



APPENDIX A

BUDGET NEUTRALITY REPORT



**Arizona Health Care Cost Containment System
Budget Neutrality Status by Federal Fiscal Year
Total Funds - All Populations
For the Period October 1, 2016 - September 30, 2021
Updated 9/20**

	Estimate 2017 DY 6	Estimate 2018 DY 7	Estimate 2019 DY 8	Estimate 2020 DY 9	Estimate 2021 DY 10	Total	Pop Exp	2.0% 4.0%
Without Waiver Expenditure Limit Calculation								
Member Months								
TANF/SOBRA	13,482,714	12,917,762	12,664,544	13,634,561	14,043,897	66,743,478		
SSI	2,241,231	2,275,213	2,290,383	2,270,211	2,440,426	11,517,464		
ALTCS-EPD	362,059	369,046	383,832	375,790	373,863	1,864,590		
ALTCS-DD	367,160	384,901	405,830	429,543	460,660	2,048,094		
Newly Eligible Adults	1,344,121	1,303,370	1,288,157	1,354,338	1,542,792	6,832,778		
Expansion State Adults	3,819,185	3,737,844	3,829,011	4,147,232	4,347,427	19,880,699		
Combined	21,616,470	20,988,136	20,861,757	22,211,675	23,209,065	108,887,103		
Without Waiver PMPM								
TANF/SOBRA	749.11	782.82	818.05	854.86	893.33			
SSI	1,162.52	1,209.02	1,257.38	1,307.68	1,359.99			
ALTCS-EPD	6,016.98	6,239.61	6,470.48	6,709.89	6,958.16			
ALTCS-DD	6,462.96	6,721.48	6,990.34	7,269.95	7,560.75			
Newly Eligible Adults	344.80	358.51	362.24	376.73	441.58			
Expansion State Adults	600.68	649.52	713.12	741.64	877.79			
Weighted	925.89	983.79	1,042.95	1,073.97	1,139.49			
Without Waiver Expenditure Limit								
TANF/SOBRA	10,100,035,885	10,112,282,449	10,360,230,219	11,655,640,800	12,545,834,500	54,774,023,853		
SSI	2,605,475,862	2,750,778,021	2,879,881,777	2,968,709,500	3,318,955,000	14,523,800,167		
ALTCS-EPD	2,178,501,762	2,302,703,112	2,483,577,279	2,521,509,600	2,601,398,600	12,087,690,353		
ALTCS-DD	2,372,940,394	2,587,104,373	2,836,889,682	3,122,756,100	3,482,935,100	14,402,625,649		
Newly Eligible Adults	463,446,215	467,267,022	466,619,567	510,219,800	681,258,800	2,588,811,404		
Expansion State Adults	2,294,099,974	2,427,810,870	2,730,558,996	3,075,753,100	3,816,143,600	14,344,366,540		
Total	20,014,500,091	20,647,945,848	21,757,757,520	23,854,588,900	26,446,525,600	112,721,317,959		
DSH Allotment	160,509,328	162,832,936	166,932,007	169,491,286	120,105,286	779,870,843		
Total Without Waiver Expenditure Limit	20,175,009,420	20,810,778,784	21,924,689,527	24,024,080,186	26,566,630,886	113,501,188,802		
With Waiver Expenditures								
TANF/SOBRA	3,943,965,278	4,013,319,586	4,002,226,228	4,481,134,800	5,474,797,300	21,915,443,192		
SSI	1,965,933,865	2,072,927,606	2,104,291,504	2,169,186,600	2,751,583,100	11,063,922,675		
