

Arizona Health Care Cost Containment (AHCCCS) State Medicaid Advisory Committee (SMAC) Annual Report

August 2026



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I. Executive Summary and Overview

Purpose of the Report

The CMS State Medicaid Advisory Committee (SMAC) Annual Report was created as part of the 2024 CMS Ensuring Access to Medicaid Services Final Rule (42 CFR §431.12), which strengthened requirements for state Medicaid advisory bodies and increased transparency and accountability in Medicaid program administration. CMS established this requirement to ensure that states not only receive input from a diverse group of Medicaid stakeholders through the SMAC and the new Beneficiary Advisory Council (BAC) but also document how that feedback was received and addressed.

The annual report serves as a formal mechanism for capturing advisory activities, key topics discussed, recommendations made by SMAC and BAC members, and the state's responses to those recommendations. The report must be developed with support from the agency leadership, reviewed by SMAC members prior to finalization, include a dedicated section describing BAC activities and recommendations, and be publicly posted on the state's website within 30 days of completion. Additionally, states are required to maintain transparency by documenting how beneficiary and stakeholder input informs Medicaid policy development and program administration.

History of the State Medicaid Advisory Committee

The AHCCCS SMAC has been in existence since 1992. The SMAC advises the Director of AHCCCS or their designee on policy, operations and administrative issues of the Medicaid program, including issues of concern to the community. Governance guidelines indicate that the SMAC shall include the following members: the AHCCCS Director or a designee, the Director of the Arizona Department of Health Services (ADHS) or a designee, and the Director of the Department of Economic Security (DES) or a designee. The remaining authorized members include the following:

- Health care providers or professionals with a direct interest in the AHCCCS program
- Members of the public, i.e. a Medicaid recipient, a consumer advocate, a representative of a tribal community, or a representative of the educational community, etc.

History of the Beneficiary Advisory Council

In July 2025, AHCCCS began work to establish a new BAC in response to national guidance from the Center for Medicare and Medicaid Services (CMS) that aims to advance health care access and quality and improve health outcomes for Medicaid members. The BAC was designed to give Medicaid beneficiaries, their families, and caregivers a voice in shaping Medicaid programs, policies, and services. Furthermore, the BAC serves as a forum for its members to provide feedback to the Director or her designee on policy, operations and administrative issues of the Medicaid program, including issues of concern to the community. A full list of current members is available online on the BAC [webpage](#).

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Community Partner and BAC's Five Priorities:

AHCCCS' BAC Implementation Team was selected to participate in the Center for Health Care Strategies (CHCS) Learning Collaborative from 2024 to 2025. The CHCS Learning Collaborative was instrumental in gathering information on BAC requirements, successful BAC implementation, best practices, and ways to support participants with lived experience. Through the work with the CHCS Learning Collaborative, AHCCCS was able to use the CHCS re-grant to work with the selected community partner, [AllThrive365](#), to draft various governance documents, i.e. BAC bylaws, member recruitment, selection, and outreach processes. In working with the community partner, internal AHCCCS leaders, and CHCS, AHCCCS created five priorities for the first year:

- Collaborate with community partner, AllThrive 365, who identified members with community subject matter expertise to assist with the BAC Design/Implementation Process
- Collaborate with AllThrive 365 who identified members with community subject matter expertise to assist with the creation of draft BAC governance documents (i.e. charter, bylaws)
- Work with AllThrive 365 to gather applications of community members with varied Medicaid experiences who are interested in participating on the BAC.
- Develop a compensation/reimbursement process for BAC Members
- Translate BAC members' input into policy and program development

II. Membership, Recruitment, Selection, and Retention

State Medicaid Advisory Committee

AHCCCS currently has a Membership Review Subcommittee responsible for helping evaluate and maintain committee membership and representation. During a rigorous selection process, the SMAC Membership Review Subcommittee members and liaison meet to review nomination materials, discuss, and select candidates for the open seats. The Review Committee makes recommendations and submits them to AHCCCS leadership for internal review and approval. Once approved, the SMAC Liaison reaches out to the candidate with an offer to join the SMAC and sends a welcome letter that includes an affirmation page for the candidate to review, sign, and send back for official membership.

The SMAC includes several required members:

- The AHCCCS Director (or designee)
- The Director of ADHS (or designee)
- The Director of the Department of Economic Security (DES) (or designee)

In addition, AHCCCS has appointed 20 additional members, fulfilling the requirement to appoint at least 17:

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- Healthcare providers and healthcare professionals with an interest in Medicaid
- Medicaid recipients and community members
- Consumer advocates
- Tribal representatives
- Education and community representatives
- Other stakeholders affected by the Medicaid program from all across the state
- A full list of current members is available online on the SMAC [webpage](#).

