

March 30, 2021


Kelsey Smyth  
Project Officer, Division of State Demonstrations, Waivers & Managed Care  
Center for Medicaid, CHIP and Survey & Certification  
Centers for Medicare and Medicaid Services  
Mailstop: S2-01-16  
7500 Security Blvd.  
Baltimore, Maryland 21244-1850

Dear Ms. Smyth,

Pursuant to Special Terms and Conditions paragraph 91, 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 602-417-4647 or [shelli.silver@azahcccs.gov](mailto:shelli.silver@azahcccs.gov) if you have any questions

Sincerely,



Shelli Silver  
Deputy Director- Health Plan Operations  
AHCCCS

**Arizona Health Care Cost Containment System  
STC #91 Applicability of Fee for Service Upper Payment Limits  
As Compared to Total Medical Assistance Expenditures**

Medical Assistance Payments		Total Computable	Expenditures for			Expenditures Subject to 5% Limit
			Non Fee for Service Expenditures	Members Enrolled in the American Indian Health Program (AIHP) and Tribal ALTCS	IHS Payments for Managed Care Enrolled Members	
1	A Inpatient Hospital - Reg. Payments	\$ 164,511,707	\$ -	\$ 146,765,947	\$ 9,570,661	\$ 8,175,099
	B Inpatient Hospital - DSH	\$ 109,202,091	\$ 109,202,091	\$ -	\$ -	\$ -
	C Inpatient Hospital - Supplemental	\$ -	\$ -	\$ -	\$ -	\$ -
	D Inpatient Hospital - GME	\$ 538,686,405	\$ 538,686,405	\$ -	\$ -	\$ -
2	A Mental Health Facility Services - Reg. Payments	\$ 7,668,434	\$ -	\$ 6,844,347	\$ 709,540	\$ 114,547
	B Mental Health Facility - DSH	\$ 27,895,838	\$ 27,895,838	\$ -	\$ -	\$ -
3	Nursing Facility Services	\$ 52,256,488	\$ -	\$ 51,556,448	\$ -	\$ 700,039
	B.2 Nursing Facility Services Supplemental	\$ 868,470	\$ 868,470	\$ -	\$ -	\$ -
	B.3 Nursing Facility Services Supplemental	\$ 9,959,205	\$ 9,959,205	\$ -	\$ -	\$ -
4	A Intermediate Care Facility - Public	\$ -	\$ -	\$ -	\$ -	\$ -
	B Intermediate Care - Private	\$ -	\$ -	\$ -	\$ -	\$ -
5	A Physicians' Services	\$ 55,279,773	\$ -	\$ 51,311,054	\$ 429,821	\$ 3,538,898
	C Physician & Surgical Services - Eval & Mgmt	\$ 2	\$ -	\$ 2	\$ -	\$ -
	D Physician & Surgical Services - Vaccine codes	\$ -	\$ -	\$ -	\$ -	\$ -
6	A Outpatient Hospital Services - Regular	\$ 390,974,820	\$ -	\$ 345,456,054	\$ 45,224,377	\$ 294,390
	B Outpatient Hospital Services - Supplemental	\$ 33,220	\$ 33,220	\$ -	\$ -	\$ -
7	Prescribed Drugs	\$ 253,489,812	\$ -	\$ 228,763,563	\$ 23,899,734	\$ 826,515
7	A.1 Drug Rebate Offset - National Agreement	\$ (22,695,717)	\$ -	\$ (14,782,661)	\$ -	\$ (7,913,056)
	A.2 Drug Rebate Offset - State Sidebar Agreement	\$ (1,657,064)	\$ -	\$ -	\$ -	\$ (1,657,064)
	A.3 MCO - National Agreement	\$ (821,523,544)	\$ (821,523,544)	\$ -	\$ -	\$ -
	A.4 MCO - State Sidebar Agreement	\$ (73,168,916)	\$ (73,168,916)	\$ -	\$ -	\$ -
	A.5 Increased ACA Offset - FFS 100%	\$ (1,174,100)	\$ -	\$ (843,108)	\$ -	\$ (330,992)
	A.6 Increased ACA Offset - MCO 100%	\$ (41,043,609)	\$ (41,043,609)	\$ -	\$ -	\$ -
8	Dental Services	\$ 4,673,457	\$ -	\$ 4,479,912	\$ 186,855	\$ 6,691
9	Other Practitioners	\$ 11,389,711	\$ -	\$ 5,680,365	\$ 122,401	\$ 5,586,944
