ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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August 20, 2026

Richard Stavneak
Director, Joint Legislative Budget Committee
1716 W. Adams St.
Phoenix, Arizona 85007

Dear Director Stavneak,

Pursuant to Laws 2025, Chapter 93, Section 1, the Arizona Health Care Cost Containment System (AHCCCS) and the Department of Economic Security (DES) shall provide to the staff of the Joint Legislative Budget Committee at the end of each calendar quarter, a report on the utilization of attendant care services and habilitation services by parent caregivers under the Parents as Paid Caregivers Program (PPCG). The report shall also include all the following:

1. The annual growth in the number of parents and members enrolled in the program.
2. The number of emergency department visits and inpatient hospitalizations in the calendar quarter.
3. The approved annual hours delineated by primary diagnosis.
4. How long a member who receives care under PPCG has been enrolled in the Arizona Long Term Care System (ALTCS).

Please note, there are two separate reports; one created by AHCCCS (information below) and the second created by the DES, Division of Developmental Disabilities (DDD). These two coordinated reports provide a comprehensive review of the PPCG service model and related utilization across the ALTCS Program. DES DDD will provide data specific to the intellectual/developmental disability (I/DD) population served. AHCCCS will provide data specific to the Elderly and/or Physically Disabled (EPD) population served through ALTCS-EPD Managed Care Organizations (MCOs).

This quarterly report serves to provide an update regarding the agency's data capabilities specific to the information requested as well as EPD-specific data related to PPCG utilization.

If you have any questions regarding this report, please contact Damien Carpenter, Chief Legislative Liaison, at 602-396-0767.

Thank you,



Roberta Harrison,
Interim AHCCCS Director

Cc: The Honorable David Farnsworth, Chairman, Joint Legislative Budget Committee
The Honorable David Livingston, Vice Chairman, Joint Legislative Budget Committee
Chandler Coiner, Senior Fiscal Analyst, Joint Legislative Budget Committee
Brian Belakovsky, Fiscal Analyst, Joint Legislative Budget Committee
Ben Henderson, Director, Governor's Office of Strategic Planning and Budgeting
Meaghan Kramer, Health Policy Advisor, Office of the Governor

Background

In May 2024, AHCCCS established a PPCG implementation work group comprised of family members and family advocates, as well as providers, state agencies (i.e. DES), and health plan representatives. The work group met at a regular meeting cadence to help develop and provide input on policy and form revisions necessary to implement the new PPCG service model, including reviewing materials from other states with similar models. Agenda topics and discussions also included competencies and content for case manager training and consultation on broader stakeholder engagement and communications. Work group members were encouraged to engage in dialogue with AHCCCS staff between meetings to share input, thoughts, and recommendations. The regular meetings concluded when AHCCCS posted policies for public comment in May 2025.

AHCCCS implemented a 40-hour/week limit for paid parent providers in July 2025. MCOs, including DES/DDD, worked with families to ensure transition of hours from parents to other paid providers. If the parents opted to not maintain the full hours assessed (for those above 40 hours/week) via non-parent providers, that decision was noted in the member file. On October 1, 2025, AHCCCS implemented new service assessment policies that aligned with the federal PPCG waiver requirements as well as the new state law. Given concerns from families, providers, and other stakeholders, the Governor directed AHCCCS to implement an Emergency Rule regarding Home and Community Based Services (HCBS) needs assessment of minor members and to develop an extraordinary care review (ECR) process. This direction and the related Emergency Rule were effective as of October 15, 2025. Additionally, the agency was directed to pause use of the new assessment tool until the tool could be evaluated for any necessary clinical updates as well as develop the new ECR policy. AHCCCS released updated assessment policies and the new ECR policy for public comment on November 10, 2025. Public comment closed on November 24, 2025, with over 4,600 comments provided to the Agency.

AHCCCS has reviewed all public comments and updated policies as appropriate, to reflect feedback from the public comments as well as requirements outlined by CMS. Policies are currently under review pending another round of public comment based on the Agency's short-term Rulemaking exemption and requirements to post for at least 30 days prior to policy implementation. Once public comments are reviewed and the policy language is finalized, the policies will be made public and MCOs, including DDD, will begin working on their internal protocols and training of case management/support coordination staff. These efforts are anticipated to be completed during the next few months, with the policy "go live" implementation anticipated for December 1, 2026 (i.e. actual use of revised HCBS Needs Tool (HNT) assessment and beginning use of the ECR process by members/health care decision makers).

