

**Department of Economic Security  
Division of Developmental Disabilities ALTCS Contract**

**Annual Financial Report**

**Year Ended June 30, 2017**

**A Report to the Arizona Legislature**

**Debra K. Davenport**  
Auditor General





The Auditor General is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits and special reviews of school districts, state agencies, and the programs they administer.

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# ANNUAL FINANCIAL REPORT

# ANNUAL FINANCIAL REPORT



DEBRA K. DAVENPORT, CPA  
AUDITOR GENERAL

STATE OF ARIZONA  
OFFICE OF THE  
AUDITOR GENERAL

MELANIE M. CHESNEY  
DEPUTY AUDITOR GENERAL

## Independent auditors' report

Members of the Arizona State Legislature

Michael Traylor, Director  
Department of Economic Security

### Report on the financial statements

We have audited the accompanying financial statements of the State of Arizona, Department of Economic Security, Division of Developmental Disabilities, Arizona Long Term Care System Contract (ALTCS Contract), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Division's ALTCS Contract's financial statements as listed in the table of contents.

#### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Division's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Division's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Division's ALTCS Contract as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

## **Emphasis of matter**

As described in Note 1 to the financial statements, the Division's ALTCS Contract's financial statements are intended to present the financial position and the changes in financial position of only that portion of the governmental activities and major fund of the State of Arizona that is attributable to the Division's ALTCS Contract's transactions. They do not purport to, and do not, present fairly the financial position of the State of Arizona as of June 30, 2017, and the changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

## **Other matters**

### *Supplementary information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Division's ALTCS Contract's financial statements. The supplementary schedules listed in the table of contents are presented for purposes of additional analysis and are not required parts of the financial statements.

The supplementary schedules are management's responsibility and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Other reporting required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017, on our consideration of the Division's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Division's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Division's internal control over financial reporting and compliance.

  
Debbie Davenport  
Auditor General

November 21, 2017



**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Balance sheet—special revenue fund**  
**June 30, 2017**

**Assets**

Cash and investments held by the State Treasurer	\$ 1,501,155
Due from other state funds	113,704,182
Due from providers	<u>2,696,893</u>
Total assets	<u>\$ 117,902,230</u>

**Liabilities and fund balance**

Liabilities:

Accrued administrative and payroll costs	\$ 10,337,881
Accrued medical and healthcare claims	87,521,055
Due to other state funds	<u>2,449,516</u>
Total liabilities	<u>100,308,452</u>

Fund balance:

Restricted for health and welfare	<u>17,593,778</u>
Total liabilities and fund balance	<u>\$ 117,902,230</u>

See accompanying notes to financial statements.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Statement of revenues, expenditures, and changes in fund balance—**  
**special revenue fund**  
**Year ended June 30, 2017**

Revenues:	
Capitation	\$ 1,315,754,215
Investment earnings	1,263,346
Miscellaneous	<u>1,283,125</u>
Total revenues	<u>1,318,300,686</u>
Expenditures:	
Health and welfare:	
Aid to individuals	1,136,669,710
Allocated administrative expenditures	58,586,904
Case management	57,333,402
Professional and outside services	4,969,569
Premium tax	<u>26,509,614</u>
Total expenditures	<u>1,284,069,199</u>
Excess of revenues over expenditures	34,231,487
Other financing uses:	
Transfers to other state funds	<u>(40,690,134)</u>
Net change in fund balance	(6,458,647)
Fund balance, July 1, 2016	<u>24,052,425</u>
Fund balance, June 30, 2017	<u>\$ 17,593,778</u>

See accompanying notes to financial statements.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Notes to financial statements**  
**June 30, 2017**

**Note 1 - Summary of significant accounting policies**

The accounting policies of the Department of Economic Security (Department), Division of Developmental Disabilities (Division), Arizona Long Term Care System Contract (ALTCS Contract), conform to U.S. generally accepted accounting principles applicable to governmental units adopted by the Governmental Accounting Standards Board.

