

February 23, 2024

The Honorable John Kavanagh
Chairman, Joint Legislative Budget Committee
Arizona Senate
1700 W Washington
Phoenix, Arizona 85007

The Honorable David Livingston
Vice-Chairman, Joint Legislative Budget Committee
Arizona House of Representatives
1700 W Washington
Phoenix, Arizona 85007

Dear Senator Kavanagh and Representative Livingston,

Please find enclosed AHCCCS' report on the adequacy and appropriateness of Title XIX reimbursement rates to service providers for the elderly and physical disability program of the Arizona long-term care system, prepared pursuant to A.R.S. § 36-2959(C):

“C. The administration shall contract with an independent consulting firm for an annual study of the adequacy and appropriateness of title XIX reimbursement rates to service providers for the elderly and physical disability program of the Arizona long-term care system. The administration may require, and the administration's contracted providers shall provide, financial data to the administration in the format prescribed by the administration to assist in the study. A complete study of reimbursement rates shall be completed no less than once every five years. In determining the adequacy of the rates in the five year study, the consulting firm shall examine in detail the costs associated with the delivery of services, including programmatic, administrative and indirect costs in providing services in rural and urban Arizona.”

Should you have any questions please feel free to contact Jeffery Tegen, Chief Financial Officer, at Jeffery.tegen@azahcccs.gov.

Sincerely,



Carmen Heredia
Executive Deputy Director and Cabinet Executive Officer

CC: Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Richard Stavneak, Director, Joint Legislative Budget Committee
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor

HCBS and Nursing Facility Reimbursement Rates Adequacy Review

Comprehensive Report

State of Arizona

October 31, 2023

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Section 1

Executive Summary

The Arizona Health Care Cost Containment System (AHCCCS) is evaluating the adequacy and appropriateness of select Title XIX reimbursement rates for services delivered to the Arizona Long-Term Care System Elderly and Physically Disabled (ALTCS-EPD) populations per the requirements outlined in A.R.S §36-2959(C).

AHCCCS contracted with Mercer Government Human Services Consulting (Mercer) to conduct this review, which covers the home- and community-based services (HCBS) and nursing facility (NF) fee-for-service (FFS) fee schedule payment rates. To complete the evaluation, Mercer reviewed and collected information from various resources, including fee schedules, Medicaid claims data, provider surveys, policy manuals, publicly available market data, and discussions with AHCCCS, to understand the ALTCS-EPD delivery system and costs of services. The activities Mercer completed are presented in the figure below.

Figure 1. Adequacy Review Tasks and Services Included

Task	ALTCS-EPD Services Included	
	NF	HCBS
Medicaid Rate Comparison	✓	✓
Utilization Review	✓	✓
Rate Setting Methodologies		✓
Stakeholder Engagement and Rate Models ¹		
Provider Surveys	✓	✓
Focus Groups		✓
HCBS Rate Models		✓
Recommendations	✓	✓

¹ For nursing facility services, Mercer’s review was limited to evaluating the impact of the Arizona Minimum Wage and the job market on service delivery (per AHCCCS request).

In addition to the tasks above, Mercer obtained information from providers regarding the implementation of electronic visit verification (EVV), Arizona minimum wage changes, the job market, and the impact of geographic service areas (GSAs) on payment rates. AHCCCS and Mercer discussed the approach of analyzing information by GSA and decided to review the data using categories of urban, rural, and Flagstaff instead. Based on AHCCCS’s request, this study is limited for the NF component to reviewing the impact of the Arizona minimum wage and job market on service delivery, identifying Medicaid rate comparisons to select other states, and

obtaining provider-reported payment rates for other payers. This report does not include a review of NF rate-setting methodologies or development of NF payment rates. In addition, given that the intent of this study is to evaluate the FFS fee schedule payment rates, Mercer did not conduct an in-depth review of model rates for HCBS services without published rates, such as assisted living.

Overview of Results

ALTCS-EPD NF and HCBS services account for approximately \$1.12 billion in AHCCCS Medicaid service expenditures in federal fiscal year (FFY) 2022, in which \$600 million (54%) was paid for HCBS and \$515 million was paid for NF services. Mercer examined how the published FFS fee schedule payment rates compare to actual payments in managed care and how these FFS rate levels compare to select other state Medicaid programs. In addition, we modeled rate ranges for the HCBS set of services to benchmark against the current FFS payment rates and evaluate their adequacy to support service delivery.

The ALTCS-EPD program operates through a 1115 waiver authority using a managed care delivery system and provides HCBS to the elderly and physically disabled population in Arizona. To do so, AHCCCS contracts with three managed care organizations (MCOs): Banner-University Family Care, Mercy Care, and UnitedHealthcare Community Plan. Although ALTCS-EPD is a managed care delivery system, AHCCCS annually updates a FFS fee schedule for HCBS, as the FFS fee schedule is the basis of setting capitation rates for the managed care providers.

Mercer initiated the review by collecting Medicaid payment rates for similar services in five select states to compare to the existing NF and HCBS rates in Arizona for the ALTCS-EPD population. Although HCBS services are defined differently from state to state and cannot always be directly compared, we determined that across all services, the AHCCCS HCBS fee schedule rates are higher than Colorado, Minnesota, Oregon, and Utah, and lower than Washington — with variations by service. For NFs, the AHCCCS per diem rates in the FFS fee schedule are lower than the respective comparison states, particularly for the higher levels of care.

Mercer obtained and analyzed the actual service utilization for NF and HCBS from FFYs 2018 to 2022 for both managed care and FFS members. Although MCOs are not required to align with FFS fee schedules and are likely to negotiate rates with contracted providers, Mercer found that their reimbursement closely compares with FFS in many cases. There was some variation by service, most notably, therapies and home health are being paid significantly higher than the fee schedule rates in rural counties. For NFs, the average managed care payments are above the FFS fee schedule rates for services in urban counties but lower than FFS in rural counties.

An important piece of the review was for Mercer to model rate ranges for the services in the HCBS fee schedule that have a published payment rate for benchmarking purposes. This approach excluded modeling rates for the Residential Habilitation Waiver services and assisted living. We used market-based information, including wages from the Bureau of Labor Statistics (BLS), along with AHCCCS policy documents and discussions with AHCCCS, to determine the initial assumptions for rate development. Based on the modeled rate ranges, Mercer found that the current FFS fee schedule rates are lower than the modeled ranges for 14 services, including attendant care, companion care, supported employment, and respite, and the current rates are above the modeled range for eight services, including therapies and nursing. The remaining nine services have current FFS fee schedule rates that fall within the modeled rate range.

Based on Mercer's comprehensive evaluation of the information gathered throughout the review, we identified areas for AHCCCS to further explore and outlined our recommendations for consideration. In addition, Mercer acknowledges that the timing of this report delivery does not precisely align with the Arizona annual minimum wage adjustments and State budgetary cycles; however, the information contained within this document can be leveraged as AHCCCS conducts future planning.

While AHCCCS has implemented other reimbursement strategies for NF and HCBS, including supplemental payments through a directed payment for NFs and differential adjusted payments (DAPs) for HCBS, the FFS fee schedule rates have not been reestablished in many years, and existing rates are not keeping pace with current provider costs of service delivery. Mercer suggests that AHCCCS consider rebasing its NF and HCBS fee schedule rates and establish a regular cadence to do so in the future to maintain reimbursement that aligns with service costs. Many of these services are primarily delivered through managed care, and the MCOs likely rely on the fee schedule rates as a basis for negotiating contract rates with providers.

Section 2

Adequacy Review Approach

Evaluating the adequacy of Medicaid FFS reimbursement is complex and involves the consideration of multiple sources of information and perspectives. To gather information for this review, Mercer:

- Conducted a Medicaid rate comparison analysis to review NF and HCBS rates to the rates in five select states
- Performed a utilization review, identifying the AHCCCS payments and utilization over the last five years for included services
- Reviewed available HCBS rate-setting methodologies
- Obtained input from stakeholders using a series of surveys and focus groups
- Developed Medicaid rate models for the included HCBS services to use as benchmarks

These components provide AHCCCS with the necessary information to understand the reimbursement throughout the ALTCS-EPD system, and Mercer evaluated this data to inform the recommendations presented in Section 4 of this report. Below, we summarize the adequacy review process and the key observations.

Medicaid Rate Comparison

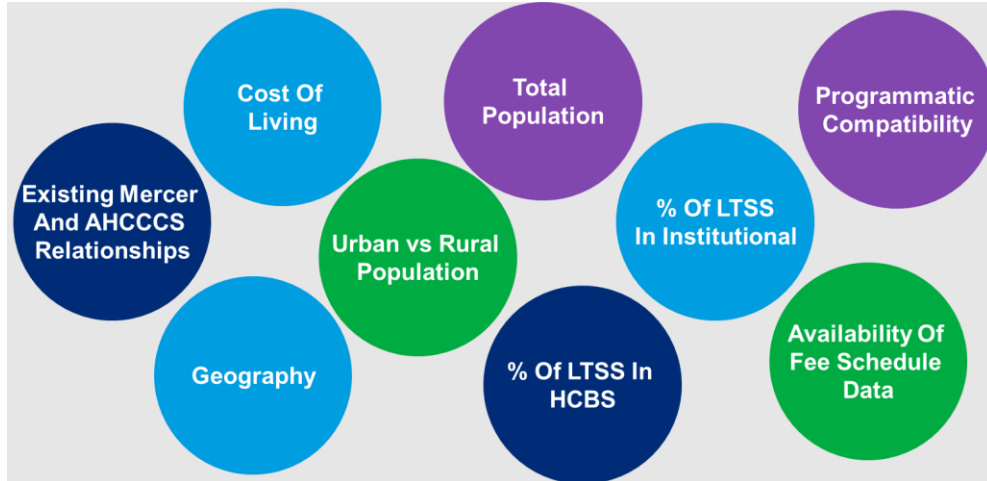
For the first step of the review, Mercer completed a comparison of AHCCCS' HCBS and NF fee schedule payment rates to five other state Medicaid programs. To complete the payment rate comparison for HCBS and NF services, Mercer selected five states to include in the analysis and collected the AHCCCS FFS fee schedules and those for comparable HCBS waiver programs and NF services in the selected states. We determined an analysis approach and developed exhibits of the FFS payment rates by service, year, and state program, and reviewed the results and identified key observations to highlight to AHCCCS.

Mercer provides a detailed description of each of these steps below, separated by the HCBS and NF service areas.

Selection of Comparison States

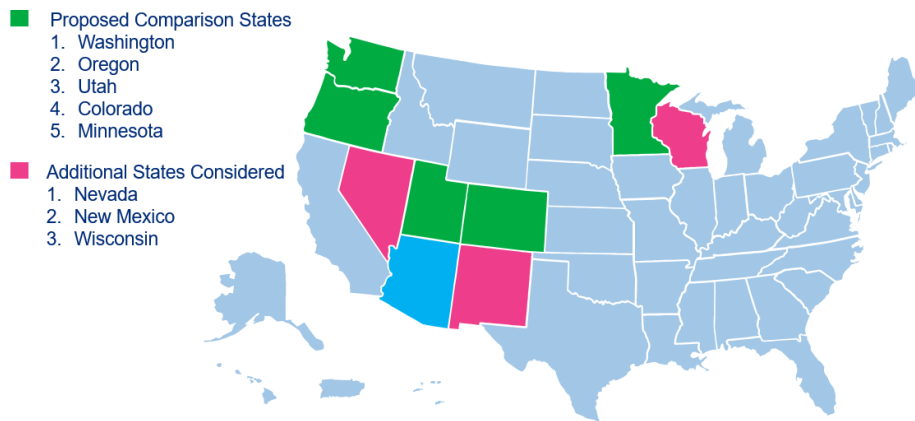
Mercer initiated the state selection by identifying and reviewing several key criteria in which to evaluate other Medicaid programs. To determine those most relevant to the Arizona ALTCS-EPD services, we gathered information for the following evaluation criteria:

Figure 2. Criteria for Evaluating Comparison States



The initial scan across the nation resulted in a preliminary list of eight states (shown in Figure 3 below) that most closely align with the environment in Arizona and the ALTCS-EPD program.

Figure 3. Comparison States for Consideration



To narrow down the list to five states for analysis, Mercer determined the most important factors were states that have similar HCBS services to Arizona, a comparable percentage of HCBS to institutional services as seen in Arizona, and availability of public fee schedule data for appropriate comparisons. Mercer presented the proposed comparison states to AHCCCS, and AHCCCS agreed with the recommended states.

The final state Medicaid programs selected for the rate comparison are Colorado, Minnesota, Oregon, Utah, and Washington state.

Mercer provides individual state profiles for each of the selected states in Appendix A for reference purposes.

HCBS Services

Mercer obtained the last five years of AHCCCS fee schedules for HCBS from the AHCCCS website and located the fee schedules for the selected states using the corresponding Medicaid websites. We identified the waiver programs in each state to determine the appropriate HCBS waiver(s) for comparison, focusing on those that serve the elderly population, physically disabled population, or both.

HCBS Fee Schedules

The Arizona HCBS fee schedules are posted online, and Mercer relied on the FFY 2019–FFY 2023 fee schedules for purposes of this analysis.¹ AHCCCS updates the rates every October based on its annual review and publishes a refreshed fee schedule every January to reflect any changes resulting from state minimum wage adjustments. For purposes of this analysis, Mercer relied on the October fee schedules. The AHCCCS fee schedules contain HCBS services listed with 32 different procedure codes on the main fee schedule and six additional procedure codes for self-directed attendant care.² In some cases, a procedure code may have varying rates, indicated by modifiers and provide types. Additionally, since the Flagstaff minimum wage is higher than the statewide minimum wage, there are cases where the rates vary by whether or not the service was delivered in Flagstaff.

Specifically, for the selected comparison states, we used the fee schedules listed below:

- **Colorado:** Mercer located the fee schedules online for Colorado’s Elderly, Blind, and Disabled Waiver and incorporated the payment rates for 2019 through 2023.³
- **Minnesota:** Mercer reviewed two waivers — the Community Access for Disability Inclusion Waiver and the Elderly Waiver for fiscal years 2019 through 2021. The full fee schedules are not posted publicly; therefore, the Minnesota Department of Human Services, Disability Services Division, provided the average payment rates for the services in these waivers. Elderly Waiver services are delivered in both FFS and managed care, but the rates used for comparison represent those paid in FFS only. The rates used in this analysis for Minnesota’s waivers are calculated on an individualized basis using their Disability Waiver Rate System.
- **Oregon:** Mercer relied upon the payment rates in the fee schedules for the Oregon Aging and People with Disabilities Waiver for calendar year 2023, as that was the only fee schedule publicly available.⁴
- **Utah:** Mercer incorporated the publicly available fee schedules for state fiscal year (SFY) 2021 and SFY 2023 for the Utah Aging Waiver for purposes of this comparison analysis.⁵ The fee schedules for Utah’s Physical Disabilities Waiver were not publicly available.

¹ AHCCCS HCBS FFS Rates and Codes. Available online: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/HCBSrates.html>

² Note that one of the HCPCS codes used for self-directed attendant care is also used on the main fee schedule.

³ Colorado Provider Rates and Fee Schedule, HCBS Rate Schedule. Available online: <https://hcpf.colorado.gov/provider-rates-fee-schedule>

⁴ Oregon Rate Schedule effective January 1, 2023. Available online: <http://www.dhs.state.or.us/spd/tools/program/osip/rateschedule.pdf>

⁵ Utah Department of Health & Human Services, Aging Waiver, Provider Rates. Available online: <https://medicaid.utah.gov/ltc-2/aq/>

- **Washington:** Mercer reviewed the HCBS fee schedules for Washington’s Home Health Services and Habilitative Services Waiver for SFYs 2020 through 2023.⁶

HCBS Analysis Limitations

Given that every state has unique HCBS waiver programs, we expect that the covered services and service definitions are different across states. Thus, not every comparison state has a perfect comparable fee schedule to Arizona’s services. All service categories, with the exception of foster care, supported employment, and fiscal employer agent, had at least two state comparisons. Mercer worked to create the most reasonable comparisons across the publicly available information for each referenced state. However, underlying differences in program design or service definitions may skew the comparison and possible conclusions. Mercer suggests viewing this information as one data point among the others evaluated in this report and not a definitive determination of adequacy or inadequacy.

HCBS Analysis Approach

Since each state’s rate structure and unit definitions can be different, Mercer standardized each comparison rate to the same unit definition to make the service comparison compatible. Mercer also developed a crosswalk of service categories to identify services in each of the five comparison states that are the same or similar to those in the AHCCCS HCBS fee schedule. The service categories and corresponding AHCCCS procedure codes used in the Medicaid rate comparison are listed below.

Arizona Service Categories	AHCCCS HCBS Procedure Codes
Therapies (occupational therapy, physical therapy, speech/language therapy, respiratory therapy)	G0151, G0152, G0153, S5180, S5181, S9128, S9129, S9131
Nursing (registered nurse, licensed practical nurse)	G0299, G0300, S9123, S9124
Adult day services	S5100, S5101, S5102
Attendant/Companion care	S5125, S5135, S5136
Personal care/Homemaker	S5130, T1019
Adult foster care	S5140
Respite	S5150, S5151
Meals	S5170
Home health	T1021, S5108, S5110, S5115
Supported employment	T2018, T2019
Fiscal employer agent (FEA)	T1023, T2040

Mercer excluded the services listed as “BR” (By Report) in the AHCCCS HCBS fee schedule, given the rates are not publicly posted. Additionally, these rates were not available for most of the

⁶ Washington Health Care Authority, Provider billing guides and fee schedules. Available online: <https://www.hca.wa.gov/billers-providers-partners/prior-authorization-claims-and-billing/provider-billing-guides-and-fee-schedules>

comparison states, with the exception of Colorado’s assisted living rates. These rates were most recently publicly available for SFY 2023 at a per diem of \$104.25. The BR services excluded are as follows:

- T2016: Habilitation, Residential, Waiver, Per Diem
- T2017: Habilitation, Residential, Waiver; 15 minutes
- T2021: Day Habilitation, Waiver; Per 15 Minutes
- T2031: Assisted Living; Waiver, Per Diem
- T2033: Residential Care, Not Otherwise Specified (NOS), Waiver; Per Diem

Based on these groupings of Arizona and other state HCBS services, Mercer developed the exhibits in Appendix B, displaying the comparison results by state and service category.

HCBS Results Overview

Across all services with an available rate for comparison, Mercer found that the AHCCCS HCBS fee schedule rates are higher than Colorado, Minnesota, Oregon, and Utah, and lower than Washington.

Arizona HCBS rates, on average, are 113.6% of the respective comparison state rates.

We identified some service categories in which the AHCCCS HCBS fee schedule rates are higher than those in the five selected states and some that are lower. Considering that this is a comparison of services that may have different underlying utilization, service standards, and rate calculation assumptions, these results are as expected. For further details on utilization of these services in this program, please refer to the “Utilization Review” section of the report. Key highlights to note are:

- For adult day services, the AHCCCS rates are higher than Utah and Colorado, and lower than Minnesota.
- For personal care/homemaker, attendant/companion care and respite, the AHCCCS rates are generally higher than Colorado, Oregon, and Utah, and lower than Minnesota.
- For nursing services, AHCCCS established separate rates based on the provider type, in which the HCBS schedule rates for services delivered in a hospital or home health agency are higher than those delivered by a habilitation agency, EPD HCBS, or non-Medicare certified home health agency.⁷ As shown in the utilization section of this report, there is no reported utilization for these services in a hospital or habilitation agency.
- Arizona nursing services rates are higher than Minnesota and Oregon and are lower than Washington.

⁷ AHCCCS Category of Service, Form Types, Provider Types. Available online: <https://www.azahcccs.gov/PlansProviders/Downloads/RFPInfo/YH09/DataSupplement/DocE-3ProviderTypes.pdf>

- Average rate increases per year vary for each state reviewed. To determine the average rate increases for each state, Mercer identified the annual rate changes for each year and then calculated the average percentage change over the five-year comparison period. Oregon is not included below as only one year of rates was publicly available for this report. Since each state has a different starting point, average rate increases are not a full indication of where each state’s fee schedules are relative to each other, but rather a comparison of how they are changing over time:
 - Arizona: average annual rate increase equals 7.3% from FFY 2019 to FFY 2023
 - Colorado: average annual rate increase equals 11.2% from SFY 2019 to SFY 2023
 - Minnesota: average annual rate increase equals 4.8% from SFY 2019 to SFY 2021
 - Utah: average annual rate increase equals 0% from SFY 2021 to SFY 2023
 - Washington: average annual rate increase equals 7.2% from SFY 2020 to SFY 2023

The state profiles in Appendix A include additional detail on potential drivers of state-to-state differences, including population statistics for the percentage of individuals served in institutional versus HCBS settings, wages, cost of living index, and Medicaid program systems.

Nursing Facility Services

For the NF FFS fee schedule review, Mercer obtained the AHCCCS fee schedules from the AHCCCS website and found the NF fee schedules for each of the five comparison states on the corresponding Medicaid websites. We obtained as many years of publicly available fee schedules as possible. We have described our approach to analyzing the NF fee schedules below, given that many are facility-specific, revenue code-specific, or categorized by acuity.

NF Fee Schedules

The Arizona NF fee schedules are posted online, and Mercer relied on the FFY 2019 through FFY 2023 fee schedules for purposes of this analysis.⁸ AHCCCS updates the rates every October based on its annual review and publishes a refreshed fee schedule every January to reflect any changes resulting from state minimum wage adjustments. For purposes of this analysis, Mercer relied on the October fee schedules. The AHCCCS fee schedules contain payment rates for five NF revenue code levels, with varying rates for urban and rural facilities. Additionally, since the Flagstaff minimum wage is higher than the statewide minimum wage, the rates vary by whether or not the facility is located in Flagstaff:

- 0183: LOA/Therapeutic
- 0185: LOA/Nursing Home
- 0191: Subacute Care Level I
- 0192: Subacute Care Level II

⁸ Arizona AHCCCS, Nursing Facility FFS Rates & Codes. Available online: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/nursingrates.html>

- 0193: Subacute Care Level III

For the selected comparison states, we used the fee schedules listed below:

- **Colorado:** The Colorado NF payment rates are facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this analysis, Mercer identified the minimum and maximum per diem rates for SNFs in SFYs 2021–2023.
- **Minnesota:** The Minnesota NF payment rates are facility-specific per diems, including 50 varying rates (for each resource utilization group, or RUG) within each of the approximately 315 distinct NFs. For purposes of this analysis, Mercer calculated the average of each RUG level and identified a minimum and maximum for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code (where possible).⁹ An important distinction to note for the Minnesota rates is that Minnesota is one of two states in the country with rate equalization — this requires that private pay per diems are equal to the Medicaid per diem; subsequently, this factor may drive higher Medicaid per diems.
- **Oregon:** The Oregon fee schedule for NF services is categorized by the type of nursing facility. For purposes of this analysis, Mercer identified the minimum and maximum per diem rates for basic, complex, and enhanced NFs in SFYs 2019–2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code.¹⁰
- **Utah:** The Utah NF payment rates are facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance) and a flat rate, and the rates are case-mix adjusted. For purposes of this analysis, Mercer identified the minimum and maximum per diem rates across all Utah NFs in SFYs 2019–2023.
- **Washington:** The Washington NF payment rates are facility-specific per diems, including components, enhancements, and add-ons. For purposes of this analysis, Mercer referenced the total rate after budget dial to identify a minimum and maximum per diem rate across Washington NFs in SFY 2023.

NF Analysis Approach

Most of the selected comparison states use facility-specific payment rates to reimburse NFs. However, the AHCCCS fee schedule is based on revenue codes. Therefore, to appropriately compare the Medicaid payment rates, Mercer developed the following NF analysis approach:

1. Created a model to compare Arizona’s revenue codes 0191, 0192, and 0193 that provided the most consistent alignment with the levels in the identified state fee schedules:
 - A. For states with facility-specific per diems (Colorado, Utah, and Washington), Mercer identified the minimum and maximum per diem rates across all SNFs.
 - B. For states with facility-specific per diems by RUG acuity level (Minnesota), Mercer identified the minimum and maximum per diem for each RUG level grouping that most

⁹ RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 0191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 0192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 0193-Subacute 3.

¹⁰ The basic NF rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced NF rates were mapped to the 0193 revenue code.

closely aligned with Arizona's descriptions of revenue codes 0191, 0192, and 0193 across all SNFs.

- C. For states with fee schedules based on type of NF (Oregon), Mercer identified the minimum and maximum per diem rates for basic, complex, and enhanced NFs.
2. Each state's fee schedule availability ranged between one and five years. That is, we obtained one year of fee schedules for Washington (SFY 2023) and five years of fee schedules for Oregon and Utah.

Mercer developed the exhibits in Appendix C, displaying the comparison results by state and AHCCCS NF revenue code based on the approach described above.

NF Results Overview

Overall, for the Arizona NF rates, it appears that the AHCCCS per diems for 2019–2023 are lower than the respective comparison states, on average in the aggregate, particularly towards the higher end of the range.

When comparing the minimum rates, Arizona NF per diems are similar to those in Colorado and Utah, but below those in Oregon, Minnesota, and Washington. When comparing to the maximum per diems, Arizona's maximum per diem rates are below those for all other comparison states and revenue codes, in which Arizona's maximum per diem ranges from 42% to 88% of the other states. Other key highlights to note are:

- The range of rates for Arizona's NF per diems are limited in that the percent difference between the minimum and maximum for each revenue code level is 3%–4%. For the other selected states, we identified larger differences between the minimum and maximum per diems (up to 80%). This is mainly attributed to the facility-specific methodology used in other states, in which per diem rates are specific to each NF's cost experience, which varies widely among facilities.
- The annual percentage change in the per diem rates varies for each state over the time period reviewed. That is:
 - Arizona: average annual rate increase equals 5% from FFY 2019 to FFY 2023
 - Colorado: average annual rate increase equals 5% from SFY 2021 to SFY 2023
 - Minnesota: average annual rate increase equals 4% from SFY 2022 to SFY 2023
 - Oregon: average annual rate increase equals 6% from SFY 2019 to SFY 2023
 - Utah: average annual rate increase equals 1% from SFY 2019 to SFY 2023
- The underlying NF reimbursement methodology affects this rate comparison. Based on a 2019 Medicaid and CHIP Payment and Access Commission study of states' Medicaid FFS NF payment policies, Arizona, Oregon, and Utah use price-based rates for NF reimbursement,

and Colorado, Minnesota, and Washington use cost-based rates.¹¹ Cost-based rates are established based on each NF’s reported costs, and price-based rates are established based on an allowable price, typically relying on the costs of a group of facilities.

- This comparison only includes a review of the FFS per diem payment rates in Arizona and the selected states and excludes any supplemental payments. While Arizona in FY 2024 is investing approximately \$98.5 million in supplemental payments to NFs (including the federal and state share), any supplemental payments that NFs may receive in addition to these FFS payments are not included in the review as the availability of this data was not available across the comparison states for this report. In addition, this analysis does not normalize for any provider tax differences included in NF per diem rates.
- The state profiles in Appendix A include additional detail on potential drivers of state-to-state differences, including population statistics for the percentage of individuals served in institutional versus HCBS settings, wages, cost of living index, and Medicaid program systems.

