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

September 17, 2013

Dear Hospital Stakeholder:

The past several months have been filled with many challenges, not the least of which was passage of the Governor's Medicaid Restoration Plan. Many of you played a critical role in that effort and your support was greatly appreciated. We have extended that collaboration toward our work on the statewide assessment. As we move steadily forward on implementation, we will continue to rely upon that partnership.

As you know, the Affordable Care Act (ACA) brings many changes for the healthcare industry. For instance, state Medicaid agencies must change how we calculate income for purposes of determining eligibility. The ACA also allows for states and hospitals to use a shortcut for eligibility, known as presumptive eligibility. This letter addresses the State's new automated eligibility system (Health-e-Arizona Plus), the opportunities for hospitals using HEAplus, and the challenges associated with pursuing presumptive eligibility.

Health-e-Arizona Plus: Modernizing the System and Offering Real Time Eligibility Determinations

While many states have maintained an outdated, paper-based application process, we have pushed to automate the eligibility determination process through a system known as Health-e-Arizona (HEA). Approximately 45% of the total AHCCCS applications are received online through HEA. Many of those applications come through our subscriber sites. There are currently 75 different organizations that are HEA subscribers, representing over 300 different locations and over 1,000 employees. These employees serve as community assistors who are able to provide Arizonans with application assistance. Active HEA subscribers have seen a significant return on their investment of staff time as they are able to ensure patients walk away with insurance coverage.

We expect the number of HEA subscribers to grow significantly as we move to a more streamlined, efficient system. Today, HEA relies on older legacy systems to complete its work. To meet the new requirements mandated by the ACA, we have modernized HEA to create a one-stop shop – Health-e-Arizona Plus (HEAplus). HEAplus will be phased in to start processing new applications between October and December 2013.¹ As HEAplus subscribers, you will be part of our eligibility team.

HEAplus will offer hospitals the most accurate, credible real-time eligibility determinations. Your staff that serves as community assistors will have access to the real eligibility system. HEAplus is streamlining the eligibility process and improving program integrity by automating as much as possible, resulting in better, faster service to your organization and patients.

In addition, HEAplus will also connect applicants directly to the Federally Facilitated Marketplace (FFM). If you are assisting a patient that is over income for Medicaid, HEAplus will transfer the application and verification information directly into the FFM system. There may be some early delays as these new systems get up and running, but the FFM will complete applications transferred from HEAplus for premium tax credits and cost sharing reductions. With your own access to the State's eligibility system, you can maximize the possibility that your uninsured patients will walk out of your facility covered.

¹ ALTCS is not part of HEAplus at this time. ALTCS applications will be part of HEAplus at another phase of development in the future.

In order for this new automated system to be a success, however, it requires hospitals to be active users. Some of you are. For instance, Phoenix Indian Medical Center, a 127 bed acute care hospital, has been incredibly successful in its use of HEA and is excited about the possibilities with the new system. Casa Grande Regional Medical Center is another model HEA user that has achieved tremendous results. With all that the new system has to offer, I would hope to see our number of hospital HEAplus subscribers increase soon.

Challenges with Presumptive Eligibility

Some of you have asked about hospital presumptive eligibility under the new rules and may be wondering why hospital presumptive eligibility (PE) is not a better approach for you. My short response to that is why would you rely on an incomplete process when you can have access to the real system?

Certainly, hospital presumptive eligibility is part of the ACA. However, the State still must develop guidelines for the process. Because we are entirely focused on completing development of the actual eligibility system, we will not be ready to focus on PE right away. Nevertheless, here are some challenges you can expect from PE:

- AHCCCS will need to develop policies and procedures.
- These are incomplete applications that will not be entered into the eligibility system so applications will still need to be completed.

In addition, each hospital will have to:²

- Create an initial plan that ensures your hospital will follow those policies and procedures.
- Notify the state Medicaid agency that your hospital intends to make PE determinations and agrees to make those determinations consistent with state policies and procedures.
- Roll out the new PE option in your hospital.
- Establish a timeline for implementation.
- Develop materials for hospital staff, such as the PE application, instructions for patients, and training resources.
- Train staff on PE, the basics of the ACA, how eligibility determinations will work, and how this affects the work the hospital does (e.g., how other hospital programs, such as financial assistance, are affected).
- Identify and partner with enrollment assisters in your community, such as navigators, in-person assisters, certified application counselors, Medicaid eligibility workers, etc., who can help patients complete the full Medicaid eligibility determination process because using a PE process means that neither the State nor the FFM has a complete application for any insurance coverage for that person.
- Develop metrics to measure progress.

While there are many uncertainties around using an incomplete presumptive eligibility process, we do know that the federal government will require hospitals to track their performance. So you can also expect to track:

- The number of people that receive PE determinations.
- How many of those people complete a full Medicaid application.
 - Who is assisting those individuals fill out their applications?
 - Is the hospital referring these individuals to assisters or doing this internally?
- The number of people that are ultimately found eligible for Medicaid.
- The costs and charges associated with delivering care for individuals during their temporary PE period.

If the hospital tracking indicates that the PE process is resulting in a low number of people ultimately found eligible for Medicaid, AHCCCS will have to take action to ensure the hospital PE process is appropriately identifying Medicaid-eligible individuals.

² Enroll America identified these steps for presumptive eligibility.

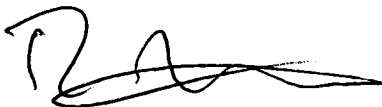
Expanding the Public/Private Partnership to Eligibility through Health-e-Arizona Plus

The PE process might make sense for states that are not as far along in their development of automated systems. But for Arizona, it seems like an unnecessary use of limited resources to build a distinct, half-complete eligibility process when you can use the real system in HEAplus. Subscribing to HEAplus means we at AHCCCS will take on all of the training of your staff and all of the tracking of the applications. And having you as our HEAplus partners means you can provide the type of feedback we need to identify any gaps and continue to improve the system's processes. Additionally, AHCCCS will also cover any medical expenses incurred in the prior quarter for newly enrolled individuals, beginning in February 2014, so hospitals will have the security they need to ensure claims are paid. HEAplus gives you the certainty that your patient will have coverage.

Not many states have a system like HEAplus and still fewer states reach out to the provider community and invite them into their eligibility systems. But that is part of the AHCCCS philosophy – a public/private partnership increasing the efficiency of government and improving performance.

I hope you see the value in becoming a HEAplus Subscriber and join today. I have attached the HEAplus rate sheet; we have lowered the cost significantly. If you are interested, please reach out to Kathy Sponagle, the HEAplus Manager, at (602) 417-4561. If you have other questions about this letter, please contact Monica Coury at (602) 417-4019.

Sincerely,

A handwritten signature in black ink, appearing to read 'TB', with a long, horizontal flourish extending to the right.

Thomas J. Betlach
Director