**A. Reporting entity**

For financial reporting purposes, the ALTCS Contract includes only that portion of the State's general fund that is attributable to the ALTCS Contract's transactions. The Division is responsible for administering the ALTCS Contract. Control by the Division was determined on the basis of accountability. Fiscal responsibility for the Division remains with the Department and, ultimately, with the State. The Division is a contractor with the Arizona Health Care Cost Containment System (AHCCCS) to provide medical and healthcare services to eligible enrollees of the AHCCCS Arizona Long Term Care System (ALTCS) program for the developmentally disabled. This program provides in-patient and out-patient medical and nursing services in addition to managed institutional and home- and community-based, long-term care services to eligible enrollees of the AHCCCS ALTCS program. The Division receives monthly premiums from AHCCCS for all eligible enrollees under the AHCCCS ALTCS program for the developmentally disabled.

**B. Fund accounting**

The Division's accounts are maintained in accordance with the principles of fund accounting to ensure that limitations and restrictions on the Division's available resources are observed. The principles of fund accounting require that resources be classified for accounting and reporting purposes into funds in accordance with the activities or objectives specified for those resources. Each fund is considered a separate accounting entity, and its operations are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures.

The ALTCS Contract's financial transactions are reported as a special revenue fund since the proceeds are from specific revenue sources that are legally restricted to expenditures for specified purposes.

Although the ALTCS Contract is considered a special revenue fund when reported on individually, it becomes a part of the State's general fund at the combined state-wide level.

**C. Basis of accounting**

The ALTCS Contract financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Division considers capitation revenues to be available if they are collected within 90 days of the end of the current fiscal year and considers all other revenues to be available if they are collected within 30 days of the end of the current fiscal year. All ALTCS Contract revenue sources are susceptible to accrual. Expenditures are recognized when the related fund liability is incurred.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Notes to financial statements**  
**June 30, 2017**

**D. Fund balance classifications**

Fund balance is reported separately within classifications based on a hierarchy of the constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, and unrestricted, which includes committed, assigned, and unassigned fund balance classifications.

Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations. Deficits in fund balance, if any, are reported as unassigned.

**E. Capitation**

The ALTCS Contract receives fixed capitation payments from AHCCCS based on certain rates for each AHCCCS member enrolled in the Division's ALTCS Contract program. The ALTCS Contract is required to provide all covered healthcare services to its members, regardless of the cost of care. If there are monies remaining, the ALTCS Contract retains the monies as profit; if the costs are higher than the amount of capitation payments from AHCCCS, the ALTCS Contract absorbs the loss.

**F. Investment earnings**

Investment earnings is composed of interest earned on the ALTCS Contract's portion of monies deposited with the State Treasurer.

**G. Incurred but not reported (IBNR) methodology**

The liability and expenditures reported for accrued medical and healthcare claims include IBNR medical claims, which are estimated using lag data provided by the Division's information systems, with adjustments as necessary for events that are outside the lag patterns. Amounts are based on historical expenditure patterns.

**Note 2 - Cash and investments held by the State Treasurer**

Arizona Revised Statutes (A.R.S.) require state agencies' monies to be deposited with the State Treasurer and further requires those deposits to be invested in various pooled funds. Cash and investments held by the State Treasurer represent the ALTCS Contract's portion of those monies. The State Treasurer invests idle contract monies in an internal investment pool (Pool 3) and distributes interest to the ALTCS Contract. Interest earned from these invested monies is allocated monthly based on the average daily balance. Participant shares in the pool are purchased and sold based on the net position value of the shares. The net position value is determined by dividing the fair value of the portfolio by the total shares of the pool outstanding. As a result, the ALTCS Contract's portion of the pool is not identified with specific investments. The ALTCS Contract's portion of these deposits and investments is reported at fair value, measured on a monthly basis, which approximates the ALTCS Contract's value of participant pool shares.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Notes to financial statements**  
**June 30, 2017**

The State Treasurer's internal investment pool 3 is not required to be registered and is not registered with the Securities and Exchange Commission under the Dodd-Frank Act of 2010. The activities and performance of the pool is reviewed monthly by the State Board of Investment in accordance with A.R.S. §35-311.

At June 30, 2017, the ALTCS Contract's deposits with the State Treasurer were as follows:

	<b>Amount</b>
State Treasurer's investment pool 3	\$1,501,155

**Credit Risk**—Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. The Department of Economic Security does not have a formal investment policy with respect to credit risk. The State Treasurer's investment pool 3 is unrated.