Utilization Review

Mercer conducted an analysis of HCBS and NF services delivered in the last five years to understand which services are mostly utilized by the ALTCS-EPD members and how managed care payments compare to the FFS fee schedule published rates. To complete the utilization analysis, Mercer first obtained the claims data files (CMS-1500) for HCBS and the institutional (UB-04) claims data for NF services for the MCO encounters and FFS claims from the five most recently completed years (FFY 2018–FFY 2022). We analyzed the utilization data by service and year, comparing to the AHCCCS FFS fee schedules for each set of services, and developed exhibits of the utilization analysis by service, geographic location, and year. Mercer then met with AHCCCS to review the results and identified key observations to highlight.

Mercer provides more details below, separated by the HCBS and NF service areas.

HCBS Services

Along with the utilization claims data, Mercer used the last five years of AHCCCS fee schedules for HCBS from the AHCCCS website for purposes of comparison. The Arizona HCBS fee schedules are posted online, and Mercer relied on the FFY 2020–FFY 2022 fee schedules for purposes of this analysis.¹²

In this analysis, Mercer relied on the October fee schedules, which contain HCBS services listed with 32 different procedure codes on the main fee schedule and six additional procedure codes used for self-directed attendant care. In some cases, a procedure code may have varying rates, indicated by modifiers and provider types. Additionally, since the Flagstaff minimum wage is higher than the statewide minimum wage, there are cases in which the rates vary by whether or not the service was delivered in Flagstaff.

¹¹ States' Medicaid FFS NF Payment Policies. MACPAC, October 2019. Available at: <https://www.macpac.gov/publication/nursing-facility-payment-policies/>

¹² AHCCCS HCBS FFS Rates and Codes. Available online: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/HCBSRates.html>

HCBS Analysis Approach

Mercer obtained HCBS claims from AHCCCS in February 2023 for dates of service of October 1, 2017 through September 30, 2022. We conducted the initial data checks and reviewed the totals by year and service for validation. For FFY 2022, this data reflects services delivered by 1,244 HCBS providers to 26,152 members.

Using the same service categories as the Medicaid rate comparison analysis, we summarized the HCBS utilization data by the service categories presented in the table below. There are some services appearing in the utilization data that are not listed in the HCBS fee schedule. To understand all of the HCBS experience in the years analyzed, Mercer included all of the services appearing in the data for purposes of this summary.

Arizona Service Categories	AHCCCS HCBS Procedure Codes
Therapies (occupational therapy, physical therapy, speech/language therapy, respiratory therapy)	G0151, G0152, G0153, S5180, S5181, S9128, S9129, S9131
Nursing (registered nurse, licensed practical nurse)	G0299, G0300, S9123, S9124
Adult day services	S5100, S5101, S5102
Attendant/Companion care	S5125, S5135, S5136
Personal care/Homemaker	S5130, T1019
Foster care	S5140
Respite	S5150, S5151
Meals	S5170
Home health	T1021, S5108, S5110, S5115
Supported employment	T2018, T2019
FEA	T1023, T2040
Residential (habilitation, day habilitation, assisted living, residential care not otherwise specified)	T2016, T2017, T2021, T2031, T2033
Other – Not on HCBS fee schedule (day habilitation, Emergency Response System installation and service, home modifications)	T2020, S5160, S5161, S5165

Mercer identified the totals for each of the HCBS procedure codes and service categories, using the health plan payment amounts and reported units to identify the services most frequently used and the changes in service usage over the last five years.¹³ Specifically, Mercer relied on the following metrics to evaluate HCBS service utilization for the ALTCS EPD population:

- Payments:** Mercer used the *Alternative_HP_Valued_Amount* field for identification of payments for each service, as AHCCCS indicated that this field captures the health plan payment amounts and FFS amounts, including subcapitated arrangements. For the data analyzed, subcapitated payments account for approximately 0.01% of the total payments. We

¹³ Payment amounts reflect the 'Alternative_HP_valued_amount' field, which equals the health plan paid amount — or the AHCCCS-populated FFS value for subcapitated arrangements.

have summarized the total payments to determine where most of the HCBS spending occurs and to track how this changes year over year.

- **Units:** Mercer relied on the *Quantity_Paid* field to capture the number of units that were paid for services rendered. Mercer summarized total units by service category to identify the change in total utilization year over year.
- **Members:** Mercer relied on a unique count of *Primary_ACCCHS_IDs* present in the data for specific service categories. Mercer identified the number of members using each service and changes over the five-year period to track how the service categories grow and shrink over time.
- **Provider Count:** Mercer relied on a unique count of *Servicing_Provider_IDs* to capture the number of providers within a service category. Mercer identified the count of providers by service category to determine the change in numbers of providers over time. A decrease in providers could indicate that the fee schedule, or number of members using the service, does not adequately support the cost of service delivery in a particular region. An increase in providers could indicate growing demand for a service in a particular region.

We used the fields listed above to calculate additional metrics, such as the average units per member and average payments per unit (i.e., payment rate), and compared these to the HCBS fee schedule rates. Additionally, we included the number of members and providers in the summary exhibits to outline the changes over five years. We summarized the data by three regions (urban, rural, Coconino) using the member’s enrolled county. The urban region reflects Maricopa, Pima, and Pinal counties. Coconino County is summarized separately due to variance in the fee schedule for Flagstaff, and the rural region represents all other counties in Arizona. Mercer evaluated the data based on GSA and ultimately decided on the urban, rural, and Coconino County distinctions after discussions with AHCCCS. Each region type has distinct challenges that impact the cost of delivery and utilization of HCBS services. These include wages, travel time, numbers of providers, etc.

GSA 1 generally includes the counties classified as rural, and tends to reflect the trends seen in the rural region. GSA 2 includes Maricopa and Pinal counties and tends to reflect trends seen in the urban region, and GSA 3 includes Pima and various rural counties, reflecting a mix of the trends seen in the urban and rural regions.¹⁴

¹⁴ GSA 1 – Mohave, Coconino, Navajo, Apache, Yavapai; GSA 2 – Maricopa, Gila, Pinal; GSA 3 – La Paz, Yuma, Pima, Santa Cruz, Graham, Cochise, Greenlee

HCBS Results Overview

In total, the utilization data shows that HCBS units and payments increased from FFY 2018 through 2020, with decreases in 2021 and 2022. In FFY 2022, total payments are just under \$600 million. The decreases in utilization are primarily driven by a decrease in members for most of the service categories. Although the trend for each service category varies, overall, we observed that:

- Utilization increased over the five-year period for therapies, respite, meals, home health, supported employment, and residential service categories.
- Utilization decreased over the five-year period for nursing, adult day services, attendant/companion care, personal care/homemaker, foster care, and FEA service categories.

Across the 62 service/modifier combinations listed in the HCBS fee schedule, Mercer identified utilization for approximately two-thirds of the procedure codes in each year analyzed. Those without any utilization include home health respiratory therapy services (S5180 and S5181).

When reviewing the results by service category, we identified service utilization in every group; however, there are three specific services accounting for a majority of the utilization experience in each year reviewed. These are:

- Attendant/Companion Care (particularly S5125)
- Assisted Living (T2031)
- Residential Care (T2033).

These services account for approximately 90% of the HCBS payments in each of the years analyzed. Although the split between these categories vary by region, we can see that:

- The most common HCBS services provided in urban counties is attendant/companion care (50%) and residential care (42%) in FFY 2022.
- The most common HCBS services provided in both rural counties and Coconino County is attendant/companion care (71% and 76%, respectively) in FFY 2022.

When we compared the average payment per unit for each service category to the HCBS fee schedule rates, we found instances in which services are being paid above, at, or below the published rates. Payment amounts are slightly above the fee schedule rates, generally, for nursing and respite in the urban counties. In addition, there are some cases in which services are being paid significantly higher than the fee schedule rates — for example, therapies and home health in rural counties, foster care in urban counties, and FEA for all counties.

There is a modifier that providers submit on claims for services that are delivered via telehealth. While Mercer noted the existence of claims with a modifier indicating telehealth delivery, the total amount was negligible and limited primarily to procedure code S5110 (home care training, family). Due to the limited experience, telehealth was not considered separately during this review.

Refer to Appendix D for the HCBS utilization exhibits by service category and year. We also present the change in utilization over the five-year period and experience by procedure code.

Nursing Facility Services

For the NF utilization review, we referred to the Arizona NF fee schedules for purposes of comparison. These are the fee schedules posted online, and Mercer relied on the FFY 2018 through 2022 fee schedules.¹⁵ AHCCCS updates the rates every October based on its annual review and publishes a refreshed fee schedule every January to reflect any changes resulting from state minimum wage adjustments. For purposes of this analysis, Mercer relied on the October fee schedules. The AHCCCS fee schedules contain payment rates for five NF revenue code levels, with varying rates for urban, rural, and Flagstaff facilities:

- 0183: LOA/Therapeutic
- 0185: LOA/Nursing Home
- 0191: Subacute Care Level I
- 0192: Subacute Care Level II
- 0193: Subacute Care Level III

NF Analysis Approach

Mercer obtained the NF claims data for dates of service of October 1, 2017 through September 30, 2022, which represents experience for 133 NF providers to 10,040 members in FFY 2022.

To analyze the utilization experience, Mercer created a model to analyze utilization for Arizona’s NF services by revenue code, given that is the structure of the NF fee schedule payment rates. We compared the results in the utilization for each revenue code to the fee schedule rates. In addition to the revenue codes that appear in the NF fee schedule, Mercer summarized the utilization for other subacute levels of care codes — revenue codes 0190, 0194, and 0199. Mercer did not include revenue codes 0183 Leave of Absence (LOA)/Therapeutic and 0185 LOA/Nursing Home in the analysis, as the associated payment rates are specific to therapeutic leaves or hospitalizations for a Medicaid member, which are derived from the individual’s established subacute level. Each of these codes are considered specialty codes, and categories can vary by managed care organization. Generally, the specialty service descriptions include trach, vents, wandering dementia, behavioral/TBI, and behavioral/high acuity.

Mercer relied on the following metrics to evaluate NF services in the state:

- **Payments:** Mercer relied on the *HP_Valued_Amount* field to capture NF payments. *HP_Valued_Amount* was only available at the UB header level of the claim. Therefore, to allocate *HP_Valued_Amount* to individual claim lines (and revenue codes) in the UB-detailed table, Mercer calculated an allocation percentage using the *Billed_Amount* reported for each

¹⁵ Arizona AHCCCS, Nursing Facility FFS Rates and Codes. Available online: <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/nursingrates.html>

revenue code as a proportion of the total *Billed_Amount* for the entire claim. We summarized total dollars to identify where the NF spending occurs and track changes year over year.

- **Units:** Mercer calculated units for revenue codes using the *Quantity_Billed* field to be representative of the number of days within a claim. In the case in which multiple per diem revenue codes existed in the same claim, we calculated an allocation percentage using the *Billed_Amount* reported for each revenue code as a proportion of the total *Billed_Amount* for all per diem revenue codes. We only included units when the *HP_Valued_Amount* was greater than zero (i.e., excluded zero paid claims). We summarized total units to track total utilization of NF revenue codes and year-over-year changes.
- **Members:** Mercer relied on a unique count of *Primary_ACCCHS_IDs* present in the data for specific service categories. We summarized the number of members to track how the NF revenue codes grow and shrink over time.
- **Provider Count:** Mercer relied on a unique count of *Servicing_Provider_IDs* to capture the number of providers for each level of care. We summarized provider counts to track the change in numbers of providers by revenue code over time. A decrease in provider count could indicate that the fee schedule, or number of members using the service, does not support the cost to deliver a service in a particular region. An increase in provider count could indicate growing demand for a service in a particular region.

The above fields were used to calculate additional metrics, such as units per member and unit cost, for comparison to the NF fee schedule payment rates. Additionally, we included the number of members and providers in the summary exhibits to outline the changes over five years.

NF Results Overview

A majority of NF payments are captured in the subacute levels of care, with levels of care I through IV accounting for over 90% of total NF payments each year. Over the five-year period Mercer analyzed, total utilization decreased at a statewide level. This trend varies by region, specifically:

- There are decreases in urban counties for revenue codes 0191 (Subacute Care Level I) and 0193 (Subacute Care Level III).
- Rural counties are seeing a decrease in utilization across all levels of care. The provider count in the rural counties is also decreasing year over year.
- Coconino County is experiencing a decrease in overall utilization over the five-year period in which decreases in levels of care for revenue codes 0191 (Subacute Care Level I) and 0192 (Subacute Care Level II) are being offset by increases in 0193 (Subacute Care Level III) and 0194 (Subacute Care Level IV).

Over the five-year period, Mercer noted that the calculated managed care payment per unit increased at a faster pace than the fee schedule rates in Coconino and urban counties. During this same period, the calculated managed care payments per unit in rural counties increased at a

slower pace than the fee schedule. In fact, the calculated managed care payment per unit in rural counties is below the fee schedule for all revenue codes in FFY 2022. Mercer speculates that this may be influenced by patient liability or other payers (Medicare duals) paying for a portion of the claim.

Mercer also determined that the number of NF providers decreased by approximately 30% in rural counties, while the providers in urban counties increased by 25%, and Coconino maintained its two NFs from FFY 2018 to FFY 2022. In the last three years, NFs experienced a decline in the number of members, down by 19% in rural counties and 11% in urban counties for FFY 2020 to FFY 2022, with the decrease most pronounced between FFYs 2019 and 2020.

The utilization exhibits for the revenue codes listed above are included in Appendix E.

Rate-Setting Methodology Review

To evaluate the methodology used to develop the community rates in place today, Mercer identified the available HCBS rate-setting methodologies for the FFS fee schedule and considerations for AHCCCS' future methodology.

There are 32 services in the FFS fee schedule for HCBS in which payment rates are differentiated by geographic location and provider type (in some cases) and five additional services that AHCCCS currently pays a percentage of charges (i.e., 58.66%) when a provider delivers the service under FFS.¹⁶ These five services are listed as "By Report" on the fee schedule:

- T2016: Habilitation, Residential, Waiver, Per Diem
- T2017: Habilitation, Residential, Waiver; 15 minutes
- T2021: Day Habilitation, Waiver; Per 15 Minutes
- T2031: Assisted Living; Waiver, Per Diem
- T2033: Residential Care, Not Otherwise Specified (NOS), Waiver; Per Diem

AHCCCS last rebased the payment rates on the fee schedule in October 2010, based on wage information collected through a survey and a review of publicly available wage information from the BLS. To minimize the impact of the rebased payment rates, AHCCCS limited the rate change to $\pm 5.0\%$ from fiscal year 2010 levels; however, this limit did not apply to the rates for attendant care and private nursing care. The detailed process and approach for the rebased rates is not available; therefore, Mercer cannot identify the specific cost components included in the payment rate calculations for purposes of this review.

Finally, Arizona implemented a state-wide minimum wage on January 1, 2017, and has annually increased the minimum wage. Starting on January 1, 2023, Arizona's statewide minimum wage was increased to \$13.85, and the Flagstaff minimum wage increased to \$16.80 per hour. This

¹⁶ For AHCCCS FFS claims in which reimbursement is BR or "By Report", the AHCCCS FFS rate is 58.66% of the reasonable, usual, and customary covered billed charges. A charge is considered reasonable, usual, and customary if it matches the general prevailing cost of that service within your geographic area. <https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/questions.html>

additional information has been considered within our review, but note that the January 2024 minimum wage change was not included due to the timing of this report.

Available HCBS Rate-Setting Methodologies in FFS

There are several common payment approaches allowed by CMS in HCBS waiver programs operated in a FFS environment. CMS allows prospective, retrospective, and fee schedule rates as outlined in the 1915(c) Technical Guide, in which states can differentiate rates to address factors such as acuity or geography. The commonly approved methodologies in a FFS environment include:

- **Fee schedule:** Providers receive a predetermined payment rate for each service unit based on the costs of providing the service, commercial payment rates, or a percentage of Medicare rates (when comparable Medicare rates are available). Fee schedule rates do not vary by individual, acuity, or provider.
- **Negotiated market price:** Providers receive the market price for each service, which may include some negotiation and/or a “ceiling”. CMS typically requires states to verify they have obtained bids from multiple qualified vendors and have selected the lowest price. States generally use this approach for services that have resource and labor costs unique to each individual such as home modifications.
- **Tiered rates:** Providers receive a predetermined payment rate for each service (similar to the fee schedule approach) that corresponds to multiple levels/tiers of payment rates for each service. States typically base the tiers on an identified characteristic of the individual, the provider, or some combination of both. Most often, the payment rates vary by the level of care or acuity of the individual and are often identified by a needs assessment tool, such as the Supports Intensity Scale, Inventory for Client and Agency Planning, or other tool, that classifies the individual’s needs on an established scale.
- **Bundled rates:** Providers receive a predetermined payment rate for providing multiple services for an identified amount of time. For example, a state may use this approach to reimburse for a supported living program to reimburse for skills training, personal care, and homemaker services.
- **Cost reconciliation:** The state establishes an interim rate to pay providers, and the providers file cost reports or cost surveys to settle the costs, typically on an annual basis. States apply the interim rates for initial reimbursement and reconcile payments to actual costs based on the filed cost reports.

States may use a combination of these approved methodologies in their HCBS waiver, depending on the service. In addition to the methodologies outlined above, CMS recognizes other payment approaches for HCBS waiver programs such as milestone-based payments, outcome-based payments, and value-based payment arrangements. States can also pair several of the methodologies above with individual budget amounts for each member, linked to results of a needs assessment tool.

In Table 1, Mercer outlines these HCBS methodologies, along with their advantages, disadvantages, and considerations specific to ALTCS.

Table 1. Summary of HCBS Rate Methodology Advantages and Considerations¹⁷

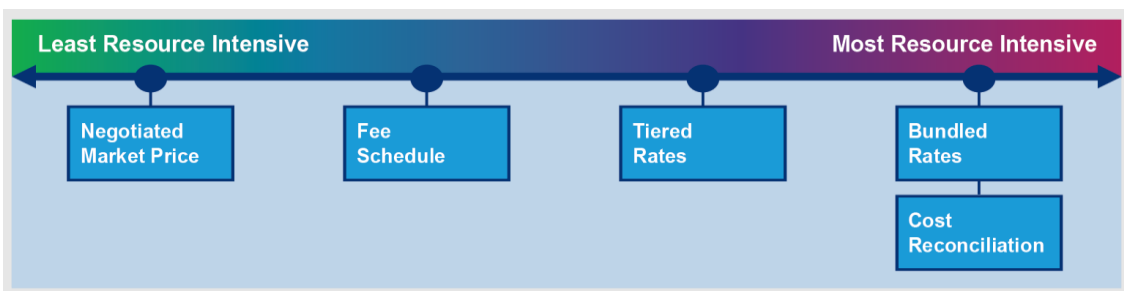
Methodology	Advantages	Disadvantages
Fee schedule	<ul style="list-style-type: none"> Flat rate that is easy to calculate and update Simple to explain to provider community Simple to administer 	<ul style="list-style-type: none"> Statewide fee schedules are based on averages, which do not reflect every provider’s cost experience Potential to lead to over-utilization Incentivizes service delivery to low-acuity individuals Does not include any variation for high-cost services or members
<p>ALTCS Consideration: Methodology currently applies to many of the non-residential HCBS services in the FFS fee schedule</p>		
Negotiated market price	<ul style="list-style-type: none"> Flexibility to tie payments to costs on a case-by-case basis More variation in payments, as it is directly tied to changes in economy 	<ul style="list-style-type: none"> Difficult to establish guidance for negotiations Variation in training for negotiators can lead to inappropriate payment agreements Spending trends towards upper limit
<p>ALTCS Considerations:</p> <ul style="list-style-type: none"> Methodology currently applies to home modifications and assistive technology The ALTCS-EPD contracted MCOs negotiate rates with HCBS providers 		
Tiered rates	<ul style="list-style-type: none"> Can be structured to address cost variations by acuity, location, or other differences that influence service costs May incentivize providers to serve higher-acuity members 	<ul style="list-style-type: none"> Requires analysis to determine appropriate tiers Increases number of rates for any given service Tying to acuity and timeliness of needs assessments may shift burden to providers Can be more complicated to administer and for providers to bill

¹⁷ CMS Training: Rate Methodology in a FFS HCBS Structure. Available online: https://na.eventscloud.com/file_uploads/bb4372d776ff57930e64aac849ee8b1b_RateSettingMethodologyinaFFS.pdf

Methodology	Advantages	Disadvantages
	ALTCS Consideration: Methodology currently applies to many HCBS services in the FFS fee schedule (tiers by provider type and location)	
Bundled rates	<ul style="list-style-type: none"> Useful in setting rates for services that are difficult to separate by components Less administratively burdensome, with fewer codes to manage 	<ul style="list-style-type: none"> May incentivize serving low-acuity individuals or lower-cost services included in the bundle More labor intensive to develop rates (especially when tied to individual service plans) More difficult to change the bundled rate when the state decides to adjust the rate for an included service
Cost reconciliation	<ul style="list-style-type: none"> Reimbursement reflects actual operating costs 	<ul style="list-style-type: none"> Time-consuming to develop, collect, and analyze cost reports Requires provider education for accurate completion of cost reports Includes a lag between service delivery and reconciliation of payment/costs Providers are not incentivized to be efficient with service delivery

The level of effort required to develop and implement any of these HCBS rate methodologies will vary by state and program. Mercer has developed a “meter” below to demonstrate the typical level of effort that might be required for rate development under each of these five methodologies for the ALTCS-EPD program.

Figure 4. Level of Effort for the HCBS Rate Setting Methodologies*



**Note that because AHCCCS administers this program under a managed care delivery system, but maintains a FFS fee schedule for these services, this “meter” reflects the level of effort for AHCCCS to apply each rate methodology to the HCBS FFS fee schedule.*

HCBS Rate Methodologies in ALTCS-EPD

AHCCCS currently uses a combination of fee schedule and tiered rates within its HCBS FFS fee schedule. For purposes of reviewing the payment rate methodologies, Mercer grouped the HCBS fee schedule services into three categories:

- Non-residential
- Self-directed
- Residential¹⁸

Mercer identified the rate methodology for each service in Table 2 below.

Table 2. FFS Rate Methodology by ALTCS-EPD Service¹⁹

Category	Services and Codes	FFS Rate Methodology
Non-residential	Therapies – occupational, physical, speech/language, respiratory (G0151, G0152, G0153, S5180, S5181, S9128, S9129, S9131)	Fee schedule rates
	Nursing – RN, LPN (G0299, G0300, S9123, S9124)	Tiered rates, six tiers by provider type
	Adult day services (S5100, S5101, S5102) Attendant care (S5125) Companion care (S5135, S5136) Personal care (T1019) Homemaker (S5130) Respite (S5150, S5151) Meals (S5170) Home health (T1021, T1021 U4, T1021 U5) ²⁰ Supported employment (T2018, T2019)	Tiered rates, two tiers by location (Flagstaff, Other)
Residential	Adult foster care (S5140)	Tiered rates, two tiers by location (Flagstaff, Other)

¹⁸ Includes three assisted living settings: adult foster care for four or fewer residents in which the provider lives in the home, assisted living homes for 10 or fewer residents (and the owner is not a resident), and assisted living centers that serve 11 or more residents. This category also includes residential habilitation and residential care.

¹⁹ Based on the 2023 HCBS FFS fee schedule available at:

https://www.azahcccs.gov/PlansProviders/Downloads/FFSRates/HCBS/FY23_HCBS_Website_Rates01012023.xlsx

²⁰ There are additional tiers for home health when a family member delivers the service (i.e., modifiers U4 and U5).

Category	Services and Codes	FFS Rate Methodology
	Assisted living (T2031)	Paid a percentage of charges (58.66%) ²¹
	Residential habilitation (T2016, T2017) Day habilitation (T2021) ²² Residential care, not otherwise specified (T2033)	Paid a percentage of charges (58.66%)
Self-directed	Home care training (S5108, S5110, S5115) FEA services (T1023, T2023 UC, T2040 UA, T2040 UB)	Fee schedule rates
	Attendant care (S5125, U2)	Tiered rates, two tiers by location (Flagstaff, Other)

There is one payment rate listed in the fee schedule for each of these service codes indicating that providers deliver these services on an individual basis (i.e., one staff to one member).

In addition, AHCCCS implemented DAP for HCBS beginning in 2019, which provides percentage add-on payments to certain services for qualifying providers. For FFY 2023, HCBS providers could qualify for up to a 3% add-on if they meet the established performance criteria. In FFY 2022, over 800 providers received between 0.5% to 1% add-on through the DAP.

Although each methodology has its benefits and weaknesses, states can tailor the reimbursement strategy to influence provider behaviors and service delivery, implementing a combination of approaches. The rate methodologies used by AHCCCS today for most of the HCBS in ALTCS-EPD follow the common approaches adopted in many Medicaid programs across the country. AHCCCS delivers services to the ALTCS-EPD population using a managed care delivery system, and the MCOs are not required to align with FFS methodologies or payment rates. The MCOs negotiate rates with the contracted providers to achieve network adequacy requirements.

Stakeholder Input

To gain insight from stakeholders, AHCCCS and Mercer conducted a series of surveys and meetings to collect feedback on the existing reimbursement methodologies and operations for each service area. The stakeholder engagement efforts included:

- Stakeholder surveys conducted separately for NFs, HCBS community-based providers, and assisted living facilities (ALFs)

²¹ ALTCS managed care contractors negotiate rates with licensed facility operators. Three classes of rates are negotiated based on the level of care: low, intermediate, and high skilled. Available online: <https://www.ahcancal.org/Assisted-Living/Policy/Documents/MedicaidAssistedLivingReport.pdf>

²² Day habilitation may be residential or non-residential, depending on where the service is provided.

- A series of focus groups for HCBS community and ALF providers

This process was designed to provide opportunities for providers from the ALTCS-EPD provider community to share observations, experiences, and opinions regarding reimbursement methodologies and related processes. The feedback from these meetings and surveys informed Mercer and AHCCCS's perspectives on areas for improvement or modernization of the current AHCCCS reimbursement structure.

All the stakeholder outreach activities occurred between March and July 2023. Mercer and AHCCCS coordinated and led these efforts together. We provide details of each activity below.

Provider Surveys

Mercer developed and released three unique surveys for providers who deliver services to the ALTCS-EPD population in NFs, community-based settings, and assisted living homes/centers. Each of the surveys contained targeted questions relevant to each provider type, but all consisted of questions related to staff wages, workforce, provider costs, and reimbursement. Mercer drafted each survey and reviewed and gathered feedback on the content from AHCCCS (as well as the provider associations) before distributing to the provider community.

Nursing Facility Survey

For NFs, Mercer developed an online Microsoft survey tool and distributed the survey link to 164 provider contacts on March 13, 2023. We requested responses within three weeks and received a total of 31 submissions (response rate of 19%). These providers represent approximately 30% of the FFY 2022 NF expenditures. The key objectives of this survey included collecting the FFY 2022 per diem payment rates for commercial insurance, Medicare, Medicare Advantage, and private pay. In addition, AHCCCS and Mercer obtained details related to minimum wage changes between calendar year 2022 and 2023, general staffing experience, and overall workforce effects on occupancy within the NFs.

