

**303 CYE 25 – COMMUNITY REINVESTMENT ALL LINES OF BUSINESS EXCEPT ALTCS E/PD<sup>1</sup>**

EFFECTIVE DATES: 10/01/22, 10/01/24<sup>2</sup>

APPROVAL DATES: 07/14/22, 06/04/24<sup>3</sup>

**I. PURPOSE**

This ~~p~~Policy applies to ACC, ACC-RBHA, ~~ALTCS E/PD,~~<sup>4</sup> DCS ~~/~~CHP (CHP), and DES ~~/~~DDD (DDD) Contractors. This Policy establishes the Contractor’s standards for meeting the Community Reinvestment (CRI)<sup>5</sup> requirements. The purpose of this Policy is to encourage Contractors activity and to investment in the communities served by the Contractor, in which they serve by addressing Health-Related Social Needs (HRSN) commonly referred to as Social Determinants of Health. HRSN are non-medical factors that impact member health outcomes. Common HRSN include, but are not limited to, housing, food/nutrition, utility assistance, transportation, basic amenities like clothing and diapers, employment, education, childhood development, criminal justice related support, interpersonal safety, environmental safety, support to reduce social isolation, non-discrimination/equity, and access to outdoor spaces. The purpose of this policy is to encourage health plans to utilize CRI funding to address non-Medicaid compensable services for HRSN that contribute to member health outcomes. ~~address Social Risk Factors of health, and to establish standards for the Contractor to meet the Community Reinvestment (CRI) requirements. Participation in The purpose of Community Reinvestment CRI is intended to further demonstrate AHCCCS’ commitment to Whole Person Care by providing integrated care while mitigating Social Risk Factors that may contribute to a member’s health outcomes. The effective date of this policy is for Community Reinvestment spending in CYE 2023 for profit earned in CYE 2022.~~

**II. DEFINITIONS**

Refer to the AHCCCS Contract and Policy Dictionary for common terms found in this Policy including<sup>6</sup>:

<u>CONTRACTOR</u>	<u>CONTRACT YEAR</u>	MEMBER
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For purposes of this Policy, the following terms are defined as:<sup>7</sup>

<sup>1</sup> Policy title was updated to include CYE 25 and to distinguish Policy applies to all LOBs except E/PD.

<sup>2</sup> Date Policy is effective.

<sup>3</sup> Date Policy is approved.

<sup>4</sup> Removed E/PD from purpose statement.

<sup>5</sup> Acronym added per policy standards revised throughout Policy by adding the acronym where applicable.

<sup>6</sup> Adding an identification table of terms used in this Policy that can be found in the AHCCCS Contract and Policy Dictionary.

<sup>7</sup> Revised per policy standard formatting.

**AHCCCS WHOLE PERSON CARE INITIATIVE (WPCI)**

An AHCCCS program dedicated to addressing member health-related social needs, also referred to as Social Determinants of Health, which negatively impact health outcomes, increase health care costs, and contribute to disparities in health equity.<sup>8</sup>

**COMMUNITY-BASED SUPPORT PROGRAMS**

Local independent social activities and services that assist members with self-care and wellbeing and may help to assimilate and integrate the member into society. Some examples ~~are~~ include Alcoholics Anonymous (AA), Narcotics Anonymous (NA), Cocaine Anonymous, Crystal Meth Anonymous, Dual Recovery Anonymous, Heroin Anonymous, Marijuana Anonymous, Self-Management and Recovery Training (SMART Recovery), National Alliance on Mental Illness (NAMI) Programs and Living Well with a Disability and Working Well with a Disability Program.