Current Data Capabilities

AHCCCS is providing some additional background information on EVV to support an understanding of the pathway to compliance with the mandated live-in caregiver requirements.

AHCCCS implemented EVV on January 1, 2021, as an Open Vendor Model with one statewide contractor, Sandata Technologies (Sandata). In May 2024, AHCCCS required Sandata to add indicators to the Sandata EVV system that identify a live-in caregiver's relationship to a member. Once the development was completed, AHCCCS directed Sandata EVV system users to start reporting live-in caregiver data in March 2025. However, this requirement only affected service provider agencies that chose to use the Sandata EVV system, accounting for approximately 15% of the visit volume for all service providing agencies. AHCCCS posted the Alternate EVV specifications on June 25, 2025, which required service providers that contract directly with an EVV vendor to implement the new indicators between July and September 2025. Communications sent to stakeholders in February and June 2025 regarding the live-in caregiver data requirements were followed by an invitation to participate in a webinar. All materials and submission requirements are posted to the AHCCCS EVV webpage. Unfortunately, challenges with the configuration of the specifications and Sandata's ability to receive the data from EVV vendors posed a challenge for the vendors and their contracted provider agencies to comply, complete development, and send the data to Sandata.

As described in the previous quarter's report, AHCCCS has recently transitioned (October 1, 2025) to an in-house EVV aggregator to provide the agency with greater flexibility in oversight and management of EVV compliance. This transition also supports long-term sustainability and cost savings for the agency and the EVV program. As part of the transition, AHCCCS updated the specifications for EVV vendors, including addressing the challenges with the previous version of the specifications established by Sandata. Due to data quality issues related to the original Sandata EVV system, AHCCCS was unable to transition any previous, limited live-in caregiver data recorded in the Sandata EVV system from prior to September 30, 2025 into the new EVV aggregator. AHCCCS afforded additional time to EVV vendors and provider agencies, until October 31, 2025, to send live-in caregiver data to the new aggregator for relationships that were active beginning October 1, 2025. Today, EVV vendors are sending data directly to AHCCCS, including data that identifies live-in caregivers and their relationship to the person being served. This enhances ongoing monitoring and compliance work and will aid with enhanced data for this report in future quarters. The new EVV system's readiness was evaluated by CMS to

ensure the functionality aligns with federal reporting requirements; no major concerns were identified, and CMS has approved the design.

AHCCCS and the MCOs are closely monitoring providers' compliance with the live-in caregiver data requirements to support complete and accurate data. Both AHCCCS and MCOs, including DDD, have access to the aggregator and reports that are specific to live-in caregivers. Of the roughly 600 provider agencies who must comply with EVV, approximately 75% are sending the live-in caregiver data, 20% don't provide services that allow for live-in caregivers and 5% are presumed to have live-in caregivers but are currently out of compliance. Non-compliant providers have been targeted for outreach and education, being completed by both AHCCCS and the MCOs. Significant improvements in the quality of data submitted have been made during the reporting period with only a small minority of providers having to be outreached to ensure their data submissions are complete and accurate. AHCCCS has put a multi-pronged plan into action to address provider non-compliance including requesting all the MCOs to follow up with non-complying provider agencies that has resulted in the improvements in data submission and data quality noted above. AHCCCS has provided one-on-one technical assistance to providers (and their EVV vendors) who need additional support and regularly holds webinars for broader audiences. For example, AHCCCS held a webinar in February 2026 regarding compliance with the live-in caregiver data requirements. These efforts will remain ongoing, with a regular cadence for webinars being established and technical assistance available at any time a provider (or their vendor) requests and/or if AHCCCS identifies data submission issues.

Utilization of Attendant Care and Habilitation

From October 1, 2025, through December 31, 2025, 192 unique EPD members participated in the PPCG service model with 206 unique parent caregivers being paid to deliver attendant care services. This is down slightly from historical estimates, where around 214 unique members were previously receiving services via the PPCG service model. Please note that for the EPD program, habilitation is rarely utilized due to the qualifying nature of members' conditions; attendant care is the predominant parent-delivered service for this population. For this reporting period, there were zero hours of habilitation provided to ALTCS EPD members via the PPCG service model.

Reporting Methodology

AHCCCS has documented the methodology below that the agency is using for each quarterly report. The data will be reported retrospectively to ensure the most accurate reporting using EVV, authorization, and encounter data. Valid encounter data is available to AHCCCS approximately six (6) months after services are rendered and paid, specifically for inpatient hospitalizations and emergency room visits. For this reason, each quarterly report will be a six-month look back so that the data reflected will be accurate and complete; for instance, this June 2026 report is representative of data from October 1, 2025, to December 31, 2025.

