

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

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*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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December 7, 2009

The Honorable Janice K. Brewer  
Governor  
1700 West Washington  
Phoenix, Arizona 85007

**Re: *Federal Health Care Reform: Assessment of Current Proposals and Their Potential Impact to Arizona***

Dear Governor Brewer:

This recession has had far reaching and lasting effects on our State's economy. Commendably, you have been engaged in the ongoing struggle to balance Arizona's budget in the face of continued revenue declines and rising need for certain state services.

Unfortunately, as Arizona's unemployment rate rises – now 9.3%, up from 3.6% in June of 2007 – more and more of our citizens qualify for counter-cyclical programs like the Arizona Health Care Cost Containment System (AHCCCS), Arizona's single state Medicaid agency. Since June of 2007, over 300,000 new members have been added to the AHCCCS program, a growth of nearly 30%. (See Attachment A for a graph showing AHCCCS population trends.)

The rapid growth in these counter-cyclical programs coupled with revenue declines has placed a tremendous strain on our State's General Fund. While you labor to balance Arizona's budget, our federal partners are debating health care reform options that would impose a mandatory expansion of the Medicaid program. We have been tracking the various proposals and have prepared this letter along with several more detailed attachments as part of our ongoing updates regarding federal health care reform efforts.

### **Health Care Reform Background**

There are two federal health care reform proposals under debate: the House bill, known as the Affordable Health Care for America Act (HR 3962); and the Senate bill, known as the Patient Protection and Affordable Care Act (HR 3590). The House passed its version of the reform bill on November 7, 2009. This week, the Senate opened up debate on its proposal and a vote of the full Senate may come before the year's end.

Both federal reform proposals include an individual mandate requiring all Americans to obtain health insurance. As part of its effort to expand access to health insurance for low-income Americans, both the House and Senate proposals include a mandatory expansion of the Medicaid program. The House bill would cover all Americans up to 150% of the federal poverty level (FPL) in the Medicaid program; the Senate would expand Medicaid to cover all Americans up to 133% FPL. (See Attachment B for more details.) Currently, Arizona covers all of its citizens up to 100% FPL in the AHCCCS program, with some exceptions.

**Projected Fiscal Impact**

Table 1 below, provides a summary of the projected fiscal impact of the proposed expansions as compared to the existing AHCCCS baseline for the same period. The projections include an estimate for increased federal spending, state spending adjustments and new enrollees associated with the expansion. Based on the AHCCCS projection there is a wide range of potential impacts. The House proposal actually results in a savings of almost \$7 billion compared to the current baseline, while the Senate proposal increases the State's cost by almost \$4 billion above the projected baseline. The majority of the difference results largely from how the different proposals fund childless adults and state expansion efforts.

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
 ESTIMATED IMPACT OF FEDERAL MEDICAID EXPANSION PROPOSALS  
 Table 1**

	Federal Impact Cost		New Medicaid Participants	
	Senate	House	Senate	House
2011	-	470,000,000	-	-
2012	-	-	-	-
2013	-	2,556,693,900	-	265,300
2014	1,208,687,900	2,745,826,500	219,400	271,900
2015	1,497,405,500	2,495,271,100	224,600	278,500
2016	1,620,680,500	2,680,985,300	229,600	285,000
2017	1,727,258,300	2,880,302,500	234,800	291,500
2018	1,858,909,700	3,090,731,300	240,000	297,800
2019	2,008,649,500	3,318,892,600	245,000	304,200
2020	2,158,287,600	3,561,589,200	250,000	310,600
Total	12,079,879,000	23,800,292,400		

	State Impact Cost	
	Senate	House
2011	-	(470,000,000)
2012	-	-
2013	-	(993,987,800)
2014	397,635,000	(1,049,462,500)
2015	443,713,400	(654,835,500)
2016	480,747,300	(686,839,100)
2017	549,997,400	(720,345,700)
2018	605,974,100	(755,712,200)
2019	655,194,600	(792,666,200)
2020	720,246,300	(831,563,100)
Total	3,853,508,100	(6,955,412,100)

Arizona's regular, non-enhanced Federal Medical Assistance Percentage (FMAP) for FFY 2010 is 65.75% – that is the percentage of federal funds that cover the cost of the program. The House bill provides 100% FMAP until 2015 and 91% FMAP thereafter for those individuals that would be made newly eligible for the Medicaid program. Under its legislation, the House defines “newly eligible” to include not only those between 100%-150%, but those non-traditional, optional coverage groups, such as childless adults. Consequently, the House proposal would provide a total savings of nearly \$7 billion against the current baseline through 2020 to the State's share of the cost of AHCCCS.