**COMMUNITY-BASED ORGANIZATIONS (CBO)**

A local organization, often a non-profit, non-governmental, or other charitable organization that provides services to individuals and communities to address one or more health-related social need.<sup>9</sup>

**COMMUNITY REINVESTMENT (CRI)**

A strategy that requires the Contractor to reinvest a designated portion of profits into programs and services that address health-related social needs in the ~~local~~ communities ~~y~~ in which they serve.<sup>10</sup>

**HEALTH-RELATED SOCIAL NEEDS (HRSN)**

Non-medical factors that impact health outcomes, including but not limited, to housing, food/nutrition, utility assistance, transportation, basic amenities like clothing and diapers, employment, education, childhood development, criminal justice related support, interpersonal safety, environmental safety, support to reduce social isolation, non-discrimination/equity, and access to outdoor spaces. Also commonly referred to as Social Determinants of Health.<sup>11</sup>

<sup>8</sup> Updated term; was previously Whole Person Care Initiative (WPCI); added 'AHCCCS' and moved to the beginning of list for alphabetical order.

<sup>9</sup> Added the new term Community-Based Organizations to the Definitions Section because it is referenced in the revised policy.

<sup>10</sup> Wording modified to provide further clarification based on public feedback.

<sup>11</sup> The term Health-Related Social Needs (HRSN) has replaced the term Social Risk Factors per CMS. The term Social Risk Factors was removed from this policy and HRSN was added.—.

**SOCIAL RISK FACTORS**

~~Specific adverse social conditions that are associated with poor health including, but not limited to:~~  
~~Food insecurity,~~  
~~Lack of stable housing,~~  
~~Insecure, unsafe physical environment (e.g., domestic and/or interpersonal violence),~~  
~~Limited education and/or employment opportunities,~~  
~~Criminal justice involvement,~~  
~~Social isolation, and~~  
~~Inadequate access to non-medical transportation.<sup>12</sup>~~

**NET AFTER-TAX PROFIT PERCENTAGE**

The calculation is Contract Year-to-Date Net Profit (account 99999) divided by Contract Year-to-Date Total Revenue (account 49999) stated as a percentage.<sup>13</sup>

**WHOLE PERSON CARE**

~~A health care delivery system that~~ A health care approach that addresses provides support for the full spectrum of an individual’s needs—medical physical health, mental health, and health-related social needs. behavioral, socioeconomic, and beyond to promote improved health outcomes.<sup>14</sup>

**~~WHOLE PERSON CARE INITIATIVE (WPCI)~~**

~~A system innovation in integrated health care delivery to address social risk factors of health commonly referred to as Social Determinants of Health (SDOH) which often lead to poor health outcomes, increased health care costs, and contribute to disparities in health equity.<sup>15</sup>~~

**III. POLICY**

**A. GENERAL**

~~There is growing acceptance that improving health outcomes is as much, if not more, about addressing social risk factors of health<sup>16</sup> as it is about providing access to high-quality medical care.—AHCCCS and its Contractors addresses these complex issues—health-related social needs through initiatives across the agency. including but not limited to related to housing, employment, criminal justice involvement, non-emergency transportation, and home and community-based services interventions. AHCCCS also relies on a broad range of funding sources for services and supports including Non-Title XIX/XXI funding. AHCCCS encourages the-its Contractors to collaborate with Ccommunity-Bbased Oorganizations, tribal partners, providers, and other external stakeholders in furtherance to further the goals of the Whole Person Care Initiative (WPCI). -To that end, this Ppolicy aims to focuses on Community ReinvestmentCRI to~~

<sup>12</sup> Removed; term is replaced with Health-Related Social Needs (HRSN).

<sup>13</sup> To define the calculation that will be used for Net After-Tax Profit Percentage as displayed in the table.

<sup>14</sup> Definition updated to provide clarity.

<sup>15</sup> Term is revised and now includes AHCCCS; relocated in alphabetical order to top of definitions.

<sup>16</sup> Revised to current language throughout the policy.

~~improve both access to high-quality medical care and access to community-based services which address social risk factors of health.<sup>17</sup>~~

**B. COMMUNITY REINVESTMENT (CRI) ACTIVITIES ~~AND~~ SERVICES**

The Contractor shall designate and spend after-tax-profits on a Contract Year End (CYE) basis (October 1 through September 30) using a tiered approach, contributing up to 10%, as indicated in the table below, from each LOB for CRI activities in communities served by the Contractor. The Contractor shall expend the CRI amount within two years following the CYE. For example, CRI amounts from after-tax profits in CYE 2024 shall be spent by the end of CYE 2026. Both CHP and DDD shall implement these requirements for its Subcontracted Health Plans.<sup>18</sup> Refer to the table below:<sup>19</sup>

1.

