

October 6, 2020

The Honorable Regina Cobb
Joint Legislative Budget Committee
1700 West Washington
Phoenix, Arizona 85007

Subject: AHCCCS Targeted Investments Program (TIP) Expenditures

Dear Representative Cobb:

As a provision of JLBC favorable review in 2017 of the Targeted Investments Program expenditure plan required under Laws 2016, Chapter 122, the Committee required the following:

On or before 11/1/18, and each year thereafter, AHCCCS shall report to the Committee on actual TIP expenditures by program category in the preceding state fiscal year.

The Year 3 (2019) incentive payment data that AHCCCS requires to complete the Targeted Investments Program Expenditure Report will be available by December 31, 2020. The calendar for computing incentive payments shifted this year due to a process change for verifying the information used to calculate the participating providers' incentive payments.

In recognition of the impact of the public health emergency on many providers including Targeted Investments participants, AHCCCS issued Year 3 interim, partial incentive payments to eligible providers in May 2020. The final payment calculations now in progress will allow for the payment of the balance of the Year 3 earned incentive payments. Total expenditures after the final payments are released will approximate \$90,000,000.

Interim Partial Expenditures for 2019 are as follows:

Program Category	Interim Partial TIP Expenditures
Adult and Child Ambulatory	\$36,335,335
Hospitals	\$2,418,067
Justice	\$2,536,111
Administration	\$934,480
Total	\$42,223,993

AHCCCS will submit a final Targeted Investments Program Expenditure report in January 2021 after final incentive payments are made to the Program participants.

If you have any questions regarding this report, please do not hesitate to contact Shelli Silver at shelli.silver@azahcccs.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Snyder". The signature is fluid and cursive, with the first name "Jami" and last name "Snyder" clearly distinguishable.

Jami Snyder
Director

cc: The Honorable David Gowan, Arizona State Senate
Richard Stavneak, Joint Legislative Budget Committee
Matthew Gress, Director, Governor's Office of Strategic Planning and Budgeting
Christina Corieri, Senior Policy Advisor, Office of the Governor