ALTCS-EPD	1,386,780,684	1,437,707,472	1,544,257,849	1,572,376,800	1,670,521,000	7,611,643,805		
ALTCS-DD	1,382,278,096	1,568,572,942	1,813,888,664	1,996,670,500	2,282,371,900	9,043,782,102		
Newly Eligible Adults	463,446,215	467,267,022	466,619,567	510,219,800	681,258,800	2,588,811,404		
Expansion State Adults	2,294,099,974	2,427,810,870	2,730,558,996	3,075,753,100	3,816,143,600	14,344,366,540		
DSHP	13,165,373	21,137,600	27,306,100	20,975,000	14,991,000	97,575,073		
Targeted Investments	19,325,179	70,000,000	90,000,000	70,000,000	50,000,000	299,325,179		
AI/AN Uncompensated Care	3,208,226	-	-	-	-	3,208,226		
SNCP/DSHP	95,000,000	22,500,000	-	-	-	117,500,000		
Expenditure Subtotal	11,567,202,890	12,101,243,098	12,779,148,908	13,896,316,600	16,741,666,700	67,085,578,196		
DSH	160,509,328	162,832,936	166,932,007	169,491,286	120,105,286	779,870,843		
Total With Waiver Expenditures	11,727,712,218	12,264,076,034	12,946,080,915	14,065,807,886	16,861,771,986	67,865,449,039		
With Waiver Expenditure PMPMs								
TANF/SOBRA	292.52	310.68	316.02	328.66	389.83		341.81	
SSI	877.17	911.09	918.75	955.50	1,127.50		993.72	
ALTCS-EPD	3,830.26	3,895.74	4,023.26	4,184.19	4,468.27		4,351.56	
ALTCS-DD	3,764.78	4,075.26	4,469.58	4,648.36	4,954.57		4,834.29	
Newly Eligible Adults	344.80	358.51	362.24	376.73	441.58		391.80	
Expansion State Adults	600.68	649.52	713.12	741.64	877.79		771.31	
DY1-DY5 BN Carry-over	29,327,890,565							
DY6-DY10 BN Variance	8,447,297,201	8,546,702,750	8,978,608,612	9,958,272,300	9,704,858,900			
Phase-Down of DY6-DY10 Variance	2,111,824,300	2,136,675,687	2,244,652,153	2,489,568,075	2,426,214,725			
Cumulative DY-DY10 Variance	31,439,714,865	33,576,390,552	35,821,042,705	38,310,610,780	40,736,825,505	40,736,825,505		
Variance by Waiver Group								
TANF/SOBRA	6,156,070,607	6,098,962,863	6,358,003,991	7,174,506,000	7,071,037,200	32,858,580,661		
SSI	639,541,997	677,850,415	775,590,273	799,522,900	567,371,900	3,459,877,485		
ALTCS-EPD	791,721,078	864,995,640	939,319,430	949,132,800	930,877,600	4,476,046,548		
ALTCS-DD	990,662,298	1,018,531,431	1,023,001,018	1,126,085,600	1,200,563,200	5,358,843,547		
Newly Eligible Adults	-	-	-	-	-	-		
Expansion State Adults	-	-	-	-	-	-		
DSHP	(13,165,373)	(21,137,600)	(27,306,100)	(20,975,000)	(14,991,000)	(97,575,073)		
Targeted Investments	(19,325,179)	(70,000,000)	(90,000,000)	(70,000,000)	(50,000,000)	(299,325,179)		
AI/AN Uncompensated Care	(3,208,226)	-	-	-	-	(3,208,226)		
SNCP/DSHP	(95,000,000)	(22,500,000)	-	-	-	(117,500,000)		
	8,447,297,201	8,546,702,750	8,978,608,612	9,958,272,300	9,704,858,900	45,635,739,763		

