

Arizona Medicaid Releases RFI with Rollout of Statewide SMI Integrated Physical & Behavioral Health; May Consolidate Service Regions

On December 9, 2013, Arizona Medicaid released a request for information (RFI) seeking comment on its plans to implement managed integrated physical and behavioral health care statewide for Medicaid beneficiaries with serious mental illness (SMI). The Arizona Department of Health Services (ADHS) and the Arizona Health Care Cost Containment System (AHCCCS) are exploring the feasibility of contracting with more than one at-risk managed care organizations (MCOs) to act as a Regional Behavioral Health Authority (RBHA) for all counties except Maricopa, where the state is moving forward to implement a contract with Mercy Maricopa Integrated Care. The RFI is focused on the five geographic service areas (GSAs) that comprise Greater Arizona. The state seeks comments on the benefits, challenges, and risks of consolidating the five GSAs and selecting two vendors to serve Greater Arizona. The state also seeks comments on a potential regional approach to the consolidation, and also on the implication of creating a statewide crisis system.

Responses to the RFI are due by January 22, 2014. The existing contracts for service delivery in the five geographic service areas (GSAs) that encompass all but Maricopa County expire on September 30, 2015. The state plans to issue a formal request for proposals (RFP) during the summer of 2014, with proposals due during the fall of 2014. Selection of vendors is anticipated to occur in late 2014 or early 2015. The state intends that an integrated service delivery system in each GSA will be fully operational by October 1, 2015.

The Maricopa County integrated care RBHA contract was awarded in March 2013, and the services were slated to start in October 2013. However, the Maricopa RBHA incumbent and partner on an unsuccessful bid, Magellan Health Services, protested, alleging that flaws in the procurement process required the state to rescind the award, and rebid the contract or award it to Magellan. During the protest and appeal process, ADHS has temporarily extended Magellan's contract through March 2014. On December 3, 2013, the Arizona Department of Administration (ADOA) issued an order affirming the state's award of the RBHA contract to Mercy Maricopa. The ADOA said Magellan had not sufficiently supported its allegation of procurement flaws that would require the state to rescind the award. Although Magellan can appeal the ADOA order to the state Superior Court, and did so on December 10, 2013, ADHS is moving forward to implement the contract with Mercy Maricopa as of April 1, 2014.

The purpose of the Greater Arizona RFI is to seek input on the design of the service delivery system to be implemented. Within the five GSAs going out to bid, Medicaid behavioral health services are carved out to the RBHAs, which also manage state-funded behavioral health services. The Greater Arizona RBHAs serve about 23,000 Medicaid beneficiaries with serious mental illness (SMI). For Medicaid physical health care, AHCCCS contracts with MCOs for Acute Care, KidsCare, and Arizona Long Term Care Services (ALTCS) plans. The ALTCS plans also provide home-and community-based waiver services. Medicaid beneficiaries also enrolled for Medicare must access those services through Medicare contractors for Part A hospitalization and Part B outpatient services. The five GSAs, and RBHA contractors affected by the RFI and pending procurement, roughly correspond to the following counties:

- GSA 1- Mohave, Coconino, Apache, Navajo and Yavapai Counties—The RBHA contract is held by Northern Arizona Behavioral Health Authority.
- GSA 2- Yuma and La Paz Counties—The RBHA contract is held by Cenpatico Behavioral Health of Arizona.
- GSA 3- Graham, Greenlee, Cochise and Santa Cruz Counties—The RBHA contract is held by Cenpatico Behavioral Health of Arizona.
- GSA 4- Pinal and Gila Counties—The RBHA contract is held by Cenpatico Behavioral Health of Arizona.

- GSA 5- Pima County—The RBHA contract is held by Community Partnership of Southern Arizona.

The MCOs selected for the greater Arizona RBHA integrated care contracts will be expected to provide fully integrated behavioral health and physical health services for adult Medicaid beneficiaries with SMI and also for dual eligibles with SMI. To serve dual eligible beneficiaries, a key requirement is that the MCO also be a Medicare Advantage Special Needs Plan. The integrated care contractors will continue to provide all behavioral health services under a carve-out system to adults receiving general mental health and addiction treatment services and to the childless adult population. Arizona is also restoring Medicaid eligibility to uninsured childless adults between 18 and 64 years old earning up to 100% of the federal poverty level who are not otherwise eligible for Medicaid; the plan was approved by the federal Centers for Medicare & Medicaid Services (CMS) on November 27, 2013. In the RFI, the state noted that an estimated 400,000 more Medicaid beneficiaries will be enrolled as a result of the restoration and expansion. The MCOs selected for the greater Arizona RBHA contracts will be expected to do the following:

- Coordinate care using health information technology and an electronic health record that provides information to measure system and member-level outcomes
- Coordinate and manage benefits for dual eligible beneficiaries with SMI
- Provide all behavioral health services under a carve out system to the adult general mental health and addiction populations and the childless adult population
- Provide non-Medicaid services subject to available funding
- Provide a full continuum of care encompassing all outpatient and inpatient medical and behavioral health care as well as supportive services, including peer and family support, patient education, engagement and follow-up
- Coordinate and facilitate integrated care through health care teams that can share and have access to medical records Provide a multidisciplinary team approach
- Provide a designated health care team that meets formally and informally on a regular basis; this team will include a health care professional and a case manager who will oversee each member's care process
- Measure outcomes and processes as a team, not individually
- Accept joint responsibility for outcomes and costs