**Interest Rate Risk**—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department of Economic Security does not have a formal interest rate risk policy. As of June 30, 2017, the State Treasurer's weighted average to maturity of its internal pool 3 investments is 1.70 years.

### **Note 3 - Due from other state funds**

Amounts due from other state funds at June 30, 2017, include:

- \$112,913,399 of capitation and reinsurance,
- \$292,625 of interest earned, and
- \$498,158 of share of costs and miscellaneous.

### **Note 4 - Due from providers**

The amount due from providers at June 30, 2017, is \$2,696,893 as a result of post-payment reviews of long-term care home- and community-based service providers.

### **Note 5 - Accrued medical and healthcare claims**

Accrued medical and healthcare claims totaling \$87,521,055, include \$83,302,348 of IBNR medical claims and a special accrual of \$4,218,707 for events that are outside the payment lag patterns.

### **Note 6 - Due to other state funds**

Amounts due to other state funds at June 30, 2017, include:

- \$2,182,704 of premium tax payable to the Arizona Department of Insurance and
- \$266,812 of assessments payable to the state general fund.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Notes to financial statements**  
**June 30, 2017**

**Note 7 - Acute care reinsurance**

During the year ended June 30, 2017, the Division received reimbursements totaling \$7,767,556 from AHCCCS for acute care reinsurance expenditures for claims for enrollees incurred in the current and prior fiscal years. These reimbursements are recorded as a reduction of aid to individuals expenditures.

The Division subcontracts with various health plans to provide acute care services to ALTCS enrollees. These health plans must submit clean reinsurance claims to the Division within 15 months from the date of service.

The Division disbursed a total of \$10,149,399 to health plans during the year ended June 30, 2017.

**Note 8 - Aid to individuals expenditures**

Aid to individuals expenditures consists of expenditures summarized by type of service setting or service provided, as applicable:

Institutional care:	
Skilled nursing	\$ 4,584,884
Institutional care	14,389,263
Intermediate (intellectually or developmentally disabled)	10,879,365
Institutional care IBNR	<u>2,689,230</u>
Total institutional care	<u>32,542,742</u>
Home- and community-based services (HCBS):	
State-operated group home	5,647,516
Vendor-operated group home	289,834,810
Adult developmental home	59,944,916
Home-based services	492,281,030
HCBS IBNR	<u>82,912,404</u>
Total HCBS	<u>930,620,676</u>
Acute care:	
Acute care	169,205,028
Acute care IBNR	1,919,421
Reinsurance	10,149,399
Reinsurance reimbursement	<u>(7,767,556)</u>
Total acute care	<u>173,506,292</u>
Total aid to individuals expenditures	<u>\$1,136,669,710</u>

During the year ended June 30, 2017, the ALTCS Contract recorded allocated charges of \$21,561,078 as expenditures for direct care services, including administrative costs the Division provided to clients. The expenditures were charged to the ALTCS Contract as aid to individuals expenditures based on a federally approved cost allocation plan.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Notes to financial statements**  
**June 30, 2017**

**Note 9 - Allocated administrative expenditures**

During the year ended June 30, 2017, the ALTCS Contract recorded allocated administrative charges of \$58,586,904 as expenditures for its share of the administrative and fiscal services the Department provided.

**Note 10 - Premium tax**

Arizona Revised Statutes §§36-2905 and 36-2944.01 require the ALTCS Contract to pay a 2 percent premium tax on all capitation and other reimbursements received. These premium taxes are reported as expenditures and are paid to the Arizona Department of Insurance.

**Note 11 - Transfers**

Transfers to other state funds during the year ended June 30, 2017, consisted of \$24,052,425 to the State General Fund and \$2,144,309 to the state-funded long-term care fund as a result of Laws 2017, First Regular Session, Chapter 305, Section 139, that amended A.R.S. §36-2953 and \$14,493,400 to the state-funded long-term care fund as a result of Laws 2017, First Regular Session, Chapter 309, Section 18.

**Note 12 - Commitments and contingencies**

The State has the ultimate fiscal responsibility for the ALTCS Contract. Accordingly, any claims requiring additional resources require the Legislature's approval. Although there is a possibility that claims could be asserted that would require additional resources for the ALTCS Contract, in the division management's opinion, the possibility is low that valid claims will be asserted and claim amounts cannot reasonably be estimated.