The Senate proposal also initially provides 100% FMAP for newly eligible members but limits enhanced Federal Financial Participation by more narrowly defining the scope of those who are considered “newly eligible” to only include adults between 100% and 133% FPL not currently eligible. Accordingly, Arizona would receive 100% FMAP from 2014 through 2016 only for those newly eligible between 100%-133%. The greater cost to Arizona under the Senate version is the woodwork effect of existing non-traditional populations, which would be covered under the current FMAP. For example, we estimate that approximately 200,000 citizens in Arizona are currently eligible for AHCCCS but not enrolled. If only half of these individuals enroll because of the mandate, it would cost the State \$2 billion from 2014 through 2019. Because the Senate proposal does not assist Arizona in covering the woodwork effect or the expansion costs of the childless adult population, the fiscal impact to the State is far greater than the House proposal and could result in a projected increase to Arizona's costs by almost \$4.0 billion between now and FY 2020.

A more detailed fiscal analysis of the Medicaid expansion under the House proposal can be found at Attachment C and under the Senate proposal at Attachment D. These are only estimates of the impact to the AHCCCS program. The actual fiscal impact will depend largely on the level of Federal Financial Participation for both the Medicaid expansion, as well as the effect of adding those individuals currently eligible but not enrolled as a result of the individual mandate, known as the “woodwork” effect.

### **Impact of Increased FMAP on Arizona and Other Expansion States**

As part of the health care reform proposals, both the House and the Senate provide some increased FMAP for various expansion populations. These policy decisions, in conjunction with the fact that Arizona has already significantly increased coverage beyond Medicaid minimum requirements, have a significant impact on the overall federal funding support. Attachment E provides a comparison of how the various proposals impact the federal support Arizona receives as compared to states that have not expanded coverage.

Almost ten years ago Arizona voters enacted as part of Proposition 204 substantial changes in the AHCCCS system. As a result of Proposition 204, AHCCCS currently provides coverage to 320,000 parents and childless adults who normally are not eligible under either the mandatory Title XIX levels or the traditional eligible populations.

This policy direction is now largely being emulated by Congress as they debate how to address healthcare nationally. However, the policy decisions being made by Congress are negatively

impacting the federal support that Arizona will receive and are not equitable when compared with the funding support non expansion states will receive.

Table 2 below delineates the striking impact of the federal match policies currently being debated and how they negatively impact a small number of states like Arizona that pursued expanded coverage policies. These funding differentials raise serious equity issues as Arizona and just a handful of other early expansion states will be asked to help subsidize coverage in other states. The Table compares the AHCCCS status quo baseline cost estimates for parents and childless adults (that were covered as a result of Proposition 204) with both the Senate and House proposals. It then provides an estimate of what the costs would be for Arizona if the state had not already expanded coverage.

Table 2 shows the following:

- Under the current Senate proposal from 2014 through 2020 the total costs to provide coverage to adults above the Medicaid minimum is projected to be \$46.8 billion in Arizona. Since Arizona has already expanded, the State's costs are projected to be \$17 billion. If Arizona had not expanded the costs would have been \$1.4 billion, a difference of \$15.6 billion over 7 years.
- Under the current House, proposal the impact is far less dramatic with total spending from 2013 through 2020 projected to be \$53 billion. Since Arizona has expanded, the costs would be \$6.7 billion as compared to \$3.8 billion had Arizona not expanded.

Healthcare Reform Impact on Adult Expansion Costs  
 2013 through 2020

Table 2

Proposal	State Match Costs	Total Fund
Baseline (Current Program)	15.4 Billion	44.1 Billion
House Proposal	6.7 Billion	53.0 Billion
House Proposal if AZ had Not Expanded	3.8 Billion	53.0 Billion
Senate Proposal	17.0 Billion	46.8 Billion
Senate Proposal if AZ had not Expanded	1.4 Billion	46.8 Billion

Note – The Senate proposal estimates only include 2014 through 2020

### **Mandated Maintenance of Effort**

In addition to the mandated expansion, both proposals contain maintenance of effort provisions that require the states to maintain Medicaid and the Children's Health Insurance Program (CHIP, known as KidsCare in Arizona) at their current eligibility levels. As detailed in Table 3 below, the cost of covering these optional groups for acute care in Arizona was \$3.2 billion for state FY 2010 out of \$7.3 billion in spending or 43%. Under reform, that \$3.2 billion cost moves from being optional to mandatory. The ability for states to have any discretion with regards to which populations would be covered has in essence been eliminated under both the House and Senate proposals.

