

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

October 31, 2024

Carmen Heredia
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, Arizona 850934

Dear Director Heredia,

The Centers for Medicare & Medicaid Services (CMS) is approving the health-related social needs (HRSN) payment methodology document that the state submitted on August 15, 2024, in accordance with special term and condition (STC) 44. This document reflects the payment methodologies Arizona will use for housing and housing-related services for operating this HRSN benefit, as authorized by Arizona's section 1115 demonstration project entitled, "Arizona Health Care Cost Containment System (AHCCCS)" (Project Numbers 11-W-00275/9 and 21-W-00074/9).

This approval is conditioned upon compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

We look forward to our continued partnership on the AHCCCS section 1115 demonstration. If you have any questions, please contact your CMS project officer, Kate Friedman. Kate Friedman can be reached by email at Katherine.Friedman@cms.hhs.gov.

Sincerely,

10/31/2024

X Andrea J. Casart

Signed by: PIV

Andrea J. Casart
Director
Division of Eligibility and Coverage Demonstrations

Enclosure

cc: Brian Zolynas, State Monitoring Lead, CMS Medicaid & CHIP Operations Group

Housing and Health Opportunities (H2O) Services- Fee Schedule

H2O Services	Procedure Code	Unit	Rate	Rate Methodology
Supported/Transitional Housing, Enhanced Shelter	H0043	Per Day	\$96.26	AHCCCS developed the rate using data from the DOL-BLS for wage estimates and recent rate studies for benefit costs. The food costs were derived from USDA food plan. Rent and other operating costs leveraged existing program costs, along with indirect costs of 10%. The estimated wage of staff for this service was \$21.91 with a benefit percentage of 32.11%. AHCCCS incorporated a per member per day food cost of \$10.84, rent of \$35.43, and other operating of \$13.62. In addition, supervision costs were estimated at \$7.60 per member per day along with a 10% indirect component.
Supported/Transitional Housing, Rental Assistance	H0044	Per Month	Not to exceed 110% of Fair Market Rent (FMR)	Reimbursement will be the lessor of actual rental assistance amount or 110% of Fair Market Rent (FMR) based on location and unit size. AHCCCS will use the market rents available on the HUD website as of October. In addition, an administrative service fee will be incorporated into the monthly rate for the operational costs of administering the program.
Pre-Tenancy, Tenancy Support	T2023	Per Member Per Month	\$844.00	AHCCCS developed the per member per month based on a stakeholder cost survey. The survey reported staff costs, operational costs, staff to member ratios, and other cost considerations that were used to develop the rate model.
One-Time Payments for Utilities	T2028	Per Member	Actual Cost, subject to maximum allowable	Allowed to pay up to two months of utility arrears not to exceed \$1,000 per member, per lifetime of waiver demonstration
One-Time Payments for Move-In Assistance	T2028	Per Member	Actual Cost, subject to maximum allowable	Allowed to pay move-in costs such as fees, deposits, etc. not to exceed \$3,000 per member, per lifetime of waiver demonstration
One-Time Payments for Eviction Prevention	T2028	Per Member	Actual Cost, subject to maximum allowable	Allowed to pay eviction prevention activities such as 2 months of rental arrears not to exceed \$3,000 per member, per lifetime of waiver demonstration
Home Accessibility & Safety Modifications	T2029	Per Member	Actual Cost, subject to maximum allowable	Allowed to pay for home modifications up to \$5,000 per member, per lifetime of waiver demonstration.