



April 27, 2021

Arizona Health Care Cost Containment System
Director Jami Snyder
801 E. Jefferson Street, MD 4200
Phoenix, AZ 85034

Submitted via email: waiverpublicinput@azahcccs.gov

Dear Director Snyder:

On behalf of Vitalyst Health Foundation, thank you for the opportunity to provide comments on AHCCCS' draft waiver demonstration projects: Housing and Health Opportunities (H2O) and the Targeted Investments Program 2.0 (TI 2.0). Given Medicaid's reach and impact across Arizona, we are committed to working with the AHCCCS team and community stakeholders to ensure that all Arizonans have access to quality, affordable coverage and care.

Vitalyst Health Foundation commends the AHCCCS team for the work they have undertaken to improve care coordination, reduce costs and ensure the managed care system operates in an efficient manner. The program's recent efforts to address the social risk factors, particularly housing insecurity, that undergird health provide further evidence of AHCCCS' innovation and status as a national leader among state Medicaid programs. We are confident this 1115 waiver has the potential to continue building on AHCCCS' historical successes while providing new opportunities to advance the program.

Housing and Health Opportunities

In reaching out to community partners to garner on-the-ground insights about this proposal, Vitalyst received overwhelmingly positive community feedback, and we firmly believe this proposal would move Arizona in the right direction to help address the state's affordable housing crisis. Arizona has the fourth worst affordable housing shortage in the country for households with extremely low incomes. As of 2020, there are more than 10,000 individuals experiencing homelessness across the state. Furthermore, 75% of extremely low-income renter households are severely cost burdened. In addition, more than 500 people experiencing homelessness in the metropolitan Phoenix area died in the first nine months of 2020, only four of which were attributable to COVID-19. The housing crisis was not created by the pandemic, but it clearly has been exacerbated by it.

Among the many policy proposals in the draft waiver, Vitalyst Health Foundation is most supportive of AHCCCS' intent to focus its housing supports toward populations experiencing the greatest need, including but not limited to those living with mental illness, addiction and other chronic conditions. Further, Vitalyst is supportive of AHCCCS identifying the opportunity to stabilize housing among additional population groups, including pregnant women; individuals with a health history that demonstrates high-complex-needs or results in high-cost; people who repeatedly present in the emergency departments; former foster youth ages 18-24; and the elderly who are able to move out of



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an institutional setting. This commendable approach underscores the importance of equitable resource allocation to ensure that the populations with the greatest need are prioritized during program implementation. To that end, we urge AHCCCS to place an emphasis on, and make public, disaggregated sociodemographic data about the populations served by H2O. This will help ensure that an equity lens can be applied to explicitly address the needs of historically disadvantaged populations.

Targeted Investments 2.0: Partnering with Community-Based Organizations

Vitalyst is also encouraged by AHCCCS' determination to explore ways to build relationships between traditional medical providers and community-based organizations (CBOs) in TI 2.0. To ensure proper compensation across these relationships, AHCCCS may consider utilizing a per diem or episodic payment model to incentivize CBOs to increase member access to social services.

In speaking with CBOs, Vitalyst learned that many organizations (e.g., housing providers) may not be familiar with pay-for-performance models or have the capacity to negotiate with health plans for payment rates. Due to the increased compliance burdens that often accompany recognition as an AHCCCS provider (e.g., new licensing requirements for housing providers who also provide behavioral health services), there are concerns that CBOs will be forced to transform into healthcare delivery providers. Should CBOs continue to be required to establish themselves as AHCCCS providers, we would urge AHCCCS to convene CBOs to garner their feedback on potential payment and service delivery models.

AHCCCS would also benefit from nurturing its relationships with CBOs that may not traditionally be set up as AHCCCS providers. For example, certain CBOs may be particularly equipped to serve former foster youth but lack the capacity or infrastructure to develop formal connections with AHCCCS and its medical providers. By providing resources that support such CBOs in building their capacity, AHCCCS can help ensure the development of health networks between medical and non-medical providers. This approach proved successful in the implementation of North Carolina's latest 1115 waiver, and we encourage AHCCCS to consider applying similar resources to support Arizona's CBOs.

Finally, AHCCCS should consider providing personal care services (PCS) to help beneficiaries remain in their homes whenever possible. PCS are categorized as a range of human assistance provided to individuals with disabilities and chronic conditions to enable them to accomplish activities of daily living or instrumental activities of daily living. There is potential for CBOs to offer PCS, so long as adequate compensation models are enacted.

Thank you again for this opportunity to provide comments on these promising demonstration waiver amendments. Vitalyst Health Foundation is available to provide further support as needed.

Sincerely,



Suzanne Pfister
President and CEO
Vitalyst Health Foundation