NET AFTER-TAX PROFIT PERCENTAGE <sup>20</sup> (ACCOUNT 99999)	REQUIRED CRI INVESTMENT %
0%	0%
Greater than 0% but less than or equal to 1%	4%
Greater than 1% but less than or equal to 2%	6%
Greater than 2% but less than or equal to 3%	8%
Greater than 3%	10%

~~2. designate and spend a minimum of six percent of after-tax profits from each line of business on a Contract Year End (CYE) basis (October 1 through September 30) for Community Reinvestment activities in communities served by the Contractor. The Contractor shall expend the Community Reinvestment amount within two years following the CYE. (For example, Community Reinvestment amounts from profits in CYE A shall be spent by the end of CYE C). Both CHP and DDD are required to implement these requirements for its subcontracted health plans.<sup>21</sup>~~

~~3. The Community Reinvestment CRI services shall consist of activities that cannot be reimbursed directly with Title XIX/XXI funds. The Contractor shall use Community Reinvestment CRI funds to expand utilization of Non-Title XIX/XXI services including, but not limited to, activities and<sup>22</sup> services discussed in number three below. Non-Title XIX/XXI funding sources, if applicable, shall be used before using Community Reinvestment CRI funds. The Community Reinvestment CRI funds shall supplement and not supplant existing activities~~

<sup>17</sup> Revised for clarity.

<sup>18</sup> Added to align with Contract requirements.

<sup>19</sup> Language was revised and moved above the chart.

<sup>20</sup> Added table to align with Contract requirements.

<sup>21</sup> Language was revised and moved above the chart.

<sup>22</sup> Revised for clarity throughout the policy.

and services already required and cannot be used for Title XIX/XXI ~~activities/~~services covered under another funding source such as Title XIX/XXI or Non-Title XIX/XXI.

2.

~~4.3. All Community Reinvestment CRI~~ activities shall align with and support the WPCI to address ~~Social Risk Factors~~health-related social needs and demonstrate ~~evidence—~~based ~~measurably~~ble impacts to improved health outcomes. ~~The Community Reinvestment CRI~~ activities/~~services~~ shall be prioritized ~~for to support the~~ WPCI and other activities listed below for any of the following activities not currently covered by Title XIX/XXI:

- a. ~~Housing and/or shelter~~ (such as ~~transitional housing and Sober Living Housing, emergency shelter,~~ permanent supportive housing ~~rental~~ subsidies, housing vouchers, eviction prevention interventions, move-in assistance, and development of affordable or special population housing using a Housing First approach),<sup>23</sup>
- b. Activities to address food insecurity and/or nutrition for services that are not covered by Medicaid,
- c. Utility assistance programs,
- d. Non-medical transportation services—such as, providing access to healthy food, food banks, and employment or employment navigation ~~services~~, community-based support programs, or to/from court or incarceration settings,
- e. Activities to provide basic amenities like clothing and diapers,
- f. Activities focused on AHCCCS member employment,
- g. Activities focused on AHCCCS member educational activities and childhood development, (Note: Beginning Contract Year 25, activities focused on workforce development for Contractor staff are not permitted),<sup>24</sup>
- h. Activities that reduce recidivism for criminal justice involved populations,
- i. Activities that address interpersonal and/or environmental safety,
- ~~b.—~~
- j. Activities to combat address social isolation and/or enhance social support,
- k. Activities that improve health equity,
- l. Activities that increase access to outdoor spaces,
- ~~e-m.~~ Activities to improve maternal-child health outcomes that are not covered by Medicaid,
- n. Research activities that support a specific community activity that improves health outcomes. Research activities shall identify how the results will be used to improve member health-related social needs and shall be detailed in the Contractor's Community Reinvestment Plan,
- ~~d.—~~Activities that reduce recidivism for the justice involved population,
- ~~e.—~~Employment or educational supportive activities,
- ~~f.—~~Other social programs that promote health and wellness in the community,
- ~~g-o.~~ Other aActivities which address ~~other~~ specific adverse conditions negatively impacting health outcomes for ~~a—~~specific Title XIX/XXI or Non-Title XIX/XXI populations and community communities, including, but not limited to, TRBHAs and Tribal populations,
- p. Other vValue-added services as specified in ACOM Policy 404 Section C, and, ~~and~~
- ~~h.—~~Other programs that address health-related social needs in the community.