Based on the responses, Mercer identified the key results below:

- **Payment rates by payer:** An analysis of the FFY 2022 median per diem payment rates reported by the providers showed that Medicare pays the highest median rate of \$452.50 compared to a median Medicare Managed Care Advantage rate of \$417.00, a median commercial rate of \$383.93, and a median private pay rate of \$236.00. In addition, the published FFY 2022 AHCCCS Medicaid payment rates for NFs range from \$178.20 per day to \$238.51 (depending on the level of care).
- **Staffing and wages:** For 21 of the 31 NF respondents, the January 2023 minimum wage changes required wage adjustments for their staff. Specifically, 23% of all full-time equivalent positions received an increase in their base wages to meet the new minimum wage requirement.

Of the 31 respondents, 22 facilities (71%) indicated that they had to limit admissions due to workforce constraints. And although nearly 84% of providers reported many additional workforce incentives to address workforce shortage issues, such as bonuses, tuition reimbursement, and shift differentials, the majority of providers reported that all nursing positions are equally challenging to recruit.

Overall, there are a handful of providers that are optimistic for positive momentum for the next six to 12 months for workforce stability; however, more than half of the providers who responded anticipate continued workforce instability.

Community Survey

For the HCBS community-based providers, Mercer developed a survey in Microsoft Excel for distribution. Mercer sent the survey template to approximately 250 providers on June 1, 2023, and requested responses within four weeks. We extended the deadline by 10 days and received a total of 19 responses (for a response rate of 7%). These providers represent approximately 36% of the FFY 2022 HCBS expenditures.

The providers who responded to the survey are summarized below:

- **Service locations:** The 19 providers who responded represent five different provider types and 62 service locations across Arizona:
 - Of the providers responding:
 - Eight providers (42%) reported one service location
 - Eight providers (42%) reported two to five service locations
 - Two providers (11%) reported more than five locations
 - One provider (5%) did not report its service locations
 - Seventy-nine percent of the provider locations are residential, with the rest being either office or community settings
 - Of the 62 service locations, one-third (32%) are in Maricopa County, with approximately 7% representing Coconino County
- **Services:**
 - Most of the respondents provide homemaker services, respite, personal care, attendant care, and companion care
 - One provider survey reports information for the following services: physical therapy, occupational therapy, nursing, day care services, foster care, and home health aide
- For these 19 providers, approximately 90% of the individuals receiving their services are Medicaid members.
- The survey requested data on commercial and private pay rates. While no provider reported data on private pay experience, one provider submitted an average commercial rate for six of the services. The reported payment rates for respite and personal care services were higher than the HCBS Medicaid fee schedule rates, but the reported rates for attendant care, homemaker and companion care services were lower than the fee schedule.

Mercer also included questions in the survey related to the wage levels for those delivering services. We present the high-level results in the table below:

Table 3. Community Survey Reported Wages

Metric	Median
Direct care worker (DCW) hourly wage reported	\$15.50
DCW supervisor	\$19.00
DCW competitive hourly wage ²³	\$17.50

Of the 19 providers that responded, 16 (84%) indicated that they needed to adjust wages to accommodate the January 2023 minimum wage increase. Of these 16 providers, two were in Flagstaff.

Some providers indicated that they offer additional incentives to attract and retain staff. These include transportation reimbursement, retention bonuses, referral bonuses, and sign-on bonuses.

Assisted Living Survey

Similar to NFs, Mercer developed an online Microsoft survey tool to collect responses from the assisted living providers in Arizona. On May 25, 2023, a total of 440 providers received the survey, with responses due back to Mercer by the end of June 2023. Of the 440 surveys sent out, Mercer received 67 completed surveys (response rate of 15%). These assisted living providers represent approximately 17% of the FFY 2022 HCBS expenditures.

We received surveys from both home-based assisted living providers (those serving 10 members or less) and centers (those serving more than 10 members), in which the survey responses were evenly distributed between the two types.

Based on an analysis of the survey responses, Mercer identified these key observations:

- Both types of providers reported similar experiences, in which they have limited occupancy due to workforce pressures.
- Although all respondents indicated large cost increases year over year, home-based and assisted living centers experienced the largest increases from 2021–2022 as compared to 2020–2021.
- A majority of the survey respondents indicated that they increased staff wages in 2023 due to changes in the minimum wage requirement.
- Although there are differences in median payer amounts by home and center-based providers, both equally report Medicaid FFS as paying the lowest rate.

In the table below, we show the detailed results for the providers responding to the survey, separated by the type of assisted living provider.

²³ A competitive wage is the wage paid to a worker with similar skills from other employers and industries in the market.

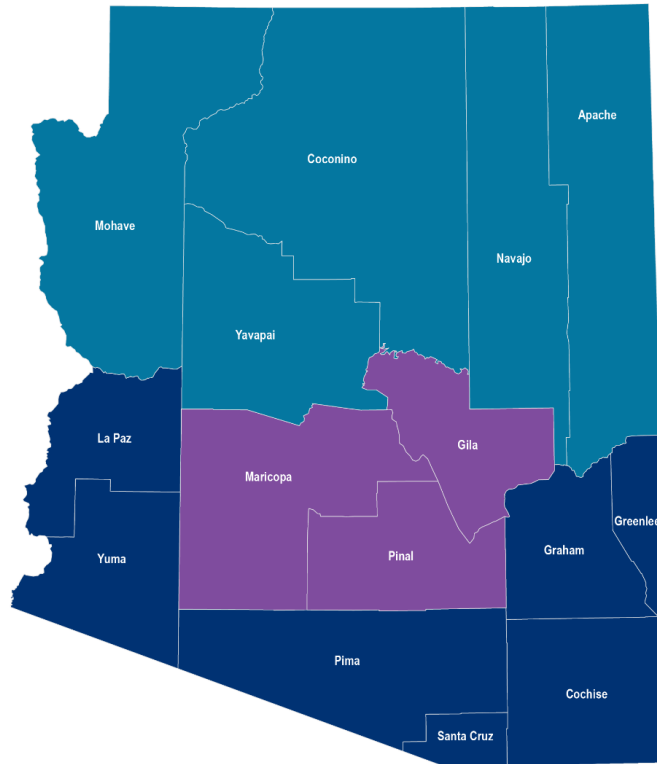
Table 4. Assisted Living Survey Results by Provider Type

Metric	Assisted Living Provider Type	
	Home-Based	Center
Number of responses	34	33
Providers limiting occupancy due to workforce constraints	44%	36%
Median Daily Billed by Payer Type		
Medicaid managed care	\$106	\$85
Fee-for-service	\$82	\$46
Private pay	\$102	\$141
% Change in Total Expenses by Year		
2020–2021	1%	7%
2021–2022	19%	50%
% Change in Total Nurse Expenses by Year		
2020–2021	3%	13%
2021–2022	13%	21%
Percentage of responding providers increasing 2023 wages to meet minimum wage requirements	71%	64%
Percentage of full-time equivalents receiving 2023 wage increase to meet minimum wage requirements	44%	36%

Focus Group Meetings

For the other component of the stakeholder engagement, Mercer and AHCCCS conducted four virtual stakeholder focus groups across the state of Arizona during June 2023. To create meaningful divisions across the state, Mercer elected to use established GSAs as displayed in the figure below. GSAs divide the state into three areas: north, south, and central regions. Mercer proposed to hold four focus groups across these GSAs.

Figure 5. Arizona Geographic Service Areas



Based on provider and member concentration within the central GSA, Mercer hosted two focus groups in the central GSA, one in the north GSA and one in the south GSA. Mercer used the contact information provided by AHCCCS for ALF and community HCBS providers to invite attendees to the focus groups.

Across the four focus groups, Mercer and AHCCCS met with approximately 25 provider representatives across Arizona. The discussion revolved around the following topics: current operating challenges, HCBS Settings Rule implications, future focus areas, EVV, and transportation.

Overview of Key Themes

The sessions gleaned insightful feedback from the focus group participants. Mercer cataloged several key themes and organized them into the three following categories: workforce, cost pressures, and member acuity:

- **Workforce:** Stakeholders across ALFs and HCBS community providers all report that workforce is their primary concern. They are experiencing unprecedented lack of workforce availability, quality of applicants, and challenges with maintaining levels of compensation (e.g., benefits and work flexibility). There is also significant worry over the proposed 80% DCW payment model recently released in the CMS notice of proposed rulemaking, “Managed Care Access”, which many reported would force providers out of the Medicaid space.

- **Cost pressures:** Providers are concerned with the increased costs for food, linens, personal protection equipment, liability insurance (due to COVID), and staffing, as this has created even slimmer margins as reimbursement rates have not changed. In the HCBS community, EVV implementation has created some additional expenses.

In general, participants stated that they do not use the AHCCCS-contracted EVV provider, instead, buying another off-the-shelf product or developing their own. Investments into EVV varied widely, from one to two hours of troubleshooting per week, to hiring an in-house software developer and purchasing server space to dedicate multiple FTEs to “curing” data.

Last, focus group participants indicated significant issues with transportation, including inability to rely on Medicaid-funded transportation and having to absorb costs of providing necessary transportation to members.

- **Member acuity:** The level of care and service support for members has steadily been increasing throughout the years. Focus group participants reported they see complex members with multiple comorbidities, increased behavioral needs, more individuals with addictions, and members with few or no social supports or resources. Several providers noted that managed care companies are incented to move members from higher-cost SNFs into ALFs, which results in savings for the managed care entity but creates unfunded administrative requirements on the provider to coordinate all these services.

The additional context and perspective Mercer and AHCCCS were able to obtain through the stakeholder engagement activities is invaluable and contributes greatly to this adequacy review.

Section 3

Development of HCBS Rate Models

As a key component of the review, to provide a benchmarking of the current HCBS fee schedule rates, Mercer modeled rate ranges for each member service with a published fee schedule rate using a market-based build-up approach. This approach is consistent with the expectations communicated by CMS to states for waiver program reimbursement as described earlier in this section of the report. Mercer relied on the information available for each service and input from AHCCCS, but Mercer recommends that the assumptions are thoroughly reviewed and refined, where needed, before relying on these modeled rate results.

Mercer included all of the services with a payment rate in the current HCBS fee schedule in the rate modeling, with the exception of fiscal management services for self-directed attendant care. In addition, for the five services in which AHCCCS currently pays a percentage of charges (i.e., 58.66%) under FFS, Mercer did not model rate ranges. These five services are as follows:

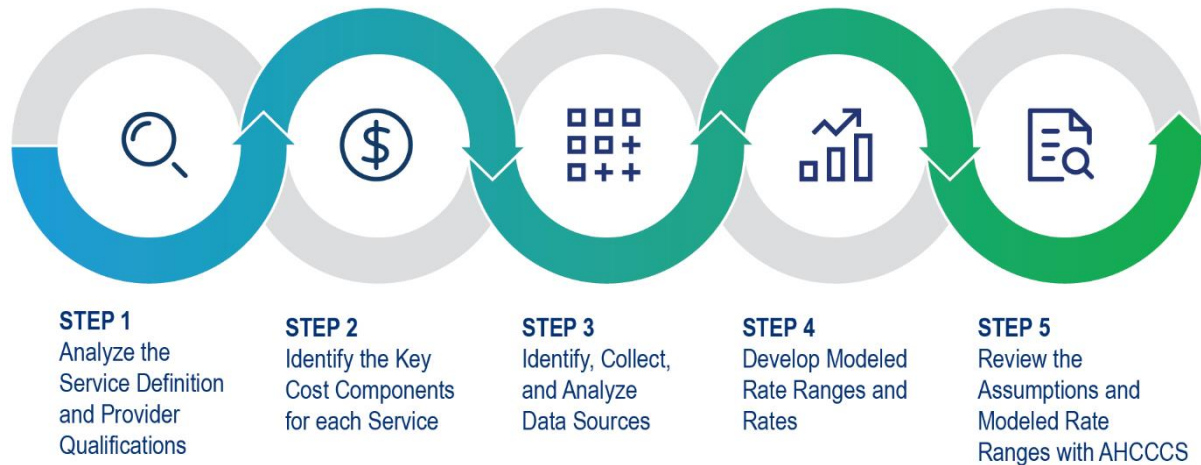
- T2016: Habilitation, Residential, Waiver, Per Diem
- T2017: Habilitation, Residential, Waiver; 15 minutes
- T2021: Day Habilitation, Waiver; Per 15 Minutes
- T2031: Assisted Living; Waiver, Per Diem
- T2033: Residential Care, Not Otherwise Specified (NOS), Waiver; Per Diem

Although assisted living services are currently displayed within the AHCCCS HCBS fee schedule, there are a number of elements that make the modeling of rates for these providers fundamentally different from traditional HCBS services. First, assisted living is defined as a facility-based service under CMS²⁴ and, by nature of its design, requires unique considerations for rate modeling. It is a per diem service that includes a variety of services delivered within the day, and states typically analyze the service delivery within their specific state to determine the appropriate reimbursement structure for their program (e.g., acuity tiers, geographic tiers, provider size). In addition, these particular services were challenging to compare against other states for the very same reasons; while the procedure code might be consistent, the components that are incorporated to establish assisted living rates vary widely. Last, in researching other residential types of services in Arizona Medicaid, such as developmental and group home services for services delivered to individuals with intellectual and developmental disabilities, the robust nature of the rate design to support individuals in a residential setting indicates that developing a statewide modeled rate range for assisted living would not meet AHCCCS' goals.

Given the above context, Mercer did not model a statewide rate range for assisted living services; however, we have identified our key observations for this service based on our review of the utilization data and collected survey data.

²⁴ <https://www.cms.gov/training-education/partner-outreach-resources/american-indian-alaska-native/lts-ta-center/information/lts-models/facility-based-care>

For each service, Mercer identified reasonable assumptions for the programmatic, administrative, and indirect costs providers generally incur to deliver these services. To inform these assumptions, we relied on our knowledge of the waiver services, expectations for service delivery as outlined in the service definitions, the data collected in the provider survey and the stakeholder focus groups, as well as publicly available data (such as wages from the BLS) and input from AHCCCS. Mercer used the following steps to develop a HCBS rate model for each service:



Each of these steps is described in more detail below.

Step 1: Analyze the Service Definition and Provider Qualifications

Mercer first reviewed each service definition to understand the key requirements of the service, including provider qualifications, licensing requirements, staffing requirements, and other general information related to service delivery. We met with AHCCCS to review the components for each service and discussed whether additional categories needed to be considered given the environment and intended service delivery, including any differences for services delivered in Flagstaff.

Step 2: Identify Key Cost Components for Each Service

The general cost components for fee development are as follows:

- Wages for direct care workers and other program staff, including overtime
- Employee related expenses (ERE) such as health insurance and taxes
- Paid-time-off (PTO) for holidays, vacation, or training
- Other program-related costs, including employee training costs and administration

In addition, we reviewed the Arizona and Flagstaff minimum wage changes to confirm these wage levels were captured in the rate modeling.

Further detail regarding the specific cost components and service assumptions can be found in Step 3 and Appendix F.

Step 3: Identify, Collect, and Analyze Data Sources

The primary source of wages for the market-based fee development is the BLS. Mercer compiled the most recent compensation data available from BLS (i.e., May 2022), which includes wages representative of those paid statewide for various occupations in Arizona. Based on the service definitions, Mercer determined the appropriate types of staff, occupations, and education levels required for each service to develop an hourly wage range. Many services included multiple levels of staff for the service delivery and supervision activities. Therefore, the wage assumptions include assumptions for direct care workers and supervisors (where applicable).

To recognize that various wages are paid to staff in the community across Arizona, Mercer identified a range of wages for each service:

- **Lower bound wages:** For the majority of services, Mercer used the 25th percentile wage for the lower bound of the direct care worker and supervisor (if applicable) range.
- **Upper bound wages:** For the majority of services, Mercer used the 75th percentile wage for the upper bound of the direct care worker and supervisor (if applicable) range. However, Mercer used the 90th percentile wage for attendant care and companion to capture the Flagstaff minimum wage.

Once Mercer identified the BLS wage ranges, we trended the wages using a 5.5% annual factor to the midpoint of the HCBS fee schedule that we were evaluating (i.e., April 1, 2023) and reviewed the results to ensure that the assumptions align with federal and local initiatives, including the Arizona and Flagstaff minimum wages.²⁵ The annual factor aligns with BLS wage and salary percent changes quoted for Arizona metropolitan statistical areas and nationwide health care and social assistance workers from June 2022 to June 2023.

While the annual factor is an assumed average across all of the BLS occupations utilized to develop the benchmark rate ranges, some of the wages and salaries for lower paid staff may experience a higher trend than 5.5% from 2022 to 2023. The range of rates allows for the opportunity to select a rate close to the lower bound, the best estimate (median), or upper bound based on AHCCCS priorities and budget.

We present the resulting wage ranges for direct care staff in Table 5 below by service.

²⁵ Nursing and residential care facilities total compensation trend, BLS, Table 5. Available online: <https://www.bls.gov/news.release/pdf/eci.pdf>.

Table 5: Direct Care Staff Wage Assumptions by Service

Based on Arizona wages from the BLS (May 2022 wages trended to April 2023)

Service	Direct Care Worker		
	Lower Bound	Best Estimate	Upper Bound
Adult Day Services	\$14.77	\$16.13	\$19.56
Attendant Care	\$14.36	\$15.19	\$17.97
Companion Care	\$14.36	\$15.19	\$17.97
Foster Care	\$14.36	\$15.19	\$17.97
Homemaker	\$14.71	\$15.64	\$17.24
Home Care Training	\$15.13	\$16.09	\$18.48
Home Health Aide	\$15.13	\$16.09	\$18.48
Home Delivered Meals	\$15.66	\$17.77	\$19.48
Nursing, RN	\$39.17	\$41.57	\$49.68
Nursing, LPN	\$28.70	\$31.23	\$33.15
Personal Care	\$14.36	\$15.19	\$17.97
Respite	\$14.36	\$15.19	\$17.97
Supported Employment	\$23.63	\$25.26	\$31.23
Therapy — Physical	\$41.14	\$50.09	\$54.72
Therapy — Occupational	\$39.27	\$42.54	\$52.97
Therapy — Speech/Language	\$38.68	\$46.78	\$53.09
Therapy — Respiratory	\$32.06	\$32.97	\$38.93

All of the wage ranges capture the 2023 Arizona minimum wage of \$13.85 and the Flagstaff minimum wage of \$16.80. Considerations for inflationary pressure beyond FFY 2023, such as the minimum wage increase that is scheduled for January 1, 2024, are not included in this analysis.

In addition to wages, Mercer conducted research to obtain the most recent information available for specific cost components. Once compiled, Mercer met with AHCCCS to discuss the findings and assumption considerations, specifically for ERE and other program-related cost components.

ERE and PTO

Mercer presented the following ERE components to AHCCCS, for both the direct and non-direct care staff:

- Health insurance (medical, dental, and vision)
- Short- and long-term disability
- Life insurance

- Retirement
- Worker’s compensation
- Unemployment taxes (federal and state)
- Federal Insurance Contribution Act tax

The amounts included in the fees represent the employer’s share of the costs for these items on a statewide basis.

In addition to ERE, Mercer considered the cost to providers for employee PTO and training for which those staff would not be working directly with ALTCS-EPD members, but would be paid by the provider. The PTO assumption includes time off for paid vacation, sick time, and federal holidays, as well as time for employee training. The training days assumption captures the days needed to train new staff due to employee turnover. Mercer relied on the BLS data for the annual staff turnover assumption of 42%.²⁶

The PTO assumptions are based on market information and input obtained in the community provider survey. We apply consistent PTO assumptions across services, as follows:

- Eleven days PTO, made up of five sick days and six vacation days
- Three annual training days, plus five new-hire training days²⁷
- Nine federal holidays

Mercer also applied an adjustment to account for overtime wages. Based on research from BLS and feedback from providers in the community survey, Mercer incorporated a 2.49% overtime adjustment as part of the ERE percentage for full-time (FT) direct care staff, to account for overtime payments.

Other Program-Related Costs

In addition to ERE and PTO, Mercer considered the other program-related costs that contribute to the service delivery and should be captured in the fee development process. Based on the nature of the services, assumptions varied across the service array. Assumption categories are listed below, with a brief description of each:

- **FT and Part-Time (PT) Staff Split:** Assumptions regarding FT and PT staffing percentages to appropriately apply ERE and PTO based on the appropriate service staff mix.
- **Productivity — Billable Hours Per Day:** Adjustment to account for non-billable staff time. Non-billable staff time considers the portion of each workday that is spent on usual and required activities related to service delivery but represent activities that are not billable to AHCCCS by the direct care worker or provider agency. The non-billable activities vary by service, but typically account for activities when the member is not present and may include documentation or travel time.

²⁶ US BLS, Job Openings and Labor Turnover — June 2023, Table 3. Total separations levels and rates by industry and region, seasonally adjusted. Assumption is the average of the recent monthly values for “Health care and social assistance” annualized.

²⁷ The training assumption for each of the self-directed services is zero training days, plus three new-hire training days.

- **Staffing Ratios:** The number of direct care workers to members, and the number of supervisors to direct care workers, needed to provide the service. These assumptions are typically based on program and licensing requirements outlined in the service definition or indicated by AHCCCS.
- **Other Direct Program Costs (includes other incurred costs for service delivery not captured in another cost component) such as:**
 - **Member transportation and staff travel:** Expenses related to member transportation, as required by the service definition, and staff travel expenses that are necessary as part of the service delivery model
 - **Food costs:** Costs associated with provider-incurred food expenses (where applicable) as outlined in the service definitions and regulations
 - **Service-related supplies:** Costs for service-related materials or equipment that the provider would be required to have to deliver the service
- **Training Costs:** Expenses related to training and certification requirements as outlined in the service definitions and regulations.
- **Administration:** Costs associated with general administrative expenses such as management, equipment and supplies, recruitment, information technology, human resources, billing, finance and accounting, legal, and other program-related costs necessary for program operations. The administration assumption aligns with CMS expectations regarding acceptable levels for this cost component.
- **Unit Multiplier:** Some services are billed in 15-minute units and include a separate service for a different unit, such as a daily rate or the development of a treatment plan, that is only billed once. These services include a unit multiplier.

See Appendix F for a summary of the modeled rate assumptions by service.

Step 4: Develop Modeled Rate Ranges

Once we identified the assumptions for each cost component, Mercer modeled the payment rate ranges for each service. The resulting rate ranges for the HCBS services are presented in Table 6 below, along with the current FFS rates from the October 2023 HCBS fee schedule.

Table 6: FFY 2023 Modeled Rate Ranges by Service

All Rates Summary

Service Grouping	Service Information				Average 10/1/2022 Fee Schedule Rate	FFY 2023 Modeled Rate Range			Current Fee Percentage Of Median
	Service	Procedure Code	Unit Definition	Group Size		Lower Bound Modeled Rate	Modeled Range Median	Upper Bound Modeled Rate	
Adult Day Services	Adult Day, Per 15 min	S5100	Per 15 Minutes	6	\$4.03	\$3.97	\$4.31	\$4.83	93.43%
	Adult Day, Per Half Day	S5101	Per Half Day (3 Hours)	6	\$48.71	\$47.66	\$51.70	\$57.98	94.22%
	Adult Day, Per Diem	S5102	Per Diem (6 Hours)	6	\$97.37	\$95.33	\$103.39	\$115.96	94.18%
Attendant/ Companion Care	Attendant Care Services; per 15 minutes	S5125	Per 15 Minutes	1	\$6.53	\$7.50	\$7.95	\$9.27	82.16%
	Companion Care, adult; per 15 minutes	S5135	Per 15 Minutes	1	\$6.53	\$7.50	\$7.95	\$9.27	82.16%
	Companion Care, adult; per diem	S5136	Per Diem (7 Hours)	1	\$182.84	\$210.04	\$222.55	\$259.44	82.16%
	SDAC, Attendant Care; per 15 minutes	S5125U2	Per 15 Minutes	1	\$4.71	\$5.98	\$6.28	\$7.29	74.87%
Foster Care	Foster Care, Per Diem	S5140	Per Diem (6 Hours)	3	\$94.23	\$85.35	\$92.46	\$109.09	101.91%
Home Health	Home Health Aide, Per Visit	T1021	Per Visit (2 Hours)	1	\$58.81	\$69.54	\$73.44	\$83.81	80.08%
	Home Health Aide, Per Visit	T1021U4	Per Visit (2 Hours)	1	\$76.26	\$69.54	\$73.44	\$83.81	103.84%
	Home Health Aide, Per Visit	T1021U5	Per Visit (2 Hours)	1	\$76.26	\$69.54	\$73.44	\$83.81	103.84%
	Home Care Training, Per 15 Minutes	S5108	Per 15 Minutes	1	\$4.83	\$6.26	\$6.61	\$7.47	73.07%
Meals	Home Delivered Meals	S5170	Per Meal	3	\$13.47	\$11.71	\$13.08	\$14.54	102.95%
Nursing (RN, LPN)	Nursing, RN, Per 15 Minutes	G0299	Per 15 Minutes	1	\$26.45	\$19.34	\$20.46	\$24.25	129.30%
	Nursing, LPN, Per 15 Minutes	G0300	Per 15 Minutes	1	\$26.46	\$14.45	\$15.62	\$16.52	169.31%
	Home Nursing, RN, Per Hour	S9123	Per Hour	1	\$65.39	\$77.34	\$81.84	\$97.00	79.90%
	Home Nursing, LPN, Per Hour	S9124	Per Hour	1	\$50.52	\$57.79	\$62.50	\$66.09	80.84%
Personal Care/Homemaker	Homemaker Services, Per 15 Minutes	S5130	Per 15 Minutes	1	\$8.22	\$7.65	\$8.13	\$8.97	101.09%
	Personal Care, Per 15 Minutes	T1019	Per 15 Minutes	1	\$8.68	\$7.50	\$7.95	\$9.27	109.15%
Respite	Respite, Per 15 Minutes	S5150	Per 15 Minutes	1	\$6.53	\$7.50	\$7.95	\$9.27	82.16%
	Respite, Per Diem	S5151	Per Diem (12 Hours)	1	\$330.12	\$360.07	\$381.51	\$444.75	86.53%
Supported Employment	Supported Employment, Per Diem	T2018	Per Diem (1.5 Hours)	1.5	\$33.92	\$53.46	\$57.83	\$70.53	58.65%
	Supported Employment, Per 15 Minutes	T2019	Per 15 Minutes	1.5	\$5.65	\$8.91	\$9.64	\$11.75	58.57%
Therapies (OT, PT, SLT, RT)	Physical therapy, Per 15 Minutes	G0151	Per 15 Minutes	1	\$34.72	\$20.26	\$24.44	\$26.60	142.06%
	Occupational therapy, Per 15 Minutes	G0152	Per 15 Minutes	1	\$34.72	\$19.38	\$20.91	\$25.79	166.04%
	Speech-language therapy, Per 15 Minutes	G0153	Per 15 Minutes	1	\$34.72	\$19.11	\$22.89	\$25.84	151.65%
	Speech therapy, in the home, Per Diem	S9128	Per Diem (1 Hour)	1	\$138.86	\$76.44	\$91.58	\$103.38	151.63%
	Occupational therapy, in the home, Per Diem	S9129	Per Diem (1 Hour)	1	\$138.86	\$77.54	\$83.64	\$103.14	166.01%
	Physical therapy; in the home, Per Diem	S9131	Per Diem (1 Hour)	1	\$138.86	\$81.03	\$97.76	\$106.42	142.04%
	Home health respiratory therapy, initial visit, Per Encounter	S5180	Per Encounter (1 Hour)	1	\$58.05	\$64.05	\$65.76	\$76.91	88.28%
	Home health respiratory therapy, Per Diem	S5181	Per Diem (6 Hours)	1	\$348.37	\$384.30	\$394.55	\$461.46	88.30%

Step 5: Review the Assumptions and Rate Ranges with AHCCCS

As part of this review, Mercer is discussing the HCBS rate assumptions for each service and cost components to confirm they align with current practice and AHCCCS's intended service model. Based on these discussions, there may be refinements to the resulting rate ranges presented in the table above.