SMAC Seats and Term Lengths:

- Ten Provider/Professional: Health care providers or professionals with a direct interest in the AHCCCS program
- Ten Public/Community: Members of the public, (e.g. a Medicaid recipient, a consumer advocate, a representative of a tribal community, or a representative of the educational community, etc.
- Members are appointed for two-year terms
- Members may serve up to three consecutive terms
- After serving three consecutive terms, a member must wait 24 months before reapplying for a SMAC position.

AHCCCS maintains membership through its committee's governance process, including:

- Ongoing review of membership needs and representation
- A dedicated Membership Review Subcommittee
- Consistent reviews of SMAC bylaws, with updates made as needed. The bylaws were originally established in 1992 and continue to be reviewed regularly
- Monitoring participation and committee operations through quarterly and/or ad-hoc meetings attended by the AHCCCS Director or designee.

Beneficiary Advisory Council

Following a rigorous selection process, AHCCCS selected 10 members to serve on the BAC. The membership ranges in ages from 26 to 70, and all three major regions of the state are represented, including the North, South, and Central regions. The BAC members also represent varied special populations, including the Arizona Long Term Care Elderly and Disabled System, Parents as Paid Caregivers, Serious Mental Illness, and Transition Aged Youth Adults. The current members serve one, two, or three-year terms to limit burnout and ensure complete participation for feedback collection. See below to learn more about the BAC members:

- AHCCCS received 63 completed applications that met the criteria required for consideration. The call for applications was announced on AHCCCS' social media sites and through AllThrive 365's communication team.

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- All 63 applications were evaluated for quality and uniqueness to ensure representation of a wide range of lived experience.
- Current BAC members have coverage across a range of AHCCCS health plans including Arizona Complete Health – Complete Care Plan, Banner-University Family Care, UnitedHealthcare Community Plan, and Mercy Care.
- 7 of the 10 current BAC members are current or former Medicaid members
- 5 of the 10 current BAC members are family members of a Medicaid member; this also includes children, parents, and foster children.

AHCCCS has been able to retain all 10 of the BAC members and keep them engaged at both the BAC and SMAC meetings. The BAC Administration team works closely with the members to keep them engaged between meetings via email and phone discussions, if applicable.

During the implementation phase, AHCCCS created a process for recruiting and evaluating applications for interested BAC candidates, established recurring meetings with clear agendas, set up a policy to compensate members for their time and expertise, and developed a tracking process that provides updates and outcomes for AHCCCS accountability.

In Sept 2025, the BAC Liaison worked closely with the internal Human Resources and Development (HRD) and Payroll teams to create the Arizona Beneficiary Advisory Council Stipend Process Policy and the Advisory Council Meeting Compensation Request Form. BAC members who opt in to receive the stipend must have their I9 completed and fill out an “Employee Personal Information Form” with HRD. Each new BAC member who opts to receive the stipend of \$80 per meeting must attend training with a leader from HRD. At the conclusion of each meeting, BAC members are encouraged to complete the Advisory Council Meeting Compensation Request Form and submit it to the BAC Liaison for approval. The forms are processed by AHCCCS’ Payroll team.

III. Activities, Meetings, Topics Discussion, and Engagement Successes

State Medicaid Advisory Committee

The SMAC meetings are held quarterly in January, April, July, and October. Meetings are open to the public and held on the second Wednesday of the month from 1:00 – 3:00 PM. During the call to the public at the end of each SMAC meeting, AHCCCS often hears from other community members who are not a part of the SMAC, BAC, or AHCCCS; they provide important feedback on ongoing agency initiatives. The April and October meetings are hybrid with January and July being conducted fully virtually.

Per the new CMS Final Rules, the membership of the SMAC must be composed of the following percentage and representative categories of interested parties in the State: (1) For the period from July 9, 2024, through July 9, 2025, 10 percent of the SMAC members must come from the BAC; (2) for the period from July 10, 2025, through July 9, 2026, 20 percent of SMAC members must come from the BAC;

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and (3) for periods thereafter, 25 percent of SMAC members must come from the BAC. As of January 2026, AHCCCS was in compliance with the 20 percent membership requirement with four BAC members being fully integrated into the SMAC meetings.

Each SMAC meeting includes updates from the AHCCCS' Director or designee, a SMAC member spotlight section, other Medicaid updates from internal subject matter experts (SMEs), SMAC updates from the Liaison, voting sessions (when there is an open seat), BAC insights and recommendations (when applicable), and a Call to the Public by the Director or her designee. Agendas are created based on important federal or state updates and/or requests from BAC and SMAC members. Each SMAC meeting is attended by the Director or her designee and other key AHCCCS leaders, staff, and SMEs.