Because the American Recovery and Reinvestment Act (ARRA) also contained maintenance of effort requirements as a condition of receiving stimulus funds, any federal reform proposal essentially would lock the State into eligibility standards as they existed on July 1, 2008. This would require maintenance of effort at pre-recession levels despite the fact that the revenue base

in a state like Arizona is 31% less today. There are also provisions in the reform proposals that would establish a federal floor for Medicaid provider rates, even further limiting state flexibility in setting funding levels.

State flexibility has been critical to the success of the AHCCCS program and its establishment as a national model for cost containment and the provision of quality health care. The concern raised by these health care reform proposals is the potential for unintended consequences. For instance, limiting state flexibility may inadvertently harm programs that are working efficiently and effectively. Additionally, without the ability for states to control costs in the Medicaid program, the long-term sustainability of the AHCCCS program will continue to be questioned, and the impact of a growing Medicaid program on other state-funded responsibilities will remain a concern.

**HEALTH CARE REFORM MAINTENANCE OF EFFORT IMPACT  
 MODELED ON AHCCCS FY 2010 ACUTE FUNDING LEVELS  
 Table 3**

POPULATION	CURRENT			HOUSE AND SENATE		
	OPTIONAL	MANDATORY	TOTAL	OPTIONAL	MANDATORY	TOTAL
Children & Families	-	3,042,000,000	3,042,000,000	-	3,042,000,000	3,042,000,000
Parent Expansion	540,200,000	-	540,200,000	-	540,200,000	540,200,000
Aged, Blind, & Disabled Base	-	1,112,000,000	1,112,000,000	-	1,112,000,000	1,112,000,000
Aged, Blind, & Disabled Expansion	134,100,000	-	134,100,000	-	134,100,000	134,100,000
Childless Adults	2,401,800,000	-	2,401,800,000	-	2,401,800,000	2,401,800,000
KidsCare (Title XXI)	103,300,000	-	103,300,000	-	103,300,000	103,300,000
<b>Total Acute</b>	<b>3,179,400,000</b>	<b>4,154,000,000</b>	<b>7,333,400,000</b>	<b>0</b>	<b>7,333,400,000</b>	<b>7,333,400,000</b>

The policy options being discussed by our Congressional leaders will have a profound impact on fragile state budgets. This analysis can only capture the potential impact of those provisions of the bills that have been more clearly defined. But there are so many aspects of these proposals that remain unclear and are still being debated. What we do know is that current Medicaid growth in terms of total expenditures (including both state and federal cost) is outpacing total General Fund Revenue. (See Attachment F.)

**Summary**

In conclusion, federal health care reform still faces a long road as the Senate debates its bill, which will then need to be reconciled with the House proposal. However, because of the substantial impacts to Arizona and the AHCCCS program, we have provided this initial analysis

so that you can begin to weigh the policy options contained within these proposals and consider how they might factor in to the difficult choices you face as Governor.

Certainly many of the policy decisions being contemplated have a significant and potentially inequitable impact on the State of Arizona compared with other states. Hopefully this letter has highlighted the significance of a couple of critical aspects.

1. What level of increased federal participation should be provided to non-expansion states versus a state like Arizona that expanded coverage a decade before Congress pursued this policy?
2. How does Congress expect states to afford a mandated maintenance of effort requirement that in essence pre-dates the current recession and does not acknowledge the fact that many states are unable to afford their existing program, much less a significant expansion?

Please feel free to contact me should you require additional information or clarification on any of these items. We will continue to update these projections as changes to the reform proposals unfold.

