Parents as Paid Caregivers of Minor Children
Frequently Asked Questions

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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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 gave 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 have co-hosted multiple public forums in September 2025, to provide an overview and orientation of the final policies and answer questions that will be effective for use by case managers/support coordinators beginning 10/01/25. A recording of the forums and the presentation slides are available on the Division's PPCG web page.

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,
- Meet competency and training requirements outlined in the AHCCCS Medical Policy Manual (AMPM) for direct care (AMPM 1240-A) and habilitation (AMPM 1240-E) services, 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 seven-day period. The 40-hour weekly PPCG service model limitation went into effect on July 1, 2025.

However, members can still receive more than 40 hours of authorized paid care in a seven-day period 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 seven-day period, per child. If two children are receiving services, the parent(s) may provide up to a combined 80 hours of paid care per week. 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: How do we find alternate caregivers if my child is authorized for more than 40-hours per week?

A3: Provider agencies authorized to provide care are responsible for finding alternate Direct Care Worker (DCW) for any medically necessary hours over 40 per week. Parents are encouraged to identify and share any DCW requirements that are specific to the unique needs and preferences of the member to support the agency's recruitment of competent caregivers. While parents are not obligated to participate in the recruitment process they may choose to do so by identifying potential candidates within their social networking including other family members, friends and neighbors.

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?

A5: AHCCCS and health plans have pursued 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,
- Forming partnerships with educational institutions or programs that prepare people for health care related jobs
- Developing career pathway opportunities, and
- Created a primary resource for connecting job seekers and provider agencies.

Provider agencies are required to incorporate member specific needs and preferences into broader agency workforce development plans including recruitment of alternate caregivers for when a parent may be unable to provide care on a permanent or temporary basis or to provide authorized respite care services that can provide intervals of rest or relief for a primary caregiver.

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 after the member's needs have been identified and assessed through the Person-Centered Service Planning (PSCP) process and the HCBS Members Needs Tool (HNT) has been completed and the service needs and service hours have been identified. The ALTCS case manager/support coordinator will use the Minor Caregiver Options Discussion Guide and Decision Roadmap to support discussion regarding, and selection of, caregiver options for a child, primarily, takes 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(s) will be required to complete the Parents as Paid Caregivers Acknowledgement of Understanding 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 attendant care or habilitation 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.

HEAplus is programmed to correctly count or not count income based on the responses to the income questions. As you work your way through the questions, HEAplus will check for and bring back any earned income found. You will also be asked if you have income from any other jobs. If you do, you will need to enter that income (Gross amount not Net). You will have to provide verification of any manually entered income. There is also a question that asks if anyone applying is getting paid to care for someone in the home that is receiving ALTCS. Choose the applying person who is providing the care and choose the person who is on ALTCS. Complete the rest of the questions. When the information has been verified and meets the criteria for the income exclusion, HEAplus will run the rules and apply the exclusion if appropriate.

If possible, upload a written statement explaining that the income is for personal care or habilitation services provided to a person or persons living in the home (see Eligibility Policy Manual Chapter 606 UUU).

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. You can submit a verification request in the AHCCCS Solutions Center <https://servicenow.azahcccs.gov/gsp>. Select the Access to Care/Eligibility form from the top menu bar. Or contact AHCCCS by phone at (602) 417-4230 or (855) 842-7619.

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 stepparent 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: Can a parent be employed by multiple agencies?

A18: No, the parent must be employed/contracted by one agency for the hours they will be providing to their child or children under PPCG. When the member is being served by more than one parent, the parents may be employed/contracted by two different agencies.

Q19: Where can I find information on the new service needs assessment for children?

A19: AHCCCS has created another FAQ to specifically address the revised policies and new forms related to the HCBS Needs Tool. This FAQ can also be found on the Coverage Webpage under the heading "Assessing Care Needs for ALTCS Members."