Key Observations for Modeled Rate Ranges

The comparison of the current FFS rates to the modeled rate ranges varies for each service in the HCBS fee schedule, in which some are well above the modeled levels, some are within the modeled range, and others are below. Based on the modeled rate ranges, Mercer found that the current FFS fee schedule rates are lower than the modeled ranges for 14 services, including attendant care, companion care, supported employment, and respite, and the current rates are above the modeled range for eight services, including therapies and nursing. The remaining nine services have current FFS fee schedule rates that fall within the modeled rate range.

Based on the results of the rate modeling, Mercer highlights the following:

- The results vary by service and service category. Of the services with published rates in the HCBS fee schedule, attendant care and companion care are the most highly utilized services by ALTCS-EPD members, representing 54% of total FFY 2022 HCBS payments.
- **Attendant Care, Companion Care, and Respite:** The current fee schedule rates for these services are consistently below the modeled rate range.
- **Adult Day, Foster Care, Homemaker, Personal Care Services, and Home Delivered Meals:** The current fee schedule rates for these services are within the modeled range of rates.
- **Nursing:** The current fee schedule rates for the 15-minute nursing services are above the modeled rate ranges for RNs and LPNs; however, the hourly rates in the current fee schedule are below the modeled rate ranges. It appears that the current fee schedule rate for the "per hour" service only accounts for 30 minutes of service delivery.
- **Therapies:**
 - For physical therapy, occupational therapy, and speech/language therapy, the current rates are higher than those in the comparison states, the State Plan published rates, and the modeled rate ranges.
 - The current rates for physical therapy, occupational therapy, and speech therapy are the same in the HCBS fee schedule; however, there is a wage differential for these types of professional occupations that should be reflected in the payment rates for each service.
 - The statewide BLS wages for these professional occupations are slightly higher as compared to the BLS wages for Flagstaff, indicating that a rate differential for the Flagstaff area is not necessary.
 - Home health respiratory therapy: The current fee schedule rates for the respiratory therapy are below the modeled rate range.

- **Supported Employment:**
 - There is only one rate on the current HCBS fee schedule; however, this service can be delivered individually or in groups per Policy 1240-J for Employment Services.
 - Mercer modeled a group rate range assuming the average group is one staff to one and a half members. The current fee schedule rate falls below the modeled rate range.
- **Home Health Aide:** In the current HCBS fee schedule, this service has a higher payment rate when delivered by a family member (i.e., \$78.15 per visit versus \$58.52 per visit). The results of our rate modeling do not show variation between a provider staff or family member delivering the service. Additionally, the per visit rate is within the modeled range, while the 15-minute rate is below the modeled range.

Section 4

Recommendations

AHCCCS's primary goal for conducting this rate review is to determine the adequacy and appropriateness of NF and HCBS reimbursement rates to service providers for the ALTCS-EPD system. Overall, Mercer synthesized the information gathered throughout the review to evaluate the current FFS rates for each service and recommend improvements. In addition, we have highlighted any other suggested strategies to evaluate reimbursement levels in the future.

The observations and recommendations are different depending on the set of services and also vary within the NF and HCBS settings.

Nursing Facility

NF services are primarily delivered in a managed care environment for Arizona Medicaid members. Although AHCCCS maintains a FFS fee schedule for NF services — and it is likely used as a foundation for negotiation by the MCOs — the MCOs are not directed to apply the FFS fee schedule payment rates for reimbursing the NFs.

Mercer's analysis of NF utilization presented in Section 2 of this report shows that MCOs paid NFs above the FFS fee schedule rates from FFY 2018 to FFY 2022, primarily in Coconino and urban counties. At the same time, the number of NFs remained relatively consistent during this same time period, with a small increase of less than 1%. However, the number of urban NF providers increased 25%, and the rural county NF providers decreased by 30% over this time period. While we see a shift in the number of providers in urban and rural counties, the number of members statewide receiving services in NFs has declined in recent years.

As reported in the NF survey, a quarter of all of the respondents' staff received an increase in their base wages to meet the new minimum wage requirement in 2023, and they offered other incentives to obtain or keep staff. Regardless, a majority of the survey respondents still had to limit admissions due to workforce constraints.

Using the information collected and analyzed through this review, Mercer identified the following:

- **Job market and workforce:** The utilization changes and trends may indicate that with a reduced NF provider community in rural counties, fewer members can access NF services — but to do so, MCOs are paying higher rates in recent years to obtain needed services for their members. In addition to the amount the MCOs pay to the NFs, AHCCCS also provides supplemental payments to the NFs through a separate directed payment, signaling that the FFS fee schedule rates (and related MCO reimbursement amounts) might not adequately cover the full cost of services.

A review of the nursing wages reported in the 2022 Uniform Accounting Reports by each NF and the BLS wage levels for RNs, LPNs and nursing assistants indicates that facilities are paying staff in alignment with the median BLS wage levels and above minimum wage requirements. Therefore, with the majority of the NF reimbursement rate targeted towards

nursing costs, the annual minimum wage increase does not impact the overall rates. However, NF wages were not analyzed as closely compared to community and assisted living services, the NF workforce theme follows a similar pattern as indicated above. This includes increased wages, costs, and declining providers to meet member demand and competing for workforce amongst other industries such as hospitality. Overall, this may imply a need for AHCCCS to review wages and benefits more closely for NF staff as compared to other workers in the market and how these costs are supported in Medicaid reimbursement.

- **Rebase the NF fee schedule payment rates:** AHCCCS may want to consider reestablishing the FFS fee schedule payment rates using recent facility cost data. Given that the FFS fee schedule has not been reset since 2015, and only received legislative funding increases since that time, the existing payment rates do not appear to align with current NF costs. Although these rates are not directly used for managed care reimbursement, they are likely relied upon by MCOs and NFs when negotiating contract rates.
- **Determine a regular frequency for rebasing the NF FFS fee schedule payment rates using recent data and implement a process:** AHCCCS may want to consider a more consistent pattern to revising FFS reimbursement rates to align with ongoing minimum wage increases and provider cost changes. The AHCCCS NF rates are lagging behind other states, and providers continue to report ongoing cost pressures with increasing expenses.
- **Geographic considerations:** Mercer observed an overall utilization decline across the state, with trends varying by region. However, the rural parts of the state are experiencing not only utilization decline, but provider count declines year over year. In addition, managed care payments are outpacing FFS rates in other parts of the state, but not in rural counties. AHCCCS may want to consider a closer look at rural network adequacy and potential drivers to these trends.

HCBS

For the community services, Mercer focused the recommendations on the services included in the rate adequacy review (i.e., those with a rate on the current HCBS fee schedule) but highlighted one area for improvement for assisted living services (which do not have published rates in the FFS fee schedule), given that there is high utilization of these services in ALTCS-EPD.

Based on Mercer's review, we found that some of the current FFS fee schedule rates are within modeled expectations (e.g., homemaker) while others are lower than expected and may not be adequate to support appropriate service delivery (e.g., attendant care, companion care and respite). We evaluated the current rates across all of the services with available rates, with particular focus on those that are most utilized by the ALTCS-EPD members.

Below, Mercer suggests areas in which AHCCCS can further enhance and update its current fee schedule for HCBS in future years.

- **Job market and workforce:** The modeled rate ranges capture the Arizona statewide minimum wage at the lower bound and the Flagstaff minimum wage at the upper bound. For services in which the current payment rates are below the lower bound of the

modeled rate range (and the wage is close to minimum wage), this indicates that the current payment rates do not (or barely) support minimum wage levels. This is the case for attendant care, companion care, home care aide, home care training and respite.

- **Rebase the HCBS fee schedule rates:** Given that AHCCCS last rebased the payment rates on the fee schedule in October 2010, Mercer recommends a full refresh of the published FFS fee schedule payment rates using current data. Although AHCCCS applies rate adjustments to the FFS fee schedule rates each year based on minimum wage changes, providers experience regular increases in the cost of service delivery, which are not fully addressed through these rate adjustments.

AHCCCS can leverage the initial payment rate modeling presented in Section 2 of this report for the rate rebase, applying refinements based on AHCCCS programmatic goals and requirements. This can include a more thorough review of the “Other Direct Program Costs” to more specifically account for EVV, transportation, and supplies — as well as the additional administrative burden related to Medicaid assessments and coordination of care given the increased acuity of the ALTCS-EPD population.

- **Determine a regular frequency for rebasing the HCBS FFS fee schedule payment rates using recent data and implement a process.** There are ongoing changes that influence service delivery and provider costs, such as minimum wage increases and new Medicaid regulations or requirement. To maintain alignment between provider costs and reimbursement, Mercer suggests that AHCCCS establish a regular cadence (for example, every three years) for recalculating the payment rates for each service in the FFS fee schedule, using available provider cost information and public wage data (such as BLS). Most states recalculate payment rates every three to five years (as required under the 1915(c) waiver authority), with annual reviews (and adjustments) in between rebasing periods.
- **Expand on the existing tiered rates and consider additional tiers for individual versus group services and geographic distinctions.** Although the current HCBS FFS fee schedule has tiers based on geography for some services, the claims utilization analysis and information obtained in the focus groups showed that MCOs are paying above the FFS fee schedule rates in some areas of the state and lower in others. This indicates that the provider costs vary geographically, and AHCCCS may want to explore developing additional geographic tiers within the HCBS FFS fee schedule if it intends to use it as a tool to influence (or direct) managed care reimbursement, or if it is reasonable to apply this distinction for the FFS population. For example, the average payment per unit for therapies is 167% of the HCBS fee schedule rates in rural counties and 99% of the HCBS fee schedule rates in urban counties.

In addition, the current HCBS FFS fee schedule does not have different rates for services delivered to an individual versus a group of members. However, AHCCCS has group rate modifiers available for attendant care and nursing. For services in which this applies (e.g., supported employment, attendant care, home care, nursing care), AHCCCS could develop individual rates, and apply the group rate approach to other applicable services, to account for the change in staffing arrangements and service delivery, therefore, tying the payment rate to the staffing ratios.

- Service-specific recommendations are suggested for the following:
 - Reevaluate the payment rates for **attendant care** and **companion care** services, as the current payment rates are below the modeled rate range. These two services are

the most utilized services by ALTCS-EPD members, representing 54% of total FFY 2022 HCBS payments; therefore, Mercer recommends that AHCCCS review the rate modeling assumptions to address the rate levels for these services.

- Current rates for **physical therapy, occupational therapy, and speech-language therapy** are significantly higher than the modeled rate ranges (by 25%–28% compared to the upper bound). But, when compared to the published State Plan rates for corresponding services, the modeled rate ranges are in alignment. While the current rates appear to be more than adequate and support provider costs of service delivery, AHCCCS may want to consider aligning the FFS fee schedule rates with the rates for comparable services in the State Plan to provide consistency. Note that therapy services account for less than 1% of FFY 2022 payments to ALTCS-EPD members.
- **Consider establishing prospective FFS payment rates for assisted living services to replace the percentage of charges approach.** Based on Mercer’s review of the claims utilization in SFY 2022, 38% of the managed care payments were for assisted living centers and homes (T2031 and T2033) in which the MCOs negotiate the per diem rates with providers. The development of prospective FFS payment rates allows AHCCCS to better understand, and have the option to direct, the reimbursement to providers for these high-use services. AHCCCS may want to consider establishing a specific reimbursement structure and FFS fee schedule payment rates using recent provider cost data for assisted living centers and homes.
- For Assisted Living Services (T2031 and T2033), the utilization and survey results generally show a wide range of payment rates, which is indicative of the variation in the service delivery. This supports the notion that assisted living services are not well positioned for the statewide rate approach that is used for other traditional HCBS services.

The average payment per day under FFS is \$146 compared to \$96 for managed care members based on the utilization experience in FFY 2022; however, provider survey respondents indicated different results in the ALF survey data with lower FFS average rates as compared to managed care. Based on the number of providers in FFY 2018 as compared to FFY 2023, we see a decrease in providers in the urban and rural regions, but an increase in Coconino County.

The current approach of paying a percentage of charges considers the member’s service needs and acuity level so may be appropriate in the short-term, but for AHCCCS to attain more fiscal predictability, Mercer recommends a detailed analysis for these services to establish a tiered reimbursement structure. This would likely include a review of wages by ALF, staff hours and staffing ratios to determine an appropriate structure and associated payment rates.

Although Residential Habilitation (T2016 and T2017), as well as Day Habilitation (T2021), were also reviewed, the level of utilization is low in comparison; therefore, AHCCCS may want to prioritize other service rate updates.

Once AHCCCS rebases the FFS fee schedule rates to align with current-day costs, the annual minimum wage increases can be accounted for by applying the percentage increase of the minimum wage to the fee schedule rates, with an additional increase to account for the associated ERE that comes with higher wages. For example, an increase of \$0.25 to the 2023 hourly minimum wage plus an average ERE percentage of 30% results in an overall

increase to fee schedule rates of 2.3% for services whose direct care staff are at or below the new minimum wage (e.g., Attendant Care).

Other Reimbursement Considerations

We recognize that the FFS rates serve as the foundation for negotiations with MCOs in many cases; therefore, it is important to regularly revisit the FFS fee schedule rates. In addition to these FFS rate considerations, AHCCCS could explore implementing a directed payment for HCBS to require that the ALTCS-EPD MCOs pay a certain percentage of the FFS fee schedule. Through this forum, AHCCCS can also consider developing value-based payment arrangements to reimburse providers above the FFS fee schedule when meeting specified measures (e.g., quality measures). In addition, Mercer acknowledges that the timing of this report delivery does not precisely align with the Arizona's annual minimum wage adjustments and state budgetary cycles; however, the information contained within could be leveraged as AHCCCS conducts future planning.

Section 5

Limitations and Caveats

In preparing this report, Mercer considered publicly available information and Arizona Medicaid claim, reimbursement levels, and ALTCS-EPD design data and information supplied by AHCCCS. Arizona is solely responsible for the validity and completeness of this supplied data and information. Mercer has reviewed the summarized data and information for internal consistency and reasonableness but did not audit it. In our opinion, the data used for the adequacy rate review is appropriate for the intended purpose. However, if the data and information are incomplete/inaccurate, the values, conclusions, and recommendations outlined in this report may differ significantly from what would be obtained with or suggested based on accurate and complete information; this may require a later revision to this report.

Similarly, for the modeled rate ranges, Mercer considered publicly available market information and AHCCCS-specific information. Mercer reviewed the data and information for internal consistency and reasonableness, but did not audit them. If the data or information is incomplete or inaccurate, the values may need to be revised accordingly.

Rate modeling assumptions were based upon the ALTCS-EPD service definitions available online and information provided by AHCCCS. To the extent changes or clarifications are made to the service definitions, rates may be impacted and need to be updated accordingly.

The modeled rate ranges represent projections of future contingent events. Actual provider costs may differ from these projections. Potential AHCCCS service providers are advised that the use of these rates may not be appropriate for their particular circumstance, and Mercer disclaims any responsibility for the use of these rates by providers for any purpose. Mercer recommends that any organization considering contracting with AHCCCS should analyze its own projected expenses and revenue needs for comparison to the rates using its own organization-specific analysis.

Fee schedule rates for each of the service areas presented in this report are based on the published fee schedules available on the AHCCCS website, in addition to those that AHCCCS provided to Mercer, at the time this report was developed. The fee schedules for the comparison states reflect those available publicly online. To the extent changes or clarifications are made to the fee schedules, the presented results may be impacted and need to be updated accordingly.

This methodology document assumes the reader is familiar with the ALTCS-EPD program and related HCBS and NF delivery models. This report should only be reviewed in its entirety.

Appendix A

State Profiles

State Profile — Arizona

U.S. Census Bureau Region — West

Total Population: 7,379,346 | Native American Population Percentage: 5.49%

Source: World Population Review (2023)

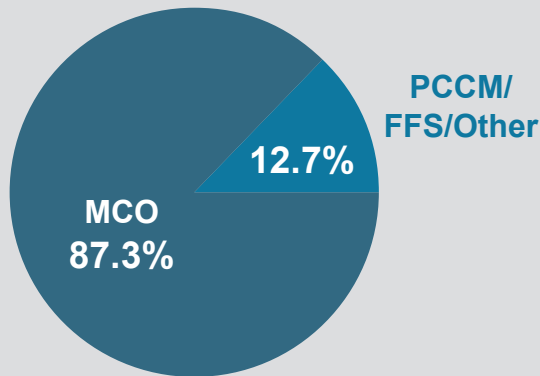


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	45.0%	16.2%	21.3%	6.9%	10.6%
Elderly 65+	4.7%	82.3%	11.7%	0.3%	1.0%
Adults 19-64	57.3%	1.6%	17.3%	9.2%	14.6%
Children 0-18	46.5%	0.0%	38.4%	6.7%	8.4%

Source: KFF - State Health Facts (2021)

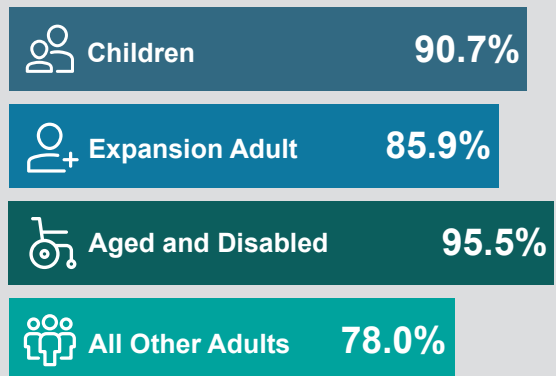
Medicaid Program Delivery Systems

Enrollment by Delivery System



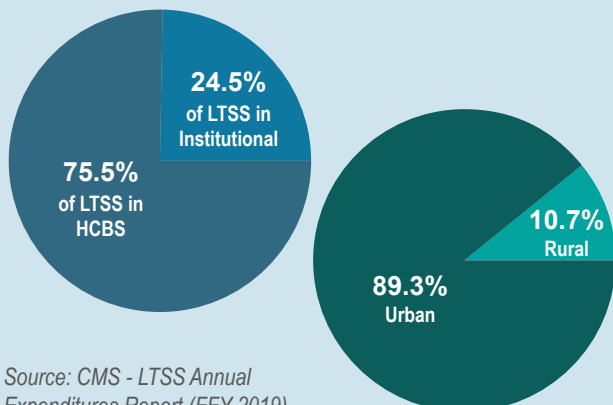
Source: KFF - State Health Facts (2022)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (2022)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$13.85
Cost of Living Index	105.80
All Occupations	\$18.99
Healthcare Practitioners and Technical Occupations	\$36.66
Healthcare Support Occupations	\$14.29

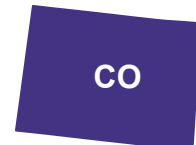
Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

State Profile — Colorado

U.S. Census Bureau Region — West

Total Population: 5,997,070 | Native American Population Percentage: 2.09%

Source: World Population Review (2023)

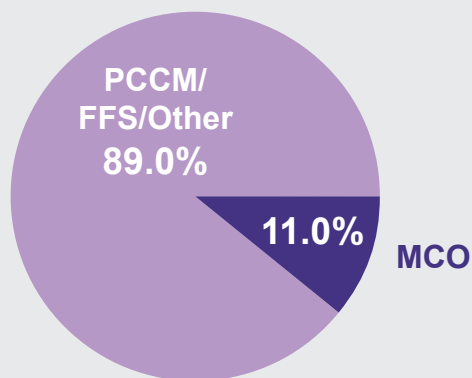


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	51.3%	13.1%	18.5%	9.1%	8.0%
Elderly 65+	7.0%	80.6%	11.3%	0.2%	0.8%
Adults 19-64	62.1%	1.2%	14.4%	11.3%	11.0%
Children 0-18	51.8%	0.0%	34.5%	9.0%	4.7%

Source: KFF - State Health Facts (2021)

Medicaid Program Delivery Systems

Enrollment by Delivery System



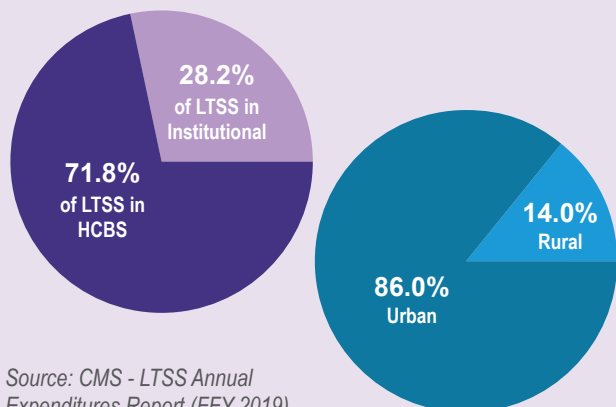
Source: KFF - State Health Facts (2022)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (2022)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$13.65
Cost of Living Index	104.60
All Occupations	\$23.05
Healthcare Practitioners and Technical Occupations	\$37.32
Healthcare Support Occupations	\$17.36

Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

State Profile — Minnesota

U.S. Census Bureau Region — Midwest

Total Population: 5,827,265 | Native American Population Percentage: 1.90%

Source: World Population Review (2023)

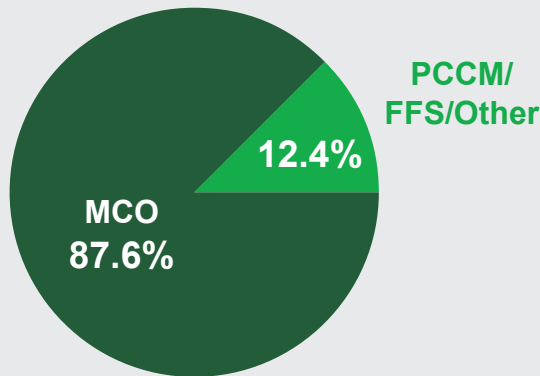


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	55.9%	15.3%	18.5%	6.0%	4.3%
Elderly 65+	6.4%	84.6%	8.6%	0.1%	0.3%
Adults 19-64	68.1%	1.7%	16.1%	8.2%	5.9%
Children 0-18	60.4%	0.0%	31.4%	5.1%	3.1%

Source: KFF - State Health Facts (2021)

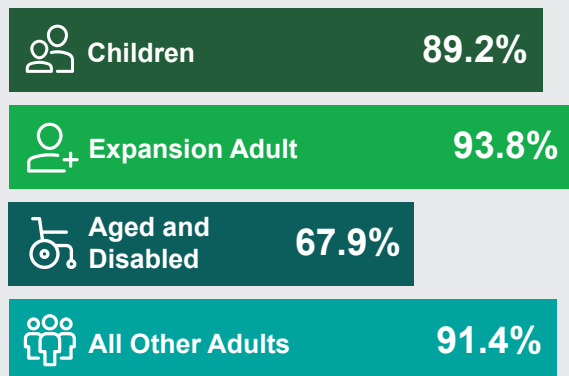
Medicaid Program Delivery Systems

Enrollment by Delivery System



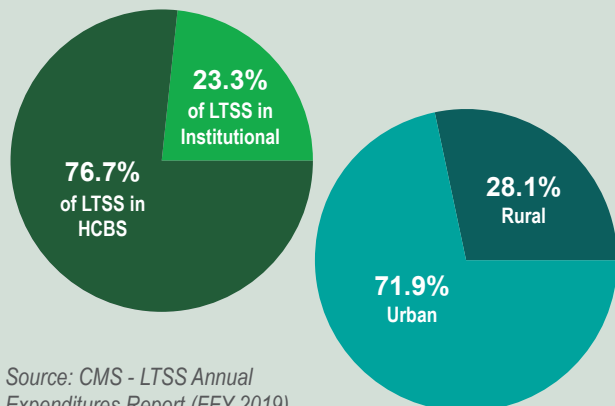
Source: KFF - State Health Facts (2019)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (July 1, 2021)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$10.59
Cost of Living Index	97.50
All Occupations	\$22.88
Healthcare Practitioners and Technical Occupations	\$37.38
Healthcare Support Occupations	\$14.42

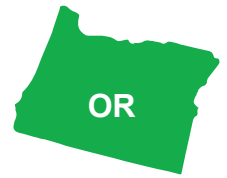
Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

State Profile — Oregon

U.S. Census Bureau Region — West

Total Population: 4,359,110 | Native American Population Percentage: 2.99%

Source: World Population Review (2023)

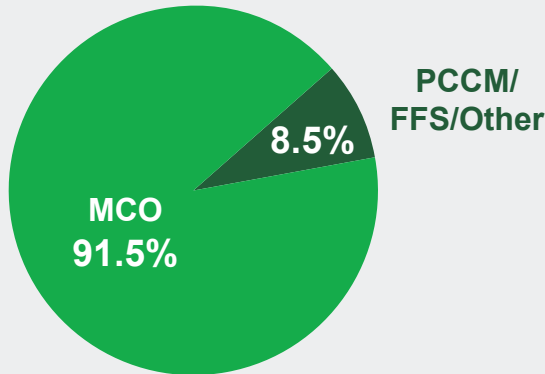


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	47.3%	16.3%	23.8%	6.5%	6.1%
Elderly 65+	5.1%	81.1%	12.1%	1.3%	0.4%
Adults 19-64	59.5%	1.8%	21.2%	8.7%	8.8%
Children 0-18	49.7%	0.0%	41.7%	5.3%	3.3%

Source: KFF - State Health Facts (2021)