<sup>23</sup> Revised language for clarity.

<sup>24</sup> clarify expectations.

~~Research activities that support a specific community activity that improves health outcomes. Any research activity **must** be specifically detailed in the Annual Community Reinvestment Plan.~~

### C. COMMUNITY REINVESTMENT (CRI) REQUIREMENTS FOR EXPIRING AND TERMINATING CONTRACTS

Contractors holding contracts that have expired or been terminated shall carry out CRI commitments and liabilities designated prior to expiration/termination including the CRI liability for the final year prior to the expiration/termination date. The Contractor shall expend the CRI amount within two years following the expiration/termination date.<sup>25</sup> Such Contractors shall not be required to designate after-tax-profits for CRI on profits earned during the run-out period after the Contract expiration/termination date.<sup>26</sup>

### ~~C.D.~~ CONTRACTOR RESPONSIBILITIES

1. Contractors shall work directly with the CRI programs they fund and shall not distribute CRI funds to a third party to select and award funding on their behalf.
- ~~1.2.~~ The Contractor shall submit ~~their a~~ Community Reinvestment CRI Plan as specified in Contract. The ~~Community Reinvestment CRI~~ Plan shall detail the Contractor's anticipated ~~Community Reinvestment CRI activities~~ investments in the current contract year based on the prior Contract year profits (e.g., ~~CYE 242~~ expected activities utilizing the ~~Community Reinvestment CRI~~ requirement based on ~~CYE 231~~ profits)– The Contractor shall also<sup>27</sup> include the expected dollar amounts, recipients, and benefits as specified in Attachment A.
- ~~2.~~ The Contractor shall maintain financial ~~reporting statements~~ that separately identifies ~~identify~~ Community Reinvestment CRI activities. –Refer to the AHCCCS Financial Reporting Guide for directions on the quarterly financial<sup>28</sup> reporting of ~~Community Reinvestment CRI~~ activities.
- 3.
4. If a Contractor ~~has more~~ has a contract for more than one AHCCCS ~~line of business LOB<sup>29</sup>~~, the Contractor shall calculate the Community Reinvestment CRI requirement individually for each ~~line of business LOB~~. –In the instance that one ~~line of business LOB~~ has a loss in a contract year and another ~~lines of business LOB~~ has a profit in the same contract year, the individual net profit (loss) shall not be combined to calculate the Contractor's Community Reinvestment CRI requirement. Also, for any project that benefits more than one LOB, the associated costs shall be allocated to the LOB(s) generating a profit, even if the project benefits other LOB(s) without a profit.

<sup>25</sup> clarify expectations.

<sup>26</sup> Added language to clarify terminating contractors.

<sup>27</sup> Revised to clarify who is responsible for the report, throughout the policy.

<sup>28</sup> Revised to add which report.

<sup>29</sup> Adding acronym and revising throughout Policy where applicable.