Sincerely,



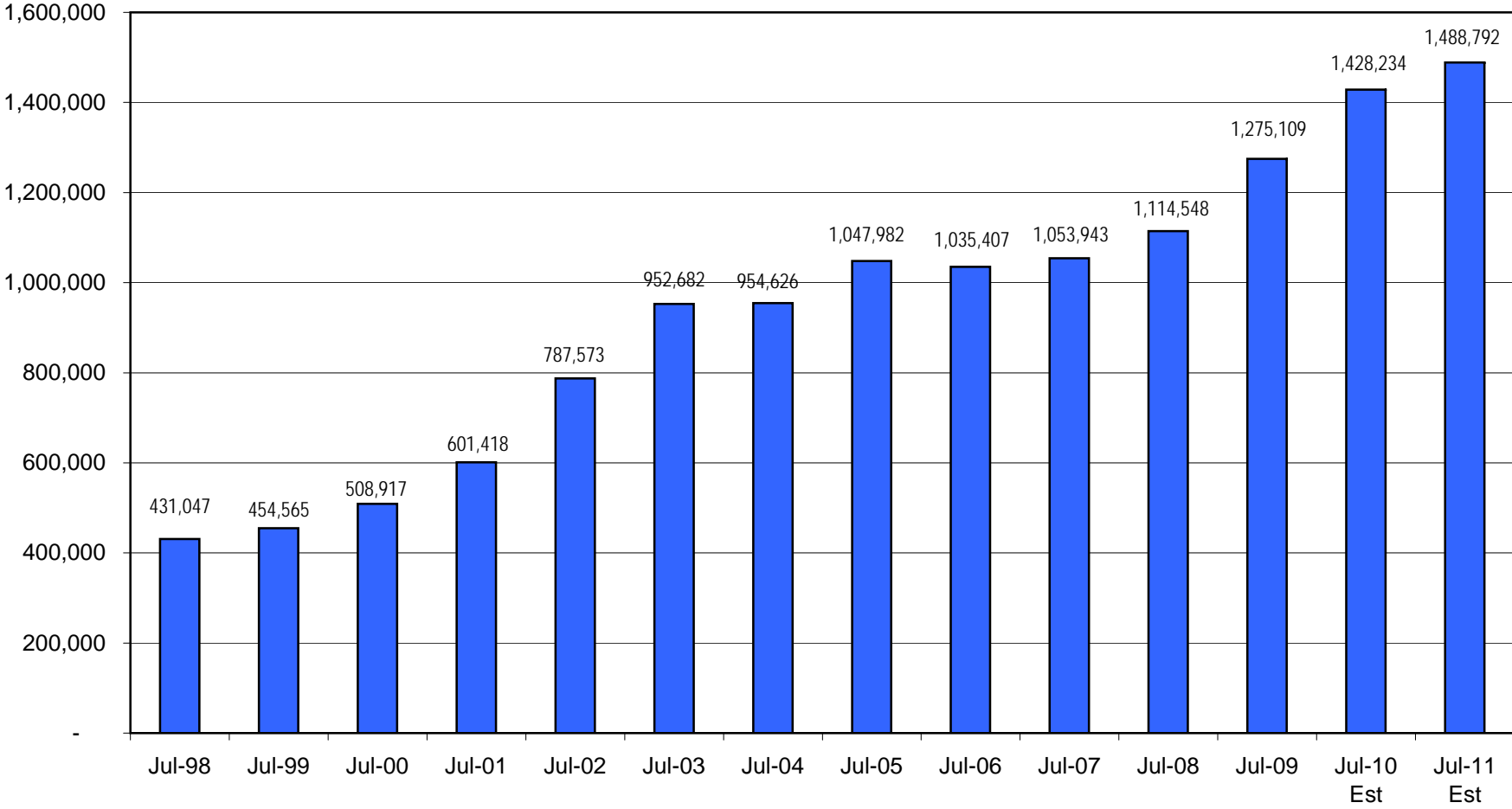
Thomas J. Betlach  
Director

Enclosures:

cc: Senator Robert Burns, President  
Senator Jorge Luis Garcia, Minority Leader  
Representative Kirk Adams, Speaker  
Representative David Lujan, Minority Leader  
Senator Carolyn Allen  
Senator Amanda Aguirre  
Senator Russell Pearce  
Senator Paula Aboud  
Representative Nancy Barto  
Representative David Bradley  
Representative John Kavanagh  
Representative Krysten Sinema

## Attachment A

# AHCCCS Population as of July 1<sup>st</sup> 1998 - 2011



## Attachment B

**FEDERAL HEALTHCARE REFORM**  
**Medicaid Provisions: Comparison of Populations Covered, Financing and**  
**Maintenance of Effort Requirements**