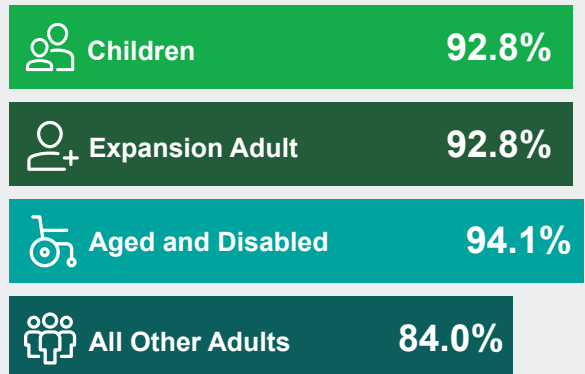
Medicaid Program Delivery Systems

Enrollment by Delivery System



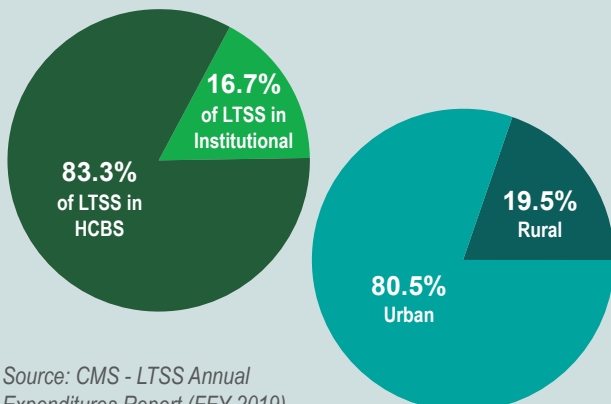
Source: KFF - State Health Facts (2022)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (2022)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$13.50
Cost of Living Index	121.20
All Occupations	\$22.55
Healthcare Practitioners and Technical Occupations	\$45.78
Healthcare Support Occupations	\$17.47

Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

State Profile — Utah

U.S. Census Bureau Region — West

Total Population: 3,423,935 | Native American Population Percentage: 1.65%

Source: World Population Review (2023)

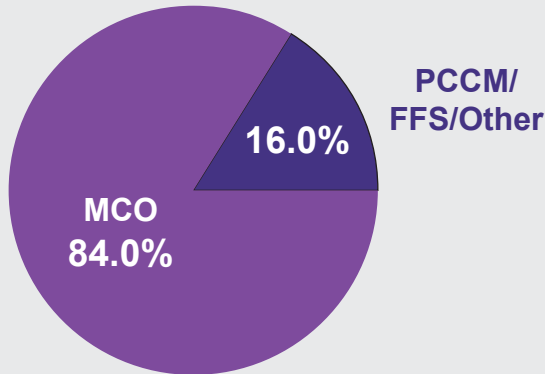


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	59.3%	10.2%	11.0%	10.4%	9.1%
Elderly 65+	6.5%	81.9%	9.5%	1.3%	0.8%
Adults 19-64	67.2%	1.0%	8.4%	12.0%	11.4%
Children 0-18	64.4%	0.0%	16.7%	10.8%	8.1%

Source: KFF - State Health Facts (2021)

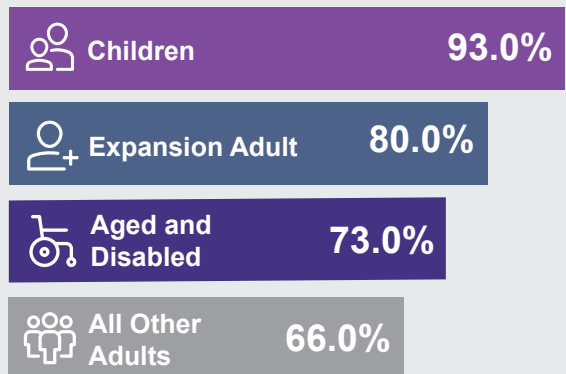
Medicaid Program Delivery Systems

Enrollment by Delivery System



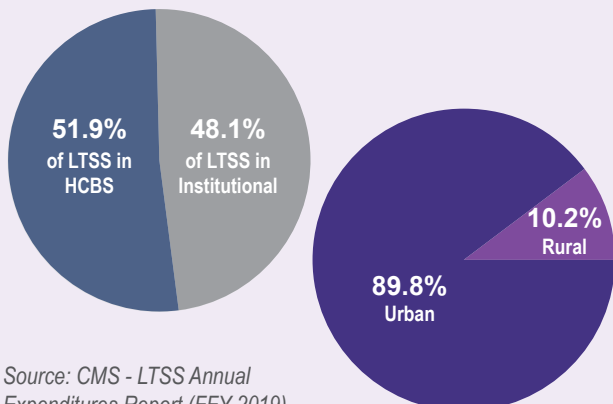
Source: KFF - State Health Facts (2022)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (2022)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$ 7.25
Cost of Living Index	102.80
All Occupations	\$18.69
Healthcare Practitioners and Technical Occupations	\$30.56
Healthcare Support Occupations	\$14.42

Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

State Profile — Washington

U.S. Census Bureau Region — West

Total Population: 7,999,503 | Native American Population Percentage: 2.79%

Source: World Population Review (2023)

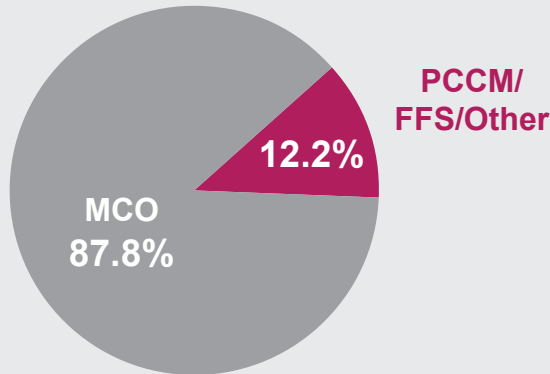


Demographic	Health Insurance Coverage Type				
	Employer	Medicare	Medicaid	Other Coverage	Uninsured
Total Population	51.8%	13.8%	21.0%	6.9%	6.5%
Elderly 65+	7.1%	79.5%	11.8%	0.7%	0.9%
Adults 19-64	64.1%	1.4%	16.5%	8.8%	9.2%
Children 0-18	50.7%	0.0%	39.4%	6.8%	3.1%

Source: KFF - State Health Facts (2021)

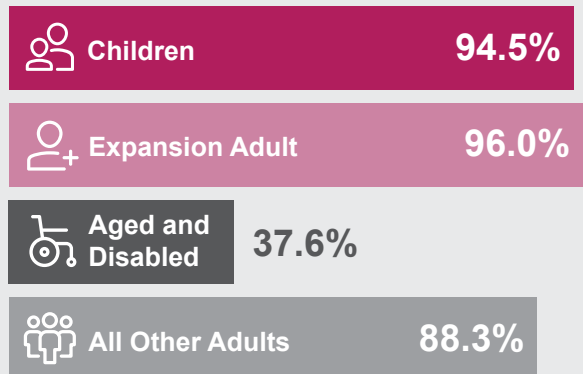
Medicaid Program Delivery Systems

Enrollment by Delivery System



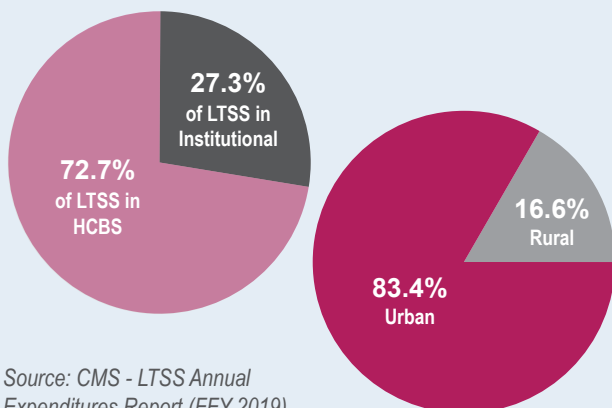
Source: KFF - State Health Facts (2022)

Managed Care Enrollment by Eligibility Group



Source: KFF - State Health Facts (2022)

Population Statistics



Source: CMS - LTSS Annual Expenditures Report (FFY 2019), U.S. Census (2020)

Minimum Wages, Median Wages, and Cost of Living

State Minimum Wage	\$15.74
Cost of Living Index	114.20
All Occupations	\$24.25
Healthcare Practitioners and Technical Occupations	\$44.56
Healthcare Support Occupations	\$17.81

Source: U.S. Department of Labor (2023), MERIC - Cost of Living Index (2022), U.S. Bureau Of Labor Statistics - State Occupational Employment And Wage Estimates (May 2021)

Appendix B

HCBS Medicaid Rate Comparison Summary

HCBS Medicaid Rate Comparison Summary

Arizona HCBS fees as a percentage of fees from comparison states

Arizona Service Category	Colorado ¹	Minnesota ²	Oregon ³	Utah ⁴	Washington ⁵
Therapies (OT, PT, SLT, RT)	0.0%	146.9%	0.0%	0.0%	114.2%
Nursing (RN, LPN)	0.0%	261.9%	132.3%	0.0%	80.1%
Adult Day Services	116.0%	89.1%	0.0%	203.3%	0.0%
Attendant/Companion Care	0.0%	80.2%	145.4%	110.1%	0.0%
Personal Care/Homemaker	140.0%	91.4%	105.4%	107.3%	0.0%
Foster Care	0.0%	42.9%	0.0%	0.0%	0.0%
Respite	131.4%	86.6%	0.0%	125.6%	0.0%
Meals	98.5%	153.2%	110.0%	75.2%	0.0%
Home Health	0.0%	0.0%	0.0%	108.0%	94.8%
Supported Employment	0.0%	66.4%	0.0%	0.0%	0.0%
FEA	0.0%	0.0%	0.0%	65.4%	0.0%
State Overall Average	121.5%	113.2%	123.2%	113.6%	96.4%
Cost of Living Index⁶	104.6	97.5	121.2	102.8	114.2

Notes:

¹ Reflects HCBS fee schedules from SFY2019 - 2023 for the Colorado Elderly, Blind and Disabled Waiver.

² Reflects average HCBS rates from SFY2019 - 2021 for the Minnesota Community Access for Disability Inclusion and Elderly waivers.

³ Reflects HCBS fee schedule for CY2023 for the Oregon Aging and People with Disabilities Waiver.

⁴ Reflects HCBS fee schedules from SFY2021 and SFY2023 for the Utah Waiver for Individuals 65+ and Over.

⁵ Reflects HCBS fee schedules from SFY2020 - SFY2023 for the Washington Home Health Services and Habilitative Services Waivers.

⁶ 2022 cost of living index figures from the Missouri Economic Research and Information Center (MERIC). Figures above can be compared to Arizona's 105.8 cost of living index.

Appendix C

NF Medicaid Rate Comparisons

Exhibit 1. Average NF Per Diem Ranges by State Medicaid Program

Arizona Fee Schedule Structure		Fee Schedule Rates											
		Arizona Average of SFY 2019–2023		Colorado ¹ Average of SFY 2021–2023		Utah ² Average of SFY 2019–2023		Oregon ³ Average of SFY 2019–2023		Minnesota ⁴ Average of SFY 2022–2023		Washington ⁵ Average of SFY 2023	
		Range		Range		Range		Range		Range		Range	
Revenue Code	Description												
0183	LOA/Therapeutic	\$ 172.60	\$ 178.18	\$ 180.51	\$ 317.13	\$ 174.74	\$ 261.28	\$ 364.53	\$ 364.53	\$ 245.80	\$ 281.37	\$ 236.71	\$ 425.01
0185	LOA/Nursing Home	\$ 172.60	\$ 178.18	\$ 180.51	\$ 317.13	\$ 174.74	\$ 261.28	\$ 364.53	\$ 364.53	\$ 245.80	\$ 281.37	\$ 236.71	\$ 425.01
0191	Subacute Care Level I	\$ 172.60	\$ 178.18	\$ 180.51	\$ 317.13	\$ 174.74	\$ 261.28	\$ 364.53	\$ 364.53	\$ 245.80	\$ 281.37	\$ 236.71	\$ 425.01
0192	Subacute Care Level II	\$ 188.09	\$ 194.76	\$ 180.51	\$ 317.13	\$ 174.74	\$ 261.28	\$ 364.53	\$ 364.53	\$ 274.25	\$ 379.52	\$ 236.71	\$ 425.01
0193	Subacute Care Level III	\$ 223.63	\$ 231.02	\$ 180.51	\$ 317.13	\$ 174.74	\$ 261.28	\$ 510.35	\$ 510.35	\$ 316.93	\$ 497.59	\$ 236.71	\$ 425.01
		Payments Relative to Arizona											
		Colorado Average of SFY 2021–2023		Utah Average of SFY 2019–2023		Oregon Average of SFY 2019–2023		Minnesota Average of SFY 2022–2023		Washington Average of SFY 2023			
		Range		Range		Range		Range		Range			
		96%	56%	99%	68%	47%	49%	70%	63%	73%	42%		
		96%	56%	99%	68%	47%	49%	70%	63%	73%	42%		
		96%	56%	99%	68%	47%	49%	70%	63%	73%	42%		
		104%	61%	108%	75%	52%	53%	69%	51%	79%	46%		
124%	73%	128%	88%	44%	45%	71%	46%	94%	54%				

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021–2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019–2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019–2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diems to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Exhibit 2. NF Per Diem Ranges by Year and State Medicaid Program

Arizona Fee Schedule Structure		Arizona										Fee Schedule Rates									
		Colorado ¹										Colorado ¹									
		SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019–2023		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2021–2023	
Revenue Code	Description	Range		Range		Range		Range		Range		Range		Range		Range		Range			
0183	LOA/Therapeutic	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 179.23	\$ 295.60	\$ 183.67	\$ 313.74	\$ 178.62	\$ 342.06	\$ 180.51	\$ 317.13
0185	LOA/Nursing Home	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 179.23	\$ 295.60	\$ 183.67	\$ 313.74	\$ 178.62	\$ 342.06	\$ 180.51	\$ 317.13
0191	Subacute Care Level I	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 179.23	\$ 295.60	\$ 183.67	\$ 313.74	\$ 178.62	\$ 342.06	\$ 180.51	\$ 317.13
0192	Subacute Care Level II	\$ 169.75	\$ 175.77	\$ 178.48	\$ 184.81	\$ 180.82	\$ 187.23	\$ 194.19	\$ 201.08	\$ 217.22	\$ 224.92	\$ 188.09	\$ 194.76	\$ 179.23	\$ 295.60	\$ 183.67	\$ 313.74	\$ 178.62	\$ 342.06	\$ 180.51	\$ 317.13
0193	Subacute Care Level III	\$ 201.82	\$ 208.49	\$ 212.20	\$ 219.22	\$ 214.98	\$ 222.09	\$ 230.88	\$ 238.51	\$ 258.25	\$ 266.79	\$ 223.63	\$ 231.02	\$ 179.23	\$ 295.60	\$ 183.67	\$ 313.74	\$ 178.62	\$ 342.06	\$ 180.51	\$ 317.13

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021–2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case-mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019–2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019–2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diems to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements, and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Payments Relative to Arizona				
Colorado				
SFY 2021		SFY 2022		Average of SFY 2021–2023
Range	Range	Range	Range	Range
93%	58%	97%	59%	112%
93%	58%	97%	59%	112%
93%	58%	97%	59%	112%
101%	63%	106%	64%	122%
120%	75%	126%	76%	145%

Exhibit 2. NF Per Diem Ranges by Year and State Medicaid Program

Arizona Fee Schedule Structure		Arizona										Fee Schedule Rates																			
		SFY 2019					SFY 2020					SFY 2021					SFY 2022					SFY 2023					Average of SFY 2019-2023				
		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range			
0183	LOA/Therapeutic	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 171.37	\$ 254.69	\$ 167.51	\$ 254.96	\$ 177.75	\$ 261.15	\$ 178.23	\$ 266.17	\$ 178.86	\$ 269.44	\$ 174.74	\$ 261.28	\$ 174.74	\$ 261.28				
0185	LOA/Nursing Home	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 171.37	\$ 254.69	\$ 167.51	\$ 254.96	\$ 177.75	\$ 261.15	\$ 178.23	\$ 266.17	\$ 178.86	\$ 269.44	\$ 174.74	\$ 261.28	\$ 174.74	\$ 261.28				
0191	Subacute Care Level I	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 171.37	\$ 254.69	\$ 167.51	\$ 254.96	\$ 177.75	\$ 261.15	\$ 178.23	\$ 266.17	\$ 178.86	\$ 269.44	\$ 174.74	\$ 261.28	\$ 174.74	\$ 261.28				
0192	Subacute Care Level II	\$ 169.75	\$ 175.77	\$ 178.48	\$ 184.81	\$ 180.82	\$ 187.23	\$ 194.19	\$ 201.08	\$ 217.22	\$ 224.92	\$ 188.09	\$ 194.76	\$ 171.37	\$ 254.69	\$ 167.51	\$ 254.96	\$ 177.75	\$ 261.15	\$ 178.23	\$ 266.17	\$ 178.86	\$ 269.44	\$ 174.74	\$ 261.28	\$ 174.74	\$ 261.28				
0193	Subacute Care Level III	\$ 201.82	\$ 208.49	\$ 212.20	\$ 219.22	\$ 214.98	\$ 222.09	\$ 230.88	\$ 238.51	\$ 258.25	\$ 266.79	\$ 223.63	\$ 231.02	\$ 171.37	\$ 254.69	\$ 167.51	\$ 254.96	\$ 177.75	\$ 261.15	\$ 178.23	\$ 266.17	\$ 178.86	\$ 269.44	\$ 174.74	\$ 261.28	\$ 174.74	\$ 261.28				

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021-2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case-mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019-2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019-2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diems to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements, and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Payments Relative to Arizona											
Utah ²											
SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019-2023	
Range		Range		Range		Range		Range		Range	
91%	63%	98%	66%	93%	66%	100%	69%	111%	76%	99%	68%
91%	63%	98%	66%	93%	66%	100%	69%	111%	76%	99%	68%
91%	63%	98%	66%	93%	66%	100%	69%	111%	76%	99%	68%
99%	69%	107%	72%	102%	72%	109%	76%	121%	83%	108%	75%
118%	82%	127%	86%	121%	85%	130%	90%	144%	99%	128%	88%

Exhibit 2. NF Per Diem Ranges by Year and State Medicaid Program

Arizona Fee Schedule Structure		Arizona										Fee Schedule Rates													
		Oregon ¹										Oregon ¹													
		SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019–2023		SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019–2023	
Revenue Code	Description	Range		Range		Range		Range		Range		Range		Range		Range		Range		Range		Range			
0183	LOA/Therapeutic	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 326.50	\$ 326.50	\$ 326.50	\$ 326.50	\$ 351.61	\$ 351.61	\$ 377.24	\$ 377.24	\$ 440.82	\$ 440.82	\$ 364.53	\$ 364.53
0185	LOA/Nursing Home	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 326.50	\$ 326.50	\$ 326.50	\$ 326.50	\$ 351.61	\$ 351.61	\$ 377.24	\$ 377.24	\$ 440.82	\$ 440.82	\$ 364.53	\$ 364.53
0191	Subacute Care Level I	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 326.50	\$ 326.50	\$ 326.50	\$ 326.50	\$ 351.61	\$ 351.61	\$ 377.24	\$ 377.24	\$ 440.82	\$ 440.82	\$ 364.53	\$ 364.53
0192	Subacute Care Level II	\$ 169.75	\$ 175.77	\$ 178.48	\$ 184.81	\$ 180.82	\$ 187.23	\$ 194.19	\$ 201.08	\$ 217.22	\$ 224.92	\$ 188.09	\$ 194.76	\$ 326.50	\$ 326.50	\$ 326.50	\$ 326.50	\$ 351.61	\$ 351.61	\$ 377.24	\$ 377.24	\$ 440.82	\$ 440.82	\$ 364.53	\$ 364.53
0193	Subacute Care Level III	\$ 201.82	\$ 208.49	\$ 212.20	\$ 219.22	\$ 214.98	\$ 222.09	\$ 230.88	\$ 238.51	\$ 258.25	\$ 266.79	\$ 223.63	\$ 231.02	\$ 457.10	\$ 457.10	\$ 457.10	\$ 457.10	\$ 492.26	\$ 492.26	\$ 528.14	\$ 528.14	\$ 617.15	\$ 617.15	\$ 510.35	\$ 510.35

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021–2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case-mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019–2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019–2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diems to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements, and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Payments Relative to Arizona													
Oregon													
SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019–2023		Range	
Range		Range		Range		Range		Range		Range		Range	
48%	49%	50%	52%	47%	49%	47%	49%	45%	47%	47%	49%	47%	49%
48%	49%	50%	52%	47%	49%	47%	49%	45%	47%	47%	49%	47%	49%
48%	49%	50%	52%	47%	49%	47%	49%	45%	47%	47%	49%	47%	49%
52%	54%	55%	57%	51%	53%	51%	53%	49%	51%	52%	53%	52%	53%
44%	46%	46%	48%	44%	45%	44%	45%	42%	43%	44%	45%	44%	45%

Exhibit 2. NF Per Diem Ranges by Year and State Medicaid Program

Arizona Fee Schedule Structure		Arizona									Fee Schedule Rates								
		SFY 2019			SFY 2020			SFY 2021			SFY 2022			SFY 2023			Average of SFY 2019–2023		
		Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	Range	
0183	LOA/Therapeutic	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 235.01	\$ 269.28	\$ 256.60	\$ 293.45	\$ 245.80	\$ 281.37
0185	LOA/Nursing Home	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 235.01	\$ 269.28	\$ 256.60	\$ 293.45	\$ 245.80	\$ 281.37
0191	Subacute Care Level I	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 235.01	\$ 269.28	\$ 256.60	\$ 293.45	\$ 245.80	\$ 281.37
0192	Subacute Care Level II	\$ 169.75	\$ 175.77	\$ 178.48	\$ 184.81	\$ 180.82	\$ 187.23	\$ 194.19	\$ 201.08	\$ 217.22	\$ 224.92	\$ 188.09	\$ 194.76	\$ 262.43	\$ 363.88	\$ 286.08	\$ 395.16	\$ 274.25	\$ 379.52
0193	Subacute Care Level III	\$ 201.82	\$ 208.49	\$ 212.20	\$ 219.22	\$ 214.98	\$ 222.09	\$ 230.88	\$ 238.51	\$ 258.25	\$ 266.79	\$ 223.63	\$ 231.02	\$ 303.56	\$ 477.68	\$ 330.30	\$ 517.50	\$ 316.93	\$ 497.59

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021–2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case-mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019–2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019–2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diems to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements, and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Payments Relative to Arizona					
SFY 2022		Minnesota		Average of SFY 2022–2023	
		Range	Range	Range	Range
76%	68%	78%	70%	70%	63%
76%	68%	78%	70%	70%	63%
76%	68%	78%	70%	70%	63%
74%	55%	76%	57%	69%	51%
76%	50%	78%	52%	71%	46%

Exhibit 2. NF Per Diem Ranges by Year and State Medicaid Program

Arizona Fee Schedule Structure		Arizona										Fee Schedule Rates					
		Washington ⁵															
		SFY 2019		SFY 2020		SFY 2021		SFY 2022		SFY 2023		Average of SFY 2019-2023		SFY 2023		Average of SFY 2023	
Revenue Code	Description	Range		Range		Range		Range		Range		Range		Range		Range	
0183	LOA/Therapeutic	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 236.71	\$ 425.01	\$ 236.71	\$ 425.01
0185	LOA/Nursing Home	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 236.71	\$ 425.01	\$ 236.71	\$ 425.01
0191	Subacute Care Level I	\$ 155.77	\$ 160.78	\$ 163.78	\$ 169.06	\$ 165.93	\$ 171.27	\$ 178.20	\$ 184.07	\$ 199.32	\$ 205.74	\$ 172.60	\$ 178.18	\$ 236.71	\$ 425.01	\$ 236.71	\$ 425.01
0192	Subacute Care Level II	\$ 169.75	\$ 175.77	\$ 178.48	\$ 184.81	\$ 180.82	\$ 187.23	\$ 194.19	\$ 201.08	\$ 217.22	\$ 224.92	\$ 188.09	\$ 194.76	\$ 236.71	\$ 425.01	\$ 236.71	\$ 425.01
0193	Subacute Care Level III	\$ 201.82	\$ 208.49	\$ 212.20	\$ 219.22	\$ 214.98	\$ 222.09	\$ 230.88	\$ 238.51	\$ 258.25	\$ 266.79	\$ 223.63	\$ 231.02	\$ 236.71	\$ 425.01	\$ 236.71	\$ 425.01

¹ The Colorado fee schedule for nursing facility services is facility-specific per diems, separated by skilled nursing facility (SNF) rates and hospice rates. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for SNFs in SFYs 2021-2023.

² The Utah fee schedule for nursing facility services is facility-specific per diems, including components for property costs (fair rental value, taxes, and insurance), a flat rate, and is case-mix adjusted. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates across all Utah nursing facilities in SFYs 2019-2023.

³ The Oregon fee schedule for nursing facility services is categorized by the type of nursing facility. For purposes of this exhibit, Mercer is identifying the minimum and maximum per diem rates for basic, complex, and enhanced nursing facilities in SFYs 2019-2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code. The basic nursing facility rate was mapped to revenue codes: 0183, 0185, 0191, and 0192. Complex and enhanced nursing facility rates were mapped to the 0193 revenue code.

⁴ The Minnesota fee schedule for nursing facility services is facility-specific per diems, including 50 varying rates within each of the approximately 315 distinct nursing facilities. For purposes of this exhibit, Mercer has calculated the average of each RUG level, and identified a minimum and maximum from the averages for SFY 2022 and SFY 2023. These were mapped using clinical and service descriptions to the most applicable Arizona revenue code, as able. RUG levels (PA1, PA2, PB1, and PB2) to Arizona revenue code 191-Subacute 1. RUG levels (PC1, PC2, PD1, PD2, PE1, PE2, and C) to Arizona revenue code 192-Subacute 2. RUG level (Hs, Ls, RAC, RAD, and ES1) to Arizona revenue code 193-Subacute 3. Also to note, Minnesota is one of two states in the country with rate equalization which requires private pay per diem to be an equal amount to the Medicaid per diem, subsequently, this factor may drive higher Medicaid per diems.

⁵ The Washington fee schedule for nursing facility services is facility-specific per diems, including components, enhancements, and add-ons. For purposes of this exhibit, Mercer referenced the TL rate, or total rate after budget dial, to identify a minimum and maximum per diem rate across Washington nursing facilities in SFY23.

