

## What NC Can Learn from Arizona's 1115 Medicaid Waiver Experience

by Matt Potter

Brian Lensch, Arizona Long Term Care Systems Consultant for the Arizona Department of Economic Security/Division of Developmental Disabilities presented at Pinehurst on what NC can learn from Arizona's 1115 Waiver experience. There are many pros and cons that can be gleaned from the way the system works and how its application could make Medicaid transformation in North Carolina more effective. For one, the 1115 waiver has more flexibility than the current system in NC. That flexibility allows for more innovative services, more malleable funding, and the ability to reduce a waiting list by providing more robust services for "mid-tier" needs. The downside of a fully 1115 Waiver system such as Arizona's is that nothing is guaranteed and protections for services and eligibility is reduced. To be specific, Mr. Lensch made the attendees aware of the fact that when the economy crashed in 2008, the state of Arizona reduced respite hours, tightened eligibility requirements, and outright eliminated dental coverage for waiver recipients. Additionally, financial assistance for housing placement programs was also eliminated. While non-monetary aids for housing placements cannot be disregarded as valuable, given the tenuous nature of economic status for people with disabilities, not to mention the housing market as a whole, it is difficult to imagine housing assistance being particularly effective with no financial backing.

There are aspects of Arizona that aren't dissimilar to North Carolina. Most notably, Arizona's system involves managed care for a state with a mixture of urban and rural areas. That said, Arizona's population is approximately 30% lower than North Carolina (7.016 million vs. 10.27 million by 2017 measurements). North Carolina is also significantly more compact, however (53,819 square miles to 113,998 square miles in Arizona). According to Mr. Lensch, one of the biggest challenges is that a massive percentage of the population lives in a few urban areas, meaning that those in rural areas are extremely isolated. This is something North Carolina can relate to and learn from, but thankfully the problem is also not as pronounced for this state as it is for Arizona. One way to combat this for Arizona has been investing heavily in working to turn natural supports into workforce, a solution that is also very viable for North Carolina. In the end, Medicaid transformation is a highly complex and nuanced problem, and while the Arizona system can be learned from, Mr. Lensch himself put it well when he said, "North Carolina knows what is best for North Carolina."

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