Via the RFI, Arizona DHS HF332025 For Greater Arizona Behavioral Health Services, ADHS and AHCCCS seek information on the following 15 questions:

1. What opportunities exist for restructuring the Greater AZ GSAs? What regional geographical approach should the state consider when creating the RFP? North, South?
2. In the event that the state opts to consolidate Greater Arizona's existing regions and to select two vendors to serve Greater Arizona in whole, what would the benefits, challenges, and risks be?
3. What are challenges and opportunities of establishing the following Term of Contract options: A three-year initial term with a 24-month renewal option; a five-year initial term with a 24-month renewal option, or a three-year initial term with two 24-month renewal options?
4. What are the implications of the state implementing a statewide crisis system? How can crisis services be more effectively delivered in Greater Arizona?
5. Are there unique opportunities or challenges present in the Greater Arizona geographic area when it comes to integration of care? How would your organization maximize or minimize the opportunities or challenges? What models should be considered?
6. What challenges exist for the RBHA to be a Dual Eligible Special Needs Plan? Describe the challenges and opportunities in establishing a Medicare Network in Greater Arizona?
7. When it comes to service delivery, how will your organization utilize regional and cultural diversity to its maximum advantage in order to provide physical and behavioral health care in Greater Arizona?

8. What services would be most critical to fund using general fund state-only dollars?
9. What are the barriers or challenges to care coordination in the current service delivery system in Greater Arizona, and what could be done to improve care coordination, particularly at transition points for high utilizers (discharge from inpatient, release from jail, and children transitioning to and from the Comprehensive Medical and Dental Program)?
10. What specific measures and processes should be used to evaluate access to care and improved outcomes?
11. What are the current barriers for health information system and technology that support the sharing of individual health information for improved care coordination and health outcomes, and what steps can be taken to overcome them?
12. What is the most effective way to engage the community and stakeholders in Greater Arizona, and how should a RBHA be held accountable to those parties?
13. How should stakeholders such as courts, detention centers, school systems, and colleges be engaged as an evaluator of RBHA performance?
14. What payment models should be considered to incentivize health outcomes, access to care, and cost efficiency for Greater Arizona?
15. How could the community be utilized to its maximum advantage to support a recovery-based system in Greater Arizona?

A link to the full text of “Arizona DHS HF332025, Greater Arizona Behavioral Health Services Request For Information” may be found in *The OPEN MINDS Circle Library* at www.openminds.com/library/120913azbhrfi.htm.

A link to the full text of “Arizona 1115 Medicaid Waiver & Medicaid Restoration Plan” may be found in *The OPEN MINDS Circle Library* at www.openminds.com/library/110313azmedexp.htm.

A link to the full text of “Centers For Medicare & Medicaid Services Approval Letter To Arizona 1115 Waiver Amendment Request” may be found in *The OPEN MINDS Circle Library* at www.openminds.com/library/112713cmsazapprvlltr.htm.

A link to the full text of “Centers For Medicare & Medicaid Services Special Terms & Conditions To Arizona 1115 Waiver Amendment” may be found in *The OPEN MINDS Circle Library* at www.openminds.com/library/112713cmsazwaiverstc.htm.

OPEN MINDS reported on the greater Arizona RHBA contracts awarded in 2010 in “Community Partnership of Arizona Challenges Arizona RBHA Contract Award; State Issues Stay.” The article is available at www.openminds.com/market-intelligence/premium/omol/2010/053110mhcd3.htm.

OPEN MINDS last reported on the Medicaid physical health contractors in “Arizona Medicaid Preparing For Duals Managed Care Demonstration.” The article is available at www.openminds.com/market-intelligence/premium/omol/2013/030413idd3.htm. Editor’s note: Arizona ultimately opted out of the duals demonstration.

OPEN MINDS most recently reported on the Maricopa County RBHA award and protest in “Arizona Judge Hears Arguments In Maricopa RBHA Contract Protest, Magellan Contract Temporarily Extended Through March 2014.” The article is available at www.openminds.com/market-intelligence/premium/omol/2013/100713mhcd3.htm.

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For more information about the state's responses to Magellan's protest and appeals, contact: Arizona Department of Administration, 100 N. 15th Avenue, Phoenix, Arizona 85007; 602-542-1500; Fax: 602-542-2199; Website: www.azdoa.gov; or Public Information Officer, Arizona Department of Health Services, 150 North 18th Avenue, Phoenix, Arizona 85007; 602-542-1025; Fax: 602-542-0883; E-mail: piowebmaster@azdhs.gov; Website: www.azdhs.gov; or David W. Carter, Senior Vice President, Marketing and Communications, Magellan Health Services, 55 Nod Road, Avon, Connecticut 06001; 860-507-1909; E-mail: DWCarte@MagellanHealth.com; Website: www.magellanhealth.com.

For more information about Arizona's 1115 Medicaid waiver amendment, contact: Tom Betlach, Director, Arizona Health Care Cost Containment System, 801 East Jefferson Street, Mail Drop 4100, Phoenix, Arizona 85034; 602-417-4000; Fax: 602-252-6536; Website: www.azahcccs.gov.

For more information, about Mercy Maricopa, contact: Mercy Maricopa Integrated Care, Mercy Maricopa Integrated Health System, 2601 East Roosevelt Street, Phoenix, Arizona 85008; 602-344-5011; E-mail: contactmercymaricopa@mercyareplan.com; Website: www.mercymaricopa.org.

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