Payments Relative to Arizona			
Washington			
SFY 2023		Average of SFY 2023	
Range		Range	
84%	48%	73%	42%
84%	48%	73%	42%
84%	48%	73%	42%
92%	53%	79%	46%
109%	63%	94%	54%

Appendix D

HCBS Utilization Results

Exhibit 1. Payments and Units by Year and Region

Payments									
Service Category	FFY 2018			FFY 2019			FFY 2020		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	\$ 209,173,247	\$ 75,050,017	\$ 9,790,234	\$ 220,797,571	\$ 77,685,273	\$ 10,407,000	\$ 247,211,968	\$ 81,673,257	\$ 11,840,201
Residential	\$ 141,099,780	\$ 19,997,632	\$ 2,190,654	\$ 155,013,779	\$ 21,797,515	\$ 2,538,039	\$ 183,783,519	\$ 25,633,171	\$ 2,856,667
Nursing (RN, LPN)	\$ 15,183,203	\$ 777,695	\$ 3,877	\$ 16,469,882	\$ 644,321	\$ 2,719	\$ 17,517,178	\$ 517,462	\$ 15,094
Respite	\$ 6,425,045	\$ 2,167,063	\$ 85,177	\$ 8,070,610	\$ 2,526,894	\$ 83,656	\$ 10,656,083	\$ 3,038,144	\$ 111,225
Foster Care	\$ 3,763,776	\$ 28,717	\$ -	\$ 3,569,178	\$ 33,456	\$ -	\$ 4,308,958	\$ 1,587	\$ -
Meals	\$ 3,048,263	\$ 738,357	\$ 46,685	\$ 3,281,618	\$ 795,114	\$ 39,665	\$ 4,429,154	\$ 1,101,903	\$ 75,139
Other - Not on Fee Schedule	\$ 1,970,639	\$ 1,259,700	\$ 192,528	\$ 2,189,161	\$ 900,912	\$ 226,258	\$ 1,923,896	\$ 658,285	\$ 184,141
Personal Care/Homemaker	\$ 1,793,607	\$ 272,186	\$ 4,237	\$ 1,692,298	\$ 265,658	\$ 5,871	\$ 1,730,503	\$ 305,536	\$ 3,944
Adult Day Services	\$ 3,261,289	\$ 334,069	\$ -	\$ 2,855,387	\$ 371,218	\$ 276	\$ 1,439,443	\$ 211,165	\$ -
Therapies (OT, PT, SLT, RT)	\$ 186,529	\$ 24,390	\$ 4,237	\$ 407,805	\$ 53,460	\$ 2,202	\$ 467,248	\$ 66,348	\$ 2,020
FEA	\$ 175,021	\$ 113,708	\$ 2,779	\$ 179,927	\$ 151,218	\$ 3,465	\$ 194,947	\$ 137,677	\$ 2,657
Supported Employment	\$ 190	\$ 11,313	\$ -	\$ -	\$ 15,495	\$ -	\$ 35,965	\$ -	\$ -
Home Health	\$ 19,135	\$ 1,337	\$ -	\$ 22,632	\$ 16,814	\$ 77	\$ 41,798	\$ 8,645	\$ 2,280
Total	\$ 386,099,724	\$ 100,776,184	\$ 12,320,408	\$ 414,549,848	\$ 105,257,348	\$ 13,309,228	\$ 473,740,660	\$ 113,353,180	\$ 15,093,368
Statewide Total			\$ 499,196,316			\$ 533,116,424			\$ 602,187,208

Units									
Service Category	FFY 2018			FFY 2019			FFY 2020		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	50,770,766	18,924,443	2,177,745	52,879,988	17,477,123	2,285,206	53,833,545	16,803,547	2,349,773
Residential	1,948,399	301,305	32,753	2,122,135	310,108	34,509	2,190,917	318,808	34,911
Nursing (RN, LPN)	380,029	17,545	178	402,693	13,799	109	411,333	12,372	601
Respite	1,517,912	501,579	18,664	1,873,075	573,187	18,473	2,171,968	624,334	20,659
Foster Care	41,136	641	-	36,064	448	-	36,395	30	-
Meals	326,912	83,553	5,688	352,179	89,636	4,890	434,934	106,194	7,187
Other - Not on Fee Schedule	33,846	3,477	121	34,468	3,874	86	29,466	3,349	58
Personal Care/Homemaker	335,220	50,319	822	313,701	48,576	1,115	287,334	50,576	670
Adult Day Services	45,954	5,238	-	40,273	5,669	4	19,342	3,891	32
Therapies (OT, PT, SLT, RT)	4,992	278	38	10,673	585	20	11,118	657	28
FEA	1,968	1,140	32	1,933	1,484	35	2,141	1,281	26
Supported Employment	52	2,868	-	-	3,903	-	6,549	-	-
Home Health	711	69	-	1,164	280	20	1,667	178	57
Total	55,407,897	19,892,455	2,236,041	58,068,346	18,528,672	2,344,467	59,436,709	17,925,217	2,414,002
Statewide Total			77,536,393			78,941,485			79,775,928

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on member enrollment county.

⁴HCBS data includes payments through February 1, 2023. No adjustments were made to account for claims that have not yet been paid.

⁵Service category is ordered based on FFY2022 distribution of payment amount.

⁶Fee schedule updates occur on October 1 of each year.

Exhibit 1. Payments and Units by Year and Region

Payments						
Service Category	FFY 2021			FFY 2022		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	\$ 233,780,573	\$ 74,301,250	\$ 11,420,965	\$ 237,338,075	\$ 77,016,005	\$ 11,672,659
Residential	\$ 176,298,877	\$ 24,839,033	\$ 2,848,222	\$ 197,387,221	\$ 26,759,874	\$ 3,335,290
Nursing (RN, LPN)	\$ 15,887,747	\$ 399,279	\$ 8,275	\$ 14,972,116	\$ 468,455	\$ 6,480
Respite	\$ 10,240,556	\$ 2,495,993	\$ 135,873	\$ 11,503,202	\$ 2,410,950	\$ 134,266
Foster Care	\$ 3,838,387	\$ 19,679	\$ -	\$ 4,385,389	\$ -	\$ -
Meals	\$ 4,441,158	\$ 1,129,027	\$ 63,030	\$ 4,156,462	\$ 963,623	\$ 54,766
Other - Not on Fee Schedule	\$ 1,724,985	\$ 539,325	\$ 144,037	\$ 1,928,546	\$ 671,311	\$ 137,355
Personal Care/Homemaker	\$ 1,804,785	\$ 198,068	\$ 2,835	\$ 1,926,004	\$ 153,031	\$ 7,077
Adult Day Services	\$ 907,749	\$ 115,695	\$ -	\$ 1,280,359	\$ 194,955	\$ -
Therapies (OT, PT, SLT, RT)	\$ 645,972	\$ 56,524	\$ 9,134	\$ 705,317	\$ 71,951	\$ 4,818
FEA	\$ 171,514	\$ 97,962	\$ 2,568	\$ 158,675	\$ 87,011	\$ 3,147
Supported Employment	\$ 66,461	\$ -	\$ -	\$ 74,868	\$ -	\$ -
Home Health	\$ 33,837	\$ 9,525	\$ 360	\$ 28,117	\$ 310	\$ -
Total	\$ 449,842,601	\$ 104,201,360	\$ 14,635,299	\$ 475,844,351	\$ 108,797,476	\$ 15,355,858
Statewide Total			\$ 568,679,260			\$ 599,997,685

Units						
Service Category	FFY 2021			FFY 2022		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	50,440,826	15,101,543	2,246,439	46,918,956	14,424,138	2,106,801
Residential	2,045,922	296,793	32,315	2,048,579	286,118	34,804
Nursing (RN, LPN)	362,658	9,282	258	311,969	11,240	263
Respite	2,058,073	506,693	26,875	1,993,430	450,656	23,182
Foster Care	31,896	260	-	29,150	-	-
Meals	423,079	106,435	5,869	361,103	83,447	4,684
Other - Not on Fee Schedule	24,096	2,981	61	18,745	2,337	66
Personal Care/Homemaker	289,729	32,173	465	276,804	23,554	1,059
Adult Day Services	11,758	2,149	-	15,989	3,018	-
Therapies (OT, PT, SLT, RT)	15,180	613	102	14,403	730	40
FEA	1,753	913	24	1,587	806	31
Supported Employment	13,191	-	-	14,842	-	-
Home Health	1,385	186	9	1,327	21	-
Total	55,719,546	16,060,021	2,312,417	52,006,884	15,286,065	2,170,930
Statewide Total			74,091,984			69,463,879

Note:

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⁶Fee schedule updates occur on October 1 of each year.

Exhibit 1. Payments and Units by Year and Region

Payments							
Service Category	5 Year Change			FFY 2022 Distribution			
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	
Attendant/Companion Care	13%	3%	19%	50%	71%	76%	
Residential	40%	34%	52%	41%	25%	22%	
Nursing (RN, LPN)	-1%	-40%	67%	3%	0%	0%	
Respite	79%	11%	58%	2%	2%	1%	
Foster Care	17%	-100%	N/A	1%	0%	0%	
Meals	36%	31%	17%	1%	1%	0%	
Other - Not on Fee Schedule	-2%	-47%	-29%	0%	1%	1%	
Personal Care/Homemaker	7%	-44%	67%	0%	0%	0%	
Adult Day Services	-61%	-42%	N/A	0%	0%	0%	
Therapies (OT, PT, SLT, RT)	278%	195%	14%	0%	0%	0%	
FEA	-9%	-23%	13%	0%	0%	0%	
Supported Employment	39304%	-100%	N/A	0%	0%	0%	
Home Health	47%	-77%	N/A	0%	0%	0%	
Total	23%	8%	25%	100%	100%	100%	
Statewide Total			20%				

Units						
Service Category	5 Year Change			FFY 2022 Distribution ⁷		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	-8%	-24%	-3%	47%	66%	71%
Residential	5%	-5%	6%	49%	31%	28%
Nursing (RN, LPN)	-18%	-36%	48%	1%	0%	0%
Respite	31%	-10%	24%	2%	2%	1%
Foster Care	-29%	-100%	N/A	1%	0%	0%
Meals	10%	0%	-18%	0%	0%	0%
Other - Not on Fee Schedule	-45%	-33%	-45%	0%	0%	0%
Personal Care/Homemaker	-17%	-53%	29%	0%	0%	0%
Adult Day Services	-65%	-42%	N/A	0%	0%	0%
Therapies (OT, PT, SLT, RT)	189%	163%	5%	0%	0%	0%
FEA	-19%	-29%	-3%	0%	0%	0%
Supported Employment	28442%	-100%	N/A	0%	0%	0%
Home Health	87%	-70%	N/A	0%	0%	0%
Total	-6%	-23%	-3%	100%	100%	100%
Statewide Total			-10%			

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⁵Service category is ordered based on FFY2022 distribution of payment amount.

⁶Fee schedule updates occur on October 1 of each year.

⁷For FFY 2022 distribution, units have been normalized to 15 minutes using unit of service assumptions found in appendix F

Exhibit 2. Member and Provider Count by Year and Region

Members									
Service Category	FFY 2018			FFY 2019			FFY 2020		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	13,372	4,632	505	14,185	4,834	547	13,695	4,509	496
Residential	7,967	1,329	137	8,603	1,398	156	8,708	1,381	148
Nursing (RN, LPN)	2,201	135	9	2,353	129	5	2,193	127	6
Respite	2,352	752	45	2,674	809	42	2,669	831	35
Foster Care	160	4	-	147	3	-	128	1	-
Meals	2,381	613	45	2,579	624	43	3,160	758	53
Other - Not on Fee Schedule	3,647	578	36	3,817	587	37	3,410	450	34
Personal Care/Homemaker	642	117	8	618	127	5	549	120	3
Adult Day Services	471	61	-	428	68	1	326	65	1
Therapies (OT, PT, SLT, RT)	191	15	4	387	43	1	405	39	2
FEA	201	159	5	199	168	5	193	138	3
Supported Employment	1	1	-	-	1	-	11	-	-
Home Health	47	5	-	60	10	1	63	15	1
Total⁷	21,785	5,929	643	23,142	6,145	701	23,011	5,896	646
Statewide Total⁷			28,147			29,684			29,403

Provider Count									
Service Category	FFY 2018			FFY 2019			FFY 2020		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	126	112	47	132	116	51	131	109	55
Residential	828	250	37	847	255	46	862	258	48
Nursing (RN, LPN)	68	36	4	74	34	3	85	27	5
Respite	94	44	17	96	48	13	94	47	12
Foster Care	57	3	-	51	3	-	47	1	-
Meals	13	24	3	12	22	3	12	21	3
Other - Not on Fee Schedule	14	13	5	17	13	7	14	13	5
Personal Care/Homemaker	64	31	6	71	31	4	54	29	2
Adult Day Services	22	5	-	20	5	1	19	6	1
Therapies (OT, PT, SLT, RT)	26	8	2	40	14	1	45	17	2
FEA	4	3	1	3	1	1	2	1	1
Supported Employment	1	1	-	-	1	-	1	-	-
Home Health	18	5	-	33	4	1	46	7	1
Total⁷	1,120	445	97	1,170	456	112	1,190	443	117
Statewide Total⁷			1,279			1,336			1,335

Note:

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⁵Service category is ordered based on FFY2022 distribution of payment amount.

⁶Fee schedule updates occur on October 1 of each year.

⁷Totals may differ from the sum of the service categories and regions due to some members/providers utilizing/providing services in multiple service categories and regions.

Exhibit 2. Members and Provider Count by Year and Region

Members						
Service Category	FFY 2021			FFY 2022		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	12,583	4,066	464	11,689	3,796	436
Residential	8,227	1,341	157	8,274	1,295	146
Nursing (RN, LPN)	2,134	105	9	1,563	109	7
Respite	2,387	684	40	2,169	585	41
Foster Care	114	1	-	102	-	-
Meals	2,750	735	47	2,594	624	48
Other - Not on Fee Schedule	2,854	456	23	2,487	362	22
Personal Care/Homemaker	459	107	2	378	72	4
Adult Day Services	153	34	-	183	34	-
Therapies (OT, PT, SLT, RT)	463	38	6	542	47	5
FEA	171	94	2	162	98	3
Supported Employment	9	-	-	8	-	-
Home Health	68	12	1	41	9	-
Total⁷	21,433	5,428	619	20,550	5,150	583
Statewide Total⁷			27,353			26,152

Provider Count						
Service Category	FFY 2021			FFY 2022		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	140	106	49	152	107	47
Residential	848	248	59	800	240	50
Nursing (RN, LPN)	87	30	6	86	32	3
Respite	97	52	16	111	45	17
Foster Care	44	1	-	38	-	-
Meals	11	20	3	13	19	3
Other - Not on Fee Schedule	12	10	6	12	11	4
Personal Care/Homemaker	65	26	2	65	20	3
Adult Day Services	14	4	-	17	4	-
Therapies (OT, PT, SLT, RT)	53	15	2	49	18	2
FEA	2	1	1	2	2	1
Supported Employment	1	-	-	1	-	-
Home Health	38	7	1	32	8	-
Total⁷	1,166	424	123	1,127	416	108
Statewide Total⁷			1,296			1,244

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⁵Service category is ordered based on FFY2022 distribution of payment amount.

⁶Fee schedule updates occur on October 1 of each year.

⁷Totals may differ from the sum of the service categories and regions due to some members/providers utilizing/providing services in multiple service categories and regions.

Exhibit 2. Members and Provider Count by Year and Region

Members				
Service Category	5 Year Change			Statewide Distribution of Members by Service Category in FFY 2022
	Urban	Rural	Coconino	Statewide
Attendant/Companion Care Residential	-13%	-18%	-14%	61%
Nursing (RN, LPN)	4%	-3%	7%	37%
Respite	-29%	-19%	-22%	6%
Foster Care	-8%	-22%	-9%	11%
Meals	-36%	-100%	N/A	0%
Other - Not on Fee Schedule	9%	2%	7%	12%
Personal Care/Homemaker	-32%	-37%	-39%	11%
Adult Day Services	-41%	-38%	-50%	2%
Therapies (OT, PT, SLT, RT)	-61%	-44%	N/A	1%
FEA	184%	213%	25%	2%
Supported Employment	-19%	-38%	-40%	1%
Home Health	700%	-100%	N/A	0%
	-13%	80%	N/A	0%
Total	-6%	-13%	-9%	
Statewide Total				-7%

Provider Count				
Service Category	5 Year Change			Statewide Distribution of Providers by Service Category in FFY 2022
	Urban	Rural	Coconino	Statewide
Attendant/Companion Care Residential	21%	-4%	0%	15%
Nursing (RN, LPN)	-3%	-4%	35%	69%
Respite	26%	-11%	-25%	8%
Foster Care	18%	2%	0%	11%
Meals	-33%	-100%	N/A	3%
Other - Not on Fee Schedule	0%	-21%	0%	2%
Personal Care/Homemaker	-14%	-15%	-20%	1%
Adult Day Services	2%	-35%	-50%	6%
Therapies (OT, PT, SLT, RT)	-23%	-20%	N/A	1%
FEA	88%	125%	0%	4%
Supported Employment	-50%	-33%	0%	0%
Home Health	0%	-100%	N/A	0%
	78%	60%	N/A	3%
Total	1%	-7%	11%	
Statewide Total				-3%

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⁶Fee schedule updates occur on October 1 of each year.

Exhibit 3. Average Payment Per Unit as a Percentage of the HCBS Fee Schedule Rates

Service Category	FFY 2020			FFY 2021			FFY 2022		
	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
Attendant/Companion Care	91%	97%	97%	90%	95%	96%	90%	96%	93%
Nursing (RN, LPN)	106%	102%	100%	107%	108%	107%	103%	71%	91%
Respite	95%	96%	94%	94%	94%	90%	101%	94%	87%
Foster Care	162%	72%	N/A	160%	101%	N/A	185%	N/A	N/A
Meals	98%	99%	98%	98%	99%	98%	99%	99%	95%
Personal Care/Homemaker	93%	95%	90%	94%	94%	91%	96%	91%	89%
Adult Day Services	99%	87%	0%	100%	73%	N/A	95%	83%	N/A
Therapies (OT, PT, SLT, RT)	93%	218%	62%	99%	162%	100%	99%	167%	96%
FEA	177%	207%	199%	190%	207%	206%	181%	196%	184%
Supported Employment	95%	N/A	N/A	92%	N/A	N/A	92%	N/A	N/A
Home Health	109%	139%	85%	90%	150%	83%	74%	169%	N/A

Note:

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⁶Fee schedule updates occur on October 1 of each year.

Exhibit 4. Payments and Units by Year and Procedure Code
Payments

Service Category	Proc	Mod	Prov Type	Service Description	FFY 2018	FFY 2019	FFY 2020	FFY 2021	FFY 2022	5 Year Change	FFY 2022 Distribution
Attendant/Companion Care	S5125			Attendant Care Services; 15 min.	\$ 288,599,865	\$ 302,910,564	\$ 334,604,239	\$ 314,198,552	\$ 320,349,979	11%	53%
Attendant/Companion Care	S5125	U2		Attendant Care provided through SDAC service	\$ 4,574,661	\$ 4,957,782	\$ 5,088,998	\$ 4,383,344	\$ 4,686,367	2%	1%
Attendant/Companion Care	S5135			Companion Care, adult; 15 minutes	\$ 613,783	\$ 801,706	\$ 875,678	\$ 795,163	\$ 869,183	42%	0%
Attendant/Companion Care	S5136			Companion Care, adult, per diem	\$ 225,189	\$ 219,792	\$ 156,511	\$ 125,729	\$ 121,210	-46%	0%
Residential	T2016			Habilitation, Residential, Waiver; Per Diem	\$ 10,383,238	\$ 3,924,551	\$ 591,087	\$ 744,203	\$ 588,701	-94%	0%
Residential	T2021			Day Habilitation, Waiver; Per 15 Minutes	\$ 79,318	\$ 52,719	\$ 73,477	\$ 97,118	\$ 87,917	11%	0%
Residential	T2031			Assisted Living; Waiver,Per Diem	\$ 52,772,992	\$ 60,339,225	\$ 71,833,527	\$ 67,825,016	\$ 72,549,097	37%	12%
Residential	T2033			Residential Care, Not Otherwise Specified (NOS), Waiver; Per Diem	\$ 100,052,518	\$ 115,032,838	\$ 139,775,266	\$ 135,302,325	\$ 154,256,554	54%	26%
Residential	T2017			Habilitation, Residential, Waiver; 15 minutes	\$ -	\$ -	\$ -	\$ 17,470	\$ 116	N/A	0%
Nursing (RN, LPN)	G0299			Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	\$ 70,796	\$ 46,180	\$ 26,284	\$ 31,199	\$ 2,845	-96%	0%
Nursing (RN, LPN)	G0299	02		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	G0299	23		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15minutes	\$ 2,934,349	\$ 3,085,558	\$ 3,263,082	\$ 2,820,937	\$ 1,709,533	-42%	0%
Nursing (RN, LPN)	G0299	39		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	G0299	81		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15minutes	\$ 25,681	\$ 8,368	\$ -	\$ 667	\$ 121	-100%	0%
Nursing (RN, LPN)	G0299	95		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	\$ 134,801	\$ 108,588	\$ 96,669	\$ 61,985	\$ 10,238	-92%	0%
Nursing (RN, LPN)	G0300			Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	\$ 90	\$ -	\$ -	\$ -	\$ -	-100%	0%
Nursing (RN, LPN)	G0300	02		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	G0300	23		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	\$ 1,156,183	\$ 1,254,118	\$ 1,488,713	\$ 1,207,416	\$ 1,306,959	13%	0%
Nursing (RN, LPN)	G0300	39		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting,each 15 minutes	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	G0300	81		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	\$ 25,591	\$ 37,147	\$ 18,474	\$ 12,659	\$ 10,346	-60%	0%
Nursing (RN, LPN)	G0300	95		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting,each 15 minutes	\$ 5,185	\$ 249	\$ 352	\$ -	\$ -	-100%	0%
Nursing (RN, LPN)	S9123			Nursing Care in the Home; RN, per hour	\$ 1,782	\$ 1,990	\$ 1,575	\$ 763	\$ 876	-51%	0%
Nursing (RN, LPN)	S9123	02		Nursing Care in the Home; RN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9123	23		Nursing Care in the Home; RN, per hour	\$ 3,147,852	\$ 3,325,399	\$ 3,566,990	\$ 3,744,551	\$ 4,077,119	30%	1%
Nursing (RN, LPN)	S9123	39		Nursing Care in the Home; RN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9123	81		Nursing Care in the Home; RN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9123	95		Nursing Care in the Home; RN, per hour	\$ 200	\$ 715	\$ 7,445	\$ 2,194	\$ 28,105	13953%	0%
Nursing (RN, LPN)	S9124			Nursing Care in the Home; LPN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9124	02		Nursing Care in the Home; LPN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9124	23		Nursing Care in the Home; LPN, per hour	\$ 8,462,265	\$ 9,248,610	\$ 9,580,150	\$ 8,412,930	\$ 8,300,909	-2%	1%
Nursing (RN, LPN)	S9124	39		Nursing Care in the Home; LPN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9124	81		Nursing Care in the Home; LPN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Nursing (RN, LPN)	S9124	95		Nursing Care in the Home; LPN, per hour	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Respite	S5150			Unskilled Respite Care, not hospice; per 15 min.	\$ 8,470,357	\$ 10,432,264	\$ 13,589,448	\$ 12,700,258	\$ 13,844,025	63%	2%
Respite	S5151			Unskilled Respite Care, not hospice; per diem	\$ 206,928	\$ 248,896	\$ 216,004	\$ 172,164	\$ 204,393	-1%	0%
Foster Care	S5140			Foster Care, adult; per diem	\$ 3,792,493	\$ 3,602,634	\$ 4,310,545	\$ 3,858,066	\$ 4,385,389	16%	1%
Meals	S5170			Home Delivered Meals	\$ 3,833,305	\$ 4,116,397	\$ 5,606,196	\$ 5,633,215	\$ 5,174,851	35%	1%
Other - Not on Fee Schedule	S5160			Emergency Response System; Installation and Testing	\$ 19,402	\$ 29,647	\$ 16,847	\$ 7,468	\$ 27,994	44%	0%
Other - Not on Fee Schedule	S5161			Emergency Response System; Service Fee, Per Month	\$ 777,075	\$ 896,923	\$ 956,105	\$ 828,954	\$ 722,646	-7%	0%
Other - Not on Fee Schedule	S5165			Home Modifications; Per Service	\$ 2,484,653	\$ 2,200,054	\$ 1,736,930	\$ 1,571,925	\$ 1,986,572	-20%	0%
Other - Not on Fee Schedule	T2020			Day Habilitation, Waiver; Per Diem	\$ 141,737	\$ 189,707	\$ 56,440	\$ -	\$ -	-100%	0%
Personal Care/Homemaker	S5130			Homemaker Services, NOS; 15 min.	\$ 1,554,220	\$ 1,493,141	\$ 1,529,981	\$ 1,356,872	\$ 1,178,325	-24%	0%
Personal Care/Homemaker	T1019			Personal Care Services, per 15 min. (not for inpatient or resident of a hospital, NF, ICF/MR, or IMD; not to be used for s	\$ 515,810	\$ 470,686	\$ 510,002	\$ 648,816	\$ 907,787	76%	0%
Adult Day Services	S5100			Day Care Services, Adult; per 15 min.	\$ 138	\$ 92	\$ 101	\$ 23	\$ 88	-36%	0%
Adult Day Services	S5101			Day Care Services, Adult; per half day	\$ 27,327	\$ 20,118	\$ 10,990	\$ 4,254	\$ 12,174	-55%	0%
Adult Day Services	S5102			Day Care Services, Adult; per diem	\$ 3,567,893	\$ 3,206,671	\$ 1,639,517	\$ 1,019,167	\$ 1,463,052	-59%	0%
Therapies (OT, PT, SLT, RT)	G0151			Services performed by a qualified physical therapist in the home	\$ 107,495	\$ 205,636	\$ 231,739	\$ 265,814	\$ 259,495	141%	0%
Therapies (OT, PT, SLT, RT)	G0152			Services performed by a qualified occupational therapist in the home	\$ 26,079	\$ 47,553	\$ 46,555	\$ 94,842	\$ 95,169	265%	0%
Therapies (OT, PT, SLT, RT)	G0153			Services performed by a qualified speech-language pathologist in home	\$ 3,047	\$ 9,323	\$ 17,194	\$ 28,949	\$ 19,552	542%	0%
Therapies (OT, PT, SLT, RT)	S5180			Home health respiratory therapy, initial evaluation	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Therapies (OT, PT, SLT, RT)	S5181			Home health respiratory therapy, nos, per diem	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Therapies (OT, PT, SLT, RT)	S9128			Speech therapy, in the home, per diem	\$ 3,752	\$ 10,093	\$ 5,981	\$ 24,894	\$ 34,774	827%	0%
Therapies (OT, PT, SLT, RT)	S9129			Occupational therapy, in the home, per diem	\$ 13,828	\$ 37,267	\$ 59,267	\$ 92,979	\$ 108,189	682%	0%
Therapies (OT, PT, SLT, RT)	S9131			Physical therapy; in the home, per diem	\$ 60,955	\$ 153,595	\$ 174,880	\$ 204,152	\$ 264,907	335%	0%
FEA	T1023			Initiation of FEA service per ACW, no background check	\$ 1,522	\$ 1,260	\$ 829	\$ 1,054	\$ 1,210	-20%	0%
FEA	T1023			Initiation of FEA service per ACW, with background check	\$ 2,440	\$ 619	\$ 447	\$ 224	\$ 451	-82%	0%
FEA	T2040	UC		Initiation of Fiscal/Employer Agent (FEA) service, per member	\$ 3,935	\$ 3,990	\$ 1,991	\$ 1,026	\$ 2,436	-38%	0%
FEA	T2040	UB		FEA service, monthly	\$ 283,611	\$ 328,741	\$ 332,014	\$ 269,740	\$ 244,736	-14%	0%
Supported Employment	T2019			Habilitation, supported employment, waiver; per 15 minutes	\$ 11,503	\$ 15,495	\$ 25,215	\$ 52,261	\$ 64,878	464%	0%
Supported Employment	T2018			Habilitation, supported employment, waiver; per diem	\$ -	\$ -	\$ 10,750	\$ 14,200	\$ 9,990	N/A	0%
Home Health	S5110			Home care training, family (training of home care worker through SDAC service)	\$ 5,134	\$ 6,650	\$ 14,821	\$ 8,088	\$ 9,333	90%	0%
Home Health	S5115			Home care training, non-family (training of unrelated home care worker through SDAC service)	\$ 31	\$ 866	\$ 142	\$ -	\$ -	-100%	0%
Home Health	T1021			Home Health Aide or Certified Nurse Assistant, per visit	\$ 15,307	\$ 32,007	\$ 37,760	\$ 35,286	\$ 18,694	222%	0%
Home Health	T1021	U4		Home Health Aide or Certified Nurse Assistant, per visit	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Home Health	T1021	U5		Home Health Aide or Certified Nurse Assistant, per visit	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	0%
Home Health	S5108			Home care training to home care client (training of member through SDAC service)	\$ -	\$ -	\$ -	\$ 348	\$ -	N/A	0%

Note:

¹HCBS data includes payments through February 1, 2023. No adjustments were made to account for claims that have not yet been paid.