**Arizona Health Care Cost Containment System
Budget Neutrality Status by Federal Fiscal Year
Total Funds - All Populations
For the Period October 1, 2011 - September 30, 2016
Updated 10/19**

	Actual 2012 DY 1	Actual 2013 DY 2	Actual 2014 DY 3	Actual 2015 DY 4	Estimate 2016 DY 5	Total
Without Waiver Expenditure Limit Calculation						
Member Months						
TANF/SOBRA	11,704,352	11,622,919	11,797,802	12,538,049	13,087,930	60,751,052
SSI	1,957,433	1,995,474	2,075,547	2,174,958	2,214,163	10,417,575
AC	1,633,495	969,125	206,508	-	-	2,809,128
ALTCS-EPD	343,281	346,428	353,798	359,999	359,110	1,762,616
ALTCS-DD	294,427	307,374	320,872	336,869	350,821	1,610,363
Family Planning Extension	50,024	55,971	14,885	-	-	120,880
Expansion State Adults	-	-	1,822,917	3,359,603	3,705,353	8,887,873
Combined	15,983,012	15,297,291	16,592,329	18,769,478	19,717,377	86,359,487
Without Waiver PMPM						
TANF/SOBRA	585.28	615.71	647.73	681.41	716.85	651.42
SSI	885.41	938.53	994.84	1,054.53	1,117.81	1,002.09
AC	562.30	600.57	600.08	-	-	608.25
ALTCS-EPD	4,737.37	4,983.71	5,242.86	5,515.49	5,802.30	5,263.14
ALTCS-DD	4,922.38	5,217.72	5,530.78	5,862.63	6,214.39	5,578.13
Family Planning Extension	16.60	18.01	12.77	-	-	16.78
Expansion State Adults	-	-	623.83	579.09	579.03	588.24
Weighted	786.98	846.07	879.78	893.96	928.85	870.92
Without Waiver Expenditure Limit						
TANF/SOBRA	6,850,319,393	7,156,396,545	7,641,806,370	8,543,594,521	9,382,041,921	39,574,158,751
SSI	1,733,125,663	1,872,815,893	2,064,844,970	2,293,567,986	2,475,005,667	10,439,360,179
AC	918,520,667	582,023,481	123,922,054	36,049,882	48,139,177	1,708,655,261
ALTCS-EPD	1,626,248,054	1,726,496,688	1,854,914,415	1,985,571,530	2,083,663,007	9,276,893,693
ALTCS-DD	1,449,280,104	1,603,790,699	1,774,672,617	1,974,937,424	2,180,136,769	8,982,817,613
Family Planning Extension	830,631	1,008,110	190,026	-	-	2,028,767
Expansion State Adults	-	-	1,137,188,645	1,945,504,765	2,145,499,317	5,228,192,727
Total	12,578,324,512	12,942,531,416	14,597,539,097	16,779,226,108	18,314,485,858	75,212,106,990
DSH Allotment	154,369,963	161,973,765	160,771,261	160,408,856	159,816,238	797,340,083
Total Without Waiver Expenditure Limit	12,732,694,475	13,104,505,181	14,758,310,358	16,939,634,964	18,474,302,096	76,009,447,074
With Waiver Expenditures						
TANF/SOBRA	3,415,708,532	3,582,361,477	3,539,898,256	3,600,524,014	3,982,347,227	18,120,839,506
SSI	1,349,499,952	1,426,826,711	1,545,627,761	1,739,284,853	1,848,114,631	7,909,353,908
AC	918,520,667	582,023,481	123,922,054	36,049,882	48,139,177	1,708,655,261
ALTCS-EPD	1,061,603,724	1,166,651,266	1,195,332,840	1,243,620,369	1,262,822,459	5,930,030,658
ALTCS-DD	939,086,691	1,005,552,496	1,067,544,797	1,170,346,154	1,252,959,914	5,435,490,052
Family Planning Extension	830,631	1,008,110	190,026	-	-	2,028,767
Expansion State Adults	-	-	1,137,188,645	1,945,504,765	2,145,499,317	5,228,192,727
AI/AN Uncompensated Care	22,866,717	97,192,513	53,888,765	13,437,080	7,647,155	195,032,230
SNCP/DSHP	296,636,120	558,334,298	240,250,917	135,561,857	116,750,000	1,347,533,192
Expenditure Subtotal	8,004,753,034	8,419,950,352	8,903,844,061	9,884,328,974	10,664,279,880	45,877,156,301
DSH	155,762,651	163,280,200	162,283,023	152,801,559	170,272,775	804,400,208
Total With Waiver Expenditures	8,160,515,685	8,583,230,552	9,066,127,084	10,037,130,533	10,834,552,655	46,681,556,509
With Waiver Expenditure PMPMs						
TANF/SOBRA	291.83	308.22	300.05	287.17	304.28	
SSI	689.42	715.03	744.68	799.69	834.68	
AC	562.30	600.57	600.08	-	-	
ALTCS-EPD	3,092.52	3,367.66	3,378.57	3,454.51	3,516.53	
ALTCS-DD	3,189.54	3,271.43	3,327.01	3,474.19	3,571.51	
Family Planning Extension	16.60	18.01	12.77	-	-	
Expansion State Adults	-	-	623.83	579.09	579.03	
Budget Neutrality Variance	4,572,178,790	4,521,274,629	5,692,183,274	6,902,504,431	7,639,749,441	29,327,890,565
Cumulative Variance	4,572,178,790	9,093,453,419	14,785,636,693	21,688,141,124	29,327,890,565	
Variance by Waiver Group						
TANF/SOBRA	3,434,610,861	3,574,035,068	4,101,908,114	4,943,070,507	5,399,694,694	21,453,319,245
SSI	383,625,711	445,989,182	519,217,209	554,283,133	626,891,036	2,530,006,271
AC	-	-	-	-	-	-
ALTCS-EPD	564,644,330	559,845,422	659,581,575	741,951,161	820,840,548	3,346,863,035
ALTCS-DD	510,193,413	598,238,203	707,127,820	804,591,270	927,176,855	3,547,327,561
Family Planning Extension	-	-	-	-	-	-
Expansion State Adults	-	-	-	-	-	-
DSH	(1,392,688)	(1,306,435)	(1,511,762)	7,607,297	(10,456,537)	(7,060,125)
AI/AN Uncompensated Care	(22,866,717)	(97,192,513)	(53,888,765)	(13,437,080)	(7,647,155)	(195,032,230)
SNCP/DSHP	(296,636,120)	(558,334,298)	(240,250,917)	(135,561,857)	(116,750,000)	(1,347,533,192)
	4,572,178,790	4,521,274,629	5,692,183,274	6,902,504,431	7,639,749,441	29,327,890,565
	480.84	507.57	518.90	518.68	534.55	

