

March 30, 2023


Brian Zolynas  
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Dear Mr. Zolynas,

Pursuant to Special Terms and Conditions paragraph 121, attached please find Arizona's documentation that the percentage of AHCCCS fee-for-service beneficiary expenditures compared to total Medical Assistance expenditures does not exceed 5 percent of Arizona's total Medical Assistance expenditures.

Please contact me at 602-417-4576 or [kristen.challacombe@azahcccs.gov](mailto:kristen.challacombe@azahcccs.gov) if you have any questions.

Sincerely,



Kristen Challacombe  
Deputy Director, Business Operations  
AHCCCS

**Arizona Health Care Cost Containment System**  
**STC #121 Applicability of Fee for Service Upper Payment Limits**  
**As Compared to Total Medical Assistance Expenditures**  
**FFY 2022**

			FFS Expenditures for Members Enrolled in the			
			Non Fee for Service Expenditures	American Indian Health Program (AIHP) and Tribal ALTCS	IHS FFS Payments for Managed Care Enrolled Members	Expenditures Subject to 5% Limit
Medical Assistance Payments			Total Computable			
1	A	Inpatient Hospital - Reg. Payments	151,054,939	-	136,304,399	5,945,875
	B	Inpatient Hospital - DSH	127,164,434	127,164,434	-	-
	C	Inpatient Hospital - Supplemental	2,409,320	2,409,320	-	-
	D	Inpatient Hospital - GME	391,218,998	391,218,998	-	-
2	A	Mental Health Facility Services - Reg. Payments	7,882,034	-	7,269,382	126,280
	B	Mental Health Facility - DSH	28,474,900	28,474,900	-	-
3		Nursing Facility Services	55,477,886	-	54,865,907	506,389
	B.2	Nursing Facility Services Supplemental	1,059,912	1,059,912	-	-
	B.3	Nursing Facility Services Supplemental	11,837,259	11,837,259	-	-
4	A	Intermediate Care Facility - Public	-	-	-	-
	B	Intermediate Care - Private	-	-	-	-
5	A	Physicians' Services	62,154,696	-	58,887,483	2,859,531
	C	Physician & Surgical Services - Eval & Mgmt	-	-	-	-
	D	Physician & Surgical Services - Vaccine codes	-	-	-	-
6	A	Outpatient Hospital Services - Regular	567,333,959	-	493,239,431	128,028
	B	Outpatient Hospital Services - Supplemental	7,961,938	7,961,938	-	-
7		Prescribed Drugs	296,038,077	-	264,338,104	1,043,006
7	A.1	Drug Rebate Offset - National Agreement	(58,150,725)	-	-	(58,150,725)
	A.2	Drug Rebate Offset - State Sidebar Agreement	(5,848,198)	-	-	(5,848,198)
	A.3	MCO - National Agreement	(937,862,888)	(937,862,888)	-	-
	A.4	MCO - State Sidebar Agreement	(107,289,101)	(107,289,101)	-	-
	A.5	Increased ACA Offset - FFS 100%	(1,611,708)	-	-	(1,611,708)
	A.6	Increased ACA Offset - MCO 100%	(60,656,677)	(60,656,677)	-	-
8		Dental Services	4,891,681	-	4,895,706	3,060
9		Other Practitioners	7,428,314	-	6,969,425	324,783
10		Clinic Services	663,297,283	-	653,289,882	9,591,763
11		Laboratory/Radiological	20,235,666	-	19,533,484	509,937
12		Home Health Services	7,667,846	-	2,545,315	5,122,531
13		Sterilizations	56,177	-	56,095	82
14		Abortions	-	-	0	(0)
15		EPSDT Screening	1,530,927	-	1,487,723	32,102
16		Rural Health	558,040	-	549,707	8,333
17	A	Medicare - Part A	19,857,605	19,857,605	-	-
	B	Medicare - Part B	440,485,559	440,485,559	-	-
	C.1	120% - 134% Of Poverty	43,028,372	43,028,372	-	-
	C.2	135% - 175% Of Poverty	-	-	-	-
	D	Coinsurance	5,497,429	5,497,429	-	-
18	A	Medicaid - MCO	17,247,009,003	17,247,009,003	-	-
	A1	Medicaid - MCO- Evaluation and Management	-	-	-	-
	A2	Medicaid - MCO -Vaccine Codes	-	-	-	-
	B.1	Prepaid Ambulatory Health Plan	113,840	113,840	-	-
	B.2	Prepaid Inpatient Health Plan	174,931,314	174,931,314	-	-
	C	Medicaid - Group Health	-	-	-	-
	D	Medicaid - Coinsurance	-	-	-	-
	E	Medicaid - Other	-	-	-	-
19	A	HCBS - Reg Pay (Waiver)	-	-	-	-
	B	HCBS - Reg Pay - St. Plan 1915(i) Only Pay	-	-	-	-
	C	HCBS - Reg Pay (Waiver)	-	-	-	-
22		All-Inclusive Care Elderly	-	-	-	-
23	A	Personal Care Services - Reg Pay	220,934	-	3,205	217,729
	B	Personal Care Services - SDS 1915(j)	-	-	-	-
24	A	Targeted Case Mgt. - Com. Case-Man.	201,510	-	-	201,510
	B	Case Management - State Wide	3,716,716	-	-	3,716,716
25		Primary Care Case Management	10,846,138	-	-	10,846,138
26		Hospice Benefits	631,554	-	631,554	-
27		Emergency Services Undocumented Aliens	170,284,574	-	-	170,263,693
28		Federally-Qualified Health Center	60,882,507	52,420,479	6,390,065	25,971
29		Non Emergency Medical Transportation***	127,110,394	-	125,249,011	1,440,174
30		Physical Therapy	43,423	-	43,380	43
31		Occupational Therapy	126	-	126	-
32		Services for Speech, Hearing & Language	194,002	-	191,276	1,918
33		Prosthetic Devices, Dentures, Eyeglasses	4,004,670	-	4,002,451	422
34		Diagnostic Screening & Preventive Services	670,890	-	655,812	11,686
35		Nurse Mid-Wife	924,920	-	815,683	15,242
36		Emergency Hospital Services	106,666,207	-	95,668,104	10,998,103
37		Critical Access Hospitals	23,564,340	13,539,579	9,791,405	16,865
38		Nurse Practitioner Services	9,175,487	-	8,968,322	179,236
39		School Based Services	111,915,627	111,915,627	-	-
40		Rehabilitative Services (non-school-based)	296,115,137	-	281,912,278	13,607,357
41		Private Duty Nursing	7,290	-	-	7,290
47		ARP Section 9811 COVID Vaccine/Vaccine Admir	7,188,900	7,188,900	-	-
49		Other Care Services	148,778,905	-	145,508,326	1,213,711
			20,258,382,357	17,580,305,800	2,384,063,044	173,354,869

Percentage of Fee-for-Service Beneficiary Expenditures to Total Medical Assistance Expenditures

0.86%