

Arizona Health Care Cost Containment System Member Disenrollment Processes

AHCCCS terminated health insurance coverage for some Native American children contrary to regulations and failed to timely disenroll members from healthcare coverage who were no longer eligible, resulting in unnecessary spending

Audit purpose

To determine whether AHCCCS complied with State and federal regulations and AHCCCS policies when disenrolling members from Medicaid and children's health insurance coverage.

Key findings

- AHCCCS administers Arizona's Medicaid and Children's Health Insurance Programs, which provide healthcare coverage for eligible low-income individuals, children, and families living in Arizona and as of April 2022, approximately 2.3 million Arizonans were enrolled in AHCCCS, 38 percent of whom were children.
- AHCCCS improperly disenrolled 50 Native American children from and did not reinstate their health insurance coverage, contrary to regulations; and disenrolled another 108 Native American children without consistently requesting or providing opportunity to submit required documentation needed to maintain their enrolled status.
- AHCCCS and ADES did not timely disenroll some members, resulting in unnecessary spending of at least \$324,000 in public monies for the period we reviewed. Specifically, AHCCCS:
 - Did not timely disenroll 769 members who requested to withdraw from healthcare coverage between April 2020 and March 2021, resulting in an estimated \$260,400 in unnecessary spending.
 - Did not consistently submit Medicaid enrollment data to the federal government in fiscal year 2021 to identify members who were improperly enrolled in Medicaid in more than 1 state, resulting in at least an estimated \$21,000 in unnecessary spending in fiscal year 2021.
 - Did not timely disenroll some members who moved out of State, resulting in an estimated \$42,850 in unnecessary spending.
- AHCCCS did not have sufficient processes for ensuring it complied with State and federal regulations and its policies for properly disenrolling members from Medicaid coverage and did not always follow the processes it had established.

Key recommendations

AHCCCS should:

- Comply with State and federal regulations and its policies when disenrolling members from health insurance coverage, including Native American children.
- Work with the Centers for Medicare and Medicaid Services to determine whether and how it should reinstate Native American children it disenrolled contrary to regulations.
- Develop and implement monitoring and review processes to ensure it properly disenrolls members and submits data to the federal government as required by State and federal regulations and its policies.
- Continue to correct programming errors in its data system to help ensure members who request to withdraw from healthcare coverage are disenrolled within the specified time frames.