

Healthcare Reform: AHCCCS

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Learning Objectives

- After the presentation participants will:
- Know the history of Medicaid in Arizona;
- Understand how, and how well, providers are paid in Arizona by AHCCCS;
- Understand how the PPACA has impacted AHCCCS;
- Understand the eligibility criteria for AHCCCS.

In The Beginning I

- Arizona was the last State to have a Medicaid program.
- AHCCCS began in October, 1982 as a demonstration project, with a waiver from HHS (the precursor of CMS), because it was managed care, rather than direct fee for service from the State.
- The waiver must be periodically reviewed.

In The Beginning II

- Eligibility was originally restricted to income of approximately $< 1/3$ of the Federal Poverty Level (FPL).
- An initiative, Proposition 204, which was passed by the citizens of Arizona in 2000, expanded coverage to 100% of the FPL.
- HHS approved the expansion in 2001.
- The expansion depended on Tobacco tax money, *and other available funds.*

Later

- In 2011, due to Arizona budget shortfalls, the state legislature froze re-enrollment and new enrollment of childless adults into AHCCCS, invoking the “other available funds” rationale, and resulting in a significant decrease in total AHCCCS enrollment.
- AHCCCS expansion under the PPACA was approved in 2013, strongly supported by organized Medicine, including ARMA and the PCMS

Physician Reimbursement

- Physician compensation under AHCCCS has always been better than mean physician compensation by Medicaid nationally, approximately 112% in 2012.
- The PPACA mandates compensation for primary care services at 100% of Medicare, effective 1/1/14.

Current Eligibility

- 133% of FPL (actually 138%, since 5% is excluded from consideration)
- Kids Care has been absorbed into AHCCCS or the Exchanges.
- Arizona Long Term Care (ALTCS) has not been significantly affected.

Category	12/1/13	4/1/14
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- AHCCCS Acute 1,090,173 1,248,693
- KidsCare 46,761 2,098
- ALTCS 54,557 54,973
- Total 1,297,150 1,416,040

AHCCCS Expansion 12/1/13-4/1/14

- Proposition 204 Restoration, 24,540
- AHCCCS Families and Children, 22,648
- Adult Expansion (100-133% OF FPL),
8,194
- Total, 74,109 (6%)

Summary I

- AHCCCS has had a difficult course over its 32 year history.
- Arizona Physicians have been paid more than the national average over the entire time period.
- Current reimbursement for primary care services is 100% of Medicare.

Summary II

- 33% of AHCCCS expansion in 2014 is restoration of those childless adults lost, due to budgetary constraints, since 2011.
- Overall AHCCCS expansion to date has been modest.
- Expansion will continue, since AHCCCS enrollment remains open, as opposed to enrollment in the Exchanges, which closed 3/31/14.

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