



February 5, 2018

Ms. Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Re: Arizona 1115 Waiver Request (AHCCCS Works)

Dear Administrator Verma:

On behalf of Vitalyst Health Foundation, thank you for the opportunity to provide comments on the Arizona Health Care Cost Containment System's (AHCCCS) 1115 Waiver Proposal, known as AHCCCS Works. Vitalyst Health Foundation is an independent, non-partisan public foundation with a mission to connect, inform and support efforts to improve the health of individuals and communities in Arizona. Given Medicaid's reach and impact across Arizona, we are committed to working with policy makers and community stakeholders to ensure that all Arizonans have access to quality, affordable coverage and care.

Pursuant to AHCCCS' 1115 Waiver Proposal, we offer the following comments and recommendations in an effort to ensure the advancement of Medicaid's objectives.

#### *Biannual Eligibility Redetermination*

**Vitalyst Health Foundation encourages CMS and AHCCCS to exempt specific populations from the biannual eligibility redetermination requirements.** AHCCCS' Proposal clearly identifies fourteen populations exempted from community engagement requirements; however, it lacks clarity on whether all exempt populations are subject to biannual eligibility redetermination. Populations whose exemption status is permanent (e.g., adults > age 54 and Native Americans) or less likely to change within a six-month period (e.g., Seriously Mentally Ill, those receiving long-term disability benefits, and former foster youth < age 26) should not be subject to biannual eligibility redetermination unless such redetermination is conducted in a manner that does not require action by the member. Since studies show that increasing the frequency of eligibility determination has been associated with loss of coverage, subjecting all exempted populations to biannual redetermination is likely to lead to unintended coverage loss among Arizonans who are compliant with community engagement requirements.

#### *Evaluation of AHCCCS Works*

**Vitalyst Health Foundation urges CMS and AHCCCS to engage in a transparent process by which a comprehensive evaluation plan is developed with public input.** According to CMS guidance, AHCCCS will have 180 days following approval of the Waiver to submit a comprehensive evaluation plan. Both CMS and AHCCCS have engaged community stakeholders throughout the 1115 Waiver development process, and we encourage both agencies to continue in this manner with respect to any modifications made to the Proposal, including changes to evaluation methodology post-approval. The current Proposal mentions only four evaluation metrics – none of which are indicators of health outcomes, as required by CMS guidance. Additional metrics related health, as well as metrics to determine the extent to which AHCCCS Works lifts members onto the commercial market and discontinues coverage due to noncompliance, will be necessary to truly understand the Waiver's impact. We also recognize that AHCCCS Works has the potential to impact health and social disparities that exist amongst various populations. As such, we recommend that evaluation metrics be stratified according to sociodemographic factors such as gender, race, ethnicity, age and geography. There are clear existing disparities in Arizona that make this level of analysis essential.

A CATALYST FOR COMMUNITY HEALTH

**Vitalyst Health Foundation also recommends CMS works with AHCCCS to publish an evaluation of AHCCCS Works on a regular basis, granting AHCCCS flexibilities to adapt the program accordingly.**

Section 1115 demonstration projects are designed to test new state-specific policy approaches that aim to better serve state Medicaid populations. Although 1115 Waivers have historically been approved for up to five years, we urge CMS and AHCCCS to publish formal evaluations on a more frequent basis. Publishing evaluations of AHCCCS Works annually or every two years will allow the agencies and stakeholders to assess program effectiveness and recommend programmatic changes based on the findings. For example, an evaluation which indicates significant loss of coverage may warrant moving away from a coverage-contingent program and toward a program where cost-sharing and/or covered benefits are contingent upon community engagement activities.

*5-Year Lifetime Limit*

**Vitalyst Health Foundation strongly opposes the enactment of lifetime limits for Medicaid members.**

In compliance with A.R.S. § 36-2903.09, AHCCCS has requested permission to institute a five-year lifetime limit for coverage of able-bodied adults. While we acknowledge AHCCCS' due diligence in developing a broad list of exemptions from the lifetime limit requirement, we have seen no evidence to suggest an arbitrarily-set five-year lifetime limit on Medicaid coverage would help fulfill the program's objectives. On the contrary, such time limits are likely to jeopardize coverage for underserved, low-income individuals and families, thereby undermining their ability to engage in the very activities this Waiver seeks to promote.

Vitalyst Health Foundation is committed to continuing to work with AHCCCS and CMS to improve the health and well-being of Arizona's low-income and underserved populations. We thank you for the opportunity to submit this letter, and we are proud to offer our support in moving Arizona's health care system forward.

Sincerely,



Suzanne Pfister  
President and CEO