This ensures that costs are distributed in alignment with the profitability of each LOB accordingly. Spending is specific to the contract year in which it was incurred for the applicable CRI profit year and cannot be carried forward or back. Therefore, no future or past credits on CRI dollars are permitted.<sup>30</sup>

a. For example, a Contractor’s ALTCS E/PD ~~line-of-business-LOB~~ has a net profit of \$100,000 and the Contractor’s ACC ~~line-of-business-LOB~~ has a net loss of (\$100,000) for CYE XX. The profit and loss from the ALTCS E/PD and ACC ~~lines-of-business-LOB~~ are not added together to calculate the ~~Community Reinvestment-CRI~~ requirement for CYE XX. The ~~Community Reinvestment-CRI~~ requirement for the ALTCS E/PD ~~line-of-business-LOB~~, assuming the profit is greater than 1% but less than or equal to 2%,<sup>31</sup> is \$6,000 [\$100,000 x 6%] and the ~~Community Reinvestment-CRI~~ for the ACC ~~line-of-business-LOB~~ is \$0 [losses are not assessed ~~CRI of (\$100,000) x 6% = \$0<sup>32</sup>~~]. The Contractor’s ~~Community Reinvestment-CRI~~ requirement for CYE XX is \$6,000, and

~~a-b.~~ For example, if a Contractor has a profit in Contract Year A in the ACC LOB, and a profit in Contract Year B in the ALTCS LOB, any excess CRI dollars spent in Contract Year B, or designated as Contract Year B, cannot be carried back to Year A for any LOB, nor can it be carried forward to Contract Year C.<sup>33</sup>

5. Although CRI projects may benefit all LOB, the benefit shall be allocated equitably among the communities the Contractor serves, reflecting the specific needs and priorities of each community.

a. For example, if 90% of the Contractor’s members reside in Community A and 10% of the Contractor’s members reside in Community B, the Contractor’s CRI projects shall benefit Community A and Community B in total for the Contract Year.<sup>34</sup>

~~5-6.~~ The Contractor shall include ~~All~~ income ~~shall be included~~ in determining the ~~Community Reinvestment-CRI~~ liability, including investment income and non-operating profit/loss.

7. The Contractor shall submit a ~~CRI Report as specified in Contract.~~ The CRI Report shall detail the Contractor’s ~~listing of their actual Community Reinvestment-CRI activities-investments in Attachment B~~ after the end of the Contract ~~year by the due date specified in Contract utilizing Attachment B.~~ The Contractor shall ~~S~~submit one ~~Attachment B file~~ with separate tabs for each ~~line-of-business-LOB.~~ These ~~The~~ activities ~~included in the CRI Report~~ should ~~generally~~ align with the approved ~~Community Reinvestment-CRI~~ Plan and ~~should shall~~ be allowable per Policy ~~requirements.~~ The Contractor shall include an eight-month cut-off period for the ~~CRI Report report~~ and continue to submit this ~~r~~Report annually to AHCCCS for all previous year commitments until the full required ~~Community Reinvestment-CRI~~ amounts have been reinvested. If the ~~Community Reinvestment-CRI Report~~ activities relate to a previous year’s ~~CRI~~ commitment, the Contractor shall indicate such on the ~~Community Reinvestment-CRI~~ Report under the Commitment Year Column.

~~6-8.~~

<sup>30</sup> to clarify allowable allocations.

<sup>31</sup> Added language to clarify CRI percentage per tiered methodology.

<sup>32</sup> Clarified that losses are N/A for CRI assessments.

<sup>33</sup> add clarity.

<sup>34</sup> clarify expectations.

**D.E. AHCCCS RESPONSIBILITIES**

AHCCCS shall review the ~~Community Reinvestment-CRI~~ Report for activities conducted in the year applicable to the deliverable, regardless of which ~~Community Reinvestment-CRI~~ year, ~~-. AHCCCS shall~~ and verify that the amount reinvested into the community is consistent with the required CRI percentage, indicated in section B, based on the Contractor's net after-tax profit percentage ~~at least six percent of after-tax profit~~<sup>35</sup> on a Contract year basis. AHCCCS will continue to review prior year ~~Community Reinvestment-CRI~~ remaining balances until the full requirement is met. The Contractor is subject to ~~a~~Administrative ~~a~~Action if the ~~Community Reinvestment-CRI~~ requirement is not met within two contract years following the profit year. For information regarding AHCCCS sanction policy refer to ACOM Policy 408.

<sup>35</sup> Updated to align with Contract requirements.