²Service category is ordered based on FFY2022 distribution of payment amount.

³Fee schedule updates occur on October 1 of each year.

Exhibit 4. Payments and Units by Year and Procedure Code
Units

Service Category	Proc	Mod	Prov Type	Service Description	FFY 2018	FFY 2019	FFY 2020	FFY 2021	FFY 2022	5 Year Change	FFY 2022 Distribution
Attendant/Companion Care	S5125			Attendant Care Services; 15 min.	70,319,434	70,967,568	71,391,900	66,410,207	62,089,039	-12%	48%
Attendant/Companion Care	S5125	U2		Attendant Care provided through SDAC service	1,410,827	1,489,232	1,410,242	1,212,229	1,188,982	-16%	1%
Attendant/Companion Care	S5135			Companion Care, adult; 15 minutes	141,097	183,837	182,699	162,551	166,166	18%	0%
Attendant/Companion Care	S5136			Companion Care, adult, per diem	1,596	1,620	2,024	3,821	5,708	258%	0%
Residential	T2016			Habilitation, Residential, Waiver, Per Diem	34,429	12,575	1,510	1,592	1,019	-97%	0%
Residential	T2021			Day Habilitation, Waiver, Per 15 Minutes	6,838	8,468	9,953	11,917	11,782	72%	0%
Residential	T2031			Assisted Living; Waiver,Per Diem	839,022	925,178	937,982	860,664	824,733	-2%	16%
Residential	T2033			Residential Care, Not Otherwise Specified (NOS), Waiver, Per Diem	1,402,168	1,520,531	1,595,191	1,497,832	1,531,947	9%	29%
Residential	T2017			Habilitation, Residential, Waiver; 15 minutes	-	-	-	3,025	20	N/A	0%
Nursing (RN, LPN)	G0299			Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	3,947	2,597	1,554	1,723	144	-96%	0%
Nursing (RN, LPN)	G0299	02		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	G0299	23		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15minutes	120,215	124,801	126,422	108,215	62,228	-48%	0%
Nursing (RN, LPN)	G0299	39		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	G0299	81		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15minutes	1,244	405	-	33	6	-100%	0%
Nursing (RN, LPN)	G0299	95		Direct skilled nursing services of a registered nurse (RN) in the home health or hospice setting, each 15 minutes	6,607	5,063	4,399	2,728	432	-93%	0%
Nursing (RN, LPN)	G0300			Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	5	-	-	-	-	-100%	0%
Nursing (RN, LPN)	G0300	02		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	G0300	23		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	48,284	51,658	58,448	47,625	48,371	0%	0%
Nursing (RN, LPN)	G0300	39		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting,each 15 minutes	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	G0300	81		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting, each 15 minutes	1,285	1,975	927	590	462	-64%	0%
Nursing (RN, LPN)	G0300	95		Direct skilled nursing services of a license practical nurse (LPN) in the home health or hospice setting,each 15 minutes	244	12	16	-	-	-100%	0%
Nursing (RN, LPN)	S9123			Nursing Care in the Home; RN, per hour	47	54	41	20	28	-40%	0%
Nursing (RN, LPN)	S9123	02		Nursing Care in the Home; RN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9123	23		Nursing Care in the Home; RN, per hour	50,185	51,067	52,566	54,181	63,432	26%	0%
Nursing (RN, LPN)	S9123	39		Nursing Care in the Home; RN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9123	81		Nursing Care in the Home; RN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9123	95		Nursing Care in the Home; RN, per hour	4	11	119	42	561	13925%	0%
Nursing (RN, LPN)	S9124			Nursing Care in the Home; LPN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9124	02		Nursing Care in the Home; LPN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9124	23		Nursing Care in the Home; LPN, per hour	165,685	178,958	179,824	157,041	147,808	-11%	0%
Nursing (RN, LPN)	S9124	39		Nursing Care in the Home; LPN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9124	81		Nursing Care in the Home; LPN, per hour	-	-	-	-	-	N/A	0%
Nursing (RN, LPN)	S9124	95		Nursing Care in the Home; LPN, per hour	-	-	-	-	-	N/A	0%
Respite	S5150			Unskilled Respite Care, not hospice; per 15 min.	2,032,891	2,461,914	2,816,031	2,590,781	2,466,318	21%	2%
Respite	S5151			Unskilled Respite Care, not hospice; per diem	5,264	2,821	930	860	950	-82%	0%
Foster Care	S5140			Foster Care, adult; per diem	41,777	36,512	36,425	32,156	29,150	-30%	1%
Meals	S5170			Home Delivered Meals	416,153	446,705	548,315	535,383	449,234	8%	0%
Other - Not on Fee Schedule	S5160			Emergency Response System; Installation and Testing	678	957	565	245	915	35%	0%
Other - Not on Fee Schedule	S5161			Emergency Response System; Service Fee, Per Month	34,581	34,799	31,325	26,662	19,978	-42%	0%
Other - Not on Fee Schedule	S5165			Home Modifications; Per Service	519	446	319	231	255	-51%	0%
Other - Not on Fee Schedule	T2020			Day Habilitation, Waiver, Per Diem	1,666	2,226	664	-	-	-100%	0%
Personal Care/Homemaker	S5130			Homemaker Services, NOS; 15 min.	303,262	288,406	263,750	231,469	185,285	-39%	0%
Personal Care/Homemaker	T1019			Personal Care Services, per 15 min. (not for inpatient or resident of a hospital, NF, ICF/MR, or IMD; not to be used for s	83,099	74,986	74,830	90,898	116,132	40%	0%
Adult Day Services	S5100			Day Care Services, Adult; per 15 min.	49	33	568	19	62	27%	0%
Adult Day Services	S5101			Day Care Services, Adult; per half day	830	590	314	145	329	-60%	0%
Adult Day Services	S5102			Day Care Services, Adult; per diem	50,313	45,323	22,383	13,743	18,616	-63%	0%
Therapies (OT, PT, SLT, RT)	G0151			Services performed by a qualified physical therapist in the home	3,504	7,094	7,307	8,826	8,135	132%	0%
Therapies (OT, PT, SLT, RT)	G0152			Services performed by a qualified occupational therapist in the home	939	1,855	1,654	3,329	3,324	254%	0%
Therapies (OT, PT, SLT, RT)	G0153			Services performed by a qualified speech-language pathologist in home	114	394	622	1,067	642	463%	0%
Therapies (OT, PT, SLT, RT)	S5180			Home health respiratory therapy, initial evaluation	-	-	-	-	-	N/A	0%
Therapies (OT, PT, SLT, RT)	S5181			Home health respiratory therapy, nos, per diem	-	-	-	-	-	N/A	0%
Therapies (OT, PT, SLT, RT)	S9128			Speech therapy, in the home, per diem	38	105	62	197	254	568%	0%
Therapies (OT, PT, SLT, RT)	S9129			Occupational therapy, in the home, per diem	128	349	545	757	827	546%	0%
Therapies (OT, PT, SLT, RT)	S9131			Physical therapy; in the home, per diem	585	1,481	1,613	1,719	1,991	240%	0%
FEA	T1023			Initiation of FEA service per ACW, no background check	59	60	31	39	43	-27%	0%
FEA	T1023	UC		Initiation of FEA service per ACW, with background check	79	20	14	7	13	-84%	0%
FEA	T2040	UA		Initiation of Fiscal/Employer Agent (FEA) service, per member	66	70	35	18	40	-39%	0%
FEA	T2040	UB		FEA service, monthly	2,936	3,302	3,368	2,626	2,328	-21%	0%
Supported Employment	T2019			Habilitation, supported employment, waiver; per 15 minutes	2,920	3,903	6,119	12,623	14,472	396%	0%
Supported Employment	T2018			Habilitation, supported employment, waiver; per diem	-	-	430	568	370	N/A	0%
Home Health	S5110			Home care training, family (training of home care worker through SDAC service)	328	427	922	609	654	99%	0%
Home Health	S5115			Home care training, non-family (training of unrelated home care worker through SDAC service)	8	241	35	-	-	-100%	0%
Home Health	T1021			Home Health Aide or Certified Nurse Assistant, per visit	444	796	945	884	694	56%	0%
Home Health	T1021	U4		Home Health Aide or Certified Nurse Assistant, per visit	-	-	-	-	-	N/A	0%
Home Health	T1021	U5		Home Health Aide or Certified Nurse Assistant, per visit	-	-	-	-	-	N/A	0%
Home Health	S5108			Home care training to home care client (training of member through SDAC service)	-	-	-	87	-	N/A	0%

Note:
¹HCBS data includes payments through February 1, 2023. No adjustments were made to account for claims that have not yet been paid.
²Service category is ordered based on FFY2022 distribution of payment amount.
³Fee schedule updates occur on October 1 of each year.

Appendix E

NF Utilization Results

Exhibit 5. Payments and Units by Year and Region

		Payments								
Revenue Code	Revenue Code Description	FFY 2018			FFY 2019			FFY 2020		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	\$ 99,067,059	\$ 64,324,322	\$ 1,945,744	\$ 117,277,492	\$ 56,189,883	\$ 1,898,040	\$ 126,809,279	\$ 48,266,765	\$ 2,151,762
0194	Subacute Care Level IV	\$ 87,882,969	\$ 18,791,954	\$ -	\$ 106,135,332	\$ 15,282,998	\$ -	\$ 119,334,256	\$ 13,451,228	\$ -
0191	Subacute Care Level I	\$ 71,039,906	\$ 35,304,286	\$ 891,112	\$ 83,210,759	\$ 24,531,218	\$ 773,321	\$ 83,901,942	\$ 21,675,805	\$ 721,951
0193	Subacute Care Level III	\$ 49,299,309	\$ 23,688,083	\$ 286,426	\$ 52,359,725	\$ 20,190,755	\$ 855,933	\$ 53,423,023	\$ 16,064,922	\$ 694,580
0199	Other Subacute Care	\$ 13,944,337	\$ 4,579,685	\$ -	\$ 19,214,788	\$ 3,584,865	\$ -	\$ 21,305,793	\$ 3,207,580	\$ -
Other	Other Revenue Codes	\$ 2,386,363	\$ 1,397,268	\$ -	\$ 2,773,173	\$ 927,944	\$ -	\$ 3,733,241	\$ 402,509	\$ 10,608
0190	Subacute General	\$ 2,612,239	\$ 5,355,504	\$ -	\$ 4,130,387	\$ 5,396,480	\$ -	\$ 4,572,984	\$ 5,469,422	\$ -
0185	LOA/Nursing Home	\$ 617,416	\$ 187,853	\$ 14,147	\$ 797,955	\$ 142,614	\$ 17,446	\$ 986,940	\$ 169,476	\$ 8,924
0183	LOA/Therapeutic	\$ 34,374	\$ 60,074	\$ 5,551	\$ 35,869	\$ 42,775	\$ 4,638	\$ 32,503	\$ 23,279	\$ 2,715
Total		\$ 326,883,971	\$ 153,689,029	\$ 3,142,980	\$ 385,935,480	\$ 126,289,532	\$ 3,549,378	\$ 414,099,962	\$ 108,730,985	\$ 3,590,541
Statewide Total				\$ 483,715,980			\$ 515,774,390			\$ 526,421,488

		Units								
Revenue Code	Revenue Code Description	FFY 2018			FFY 2019			FFY 2020		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	627,514	422,805	13,028	728,798	358,975	12,028	749,512	292,785	13,492
0194	Subacute Care Level IV	184,086	73,190	-	223,125	60,308	-	235,238	53,380	-
0191	Subacute Care Level I	425,604	245,737	6,360	484,526	169,990	5,305	456,188	144,027	4,529
0193	Subacute Care Level III	233,686	113,732	1,674	241,476	98,345	4,616	233,385	79,938	3,431
0199	Other Subacute Care	46,139	17,438	-	59,193	13,830	-	61,780	11,628	-
Other	Other Revenue Codes	-	-	-	-	-	-	-	-	-
0190	Subacute General	15,093	33,181	-	23,610	31,744	-	25,080	30,713	-
0185	LOA/Nursing Home	3,323	1,183	99	4,225	917	113	4,820	1,077	60
0183	LOA/Therapeutic	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total		1,535,445	907,266	21,161	1,764,953	734,109	22,062	1,766,003	613,548	21,512
Statewide Total				2,463,872			2,521,124			2,401,063

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

Exhibit 5. Payments and Units by Year and Region

		Payments					
Revenue Code	Revenue Code Description	FFY 2021			FFY 2022		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	\$ 116,186,714	\$ 39,983,242	\$ 2,407,080	\$ 134,484,064	\$ 43,292,998	\$ 2,291,261
0194	Subacute Care Level IV	\$ 118,134,503	\$ 9,690,688	\$ -	\$ 118,426,664	\$ 11,226,468	\$ 7,265
0191	Subacute Care Level I	\$ 70,582,630	\$ 15,543,324	\$ 502,946	\$ 77,573,822	\$ 14,468,782	\$ 515,545
0193	Subacute Care Level III	\$ 49,978,679	\$ 13,032,931	\$ 530,786	\$ 54,753,121	\$ 15,095,544	\$ 721,747
0199	Other Subacute Care	\$ 21,523,793	\$ 2,831,873	\$ -	\$ 22,892,617	\$ 2,887,944	\$ -
Other	Other Revenue Codes	\$ 4,946,586	\$ 291,031	\$ 17,940	\$ 7,054,490	\$ 225,142	\$ 8,002
0190	Subacute General	\$ 3,824,964	\$ 4,623,957	\$ 1,193	\$ 3,732,868	\$ 4,366,405	\$ -
0185	LOA/Nursing Home	\$ 908,222	\$ 153,601	\$ 14,861	\$ 1,206,469	\$ 92,922	\$ 9,431
0183	LOA/Therapeutic	\$ 17,327	\$ 7,224	\$ 701	\$ 31,118	\$ 16,289	\$ 189
Total		\$ 386,103,417	\$ 86,157,870	\$ 3,475,507	\$ 420,155,234	\$ 91,672,494	\$ 3,553,440
Statewide Total				\$ 475,736,794			\$ 515,381,168

		Units					
Revenue Code	Revenue Code Description	FFY 2021			FFY 2022		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	666,138	240,695	14,271	699,479	239,410	12,493
0194	Subacute Care Level IV	226,504	38,831	-	216,074	40,560	26
0191	Subacute Care Level I	358,236	104,109	3,066	343,718	89,271	2,901
0193	Subacute Care Level III	212,355	64,403	2,649	210,974	67,553	3,518
0199	Other Subacute Care	60,413	10,196	-	60,353	9,481	-
Other	Other Revenue Codes	-	-	-	-	-	-
0190	Subacute General	21,315	25,954	20	19,130	22,243	-
0185	LOA/Nursing Home	4,072	1,717	90	4,666	572	51
0183	LOA/Therapeutic	N/A	N/A	N/A	N/A	N/A	N/A
Total		1,549,033	485,905	20,096	1,554,394	469,090	18,989
Statewide Total				2,055,034			2,042,473

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

Exhibit 5. Payments and Units by Year and Region

		Payments			FFY 2022 Distribution ⁴		
Revenue Code	Revenue Code Description	5 Year Change			Urban ¹	Rural	Coconino ²
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	36%	-33%	18%	32%	47%	64%
0194	Subacute Care Level IV	35%	-40%	N/A	28%	12%	0%
0191	Subacute Care Level I	9%	-59%	-42%	18%	16%	15%
0193	Subacute Care Level III	11%	-36%	152%	13%	16%	20%
0199	Other Subacute Care	64%	-37%	N/A	5%	3%	0%
Other	Other Revenue Codes	196%	-84%	N/A	2%	0%	0%
0190	Subacute General	43%	-18%	N/A	1%	5%	0%
0185	LOA/Nursing Home	95%	-51%	-33%	0%	0%	0%
0183	LOA/Therapeutic	-9%	-73%	-97%	0%	0%	0%
Total		29%	-40%	13%	100%	100%	100%
Statewide Total				7%			

		Units			FFY 2022 Distribution ⁴		
Revenue Code	Revenue Code Description	5 Year Change			Urban ¹	Rural	Coconino ²
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	11%	-43%	-4%	45%	51%	66%
0194	Subacute Care Level IV	17%	-45%	N/A	14%	9%	0%
0191	Subacute Care Level I	-19%	-64%	-54%	22%	19%	15%
0193	Subacute Care Level III	-10%	-41%	110%	14%	14%	19%
0199	Other Subacute Care	31%	-46%	N/A	4%	2%	0%
Other	Other Revenue Codes	N/A	N/A	N/A	0%	0%	0%
0190	Subacute General	27%	-33%	N/A	1%	5%	0%
0185	LOA/Nursing Home	40%	-52%	-48%	0%	0%	0%
0183	LOA/Therapeutic	N/A	N/A	N/A	N/A	N/A	N/A
Total		1%	-48%	-10%	100%	100%	100%
Statewide Total				-17%			

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

Exhibit 6. Members and Provider Count by Year and Region

		Members								
Revenue Code	Revenue Code Description	FFY 2018			FFY 2019			FFY 2020		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	4,042	2,543	117	4,676	2,227	81	4,589	1,739	97
0194	Subacute Care Level IV	1,042	336	-	1,211	256	-	1,158	220	-
0191	Subacute Care Level I	2,845	1,679	46	3,149	1,338	42	2,851	932	29
0193	Subacute Care Level III	1,601	746	19	1,742	632	27	1,749	479	27
0199	Other Subacute Care	327	126	-	374	81	-	324	59	-
Other	Other Revenue Codes	1,456	661	-	1,645	446	-	1,831	357	18
0190	Subacute General	88	179	-	120	160	-	125	134	-
0185	LOA/Nursing Home	504	187	20	642	168	22	654	171	11
0183	LOA/Therapeutic	55	99	11	68	69	8	56	46	7
Total ⁶		7,980	4,599	162	9,057	3,905	128	8,718	2,935	123
Statewide Total ⁶				12,012			12,378			11,516

		Provider Count								
Revenue Code	Revenue Code Description	FFY 2018			FFY 2019			FFY 2020		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	68	57	2	79	54	2	83	42	2
0194	Subacute Care Level IV	45	17	-	49	15	-	53	14	-
0191	Subacute Care Level I	69	56	2	78	53	2	79	42	2
0193	Subacute Care Level III	65	54	2	75	49	2	78	42	2
0199	Other Subacute Care	42	18	-	47	15	-	40	8	-
Other	Other Revenue Codes	68	49	-	74	40	-	79	34	2
0190	Subacute General	14	14	-	13	16	-	13	8	-
0185	LOA/Nursing Home	40	23	2	48	23	2	45	18	1
0183	LOA/Therapeutic	25	24	2	25	15	2	25	14	1
Total ⁶		72	58	2	81	57	2	86	44	2
Statewide Total ⁶				132			140			132

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

⁶Totals may differ from the sum of the services and regions due to some members/providers utilizing/providing services in multiple service categories and regions.

Exhibit 6. Members and Provider Count by Year and Region

		Members					
Revenue Code	Revenue Code Description	FFY 2021			FFY 2022		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	4,058	1,444	108	4,137	1,419	108
0194	Subacute Care Level IV	1,195	181	-	1,205	174	1
0191	Subacute Care Level I	2,243	660	19	2,239	628	13
0193	Subacute Care Level III	1,579	424	22	1,502	398	29
0199	Other Subacute Care	304	55	-	291	46	-
Other	Other Revenue Codes	1,599	219	20	1,543	167	8
0190	Subacute General	101	118	1	95	102	-
0185	LOA/Nursing Home	475	158	9	563	106	9
0183	LOA/Therapeutic	17	11	1	36	26	1
Total ⁶		7,743	2,422	132	7,776	2,366	133
Statewide Total ⁶				10,150			10,040

		Provider Count					
Revenue Code	Revenue Code Description	FFY 2021			FFY 2022		
		Urban ¹	Rural	Coconino ²	Urban ¹	Rural	Coconino ²
0192	Subacute Care Level II	86	39	2	88	39	2
0194	Subacute Care Level IV	50	13	-	49	11	1
0191	Subacute Care Level I	79	38	2	79	38	2
0193	Subacute Care Level III	78	38	2	79	38	2
0199	Other Subacute Care	35	7	-	27	5	-
Other	Other Revenue Codes	80	28	2	78	30	2
0190	Subacute General	13	8	1	13	6	-
0185	LOA/Nursing Home	39	11	2	49	12	1
0183	LOA/Therapeutic	9	7	1	20	11	1
Total ⁶		87	42	2	90	41	2
Statewide Total ⁶				131			133

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

⁶Totals may differ from the sum of the services and regions due to some members/providers utilizing/providing services in multiple service categories and regions.

Exhibit 6. Members and Provider Count by Year and Region

		Members			Statewide Distribution of Members by Revenue Code in FFY 2022
		5 Year Change			
Revenue Code	Revenue Code Description	Urban	Rural	Coconino	Statewide
0192	Subacute Care Level II	2.4%	-44.2%	-7.7%	55.5%
0194	Subacute Care Level IV	15.6%	-48.2%	N/A	13.7%
0191	Subacute Care Level I	-21.3%	-62.6%	-71.7%	28.1%
0193	Subacute Care Level III	-6.2%	-46.6%	52.6%	19.0%
0199	Other Subacute Care	-11.0%	-63.5%	N/A	3.3%
Other	Other Revenue Codes	6.0%	-74.7%	N/A	17.1%
0190	Subacute General	8.0%	-43.0%	N/A	2.0%
0185	LOA/Nursing Home	11.7%	-43.3%	-55.0%	6.7%
0183	LOA/Therapeutic	-34.5%	-73.7%	-90.9%	0.6%
Total		-2.6%	-48.6%	-17.9%	
Statewide Total				-16.4%	

		Provider Count			Statewide Distribution of Providers by Revenue Code in FFY 2022
		5 Year Change			
Revenue Code	Revenue Code Description	Urban	Rural	Coconino	Statewide
0192	Subacute Care Level II	29.4%	-31.6%	0.0%	97.0%
0194	Subacute Care Level IV	8.9%	-35.3%	N/A	45.9%
0191	Subacute Care Level I	14.5%	-32.1%	0.0%	89.5%
0193	Subacute Care Level III	21.5%	-29.6%	0.0%	89.5%
0199	Other Subacute Care	-35.7%	-72.2%	N/A	24.1%
Other	Other Revenue Codes	14.7%	-38.8%	N/A	82.7%
0190	Subacute General	-7.1%	-57.1%	N/A	14.3%
0185	LOA/Nursing Home	22.5%	-47.8%	-50.0%	46.6%
0183	LOA/Therapeutic	-20.0%	-54.2%	-50.0%	24.1%
Total		25.0%	-29.3%	0.0%	
Statewide Total				0.8%	

Note:

¹Urban region consists of Maricopa, Pima and Pinal counties.

²Coconino is considered a Rural area - but for the purpose of this exhibit, Coconino has been pulled out separately and is not reflected in the Rural values presented.

³Regions are assigned based on provider location.

⁴Service order based on FFY2022 distribution of payment amount.

⁵Fee schedule updates occur on October 1 of each year.

Exhibit 7. Managed Care Payment per Unit vs. Fee Schedule

Average Urban ¹ MC Payment per Unit				Urban FFS Fee Schedule		% Change from 2018-2022		Average MC Payment as a Percent of Fee Schedule	
Revenue Code	Revenue Code Description	FFY 2018	FFY 2022	FFY 2018	FFY 2022	MC Payment per Unit	FFS Fee Schedule Payment per unit	FFY 2018	FFY 2022
0183	LOA/Therapeutic	\$ 156.24	\$ 185.23	\$ 155.01	\$ 183.93	19%	19%	101%	101%
0185	LOA/Nursing Home	\$ 185.80	\$ 258.57	\$ 155.01	\$ 183.93	39%	19%	120%	141%
0191	Subacute Care Level I	\$ 166.92	\$ 225.69	\$ 155.01	\$ 183.93	35%	19%	108%	123%
0192	Subacute Care Level II	\$ 157.87	\$ 192.26	\$ 169.46	\$ 201.08	22%	19%	93%	96%
0193	Subacute Care Level III	\$ 210.96	\$ 259.53	\$ 201.01	\$ 238.51	23%	19%	105%	109%

Average Rural MC Payment per Unit				Rural FFS Fee Schedule		% Change from 2018-2022		Average MC Payment as a Percent of Fee Schedule	
Revenue Code	Revenue Code Description	FFY 2018	FFY 2022	FFY 2018	FFY 2022	MC Payment per Unit	FFS Fee Schedule Payment per unit	FFY 2018	FFY 2022
0183	LOA/Therapeutic	\$ 160.63	\$ 175.15	\$ 150.18	\$ 178.20	9%	19%	107%	98%
0185	LOA/Nursing Home	\$ 158.79	\$ 162.45	\$ 150.18	\$ 178.20	2%	19%	106%	91%
0191	Subacute Care Level I	\$ 143.67	\$ 162.08	\$ 150.18	\$ 178.20	13%	19%	96%	91%
0192	Subacute Care Level II	\$ 152.14	\$ 180.83	\$ 163.65	\$ 194.19	19%	19%	93%	93%
0193	Subacute Care Level III	\$ 208.28	\$ 223.46	\$ 194.57	\$ 230.88	7%	19%	107%	97%

Average Coconino ² MC Payment per Unit				Flagstaff FFS Fee Schedule		% Change from 2018-2022		Average MC Payment as a Percent of Fee Schedule	
Revenue Code	Revenue Code Description	FFY 2018	FFY 2022	FFY 2018	FFY 2022	MC Payment per Unit	FFS Fee Schedule Payment per unit	FFY 2018	FFY 2022
0183	LOA/Therapeutic	\$ 138.77	\$ 189.00	\$ 151.27	\$ 184.07	36%	22%	92%	103%
0185	LOA/Nursing Home	\$ 142.90	\$ 184.92	\$ 151.27	\$ 184.07	29%	22%	94%	100%
0191	Subacute Care Level I	\$ 140.11	\$ 177.71	\$ 151.27	\$ 184.07	27%	22%	93%	97%
0192	Subacute Care Level II	\$ 149.35	\$ 183.40	\$ 164.83	\$ 200.56	23%	22%	91%	91%
0193	Subacute Care Level III	\$ 171.10	\$ 205.16	\$ 195.98	\$ 238.47	20%	22%	87%	86%

Note:

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³Regions are assigned based on provider location.