**Arizona Health Care Cost Containment System
Budget Neutrality Status by Federal Fiscal Year
Total Funds - All Populations
For the Period October 1, 2021 - September 30, 2026
Updated 9/20**

	Estimate 2022 DY 1	Estimate 2023 DY 2	Estimate 2024 DY 3	Estimate 2025 DY 4	Estimate 2026 DY 5	Total
Without Waiver Expenditure Limit Calculation						
Member Months						
TANF/SOBRA	14,324,775	14,611,270	14,903,496	15,201,566	15,505,597	74,546,704
SSI	2,489,235	2,539,019	2,589,800	2,641,596	2,694,427	12,954,076
ALTCES-EPD	381,340	388,967	396,746	404,681	412,775	1,984,510
ALTCES-DD	469,873	479,271	488,856	498,633	508,606	2,445,239
Newly Eligible Adults	1,573,648	1,605,121	1,637,223	1,669,968	1,703,367	8,189,327
Expansion State Adults	4,434,376	4,523,063	4,613,524	4,705,795	4,799,911	23,076,668
Combined	23,673,246	24,146,711	24,629,645	25,122,238	25,624,683	123,196,524
Without Waiver PMPM						
TANF/SOBRA	408.44	428.07	448.88	470.92	493.95	
SSI	1,179.51	1,233.02	1,290.26	1,350.61	1,413.43	
ALTCES-EPD	4,674.37	4,886.45	5,113.28	5,352.44	5,601.39	
ALTCES-DD	5,193.99	5,455.93	5,735.58	6,031.85	6,342.55	
Newly Eligible Adults	462.45	484.55	507.87	532.67	558.68	
Expansion State Adults	919.30	963.22	1,009.58	1,058.87	1,110.59	
Weighted	752.50	788.32	826.37	866.67	908.80	
Without Waiver Expenditure Limit						
TANF/SOBRA	5,850,803,114	6,254,703,864	6,689,826,264	7,158,751,246	7,659,043,614	33,613,128,101
SSI	2,936,072,619	3,130,666,106	3,341,515,523	3,567,760,736	3,808,378,051	16,784,393,035
ALTCES-EPD	1,782,526,927	1,900,667,101	2,028,676,457	2,166,032,795	2,312,114,619	10,190,017,898
ALTCES-DD	2,440,516,301	2,614,867,073	2,803,873,559	3,007,680,279	3,225,857,299	14,092,794,510
Newly Eligible Adults	727,737,815	777,762,588	831,495,537	889,534,052	951,640,521	4,178,170,514
Expansion State Adults	4,076,500,747	4,356,719,827	4,657,710,658	4,982,819,569	5,330,715,560	23,404,466,360
Total	17,814,157,522	19,035,386,558	20,353,097,998	21,772,578,676	23,287,749,663	102,262,970,417
DSH Allotment	70,805,286	74,800,143	78,885,143	83,062,143	87,460,300	395,013,014
Total Without Waiver Expenditure Limit	17,884,962,807	19,110,186,701	20,431,983,141	21,855,640,819	23,375,209,963	102,657,983,432
With Waiver Expenditures						
TANF/SOBRA	5,818,833,600	6,208,229,900	6,592,022,700	7,066,780,200	7,633,394,600	33,319,261,000
SSI	2,924,492,600	3,120,199,600	3,313,090,400	3,551,699,100	3,836,474,400	16,745,956,100
ALTCES-EPD	1,775,496,500	1,894,312,800	2,011,419,200	2,156,281,600	2,329,172,300	10,166,682,400
ALTCES-DD	2,425,796,200	2,588,130,400	2,748,128,700	2,946,048,900	3,182,263,100	13,890,367,300
