

March 25, 2025

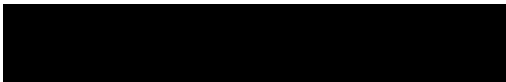
Katherine Friedman  
Project Officer  
Division of Eligibility and Coverage Demonstrations  
State Demonstrations Group  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Ms. Friedman,

Pursuant to paragraph 142 of Arizona's 1115 Demonstration Waiver Special Terms and Conditions (STCs), AHCCCS is submitting documentation that the percentage of AHCCCS fee-for-service beneficiary expenditures compared to total Medical Assistance expenditures do not exceed 5 percent of Arizona's total Medical Assistance expenditures. The documentation is available on the next page of this document.

Please feel free to contact Joshua Worley with any questions about this matter. He may be reached at [joshua.worley@azahcccs.gov](mailto:joshua.worley@azahcccs.gov)

Sincerely,



Joshua Worley  
Acting Assistant Director

**Arizona Health Care Cost Containment System**  
**STC #122 Applicability of Fee for Service Upper Payment Limits**  
**As Compared to Total Medical Assistance Expenditures**  
**Federal Fiscal Year Ended September 30, 2024**

			Non Fee for	Expenditures for Members	IHS Payments	Expenditures	
			Service	Enrolled in the American	for Managed	Subject to 5%	
			Expenditures	Indian Health Program	Care Enrolled	Limit	
Medical Assistance Payments			Total Computable	(AIHP) and Tribal ALTCS	Members		
1	A	Inpatient Hospital - Reg. Payments	166,109,812	-	147,512,535	7,519,084	11,078,193
	B	Inpatient Hospital - DSH	31,172,069	31,172,069	-	-	-
	C	Inpatient Hospital - Supplemental	-	-	-	-	-
	D	Inpatient Hospital - GME	422,196,476	422,196,476	-	-	-
2	A	Mental Health Facility Services - Reg. Payments	9,151,944	-	8,835,750	261,593	54,601
	B	Mental Health Facility - DSH	28,474,900	28,474,900	-	-	-
3		Nursing Facility Services	64,094,802	-	63,260,714	106,127	727,961
	B.2	Nursing Facility Services Supplemental	655,110	655,110	-	-	-
	B.3	Nursing Facility Services Supplemental	8,102,177	8,102,177	-	-	-
4	A	Intermediate Care Facility - Public	-	-	-	-	-
	B	Intermediate Care - Private	-	-	-	-	-
5	A	Physicians' Services	65,184,990	-	61,414,081	316,566	3,454,343
	C	Physician & Surgical Services - Eval & Mgmt	-	-	-	-	-
	D	Physician & Surgical Services - Vaccine codes	-	-	-	-	-
6	A	Outpatient Hospital Services - Regular	590,457,475	-	526,384,572	63,924,745	148,158
	B	Outpatient Hospital Services - Supplemental	-	-	-	-	-
7		Prescribed Drugs	426,203,651	-	387,130,986	37,817,588	1,255,077
7	A.1	Drug Rebate Offset - National Agreement	(36,242,687)	-	-	-	(36,242,687)
	A.2	Drug Rebate Offset - State Sidebar Agreement	(7,104,445)	-	-	-	(7,104,445)
	A.3	MCO - National Agreement	(1,016,595,634)	(1,016,595,634)	-	-	-
	A.4	MCO - State Sidebar Agreement	(163,187,898)	(163,187,898)	-	-	-
	A.5	Increased ACA Offset - FFS 100%	(3,238,665)	-	-	-	(3,238,665)
	A.6	Increased ACA Offset - MCO 100%	(79,032,364)	(79,032,364)	-	-	-
8		Dental Services	5,606,976	-	5,526,525	76,445	4,006
9		Other Practitioners	11,294,149	-	8,585,234	121,529	2,587,386
10		Clinic Services	113,768,875	-	76,785,412	227,920	36,755,543
11		Laboratory/Radiological	27,336,871	-	26,186,465	246,408	903,998
12		Home Health Services	5,536,332	-	2,632,840	411	2,903,081
13		Sterilizations	19,473	-	18,501	719	253
14		Abortions	-	-	-	-	-
15		EPSDT Screening	1,638,821	-	1,581,206	14,269	43,346
16		Rural Health	834,879	-	829,327	-	5,552
17	A	Medicare - Part A	23,535,770	23,535,770	-	-	-
	B	Medicare - Part B	462,548,828	462,548,828	-	-	-
	C.1	120% - 134% Of Poverty	54,042,160	54,042,160	-	-	-
	C.2	135% - 175% Of Poverty	-	-	-	-	-
	D	Coinsurance	6,266,570	6,266,570	-	-	-
18	A	Medicaid - MCO	17,666,398,872	17,666,398,872	-	-	-
	A1	Medicaid - MCO- Evaluation and Management	-	-	-	-	-
	A2	Medicaid - MCO -Vaccine Codes	-	-	-	-	-
	B.1	Prepaid Ambulatory Health Plan	-	-	-	-	-
	B.2	Prepaid Inpatient Health Plan	199,428,908	199,428,908	-	-	-
	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	940,644	-	74,464	-	866,180
	B	Personal Care Services - SDS 1915(j)	-	-	-	-	-
24	A	Targeted Case Mgt. - Com. Case-Man.	232,972	-	-	-	232,972
	B	Case Management - State Wide	15,502,116	-	-	-	15,502,116
25		Primary Care Case Management	12,531,687	-	-	-	12,531,687
26		Hospice Benefits	679,595	-	676,472	-	3,123
27		Emergency Services Undocumented Aliens	145,848,956	-	1,650	8,638	145,838,668
28		Federally-Qualified Health Center	89,967,112	59,265,309	13,921,170	4,900,205	11,880,428
29		Non Emergency Medical Transportation***	73,702,703	-	69,616,308	331,901	3,754,494
30		Physical Therapy	32,705	-	32,705	-	-
31		Occupational Therapy	1,820	-	1,820	-	-
32		Services for Speech, Hearing & Language	327,607	-	317,220	-	10,387
33		Prosthetic Devices, Dentures, Eyeglasses	5,423,757	-	5,414,425	6,319	3,013
34		Diagnostic Screening & Preventive Services	577,932	-	564,745	3,778	9,409
35		Nurse Mid-Wife	1,308,817	-	1,186,718	102,987	19,112
36		Emergency Hospital Services	109,862,519	-	97,466,922	-	12,395,597
37		Critical Access Hospitals	44,599,745	30,257,409	13,889,446	403,574	49,316
38		Nurse Practitioner Services	9,586,530	-	9,445,922	23,065	117,543
39		School Based Services	59,875,397	59,875,397	-	-	-
40		Rehabilitative Services (non-school-based)	135,200,608	-	115,007,609	296,789	19,896,210
41		Private Duty Nursing	77,361	-	-	-	77,361
47		ARP Section 9811 COVID Vaccine/Vaccine Administration	9,066,090	-	-	-	9,066,090
49		Other Care Services	168,241,830	-	163,746,366	1,486,566	3,008,898
			19,968,247,700	17,793,404,058	1,808,048,110	118,197,226	248,598,306

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

1.24%