**Note 13 - Risk management**

The Division is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; medical malpractice; and natural disasters. The Department is a participant in the State's self-insurance program, and in the division management's opinion, any unfavorable outcomes from these risks would be covered by that self-insurance program. Accordingly, the Department has no risk of loss beyond adjustments to future years' premium payments to the State's self-insurance program. All estimated losses for the State's unsettled claims and actions are determined on an actuarial basis and are included in the *State of Arizona Comprehensive Annual Financial Report*.

**Note 14 - Related-party transactions**

During the year ended June 30, 2017, the ALTCS Contract reimbursed the Division for \$21,561,078 of health and rehabilitative services provided to enrollees, including administrative costs. The ALTCS Contract also reimbursed the Division as well as other department divisions for \$58,586,904 of administrative and fiscal services and the Arizona Department of Insurance for \$26,509,614 of premium taxes.

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## Supplementary schedules

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Lag report for institutional care payments**  
**Year Ended June 30, 2017**

Quarter in which service was provided

<u>Quarter of payment</u>	<u>Current</u>	<u>1<sup>st</sup> Prior</u>	<u>2<sup>nd</sup> Prior</u>	<u>3<sup>rd</sup> Prior</u>	<u>4<sup>th</sup> Prior</u>	<u>5<sup>th</sup> Prior</u>	<u>6<sup>th</sup> Prior</u>	<u>Total</u>
Current	\$ 6,179,928	\$ 2,151,398	\$ 63,914	\$ 14,520				\$ 8,409,760
1 <sup>st</sup> Prior		6,302,347	2,056,865	34,267	\$ 6,950	\$ 31,900	\$ 26,326	8,400,429
2 <sup>nd</sup> Prior			5,882,133	1,717,155	51,125		7,751	7,708,639
3 <sup>rd</sup> Prior				6,519,804	171,927	58,569		6,758,051
4 <sup>th</sup> Prior					6,322,274	1,546,857	37,904	7,907,035
5 <sup>th</sup> Prior						6,191,584	1,552,350	7,743,934
6 <sup>th</sup> Prior							5,884,490	5,884,490
<b>Total</b>	<u>6,179,928</u>	<u>8,453,745</u>	<u>8,002,912</u>	<u>8,285,746</u>	<u>6,552,276</u>	<u>7,828,910</u>	<u>7,508,821</u>	<u>52,812,338</u>
Expenses reported	8,574,217	8,643,883	7,956,821	7,367,821	8,586,389	7,312,867	7,757,027	56,199,025
Adjustment (1)	<u>(226,741)</u>	<u>258,475</u>	<u>97,533</u>	<u>939,222</u>	<u>(2,033,783)</u>	<u>516,043</u>	<u>(248,206)</u>	<u>(697,457)</u>
Remaining liability	<u>\$ 2,167,548</u>	<u>\$ 448,613</u>	<u>\$ 51,442</u>	<u>\$ 21,297</u>	<u>\$ 330</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,689,230</u>

(1) Adjustment amounts each quarter fluctuate because of unpredictable variables that affect the business cycle.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Lag report for home- and community-based services payments**  
**Year Ended June 30, 2017**

Quarter in which service was provided

<u>Quarter of payment</u>	<u>Current</u>	<u>1<sup>st</sup> Prior</u>	<u>2<sup>nd</sup> Prior</u>	<u>3<sup>rd</sup> Prior</u>	<u>4<sup>th</sup> Prior</u>	<u>5<sup>th</sup> Prior</u>	<u>6<sup>th</sup> Prior</u>	<u>Total</u>
Current	\$ 163,371,297	\$ 85,439,658	\$ 944,571	\$ 495,563	\$ 330,620	\$ (46,164)	\$ 719	\$ 250,536,264
1 <sup>st</sup> Prior		151,010,185	72,571,679	1,228,860	347,349	360,077	(576)	225,517,574
2 <sup>nd</sup> Prior			147,832,948	72,747,155	1,119,378	390,470	88,052	222,178,003
3 <sup>rd</sup> Prior				148,854,633	75,108,275	1,229,060	396,291	225,588,259
4 <sup>th</sup> Prior					140,049,175	71,102,025	969,280	212,120,480
5 <sup>th</sup> Prior						134,421,735	70,260,457	204,682,192
6 <sup>th</sup> Prior							137,908,224	137,908,224
<b>Total</b>	<u>163,371,297</u>	<u>236,449,843</u>	<u>221,349,198</u>	<u>223,326,211</u>	<u>216,954,797</u>	<u>207,457,203</u>	<u>209,622,447</u>	<u>1,478,530,996</u>
Expenses reported	243,526,402	231,331,456	228,569,857	227,192,961	216,076,777	207,215,255	213,139,553	1,567,052,261
Adjustment (1)	<u>(2,623,891)</u>	<u>7,283,776</u>	<u>(5,322,059)</u>	<u>(2,549,685)</u>	<u>878,156</u>	<u>241,948</u>	<u>(3,517,106)</u>	<u>(5,608,861)</u>
Remaining liability	<u>\$ 77,531,214</u>	<u>\$ 2,165,389</u>	<u>\$ 1,898,600</u>	<u>\$ 1,317,065</u>	<u>\$ 136</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,912,404</u>