1. **The annual growth in the number of parents and members enrolled in the program.**

This data will be provided each quarter. The data will include the number of minor members receiving care from a parent utilizing the PPCG service model at any time during the reporting quarter compared to the number of minor members receiving care from a parent utilizing the PPCG service model at any time during the prior reporting quarter. The report will also include the number of parents providing services to their children at any time during the reporting quarter compared to the previous quarter. Due to data lag, AHCCCS will provide an annual summary of the past state fiscal year in its December report. However, please note that the December 2026 report will be limited in comparison to future annual summaries due to the EVV start date of October 1, 2025.

PPCG Utilization (Reflective of October 1, 2025 – December 31, 2025)*					
# of Unique Members (Current Quarter)	**# of Unique Members (Previous Quarter)**	**% Change**	**# of Unique Parent Providers (Current Quarter)**	**# of Unique Parent Providers (Previous Quarter)**	**% Change**
192	N/A	N/A	206	N/A	N/A

*This is the first quarter the PPCG relationship data was available in the electronic visit verification (EVV) aggregator. Moving forward, the previous and current data will be able to be supplied.

2. **The number of emergency department visits and inpatient hospitalizations in the calendar quarter.**

   The data will include the count of emergency department visits and inpatient hospitalization stays for members participating in the PPCG service model during the reporting period.

ED/Hospitalization Data for Quarter Ending (Month, Day, Year)		
Number of Unique Members Participating in PPCG	**Number of Emergency Department Visits for PPCG Participants**	**Number of Hospitalizations for PPCG Participants**
192	53	26

3. **The approved annual hours delineated by primary diagnosis (see note on limitations under the table below).**

   This data will be provided each quarter. The data will include the sum of the attendant care hours delivered via the PPCG service model, broken down by primary diagnosis (EPD qualifying condition), during the reporting period. Due to data lag, AHCCCS will provide an annual summary of the past state fiscal year in its December report. However, please note that the December 2026 report will be limited in comparison to future annual summaries due to the EVV start date of October 1, 2025.

PPCG Annual Attendant Care Hours, by Qualifying Diagnosis (Reflective of October 1, 2025 through December 31, 2025)	
Qualifying Diagnosis	**Quarterly Count of Utilized Attendant Care Hours via PPCG***
Behavioral/Psychiatric Disorders	1,285
Cardiovascular/Vascular Conditions	1,192
Central Nervous System/Neurological Conditions	1,784
Congenital Anomalies	7,278
Gastrointestinal/Nutritional Disorders	1,829
Genetic/Metabolic/Rare Disorders	1,742
Injury/Trauma	3,832
Malignancies/Cancer	1,928
Musculoskeletal/Skeletal Disorders	2,139
Neurodevelopmental/I-DD Disorders	2,818
Neuromuscular/Motor Neuron Disorders	7,762
Paralysis, Mobility, and Gait Disorders	5,527
Perinatal/Neonatal Conditions	252
Renal/Urologic Disorders	704
Respiratory Disorders/Respiratory Failure	2,625
Grand Total	**42,697**

* Please Note: The data above is specific to the attendant care hours logged into the EVV system by paid parent caregivers and verified by the EVV aggregator. AHCCCS does not have data on service hours authorized. MCOs determine authorized hours, and the data related to those authorized hours is maintained by the MCOs. AHCCCS is unable to receive this data because the agency does not currently have a sufficient data system that supports this level of information sharing. However, the development of a sufficient data system for the agency is part of a long-term system solution strategy plan for Medicaid Enterprise System (MES) modernization that, barring any budgetary or administrative setbacks, is set to be finalized in late 2027.

4. **How long a member who receives care under the PPCG Program has been enrolled in ALTCS.**

This data includes information specific to the average length of time minor members utilizing the PPCG service model during the quarter have been determined eligible for ALTCS. AHCCCS will derive this data by determining the ALTCS eligibility date of all members participating in the PPCG service model in the given quarter and evaluating their eligibility month in comparison with the last month of the reporting quarter. From there, an overall average for each quarter will be calculated and presented in response to this question.

Number of Unique Members Participating in PPCG	How long a member who receives care under the PPCG Program has been enrolled in ALTCS (average length of enrollment)
192	3.8 years