⁴Fee schedule updates occur on October 1 of each year.

Appendix F

Modeled Rate Range Build-up Summaries

Service	Adult Day, Per 15 min
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Fee Component ¹		FTE	Low	Medium	High
Staff Wages	RN	0.167	\$ 39.17	\$ 41.57	\$ 49.68
	LPN	1.000	\$ 28.70	\$ 31.23	\$ 33.15
	HCBS Supervisor Level II	0.033	\$ 25.49	\$ 32.58	\$ 40.84
	HCBS Supervisor Level I	0.167	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level III	1.000	\$ 14.77	\$ 16.13	\$ 19.56
	Total Adjusted Hourly Cost: (A)	2.367	\$ 53.76	\$ 58.74	\$ 66.49
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		25%	24%	23%
	Total ERE: (B)		\$ 13.28	\$ 13.99	\$ 15.09
Staff Hourly Cost and ERE: (C) = (A) + (B)			\$ 67.04	\$ 72.72	\$ 81.58
Productivity Adjustments⁴	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages: (D)		\$ 78.50	\$ 85.16	\$ 95.52
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs: (E)		\$ 16.82	\$ 18.23	\$ 20.43
Total Hourly Cost and Expenses: (F) = (D) + (E)			\$ 95.33	\$ 103.39	\$ 115.96
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Units per Hour: (G)			24	24	24
Final Individual Fee Per Unit of Service: (F) / (G)			\$ 3.97	\$ 4.31	\$ 4.83

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Adult Day, Per Half Day
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Fee Component		FTE	Low	Medium	High
Staff Wages	RN	0.167	\$ 39.17	\$ 41.57	\$ 49.68
	LPN	1.000	\$ 28.70	\$ 31.23	\$ 33.15
	HCBS Supervisor Level II	0.033	\$ 25.49	\$ 32.58	\$ 40.84
	HCBS Supervisor Level I	0.167	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level III	1.000	\$ 14.77	\$ 16.13	\$ 19.56
	Total Adjusted Hourly Cost	2.367	\$ 53.76	\$ 58.74	\$ 66.49
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		25%	24%	23%
	Total ERE		\$ 13.28	\$ 13.99	\$ 15.09
Staff Hourly Cost and ERE			\$ 67.04	\$ 72.72	\$ 81.58
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 78.50	\$ 85.16	\$ 95.52
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 16.82	\$ 18.23	\$ 20.43
Total Hourly Cost and Expenses			\$ 95.33	\$ 103.39	\$ 115.96
Unit of Service			Per Half Day (3 Hours)	Per Half Day (3 Hours)	Per Half Day (3 Hours)
Group Size			6.0	6.0	6.0
Total Units per Hour (Units of Service Per Hour * Group Size)			2.0	2.0	2.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 47.66	\$ 51.70	\$ 57.98

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Adult Day, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	RN	0.167	\$ 39.17	\$ 41.57	\$ 49.68
	LPN	1.000	\$ 28.70	\$ 31.23	\$ 33.15
	HCBS Supervisor Level II	0.033	\$ 25.49	\$ 32.58	\$ 40.84
	HCBS Supervisor Level I	0.167	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level III	1.000	\$ 14.77	\$ 16.13	\$ 19.56
	Total Adjusted Hourly Cost	2.367	\$ 53.76	\$ 58.74	\$ 66.49
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		25%	24%	23%
	Total ERE		\$ 13.28	\$ 13.99	\$ 15.09
Staff Hourly Cost and ERE			\$ 67.04	\$ 72.72	\$ 81.58
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 78.50	\$ 85.16	\$ 95.52
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 16.82	\$ 18.23	\$ 20.43
Total Hourly Cost and Expenses			\$ 95.33	\$ 103.39	\$ 115.96
Unit of Service			Per Diem (6 Hours)	Per Diem (6 Hours)	Per Diem (6 Hours)
Group Size			6.0	6.0	6.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 95.33	\$ 103.39	\$ 115.96

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Attendant Care Services; per 15 minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 7.50	\$ 7.95	\$ 9.27

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Companion Care, adult; per 15 minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 7.50	\$ 7.95	\$ 9.27

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Companion Care, adult; per diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per Diem (7 Hours)	Per Diem (7 Hours)	Per Diem (7 Hours)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			0.1	0.1	0.1
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 210.04	\$ 222.55	\$ 259.44

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	SDAC, Attendant Care; per 15 minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.000	\$ 14.36	\$ 15.19	\$ 17.97
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		31%	30%	27%
	Total ERE		\$ 4.42	\$ 4.54	\$ 4.94
Staff Hourly Cost and ERE			\$ 18.78	\$ 19.73	\$ 22.91
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 22.00	\$ 23.11	\$ 26.83
Other Direct Program Costs	Percent of Final Fee		8%	8%	8%
	Total Other Direct Program Costs		\$ 1.94	\$ 2.03	\$ 2.33
Total Hourly Cost and Expenses			\$ 23.94	\$ 25.14	\$ 29.16
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 5.98	\$ 6.28	\$ 7.29

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Foster Care, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.500	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.500	\$ 23.08	\$ 25.28	\$ 30.41
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	28%	26%
	Total ERE		\$ 6.85	\$ 7.17	\$ 7.90
Staff Hourly Cost and ERE			\$ 29.93	\$ 32.44	\$ 38.30
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 35.07	\$ 38.00	\$ 44.86
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 7.61	\$ 8.23	\$ 9.69
Total Hourly Cost and Expenses			\$ 42.67	\$ 46.23	\$ 54.55
Unit of Service			Per Diem (6 Hours)	Per Diem (6 Hours)	Per Diem (6 Hours)
Group Size			3.0	3.0	3.0
Total Units per Hour (Units of Service Per Hour * Group Size)			0.5	0.5	0.5
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 85.35	\$ 92.46	\$ 109.09

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home Health Aide, Per Visit
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Fee Component		FTE	Low	Medium	High
Staff Wages	RN	0.100	\$ 39.17	\$ 41.57	\$ 49.68
	Direct Care Worker Level IV	0.250	\$ 17.44	\$ 18.80	\$ 20.01
	Direct Care Worker Level I	0.750	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 19.04	\$ 20.25	\$ 23.45
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		28%	27%	25%
	Total ERE		\$ 5.33	\$ 5.50	\$ 5.95
Staff Hourly Cost and ERE			\$ 24.37	\$ 25.75	\$ 29.40
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 28.55	\$ 30.15	\$ 34.43
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 6.23	\$ 6.57	\$ 7.47
Total Hourly Cost and Expenses			\$ 34.77	\$ 36.72	\$ 41.91
Unit of Service			Per Visit (2 Hours)	Per Visit (2 Hours)	Per Visit (2 Hours)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			0.5	0.5	0.5
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 69.54	\$ 73.44	\$ 83.81

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home Care Training, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	Direct Care Worker Level IV	0.250	\$ 17.44	\$ 18.80	\$ 20.01
	Direct Care Worker Level I	0.750	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.000	\$ 15.13	\$ 16.09	\$ 18.48
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.53	\$ 4.67	\$ 5.01
Staff Hourly Cost and ERE			\$ 19.66	\$ 20.76	\$ 23.49
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 23.03	\$ 24.32	\$ 27.51
Other Direct Program Costs	Percent of Final Fee		8%	8%	8%
	Total Other Direct Program Costs		\$ 2.02	\$ 2.12	\$ 2.38
Total Hourly Cost and Expenses			\$ 25.05	\$ 26.44	\$ 29.89
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 6.26	\$ 6.61	\$ 7.47

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Meals, Per Meal
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Fee Component		FTE	Low	Medium	High
Staff Wages	Nutritionist/Dietician	0.040	\$ 28.74	\$ 33.04	\$ 38.38
	Food Prep Supervisor	0.100	\$ 17.42	\$ 19.49	\$ 23.75
	Food Prep	1.000	\$ 15.66	\$ 17.77	\$ 19.48
	Driver	0.118	\$ 14.36	\$ 16.10	\$ 20.46
	Total Adjusted Hourly Cost	1.258	\$ 20.24	\$ 22.94	\$ 25.80
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		29%	27%	26%
	Total ERE		\$ 5.87	\$ 6.26	\$ 6.66
Staff Hourly Cost and ERE			\$ 26.11	\$ 29.19	\$ 32.46
Productivity Adjustments	Productivity Adjustment		110%	110%	110%
	Productivity Adjusted Wages		\$ 28.68	\$ 32.05	\$ 35.64
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 6.46	\$ 7.20	\$ 7.98
Total Hourly Cost and Expenses			\$ 35.13	\$ 39.25	\$ 43.63
Unit of Service			Per Meal	Per Meal	Per Meal
Group Size			3.0	3.0	3.0
Total Units per Hour (Units of Service Per Hour * Group Size)			3.0	3.0	3.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 11.71	\$ 13.08	\$ 14.54

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Nursing, RN, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	RN	1.000	\$ 39.17	\$ 41.57	\$ 49.68
	Total Adjusted Hourly Cost	1.000	\$ 39.17	\$ 41.57	\$ 49.68
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	20%	19%
	Total ERE		\$ 7.95	\$ 8.29	\$ 9.44
Staff Hourly Cost and ERE			\$ 47.12	\$ 49.86	\$ 59.12
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 63.64	\$ 67.35	\$ 79.86
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.70	\$ 14.48	\$ 17.14
Total Hourly Cost and Expenses			\$ 77.34	\$ 81.84	\$ 97.00
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 19.34	\$ 20.46	\$ 24.25

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Nursing, LPN, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	LPN	1.000	\$ 28.70	\$ 31.23	\$ 33.15
	Total Adjusted Hourly Cost	1.000	\$ 28.70	\$ 31.23	\$ 33.15
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		23%	22%	21%
	Total ERE		\$ 6.46	\$ 6.82	\$ 7.09
Staff Hourly Cost and ERE			\$ 35.17	\$ 38.05	\$ 40.24
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 47.51	\$ 51.40	\$ 54.36
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 10.28	\$ 11.10	\$ 11.73
Total Hourly Cost and Expenses			\$ 57.79	\$ 62.50	\$ 66.09
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 14.45	\$ 15.62	\$ 16.52

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home Nursing, RN, Per Hour
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Fee Component		FTE	Low	Medium	High
Staff Wages	RN	1.000	\$ 39.17	\$ 41.57	\$ 49.68
	Total Adjusted Hourly Cost	1.000	\$ 39.17	\$ 41.57	\$ 49.68
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	20%	19%
	Total ERE		\$ 7.95	\$ 8.29	\$ 9.44
Staff Hourly Cost and ERE			\$ 47.12	\$ 49.86	\$ 59.12
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 63.64	\$ 67.35	\$ 79.86
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.70	\$ 14.48	\$ 17.14
Total Hourly Cost and Expenses			\$ 77.34	\$ 81.84	\$ 97.00
Unit of Service			Per Hour	Per Hour	Per Hour
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 77.34	\$ 81.84	\$ 97.00

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home Nursing, LPN, Per Hour
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Fee Component		FTE	Low	Medium	High
Staff Wages	LPN	1.000	\$ 28.70	\$ 31.23	\$ 33.15
	Total Adjusted Hourly Cost	1.000	\$ 28.70	\$ 31.23	\$ 33.15
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		23%	22%	21%
	Total ERE		\$ 6.46	\$ 6.82	\$ 7.09
Staff Hourly Cost and ERE			\$ 35.17	\$ 38.05	\$ 40.24
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 47.51	\$ 51.40	\$ 54.36
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 10.28	\$ 11.10	\$ 11.73
Total Hourly Cost and Expenses			\$ 57.79	\$ 62.50	\$ 66.09
Unit of Service			Per Hour	Per Hour	Per Hour
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 57.79	\$ 62.50	\$ 66.09

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Homemaker Services, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level II	1.000	\$ 14.71	\$ 15.64	\$ 17.24
	Total Adjusted Hourly Cost	1.100	\$ 16.46	\$ 17.66	\$ 19.72
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	28%
	Total ERE		\$ 4.96	\$ 5.13	\$ 5.42
Staff Hourly Cost and ERE			\$ 21.42	\$ 22.79	\$ 25.15
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 25.09	\$ 26.69	\$ 29.45
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.49	\$ 5.83	\$ 6.42
Total Hourly Cost and Expenses			\$ 30.58	\$ 32.52	\$ 35.87
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 7.65	\$ 8.13	\$ 8.97

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Personal Care, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 7.50	\$ 7.95	\$ 9.27

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Respite, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 7.50	\$ 7.95	\$ 9.27

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Respite, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level I	0.100	\$ 17.45	\$ 20.18	\$ 24.88
	Direct Care Worker Level I	1.000	\$ 14.36	\$ 15.19	\$ 17.97
	Total Adjusted Hourly Cost	1.100	\$ 16.10	\$ 17.21	\$ 20.46
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		30%	29%	27%
	Total ERE		\$ 4.91	\$ 5.07	\$ 5.53
Staff Hourly Cost and ERE			\$ 21.01	\$ 22.27	\$ 25.99
Productivity Adjustments	Productivity Adjustment		117%	117%	117%
	Productivity Adjusted Wages		\$ 24.61	\$ 26.09	\$ 30.44
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 5.39	\$ 5.70	\$ 6.63
Total Hourly Cost and Expenses			\$ 30.01	\$ 31.79	\$ 37.06
Unit of Service			Per Diem (12 Hours)	Per Diem (12 Hours)	Per Diem (12 Hours)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			0.1	0.1	0.1
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 360.07	\$ 381.51	\$ 444.75

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Supported Employment, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level II	0.100	\$ 25.49	\$ 32.58	\$ 40.84
	Supported Employment Counselors	1.000	\$ 23.63	\$ 25.26	\$ 31.23
	Total Adjusted Hourly Cost	1.100	\$ 26.18	\$ 28.52	\$ 35.31
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		24%	23%	22%
	Total ERE		\$ 6.34	\$ 6.67	\$ 7.64
Staff Hourly Cost and ERE			\$ 32.52	\$ 35.19	\$ 42.95
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 43.94	\$ 47.55	\$ 58.02
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 9.52	\$ 10.28	\$ 12.50
Total Hourly Cost and Expenses			\$ 53.46	\$ 57.83	\$ 70.53
Unit of Service			Per Diem (1.5 Hours)	Per Diem (1.5 Hours)	Per Diem (1.5 Hours)
Group Size			1.5	1.5	1.5
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 53.46	\$ 57.83	\$ 70.53

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Supported Employment, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	HCBS Supervisor Level II	0.100	\$ 25.49	\$ 32.58	\$ 40.84
	Supported Employment Counselors	1.000	\$ 23.63	\$ 25.26	\$ 31.23
	Total Adjusted Hourly Cost	1.100	\$ 26.18	\$ 28.52	\$ 35.31
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		24%	23%	22%
	Total ERE		\$ 6.34	\$ 6.67	\$ 7.64
Staff Hourly Cost and ERE			\$ 32.52	\$ 35.19	\$ 42.95
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 43.94	\$ 47.55	\$ 58.02
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 9.52	\$ 10.28	\$ 12.50
Total Hourly Cost and Expenses			\$ 53.46	\$ 57.83	\$ 70.53
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.5	1.5	1.5
Total Units per Hour (Units of Service Per Hour * Group Size)			6.0	6.0	6.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 8.91	\$ 9.64	\$ 11.75

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Physical therapy, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	Physical Therapist	1.000	\$ 41.14	\$ 50.09	\$ 54.72
	Total Adjusted Hourly Cost	1.000	\$ 41.14	\$ 50.09	\$ 54.72
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	19%	19%
	Total ERE		\$ 8.23	\$ 9.50	\$ 10.16
Staff Hourly Cost and ERE			\$ 49.37	\$ 59.59	\$ 64.88
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 66.69	\$ 80.49	\$ 87.63
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 14.34	\$ 17.27	\$ 18.79
Total Hourly Cost and Expenses			\$ 81.03	\$ 97.76	\$ 106.42
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 20.26	\$ 24.44	\$ 26.60

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Occupational therapy, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	Occupational Therapist	1.000	\$ 39.27	\$ 42.54	\$ 52.97
	Total Adjusted Hourly Cost	1.000	\$ 39.27	\$ 42.54	\$ 52.97
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	20%	19%
	Total ERE		\$ 7.97	\$ 8.43	\$ 9.91
Staff Hourly Cost and ERE			\$ 47.24	\$ 50.97	\$ 62.88
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 63.81	\$ 68.84	\$ 84.93
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.73	\$ 14.80	\$ 18.21
Total Hourly Cost and Expenses			\$ 77.54	\$ 83.64	\$ 103.14
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 19.38	\$ 20.91	\$ 25.79

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Speech-language therapy, Per 15 Minutes
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Fee Component		FTE	Low	Medium	High
Staff Wages	Speech-Language Therapist	1.000	\$ 38.68	\$ 46.78	\$ 53.09
	Total Adjusted Hourly Cost	1.000	\$ 38.68	\$ 46.78	\$ 53.09
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	19%	19%
	Total ERE		\$ 7.88	\$ 9.03	\$ 9.93
Staff Hourly Cost and ERE			\$ 46.56	\$ 55.81	\$ 63.02
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 62.90	\$ 75.39	\$ 85.12
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.54	\$ 16.19	\$ 18.25
Total Hourly Cost and Expenses			\$ 76.44	\$ 91.58	\$ 103.38
Unit of Service			Per 15 Minutes	Per 15 Minutes	Per 15 Minutes
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			4.0	4.0	4.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 19.11	\$ 22.89	\$ 25.84

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Speech therapy, in the home, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	Speech-Language Therapist	1.000	\$ 38.68	\$ 46.78	\$ 53.09
	Total Adjusted Hourly Cost	1.000	\$ 38.68	\$ 46.78	\$ 53.09
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	19%	19%
	Total ERE		\$ 7.88	\$ 9.03	\$ 9.93
Staff Hourly Cost and ERE			\$ 46.56	\$ 55.81	\$ 63.02
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 62.90	\$ 75.39	\$ 85.12
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.54	\$ 16.19	\$ 18.25
Total Hourly Cost and Expenses			\$ 76.44	\$ 91.58	\$ 103.38
Unit of Service			Per Diem (1 Hour)	Per Diem (1 Hour)	Per Diem (1 Hour)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 76.44	\$ 91.58	\$ 103.38

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Occupational therapy, in the home, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	Occupational Therapist	1.000	\$ 39.27	\$ 42.54	\$ 52.97
	Total Adjusted Hourly Cost	1.000	\$ 39.27	\$ 42.54	\$ 52.97
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	20%	19%
	Total ERE		\$ 7.97	\$ 8.43	\$ 9.91
Staff Hourly Cost and ERE			\$ 47.24	\$ 50.97	\$ 62.88
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 63.81	\$ 68.84	\$ 84.93
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 13.73	\$ 14.80	\$ 18.21
Total Hourly Cost and Expenses			\$ 77.54	\$ 83.64	\$ 103.14
Unit of Service			Per Diem (1 Hour)	Per Diem (1 Hour)	Per Diem (1 Hour)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 77.54	\$ 83.64	\$ 103.14

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Physical therapy; in the home, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	Physical Therapist	1.000	\$ 41.14	\$ 50.09	\$ 54.72
	Total Adjusted Hourly Cost	1.000	\$ 41.14	\$ 50.09	\$ 54.72
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		20%	19%	19%
	Total ERE		\$ 8.23	\$ 9.50	\$ 10.16
Staff Hourly Cost and ERE			\$ 49.37	\$ 59.59	\$ 64.88
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 66.69	\$ 80.49	\$ 87.63
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 14.34	\$ 17.27	\$ 18.79
Total Hourly Cost and Expenses			\$ 81.03	\$ 97.76	\$ 106.42
Unit of Service			Per Diem (1 Hour)	Per Diem (1 Hour)	Per Diem (1 Hour)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 81.03	\$ 97.76	\$ 106.42

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home health respiratory therapy, initial visit, Per Encounter
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Fee Component		FTE	Low	Medium	High
Staff Wages	Respiratory Therapist	1.000	\$ 32.06	\$ 32.97	\$ 38.93
	Total Adjusted Hourly Cost	1.000	\$ 32.06	\$ 32.97	\$ 38.93
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		22%	21%	20%
	Total ERE		\$ 6.94	\$ 7.07	\$ 7.92
Staff Hourly Cost and ERE			\$ 38.99	\$ 40.04	\$ 46.85
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 52.68	\$ 54.09	\$ 63.29
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 11.37	\$ 11.67	\$ 13.62
Total Hourly Cost and Expenses			\$ 64.05	\$ 65.76	\$ 76.91
Unit of Service			Per Encounter (1 Hour)	Per Encounter (1 Hour)	Per Encounter (1 Hour)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			1.0	1.0	1.0
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 64.05	\$ 65.76	\$ 76.91

AHCCCS HCBS Fee Development: Rate Range Build-up Summary

Service	Home health respiratory therapy, Per Diem
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Fee Component		FTE	Low	Medium	High
Staff Wages	Respiratory Therapist	1.000	\$ 32.06	\$ 32.97	\$ 38.93
	Total Adjusted Hourly Cost	1.000	\$ 32.06	\$ 32.97	\$ 38.93
Employee Related Expenses (ERE)	Percent of Staff Hourly Cost		22%	21%	20%
	Total ERE		\$ 6.94	\$ 7.07	\$ 7.92
Staff Hourly Cost and ERE			\$ 38.99	\$ 40.04	\$ 46.85
Productivity Adjustments	Productivity Adjustment		135%	135%	135%
	Productivity Adjusted Wages		\$ 52.68	\$ 54.09	\$ 63.29
Other Direct Program Costs	Percent of Final Fee		18%	18%	18%
	Total Other Direct Program Costs		\$ 11.37	\$ 11.67	\$ 13.62
Total Hourly Cost and Expenses			\$ 64.05	\$ 65.76	\$ 76.91
Unit of Service			Per Diem (6 Hours)	Per Diem (6 Hours)	Per Diem (6 Hours)
Group Size			1.0	1.0	1.0
Total Units per Hour (Units of Service Per Hour * Group Size)			0.2	0.2	0.2
Final Individual Fee Per Unit of Service (Total Hourly Cost / Total Units Per Hour)			\$ 384.30	\$ 394.55	\$ 461.46

Appendix G

Summary of Modeled Rate Assumptions by Service

AHCCCS HCBS Fee Development: Assumption Summary

Adult Day, Per 15 min

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	\$5100
Group Size	6
Direct Care Worker Staffing Ratio	1:6
Supervisor Staffing Ratio	1:6
Additional Support Staffing Ratio	1:30
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Adult Day, Per Half Day

Fee Components	Assumption
Unit of Service	Per Half Day (3 hours)
Procedure Code and Modifiers	S5101
Group Size	6
Direct Care Worker Staffing Ratio	1:6
Supervisor Staffing Ratio	1:6
Additional Support Staffing Ratio	1:30
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Adult Day, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (6 hours)
Procedure Code and Modifiers	S5102
Group Size	6
Direct Care Worker Staffing Ratio	1:6
Supervisor Staffing Ratio	1:6
Additional Support Staffing Ratio	1:30
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Attendant Care Services; per 15 minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5125
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250.00
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Companion Care, adult; per 15 minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5135
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250.00
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Companion Care, adult; per diem

Fee Components	Assumption
Unit of Service	Per Diem (7 hours)
Procedure Code and Modifiers	S5136
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250.00
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

SDAC, Attendant Care; per 15 minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5125 U2
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250.00
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Foster Care, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (6 Hours)
Procedure Code and Modifiers	\$5140
Group Size	3
Direct Care Worker Staffing Ratio	1:3
Supervisor Staffing Ratio	1:2
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home Health Aide, Per Visit

Fee Components	Assumption
Unit of Service	Per Visit (2 hours)
Procedure Code and Modifiers	T1021 (U4, U5)
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home Care Training, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5108, S5110, S5115
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Meals, Per Meal

Fee Components	Assumption
Unit of Service	Per Meal
Procedure Code and Modifiers	\$5170
Group Size	3
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	1:25
Daily Productivity	8 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	8.0%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Nursing, RN, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	G0299
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Nursing, LPN, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	G0300
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home Nursing, RN, Per Hour

Fee Components	Assumption
Unit of Service	Per Hour
Procedure Code and Modifiers	S9123
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home Nursing, LPN, Per Hour

Fee Components	Assumption
Unit of Service	Per Hour
Procedure Code and Modifiers	S9124
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Homemaker Services, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5130
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Personal Care, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	T1019
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Respite, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	S5150
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Respite, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (12 Hours)
Procedure Code and Modifiers	S5151
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	7.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Supported Employment, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (1.5 Hours)
Procedure Code and Modifiers	T2018
Group Size	1.5
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Supported Employment, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	T2019
Group Size	1.5
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	1:10
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Physical therapy, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	G0151
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Occupational therapy, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	G0152
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Speech-language therapy, Per 15 Minutes

Fee Components	Assumption
Unit of Service	Per 15 Minutes
Procedure Code and Modifiers	G0153
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Speech therapy, in the home, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (1 Hour)
Procedure Code and Modifiers	S9128
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Occupational therapy, in the home, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (1 Hour)
Procedure Code and Modifiers	S9129
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Physical therapy; in the home, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (1 Hour)
Procedure Code and Modifiers	S9131
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home health respiratory therapy, initial visit, Per Encounter

Fee Components	Assumption
Unit of Service	Per Encounter (1 Hour)
Procedure Code and Modifiers	S5180
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.

AHCCCS HCBS Fee Development: Assumption Summary

Home health respiratory therapy, Per Diem

Fee Components	Assumption
Unit of Service	Per Diem (6 Hours)
Procedure Code and Modifiers	S5181
Group Size	1
Direct Care Worker Staffing Ratio	1:1
Supervisor Staffing Ratio	
Additional Support Staffing Ratio	
Daily Productivity	6.5 hours
New Full Time Employee Days Off (Including Training)	25
Experienced Full Time Employee Days Off (Including Training)	23
New Part Time Employee Days Off (Including Training)	14
Experienced Part Time Employee Days Off (Including Training)	12
Onboarding Training Hours Per Staff Member	40 hours
Annual Training Hours Per Staff Member	24 hours
Annual Training Cost Per Staff Member	\$250
Annual Staff Turnover	42.0%
Full Time Employees as a Percent of Total Employees	80.0%
Part Time Employees as a Percent of Total Employees	20.0%
Administrative Costs	10.0%
Direct Program Costs	7.5%

Employee Related Expenses (EREs)

Health Insurance as a Monthly Premium*	\$495 per month
Federal Unemployment Tax Act (FUTA)	0.60%
State Unemployment Insurance Taxes	2.00%
Workers' Compensation	1.30%
Social Security Withholding	6.20%
Medicare Withholding	1.45%
STD,LTD, Life Insurance*	0.40%
Retirement Benefits*	1.20%
Bonuses	1.50%
Overtime	2.49%

*Applicable to full time employees only.



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