	<b><u>HOUSE</u></b> <b>HR 3962: Affordable Health Care for America Act (passed 11/7/09)</b>	<b><u>SENATE</u></b> <b>HR 3590: Patient Protection and Affordable Care Act (Introduced 11/19/09)</b>
<b>ARRA Extension</b>	Extends increase 6 months	
<b>Expansion population</b>	--150% FPL --100% FMAP until 2015 --Beginning 2015, 91% FMAP (indefinitely)	--133% FPL: 1/2014 --State Option to cover childless adults at current FMAP: 1/2011. --2014 through 2016: 100% FMAP --2017 and 2018: Expansion states 30.3 in 2017; 31.3 in 2018. --2019: all states get 32.3 FMAP increase; capped at 95% FMAP
<b>Childless Adults woodwork (0 – 100%)</b>	--Would qualify as newly eligible --100% FMAP until 2015 --Beginning 2015, 91% FMAP (indefinitely)	--Do not qualify as newly eligible --regular FMAP
<b>Parents woodwork (0-100%)</b>	--Would not qualify as newly eligible --Regular FMAP applies	--Would not qualify as newly eligible --Regular FMAP applies
<b>CHIP Children</b>	--Move to Exchange or Medicaid in 2014 --12 mo continuous eligibility --No bare period for children under 2 who lost coverage or family cannot afford coverage	--Stay in CHIP until 9/30/19 --2014-2019: 23% increase CHIP match; cap of 100% --Allows children to access exchange if state's CHIP allotment runs out (and can get subsidy) --10/1/13: CHIPRA bonus payment ends
<b>Newborns</b>	--Covers all newborns for 60 days while determination is completed to enroll newborn in appropriate insurance. --100% FMAP	
<b>Maintenance Of Effort Requirements</b>	--Effective as of 6-16-09. --Ends: 12/31/13 --Applies to Medicaid and CHIP	-- Effective as of date of enactment --Medicaid: ends on 12/31/13 --CHIP: ends on 9/30/19 --Exempt from MOE for childless adults above 133% if state certifies deficit --1/1/14: income calculation for Medicaid and CHIP changes to Modified Gross Income (no disregards)
<b>Payment Rates</b>	--Ties primary care rates to Medicare: 80% Medicare in 2010; 90% in 2011; 100% in 2012. (Arizona currently meets these standards) --100% FMAP until 2015; 90% for 2015 and beyond	

Note: Arizona's current FMAP is 65.75%.

## Attachment C

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
ESTIMATED IMPACT OF FEDERAL MEDICAID EXPANSION PROPOSALS  
HOUSE (HR 3962 - AFFORDABLE HEALTHCARE FOR AMERICA ACT)**

**Medium Presentation Analysis - Revised Assumptions**

	Federal Impact						New Medicaid Participants
	Expansion	KidsCare Transfer	Non-Cat Transfer	Woodwork	ARRA FMAP Extension	Total	
2011	-	-	-	-	470,000,000	470,000,000	-
2012	-	-	-	-	-	-	-
2013	757,371,300	18,650,600	1,161,106,600	619,565,400	-	2,556,693,900	265,300
2014	822,192,500	20,383,600	1,230,772,800	672,477,600	-	2,745,826,500	271,900
2015	811,780,000	13,910,900	969,146,000	700,434,200	-	2,495,271,100	278,500
2016	879,479,300	15,176,700	1,027,294,900	759,034,400	-	2,680,985,300	285,000
2017	952,635,200	16,590,000	1,088,932,300	822,145,000	-	2,880,302,500	291,500
2018	1,029,826,200	18,118,200	1,154,267,900	888,519,000	-	3,090,731,300	297,800
2019	1,114,522,800	19,770,200	1,223,524,200	961,075,400	-	3,318,892,600	304,200
2020	1,203,903,800	21,609,700	1,296,935,600	1,039,140,100	-	3,561,589,200	310,600
<b>Total</b>	<b>7,571,711,100</b>	<b>144,209,900</b>	<b>9,151,980,300</b>	<b>6,462,391,100</b>	<b>470,000,000</b>	<b>23,800,292,400</b>	

	State Impact					
	Expansion	KidsCare Transfer	Non-Cat Transfer	Woodwork	ARRA FMAP Extension	Total
2011	-	-	-	-	(470,000,000)	(470,000,000)
2012	-	-	-	-	-	-
2013	-	(18,650,600)	(1,161,106,600)	185,769,400	-	(993,987,800)
2014	-	(20,383,600)	(1,230,772,800)	201,693,900	-	(1,049,462,500)
2015	80,285,900	(13,910,900)	(969,146,000)	247,935,500	-	(654,835,500)
2016	86,981,500	(15,176,700)	(1,027,294,900)	268,651,000	-	(686,839,100)
2017	94,216,600	(16,590,000)	(1,088,932,300)	290,960,000	-	(720,345,700)
2018	101,851,000	(18,118,200)	(1,154,267,900)	314,822,900	-	(755,712,200)
2019	110,227,500	(19,770,200)	(1,223,524,200)	340,400,700	-	(792,666,200)
2020	119,067,400	(21,609,700)	(1,296,935,600)	367,914,800	-	(831,563,100)
<b>Total</b>	<b>592,629,900</b>	<b>(144,209,900)</b>	<b>(9,151,980,300)</b>	<b>2,218,148,200</b>	<b>(470,000,000)</b>	<b>(6,955,412,100)</b>

Notes and Assumptions:

- 1) Medium Presentation based on 70% of newly eligible expansion population and 50% of currently eligible woodwork populations.
- 2) Expansion represents currently uninsured persons between 100-150% FPL.
- 3) Woodwork represents currently uninsured persons between 0-100% FPL. Categorical members would be reimbursed at regular FMAP, non-categorical would be reimbursed at the enhanced FMAP.
- 4) Non-categorical transfer represents childless adults between 0-100% FPL who are currently enrolled and reimbursed at the regular F who will now be eligible for the expansion FMAP.
- 5) Title XXI transfer represents KidsCare members between 100-150% FPL who will now be Medicaid eligible and will be reimbursed at FMAP rather than the Title XXI enhanced FMAP.
- 6) Expansion FMAP equal to 100% in FFY13 and FFY14, then 91% thereafter.
- 7) Regular FMAP estimated at 65% Federal and 35% State.
- 8) All costs are based on an assumed FFY2013 (October 1, 2012) implementation through FFY2020 (September 30, 2020), except for 1 two quarter extension in FFY2011.
- 9) This preliminary analysis by the Arizona Health Care Cost Containment System is intended to estimate the incremental funding impact the Affordable Healthcare for America Act on the Arizona Medicaid program only.
- 10) Cost models assume constant population (based on ADES Arizona Population forecasts) and medical expense growth (based on 6% for the entire analysis period which potentially overstates the impacts).
- 11) The Per Member Per Year (PMPY) costs used in this analysis are based on the AHCCCS current experience, trended forward for 6 years. The introduction of new members to the program at unknown levels of acuity could increase or decrease these PMPY, and thus add much to these estimates.
- 12) Population estimates for woodwork and expansion populations are based on US Census Bureau, Current Population Survey (CPS) for citizenship using the CPS "Nativity" indicator.
- 13) New Medicaid Participants includes expansion population, woodwork, and Title XXI transfers. Does not include current Title XIX or participants who will have FMAP impacted based on proposals.

## Attachment D

**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
ESTIMATED IMPACT OF FEDERAL MEDICAID EXPANSION PROPOSALS  
SENATE (HR 3590 - PATIENT PROTECTION AND AFFORDABLE CARE ACT)**

**Medium Presentation Analysis**

Federal Impact

	Expansion	KidsCare Transfer	KidsCare Increased FMAP	Non-Cat Transfer	Woodwork	ARRA FMAP Extension	Total	New Medicaid Participants
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-
2014	518,599,000	(15,988,700)	19,122,400	-	686,955,200	-	1,208,687,900	219,400
2015	750,755,700	(18,992,500)	20,893,400	-	744,748,900	-	1,497,405,500	224,600
2016	811,586,200	(20,718,400)	22,808,100	-	807,004,600	-	1,620,680,500	229,600
2017	850,913,900	(22,583,100)	24,877,400	-	874,050,100	-	1,727,258,300	234,800
2018	910,193,900	(24,706,700)	27,187,200	-	946,235,300	-	1,858,909,700	240,000
2019	982,779,400	(27,004,000)	29,684,500	-	1,023,189,600	-	2,008,649,500	245,000
2020	1,062,648,200	(9,540,100)	-	-	1,105,179,500	-	2,158,287,600	250,000
Total	5,887,476,300	(139,533,500)	144,573,000	-	6,187,363,200	-	12,079,879,000	

State Impact

	Expansion	KidsCare Transfer	KidsCare Increased FMAP	Non-Cat Transfer	Woodwork	ARRA FMAP Extension	Total
2011	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2014	30,869,800	15,988,700	(19,122,400)	-	369,898,900	-	397,635,000
2015	44,595,700	18,992,500	(20,893,400)	-	401,018,600	-	443,713,400
2016	48,296,000	20,718,400	(22,808,100)	-	434,541,000	-	480,747,300
2017	81,649,400	22,583,100	(24,877,400)	-	470,642,300	-	549,997,400
2018	98,943,300	24,706,700	(27,187,200)	-	509,511,300	-	605,974,100
2019	106,926,900	27,004,000	(29,684,500)	-	550,948,200	-	655,194,600
2020	115,609,500	9,540,100	-	-	595,096,700	-	720,246,300
Total	526,890,600	139,533,500	(144,573,000)	-	3,331,657,000	-	3,853,508,100

Notes and Assumptions:

- 1) Medium Presentation based on 70% of newly eligible expansion population and 50% of currently eligible woodwork populations.
- 2) Non-Elderly, Non-Pregnant expansion represents currently uninsured adults between 100-133% FPL. These members would be eligible for expansion FMAP.
- 3) Children 6-19 expansion represents currently uninsured children between 100-133% FPL. These members would only be eligible for regular FMAP.
- 4) Woodwork represents currently uninsured persons between 0-100% FPL. These members would only be eligible for regular FMAP.
- 5) Title XXI transfer represents KidsCare members between 100-133% FPL who will now be Medicaid eligible and will be reimbursed at the regular Title XIX FMAP rather than the Title XXI enhanced FMAP.
- 6) Title XXI FMAP increase represent KidsCare members between 134-200% FPL who will be eligible for the increased Title XXI enhanced FMAP of 99% from FFY2014 to FFY2019.
- 7) Expansion FMAP equal to 100% in Calendar years 2014 to 2016 then 95% thereafter (applies only to adult expansion, child expansion is regular FMAP)
- 8) Regular FMAP estimated at 65% Federal and 35% State.
- 9) All costs are based on a January 1, 2014 implementation through FFY2020 (September 30, 2020).
- 10) This preliminary analysis by the Arizona Health Care Cost Containment System is intended to estimate the incremental funding impacts of the Affordable Healthcare for America Act on the Arizona Medicaid program only.
- 11) Cost models assume constant population (based on ADES Arizona Population forecasts) and medical expense growth (based on 6%) rates for the entire analysis period which potentially overstates the impacts.
- 12) The Per Member Per Year (PMPY) costs used in this analysis are based on the AHCCCS current experience, trended forward for medical inflation. The introduction of new members to the program at unknown levels of acuity could increase or decrease these PMPY, and thus add more variability to these estimates.
- 13) Population estimates for woodwork and expansion populations are based on US Census Bureau, Current Population Survey (CPS) data adjusted for citizenship using the CPS "Nativity" indicator.
- 14) New Medicaid Participants includes expansion population, woodwork, and Title XXI transfers. Does not include current Title XIX or Title XXI participants who will have FMAP impacted based on proposals.

## Attachment E

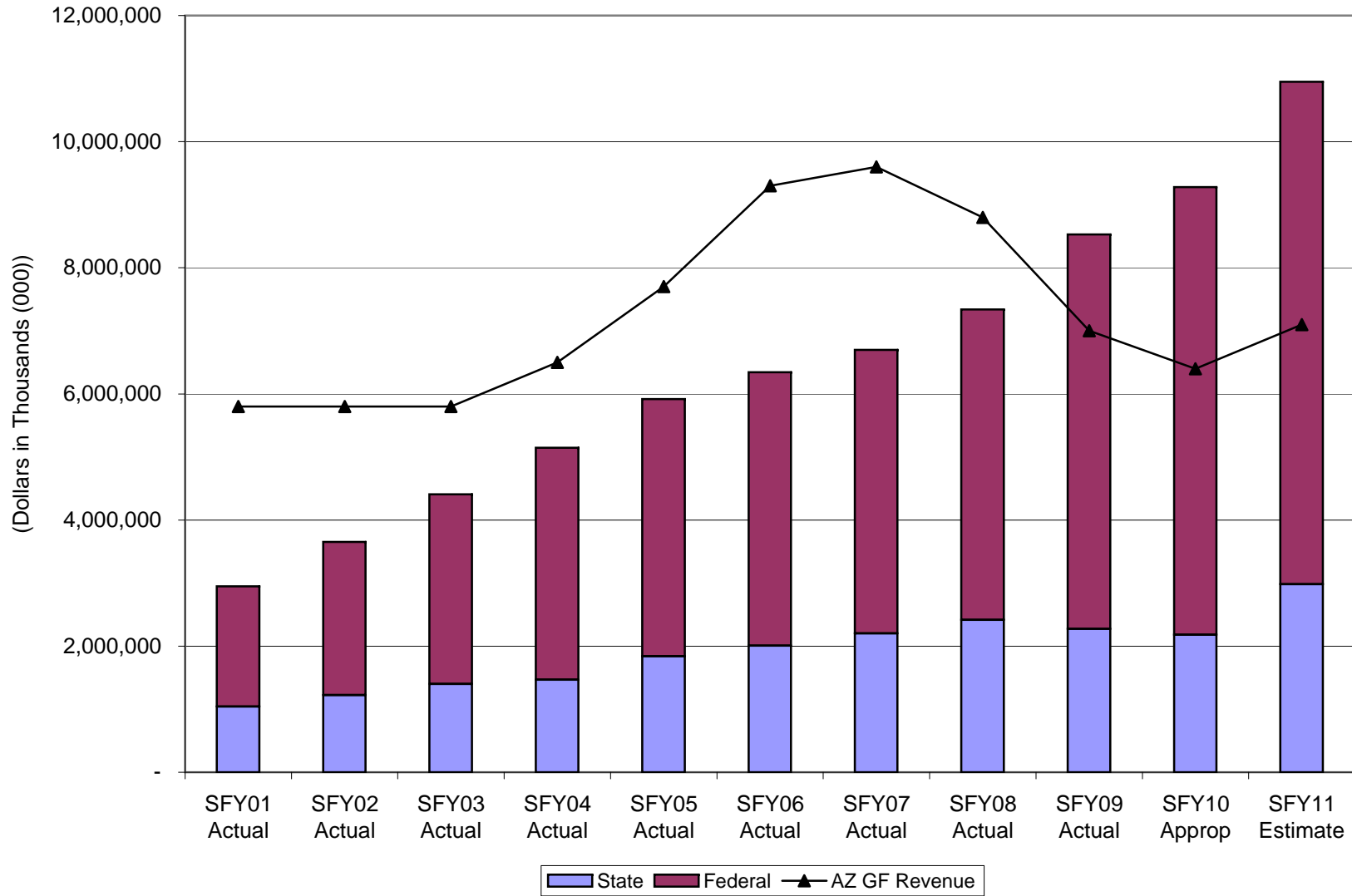
Health Care Reform Proposals  
 Comparison of Federal Participation for  
 Non-Expansion States verse Arizona

Populations	House – No Expansion State	House Arizona	Senate – No Expansion State	Senate Arizona
Parents 22.6-100% FPL	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	Traditional FMAP – Currently 65.75%	100% FMAP 2014 through 2016 2017 - 34.3 inc FMAP 2018 - 33.3 inc FMAP 2019 - 32.3 inc FMAP	Traditional FMAP – Currently 65.75%
Parents 100-150% House 100-133% Senate	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2014 through 2016 2017 - 34.3 inc FMAP 2018 - 33.3 inc FMAP 2019 - 32.3 inc FMAP	100% FMAP 2014 through 2016 2017 – 30.3 inc FMAP 2018 – 31.3 inc FMAP 2019 - 32.3 inc FMAP
Childless Adults 0-100%	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2014 through 2016 2017 - 34.3 inc FMAP 2018 - 33.3 inc FMAP 2019 - 32.3 inc FMAP	Traditional FMAP – Currently 65.75%
Childless Adults 100-150% House 100-133% Senate	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2013 until 2015 91% FMAP 2015 indefinitely	100% FMAP 2014 through 2016 2017 - 34.3 inc FMAP 2018 - 33.3 inc FMAP 2019 - 32.3 inc FMAP	100% FMAP 2014 through 2016 2017 – 30.3 inc FMAP 2018 – 31.3 inc FMAP 2019 - 32.3 inc FMAP

Note – the Senate caps FMAP at 95%

## Attachment F

### AHCCCS Expenditures vs General Fund Revenue SFY2001 - SFY2011



Note: State Match includes General Fund, County Contributions, Tobacco Funding, and other fund sources.