	40,323,085
Sep-06	-	-	-	-	-	17,513,729	-	-	-	-	-	17,513,729
Dec-06	-	-	-	-	-	-	-	-	-	-	-	-
Mar-07	-	-	-	-	-	-	15,288,100	-	-	-	-	15,288,100
Jun-07	-	-	-	-	-	-	62,700,885	-	-	-	-	62,700,885
Sep-07	-	-	-	-	-	-	17,380,376	-	-	-	-	17,380,376
Dec-07	-	-	-	-	-	-	-	-	-	-	-	-
Mar-08	-	-	-	-	-	-	-	-	-	-	-	-
Jun-08	-	-	-	-	-	-	-	76,391,892	-	-	-	76,391,892
Sep-08	-	-	-	-	-	-	-	-	-	-	-	-
Dec-08	-	-	-	-	-	-	-	17,309,777	-	-	-	17,309,777
Mar-09	-	-	-	-	-	-	-	-	-	-	-	-
Jun-09	-	-	-	-	-	-	-	-	71,889,845	-	-	71,889,845
Sep-09	-	-	-	-	-	-	-	(112,435)	17,197,342	-	-	17,084,907
Dec-09	-	-	-	-	-	-	-	-	-	-	-	-
Mar-10	-	-	-	-	-	-	-	-	-	-	-	-
Jun-10	-	-	-	-	-	-	-	-	-	18,722,247	-	18,722,247
Sep-10	-	-	-	-	-	-	-	-	-	-	-	-
Dec-10	-	-	-	-	-	-	-	(5,147,857)	-	36,821,926	-	31,674,069
Total Reported to Date	75,946,611	85,641,855	82,208,389	95,369,399	95,369,400	92,669,777	95,369,361	88,441,377	89,087,187	55,544,173	-	855,647,529
Unused Allotment	**1**	**372,855**	**6,611**	**1**	**-**	**2,699,623**	**39**	**6,928,023**	**12,967,608**	**49,061,992**	**101,357,836**	**173,394,589**

* Total Allotment FFY 200 83,835,000
Reported in QE 3/31/01 7,888,388
Balance of Allotment
Limit Calculation 75,946,612