

The AHCCCS Budget

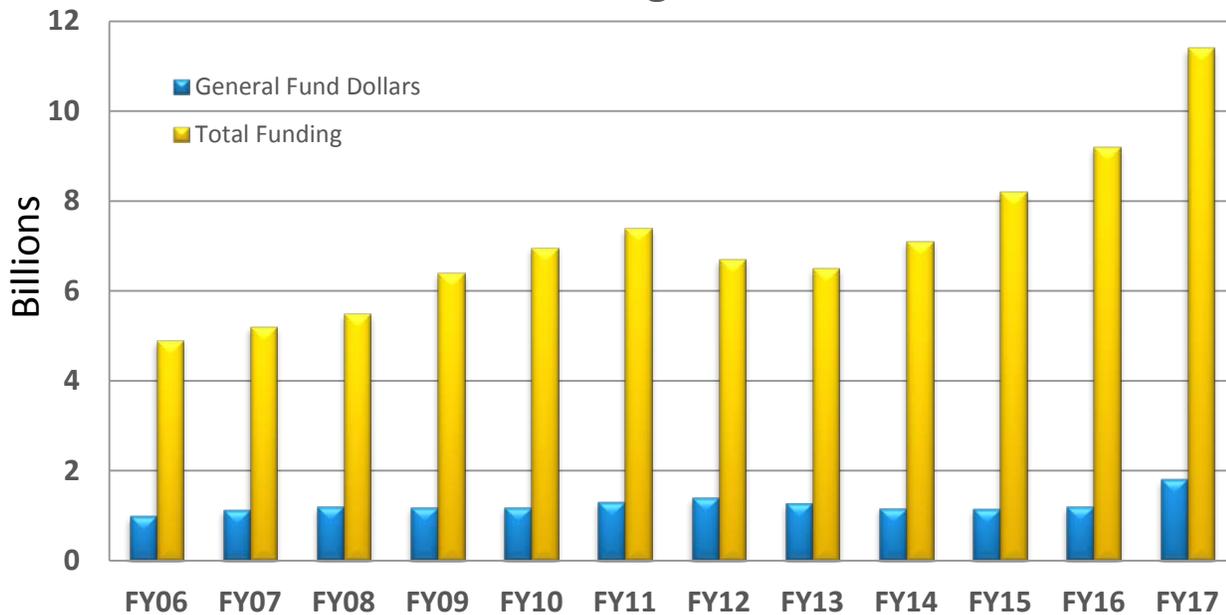
How much money is in the AHCCCS budget?

In FY 2017, it is anticipated that the AHCCCS budget will be approximately \$11.4 billion. This \$11.4 billion is broken down into payments of: \$8.8 billion for medical services, \$1.9 billion for behavioral health services, and \$347 million for hospital payments. AHCCCS manages the state's Medicaid program with approximately 1,000 employees and maintains its administrative costs to 1% of the program's budget.

How does the current AHCCCS budget compare to prior years?

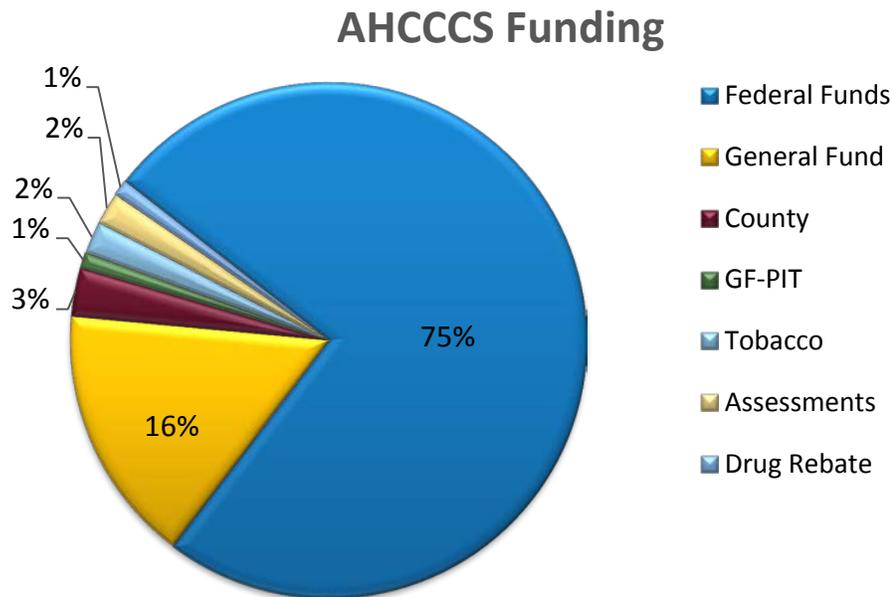
The chart below details the growth in the AHCCCS budget since 2006. This chart demonstrates that while funding costs continue to increase, the cost to the state has remained relatively the same over the years. Note, the budget reductions shown during years 2012-2014 are reflective of policy changes made in response to the Great Recession, including provider rate reductions, benefit reductions, and, most significantly, the childless adult enrollment freeze. In 2013, the Legislature voted to restore coverage for childless adults and include coverage for adults from 100% of the Federal Poverty Level (FPL) to 133% FPL. The childless adult restoration and expansion costs are covered by a hospital assessment, not the State General Fund.

AHCCCS Budget Since 2006



Where do the dollars in the AHCCCS budget come from?

As demonstrated in the table below, AHCCCS is actually primarily a federally-funded agency. State General Fund Dollars make up most of the remainder, but still amount to less than a quarter of the Agency's budget.



Where do the dollars in the AHCCCS budget go?

Approximately 1% of the AHCCCS budget is used on administrative costs. The remainder of the dollars are paid to Managed Care Organizations (MCOs) to pay for medical services and behavioral health services that are provided to more than 1.8 million AHCCCS members. The distribution of these dollars is broken down below:

