

Background

On April 6, 2020, AHCCCS received temporary authority from the Centers for Medicare and Medicaid Services (CMS) to permit parents of minor children with disabilities to be paid caregivers during the federal COVID-19 Public Health Emergency (PHE). This temporary authority allowed parents and caregivers a way to ensure their children continued to receive health care services during the pandemic, and to have a choice in whether or not to allow direct care workers into their homes. It also ensured continuity of services in the event direct care workers became ill or decided not to work as the result of COVID-19.

On Sept. 27, 2023, AHCCCS sent to CMS an 1115 Waiver amendment requesting this authority on a permanent basis. On Feb. 16, 2024, AHCCCS received approval from CMS to make the Parents as Paid Caregivers (PPCG) a permanent service model option of the Arizona Long Term Care System (ALTCS) program under the 1115 Waiver.

On April 24, 2025, [HB2945](#) was signed into law that requires specific safeguards and guardrails for the PPCG service model in addition to waiver/program requirements of AHCCCS and DES/DDD.

More details are available on the [AHCCCS Member Resources Webpage](#)

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Q17: Does the weekly 40 hour weekly PPCG service model limitation still apply to parents who have an independent contractor (1099) relationship with an agency?

Q18: What if a parent is employed by multiple agencies?

Q1: Will the ability to allow parents of minor children to get paid to provide services expire?

A1: As of February 2024, the parents as paid caregivers program is a permanent service model option in the State's 1115 Demonstration Waiver. CMS is giving AHCCCS time to work in partnership with stakeholders on implementation of all of the activities in the Waiver proposal including revising any policies or forms. AHCCCS and DDD are hosting a public comment period in May - July 2025 for policies that will be effective for use by case managers/support coordinators beginning 10/01/25. More information on how to be engaged in the public comment process is found on the [AHCCCS Member Resource webpage](#).

Q2: Will any requirements change for parents providing paid care under the new 1115 Waiver?

A2: Parents can provide Direct Care Services (Attendant care, Personal Care, Homemaker and Habilitation-hourly) to their minor children if they meet all the Direct Care Worker requirements in AHCCCS policy including, but not limited to:

- Employed or contracted by a single agency,
- Passing direct care worker Level One competency tests, and
- Compliance with Electronic Visit Verification (EVV).

Managed Care Organizations (including DES/DDD) may have additional standard requirements for individuals providing Direct Care Services that would also be applicable to parents. The only new requirement will be that parents cannot exceed 40 hours of paid care for their child in a given week. The 40-hour weekly PPCG service model limitation will go into effect on July 1, 2025.

However, members can still receive more than 40 hours of authorized paid care in a given week through the use of an alternate caregiver. If there are two parents getting paid to provide services to one member, the hours of the two parents combined cannot exceed 40 hours of paid care in a given week, per child. If two children are receiving services, the parent(s) may provide up to a combined 80 hours of paid care per week. AHCCCS is applying this limitation to be consistent with another program allowing legally responsible individuals to get paid to provide care. It is important to note the number of hours (up to 40) that a parent (or any Direct Care Worker) can get paid to provide care is assessed and determined through the person-centered planning process and must meet medical necessity requirements.

Q3: What if we don't have another caregiver in place when the 40-hour weekly PPCG service model limitation is implemented?

A3: AHCCCS encourages members and their families to start planning now for this transition, and work with the provider agency and their case manager/support coordinator on a transition plan for an alternate Direct Care Worker (DCW) for any medically necessary hours over 40 per week. While planning, you should identify any DCW requirements that are specific to the unique needs and preferences of the member, and identify potential candidates to serve as a DCW including other family members, friends, neighbors, and others within their social network. If a suitable candidate is identified and available, it is strongly recommended that you transition to an alternate DCW to provide care prior to July 1, 2025.

Q4: Can family members, including parents of adult children, continue providing paid care?

A4: AHCCCS policy allows parents and family members of adult children to provide paid care. There is no hourly limitation and this policy will not change.

Q5: What is being done to ensure there are enough qualified individuals to provide care after the 40-hour weekly PPCG service model limitation is in effect?

A5: AHCCCS utilized the ARPA HCBS spending plan to pursue a number of different initiatives to help recruit and retain a qualified workforce including, but not limited to:

- Incentivizing people to join the workforce,
- Helping providers develop recruitment and retention strategies to meet their memberships needs,
- Enhancing training to build competencies to meet member needs, and
- Developing career pathway opportunities.

Provider agencies will be required to incorporate member specific needs and preferences into broader agency workforce development plans and partner with members and families to recruit and onboard new DCWs. Tools, resources and connections will be made for provider agencies to utilize to recruit alternate caregivers in the communities they serve.

Q6: Does this apply to disabled non-minors?

A6: This program only applies to members eligible for and enrolled with the Arizona Long Term Care System (ALTCs) program.

Q7: If a parent is a licensed professional nurse (LPN or RN) and working with their child, does this also apply to them?

A7: Only if the parent is providing Direct Care Services or Habilitation hourly. Direct Care Services include Attendant Care and Personal Care.

Q8: Is this income counted when determining AHCCCS eligibility for the rest of the household?

A8: It depends on:

1. Whether the criteria is met that excludes these wages from federal income tax, and
2. The specific AHCCCS programs for which the person is potentially eligible. If the criteria are met, the income itself is not taxable, which means that it is excluded for MAGI (Modified Adjusted Gross Income) programs as a whole. The income would be excluded when determining MAGI eligibility for a child or spouse whose family size (also referred to as a budget group) includes the caregiver.

Q9: How does a parent access the PPCG service model?

A9: Parents may discuss this service model option with their ALTCs case manager/support coordinator. As part of the policy and form revision drafting process, a discussion guide and decision roadmap are being created to help facilitate a planning team conversation to select the caregiver option(s) that take into consideration the best interest of the member including supporting self-determination to the maximum

extent possible. If the PPCG service model option is selected, the parent will be required to complete a form to acknowledge understanding of expectations and conditions of participation in the service model.

Q10: What is the compensation rate for the parent caregiver?

A10: Provider agencies are paid based on the [Fee-for-Service Fee Schedule](#). Please note that different rates may be negotiated by EPD Managed Care Organizations and providers. DES/DDD pays its provider agencies (called “Qualified Vendors”) based on its published Rate Book which can be located [here](#).

Rates that provider agencies pay parent caregivers are determined based on a discussion between the parent and the agency who is either employing them or with whom they have a contract.

It is important to note that the extra income could impact eligibility for other publicly funded programs (i.e. SNAP) and this change in benefits could affect others in the household.

Q11: When are wages considered “difficulty of care” payments?

A11: Wages earned for providing Personal Care or Attendant Care services may be excluded when they meet both of the following:

1. The services are being paid for through the ALTCS program, and
2. The caregiver lives with the ALTCS customer receiving the services.

Q12: If I apply for AHCCCS, which programs exclude these payments?

A12: These payments are excluded for the AHCCCS programs that count income using Modified Adjusted Gross Income (MAGI) rules. MAGI is based on federal income tax rules with some exceptions. For more information regarding MAGI rules, please see [Section 614 of the AHCCCS Medical Assistance Eligibility Policy Manual](#).

Q13: What if I provide these ALTCS services for someone that lives with me, but also for an ALTCS member who does not?

A13: The wages earned for caregiving services provided to the ALTCS member living with you may be excluded for AHCCCS MAGI programs. The wages for services provided to the other ALTCS members are not considered “difficulty of care” payments, and count as income.

Q14: How can I indicate in my AHCCCS application that caregiver income should be disregarded?

A14: If, when applying for AHCCCS, some or all earnings may be “difficulty of care payments” and disregarded as income, you can take steps to override the automatic process and alert AHCCCS of this situation.

When applying in HEAplus online, on the page with income from electronic sources that lists the employer issuing the “difficulty of care” payments, select “No” to the question that asks if the information is accurate. That will prompt the question, “Why not?” Select the response “Income is higher/lower than what is shown” or select “Other.” If possible, upload a written statement explaining that the income is for personal care services provided to a person or persons living in the home ([see Eligibility Policy Manual Chapter 606 UUU](#)). Include the name of the person(s) in the home receiving services. If earnings also include amounts for providing care to someone outside the home, the statement should include a breakdown of the hourly rate and hours worked for the person in the home.

Q15: What if I need verification for tax purposes that my wages are for difficulty of care?

A15: AHCCCS can provide verification of the person(s) on ALTCS in your household for whom you are providing care. You should be able to use this to support wages as difficulty of care. Contact AHCCCS by phone at (602) 417-4230 or (855) 842-7619, or by email at dmpsocaservicedesk@azahcccs.gov.

Q16: Who is considered a parent?

A16: For the purposes of the PPCG service model option, a parent is someone who has formal physical and/or legal custody of their minor child including those who are legal guardians of minor children. For example, a step-parents would not meet this definition unless they legally adopt the child.

Q17: Does the weekly 40 hour weekly PPCG service model limitation still apply to parents who have an independent contractor (1099) relationship with an agency?

A17: Yes. The 40 hour weekly PPCG service model limitation is a standard term and condition of the CMS approval to allow this service model on a permanent basis. The parent is required to be employed/contracted by one agency. Whether or not the parent is an employee or contractor has no bearing on compliance with the requirement.

Q18: What if a parent is employed by multiple agencies?

A18: The parent must only be employed/contracted by one agency. When the member is being served by more than one parent, the parents must be employed/contracted by the same agency to support compliance monitoring of the 40-hour weekly service model limitation. If the parent(s) are currently employed by multiple agencies, they must rectify the situation by July 1, 2025.