Newly Eligible Adults	724,069,100	772,523,800	820,281,200	879,357,900	949,864,800	4,146,096,800
Expansion State Adults	4,055,950,100	4,327,374,200	4,594,892,500	4,925,816,700	5,320,768,700	23,224,802,200
Targeted Investment 2	18,500,000	36,000,000	48,000,000	36,000,000	21,500,000	160,000,000
Housing Initiatives	90,000,000	90,000,000	90,000,000	90,000,000	90,000,000	450,000,000
Traditional Healing	21,723,600	21,723,600	21,723,600	21,723,600	21,723,600	108,618,000
Native American Adult Dental	74,200	97,500	103,300	114,800	121,100	510,900
Expenditure Subtotal	17,854,935,900	19,058,591,800	20,239,661,600	21,673,822,800	23,385,282,600	102,212,294,700
DSH	70,805,286	74,800,143	78,885,143	83,062,143	87,460,300	395,013,014
Total With Waiver Expenditures	17,925,741,186	19,133,391,943	20,318,546,743	21,756,884,943	23,472,742,900	102,607,307,714
With Waiver Expenditure PMPMs						
TANF/SOBRA	406.21	424.89	442.31	464.87	492.30	
SSI	1,174.86	1,228.90	1,279.28	1,344.53	1,423.86	
ALTCES-EPD	4,655.94	4,870.11	5,069.79	5,328.34	5,642.72	
ALTCES-DD	5,162.66	5,400.14	5,621.55	5,908.25	6,256.84	
Newly Eligible Adults	460.12	481.29	501.02	526.57	557.64	
Expansion State Adults	914.66	956.74	995.96	1,046.76	1,108.51	
DY6-DY10 BN Carry-over	11,408,934,941					
DY1-DY6 BN Variance	(40,778,378)	(23,205,242)	113,436,398	98,755,876	(97,532,937)	
Phase-Down of DY1-DY5 Variance	-	-	28,359,100	24,688,969	-	
Cumulative DY-DY5 Variance	11,368,156,562	11,344,951,321	11,373,310,420	11,397,999,389	11,300,466,453	11,300,466,453

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
BUDGET NEUTRALITY UPDATE NOTES**

All amounts are for demonstration purposes only. Actual Budget Neutrality model will be negotiated with CMS over the next twelve months.

2017-2021 Assumptions

- 1) Actual through third quarter of FFY20
- 2) Budget assumptions for last quarter of FFY20 and all of FFY21
- 3) FFY21 includes new hospital assessment projected TF spend of \$1.640 billion
- 4) In accordance with State Medicaid Director Letter (#18-009; August 22, 2018) the state is only allowed to carry over 25% of the most recent five years variance.

2022-2026 Assumptions

- 1) Population growth of 2.0% annually
- 2) Growth in WOW PMPMs based on DHHS 2018 Medicaid Actuarial Report (Table 22)

FFY22	FFY23	FFY24	FFY25	FFY26
4.7%	4.8%	4.8%	4.9%	4.9%

- 3) Growth in WW PMPMs based on AHCCCS Budget for FY22 and then for FY23-FY26 the CMS Office of the Actuary NHE for Medicaid (Table 17)

FFY22	FFY23	FFY24	FFY25	FFY26
4.2%	4.6%	4.1%	5.1%	5.9%

- 4) DSH assumes that the reductions, as defined in the Cares Act, will take place beginning in FFY21.