(1) Adjustment amounts each quarter fluctuate because of unpredictable variables that affect the business cycle.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Lag report for acute care payments**  
**Year Ended June 30, 2017**

Quarter in which service was provided

Quarter of payment	Current	1 <sup>st</sup> Prior	2 <sup>nd</sup> Prior	3 <sup>rd</sup> Prior	4 <sup>th</sup> Prior	5 <sup>th</sup> Prior	6 <sup>th</sup> Prior	Total
Current	\$ 40,214,626	\$ 817,779	\$ 760,267	\$ 414,767	\$ 788,584	\$ 10,161	\$ 7,140	\$ 43,013,324
1 <sup>st</sup> Prior		45,069,107	976,311	747,132	75,259	43,048	19,463	46,930,320
2 <sup>nd</sup> Prior			40,043,060	856,246	356,797	114,193	62,332	41,432,628
3 <sup>rd</sup> Prior				39,770,986	1,169,035	463,767	637,390	42,041,178
4 <sup>th</sup> Prior					33,598,255	757,177	1,195,003	35,550,435
5 <sup>th</sup> Prior						38,330,782	1,146,020	39,476,802
6 <sup>th</sup> Prior							33,923,254	33,923,254
<b>Total</b>	<b>40,214,626</b>	<b>45,886,886</b>	<b>41,779,638</b>	<b>41,789,131</b>	<b>35,987,930</b>	<b>39,719,128</b>	<b>36,990,602</b>	<b>282,367,941</b>
Expenses reported (2)	47,650,515	47,495,189	42,617,968	43,510,176	42,939,633	40,776,358	35,489,783	300,479,622
Adjustment (1)	(6,455,808)	(930,700)	(612,787)	(1,693,899)	(6,944,722)	(1,055,163)	1,500,819	(16,192,260)
Remaining liability	\$ 980,081	\$ 677,603	\$ 225,543	\$ 27,146	\$ 6,981	\$ 2,067	\$ -	\$ 1,919,421

(1) Adjustment amounts each quarter fluctuate because of unpredictable variables that affect the business cycle.

(2) Acute Care Payments include fee for service, capitation, and reinsurance payments. Reinsurance reimbursements are not included.

**Department of Economic Security**  
**Division of Developmental Disabilities ALTCS Contract**  
**Related-party transactions**  
**Year Ended June 30, 2017**

<b>Related party and relationship</b>	<b>Service provided</b>	<b>Description of transactions or payment terms agreement</b>	<b>Amount</b>
Department of Economic Security, Division of Developmental Disabilities, Intermediate Care Facility/Mentally Retarded, State Facilities	Health and rehabilitative services and administrative costs	Allocated by Title XIX case management time reporting, member days count, and modified total direct costs	\$10,879,366
Department of Economic Security, Division of Developmental Disabilities, State-Operated Group Homes, Home-Based Services, State Facilities	Health and rehabilitative services and administrative costs	Allocated by Title XIX case management time reporting, member days count, and modified total direct costs	10,681,712
Department of Economic Security, Division of Developmental Disabilities and all other divisions	Administrative and fiscal services	Allocated departmental overhead costs	58,586,904
Department of Insurance	Compliance with A.R.S. §§36-2905 and 36-2944.01	Premium tax payments	26,509,614

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