10	Clinic Services	\$ 142,604,172	\$ -	\$ 130,934,917	\$ 512,197	\$ 11,157,058
11	Laboratory/Radiological	\$ 9,499,339	\$ -	\$ 8,989,720	\$ 156,106	\$ 353,513
12	Home Health Services	\$ 2,239,659	\$ -	\$ 2,237,349	\$ 105	\$ 2,206
13	Sterilizations	\$ 72,212	\$ -	\$ 64,831	\$ 7,010	\$ 372
14	Abortions	\$ -	\$ -	\$ -	\$ -	\$ -
15	EPSDT Screening	\$ 1,057,720	\$ -	\$ 999,014	\$ 7,245	\$ 51,461
16	Rural Health	\$ 323,159	\$ -	\$ 319,822	\$ -	\$ 3,337
17	A Medicare - Part A	\$ 16,046,419	\$ 16,046,419	\$ -	\$ -	\$ -
	B Medicare - Part B	\$ 349,586,665	\$ 349,586,665	\$ -	\$ -	\$ -
	C.1 120% - 134% Of Poverty	\$ 36,839,915	\$ 36,839,915	\$ -	\$ -	\$ -
	C.2 135% - 175% Of Poverty	\$ -	\$ -	\$ -	\$ -	\$ -
	D Coinsurance	\$ 5,094,961	\$ 5,094,961	\$ -	\$ -	\$ -
18	A Medicaid - MCO	\$ 12,048,812,938	\$ 12,048,812,938	\$ -	\$ -	\$ -
	A1 Medicaid - MCO- Evaluation and Management	\$ -	\$ -	\$ -	\$ -	\$ -
	A2 Medicaid - MCO -Vaccine Codes	\$ -	\$ -	\$ -	\$ -	\$ -
	B.1 Prepaid Ambulatory Health Plan	\$ -	\$ -	\$ -	\$ -	\$ -
	B.2 Prepaid Inpatient Health Plan	\$ 273,985,362	\$ 273,985,362	\$ -	\$ -	\$ -
	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	\$ 1,489,164	\$ -	\$ 777,809	\$ -	\$ 711,355
	B Personal Care Services - SDS 1915(j)	\$ -	\$ -	\$ -	\$ -	\$ -
24	A Targeted Case Mgt. - Com. Case-Man.	\$ 134,002	\$ -	\$ -	\$ -	\$ 134,002
	B Case Management - State Wide	\$ 7,773,131	\$ -	\$ -	\$ -	\$ 7,773,131
25	Primary Care Case Management	\$ 7,140,394	\$ -	\$ -	\$ -	\$ 7,140,394
26	Hospice Benefits	\$ 958,212	\$ -	\$ 953,769	\$ -	\$ 4,444
27	Emergency Services Undocumented Aliens	\$ 139,942,005	\$ -	\$ 1,182,360	\$ 1,153	\$ 138,758,493
28	Federally-Qualified Health Center	\$ 82,489,948	\$ 19,165,867	\$ 3,549,462	\$ 1,541,672	\$ 58,232,947
29	Non Emergency Medical Transportation***	\$ 138,481,040	\$ -	\$ 132,763,546	\$ 608,884	\$ 5,108,609
30	Physical Therapy	\$ 54,147	\$ -	\$ 54,147	\$ -	\$ (0)
31	Occupational Therapy	\$ 1,174	\$ -	\$ 1,174	\$ -	\$ 0
32	Services for Speech, Hearing & Language	\$ 68,162	\$ -	\$ 66,192	\$ 704	\$ 1,266
33	Prosthetic Devices, Dentures, Eyeglasses	\$ 3,365,247	\$ -	\$ 3,358,370	\$ 1,050	\$ 5,828
34	Diagnostic Screening & Preventive Services	\$ 227,374	\$ -	\$ 213,060	\$ 1,730	\$ 12,583
35	Nurse Mid-Wife	\$ 1,043,238	\$ -	\$ 913,252	\$ 121,489	\$ 8,497
36	Emergency Hospital Services	\$ 94,841,155	\$ -	\$ 80,226,362	\$ -	\$ 14,614,793
37	Critical Access Hospitals	\$ 30,583,596	\$ 21,769,210	\$ 8,685,427	\$ 51,041	\$ 77,919
38	Nurse Practitioner Services	\$ 3,602,989	\$ -	\$ 3,460,865	\$ 32,746	\$ 109,378
39	School Based Services	\$ 73,396,099	\$ 73,396,099	\$ -	\$ -	\$ -
40	Rehabilitative Services (non-school-based)	\$ 101,101,376	\$ -	\$ 95,106,990	\$ 519,149	\$ 5,475,236
41	Private Duty Nursing	\$ -	\$ -	\$ -	\$ -	\$ -
49	Other Care Services	\$ 146,471,825	\$ -	\$ 141,628,538	\$ 2,270,357	\$ 2,572,930
		<b>14,384,953,284</b>	<b>12,595,606,597</b>	<b>1,441,718,898</b>	<b>85,976,027</b>	<b>261,651,762</b>

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

1.82%