

December 28, 2022

Amanda Hill, M.S.  
Health Insurance Specialist  
Division of Long Term Services and Supports  
Disabled and Elderly Health Programs Group  
Center for Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services

RE: HCBS Settings Rules Implementation

Dear Ms. Hill:

Please find AHCCCS' submission of the requested information from CMS and ACL in regards to the HCBS Rules State Transition Plan requested on December 8, 2022 via email. Additional detailed information can be found in our State Transition Plan available on our [website](#) and in the attached STP amendment submitted to CMS on December 9, 2022, which will be posted on our website once we obtain final approval. A public facing progress report on our STP progress as of October 2022 can also be found on our website.

- *Description of how the state's oversight systems (licensure and certification standards, provider manuals, person-centered plan monitoring by case managers, etc.) have been modified to embed the regulatory criteria into ongoing operations;*
- *Description of how the state assesses providers for initial compliance and conducts ongoing monitoring for continued compliance; and*

AHCCCS is currently undergoing a process to align the requirements in the AHCCCS Medical Policy Manual with the HCBS Rules and making changes to the Provider Participation Agreement (PPA) to assure that new providers coming into the network attest and are monitored for compliance prior to the onset of service delivery. MCOs will be required to assess HCBS Rules compliance during their initial credentialing process after electing to contract with the provider. The AHCCCS policy changes, with one exception, have been completed and have gone through the policy process (including a public comment period) with an effective date of March 2023. The outstanding policy is also slated to complete the policy revision process and be in effect as of March 2023. An outline of the specific policy changes necessary to comply with the HCBS Rules can be found in the [Arizona State Transition Plan](#), separated by setting type, starting on page 70 under the "Remediation Strategies" column.

The HCBS Rules Assessment Tool Suite (the "Assessment") has been formally incorporated into the ongoing quality monitoring process required by the MCOs for HCBS settings. The Assessment will remain the standard of compliance for HCBS settings in perpetuity. In order to maintain oversight of the MCOs and ensure fidelity to the Assessment, AHCCCS is instituting HCBS Rules standards into the Operational

Review audit tool for the MCOs beginning with the next review cycle starting in 2023. More information on the Assessment can be found in the [Arizona State Transition Plan](#) (pg. 42) and associated amendment (pg. 4) submitted to CMS on December 9, 2022.

Due to the significance of the role of the Person-Centered Service Plan (PCSP) to ensure and support members to have full access to the benefits of community living, AHCCCS chose to conduct a separate and distinct process to enhance the State's mandated PCSP standards while simultaneously developing a transition plan to come into compliance with the PCSP requirements as they pertain to the HCBS Rules. The new standards support the successful implementation and monitoring of the State's compliance with the HCBS Rules on an individual member level. The HCBS Rules afford members basic rights in the provision of long-term care services and supports. The PCSP is the vehicle to limit access to those rights in the event that any right may jeopardize the health and safety of the member and/or others. The HCBS Rules stipulate that in order for the rights to be limited, specific steps must be taken and documented as part of the PCSP process. AHCCCS implemented the new PCSP process and forms for use starting in June 2021. The PCSP policy can be found on our [website](#), including the [PCSP form](#).

In March 2021, MCOs began assessing all settings subject to the HCBS Rules for compliance. The second round of compliance started in April of 2022, with a priority placed on providers who were issued Corrective Action Plans (CAP) in the first round. It is important to note that any non-compliant finding on the Provider Self-Assessment requires a CAP. The CAP dictates that the MCOs provide technical assistance on the deficient items and requires follow up with the provider in a timely or regular manner to ensure the provider's compliance with the HCBS Rules by March 2023. The MCOs provided AHCCCS with a detailed plan for their first and second year of assessments to help monitor their ongoing progress. A survey tool was developed for the MCOs to report their progress to AHCCCS as the audits were completed. AHCCCS has used this data to report quarterly progress to CMS, including compiling the list of settings that meet the criteria for Heightened Scrutiny. AHCCCS began submitting quarterly reports to CMS in December 2021.

- Description of a beneficiary's recourse to notify the state of provider non-compliance (grievance process, notification of case manager, etc.) and how the state will address beneficiary feedback.

AHCCCS uses member surveys as part of the Assessment as one way to validate the provider's self-assessment response by obtaining member input on their experience with a particular provider. AHCCCS will also be using the National Core Indicators (NCI) survey for both our Elderly and Physically Disabled (EPD) populations as well as our Intellectual/Developmentally Disabled (I/DD) populations to obtain input on individual member experience that will be aggregated to support a more systemic perspective of compliance with the HCBS Rules. AHCCCS will also be able to review the member experience data by each MCO beginning in 2024 after a pilot cycle in 2023.

AHCCCS gives members, their families, and other interested community members an opportunity to play an integral role in ongoing monitoring of compliance outside of the aforementioned surveys. If individuals are concerned about a specific setting's ability to comply with the HCBS Rules, AHCCCS encourages any individual to provide that information using an [online portal](#). The portal website also

includes information on how to share those concerns with AHCCCS via phone or email. AHCCCS will research the complaints using the most recent Assessment and initiate a conversation with the impacted MCO(s). MCOs will conduct the necessary and appropriate follow up with the complainant and the provider to investigate claims which may also necessitate contact with members served in the setting. If the member or Health Care Decision Maker is not the one who shared the concerns with AHCCCS, appropriate measures will be applied to protect member health information. If claims are substantiated, the MCO(s) will issue a Corrective Action Plan. Case managers will also be available to support the impacted members to ensure their needs are being met by the provider and/or to provide support should the member(s) decide to consider another provider to meet their needs moving forward.

More generally, case managers also have a set of protocols to follow outlined in the [Arizona State Transition Plan](#) (pg. 44) to address quality of care concerns or to report any suspected abuse, neglect, and/or exploitation of a member. In addition, member's can always avail themselves of the MCOs' grievance process for matters related to concerns about their provider's performance. The [hcbs@azahcccs.gov](mailto:hcbs@azahcccs.gov) email inbox will remain available for any general feedback from the members or stakeholder community about compliance for an individual setting, specific setting types or more systemic concerns.

Lastly, as a result of the final public comment period for the Arizona State Transition Plan, AHCCCS added two new activities to support insight and feedback from the community regarding HCBS Rules compliance. AHCCCS will be creating a member-facing document to outline the changes they should experience with providers as a result of the HCBS Rules implementation along with information on how to report compliance concerns. AHCCCS will formally recognize the already existing Arizona Long Term Care System (ALTCS) Advisory Council to serve as a diverse stakeholder group that will help to provide ongoing feedback on HCBS Rules compliance.

If you have any questions pertaining to this request, please contact Danielle Ashlock (ALTCS Project Manager) at [Danielle.Ashlock@azahcccs.gov](mailto:Danielle.Ashlock@azahcccs.gov).

Sincerely,

A handwritten signature in black ink that reads "Jami Snyder". The signature is written in a cursive, flowing style.

Jami Snyder  
Director  
Arizona Health Care Cost Containment System