The SMAC Liaison, in conjunction with the Information Services Division (ISD), maintains the website, which includes the list of the Public/Community and Professional/Provider members, meeting materials, archived documents, and other related information. The SMAC has two subcommittees: Bylaws Review and Membership Review.

Between 2025-2026, AHCCCS conducted eight SMAC meetings, and adopted a more discussion-focused meeting format that emphasized collaboration and recommendations. The meetings topics are as follows:

Jan 8, 2025

- Federal Relations Updates (State Plan Amendment (SPA) and 1115 Waiver)
- Olmstead Plan Updates
- SMAC Updates and Voting Session

April 9, 2025

In addition to our standard agenda items, beginning in April of 2025, AHCCCS implemented a new SMAC Member Spotlight portion on the agenda to highlight the work that the SMAC members are doing in the community.

- Division of Member and Provider Services Updates
- Office of the Inspector General Updates

July 9, 2025

- Federal Relations Updates (SPA and 1115 Waiver)
- Medicaid Enterprise System Updates
- Legislative Updates

Oct 8, 2025

- Tribal Relations Updates
- Arizona Long Term Care System Elderly and/or Physically Disabled (ALTCS EPD) Updates

Jan 7, 2026

- Federal Relations Updates (SPA and 1115 Waiver)

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- Medicaid Enterprise System Update

April 8, 2026

- Differential Adjusted Payments Updates
- Upcoming Community Forums Updates
- Rural Health Transformation/H.R.1 Updates
- H.R.1 Implementation Updates

July 8, 2026

- Federal Relations Updates (1115 Waiver and Budget Neutrality)
- Legislative Updates
- Prioritizing Preventive Health

Beneficiary Advisory Council

The BAC meetings are held quarterly in December, March, June, and September. These fully virtual meetings are closed to the public and are held on the second Wednesday between 2:00-3:30 pm. The BAC members agreed upon a closed, fully virtual meeting format at the initial AHCCCS Beneficiary Advisory Council (BAC) Meet and Greet on Thursday, September 11, 2025. During each BAC meeting, all participants are encouraged to provide honest input regarding their experiences, and each BAC meeting has time established for feedback to AHCCCS. BAC members can provide feedback via email, phone, and U.S. mail.

Quarterly BAC meetings are held one month prior to each quarterly SMAC meeting. Each BAC meeting includes updates from the AHCCCS' Director or her designee, a review of the BAC Community Agreements, Welcome and Introductions, other Medicaid updates from internal subject matter experts, BAC updates from the Liaison, and time for open discussion. The BAC Meeting Agreements and Norms were drafted and approved by the members in December 2025 and reviewed at the beginning of each quarterly meeting.

Agendas are created based on important federal or state updates and/or requests from BAC and SMAC members. Each BAC meeting is attended by the Director or her designee and other key AHCCCS leaders, staff, and SMEs.

Beginning in 2026, the new "AHCCCS: Behind the Scenes" section was created to invite internal SMEs to present on their work. This new section provides the BAC members with a comprehensive view of what AHCCCS does.

The BAC Liaison in conjunction with ISD maintains the website, which includes the list of the BAC members, meeting materials, archived documents, and other related information.

Between 2025-2026, AHCCCS conducted five successful BAC meetings since the Council's inception in September 2025 and adopted a more discussion-focused meeting format that emphasized collaboration and recommendations. Four BAC members who serve on the SMAC attend as pairs at every other

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meeting to minimize burnout. In addition to the standing agenda items listed above, the following meetings also covered:

Sept 11, 2025, BAC Meet and Greet with AHCCCS Implementation Team

- BAC Purpose and Information

Sept 24, 2025, BAC Member Orientation

- Overview of AHCCCS Programs and Managed Care
- AHCCCS Funding Paths
- AHCCCS Care Delivery System
- Getting to Know AHCCCS
- Resources and AHCCCS Points of Contacts

Dec 10, 2025, First Official Quarterly Meeting

- Division of Managed Care Updates
- Federal Relations Updates
- BAC Updates and Announcement

March 11, 2026

- Office of Individual and Family Affairs Empowerment Tools Discussion & Activity
- Community Engagement (Work Requirements) Feedback Conversations with Accenture
- AHCCCS Communications Strategy for H.R.1 Rollout Conversations

June 10, 2026

- AHCCCS: Behind the Scenes – Discussion on Children’s System of Care Program
- Prioritizing Preventive Health Discussion and Activity

IV. Recommendations and Agency Responses 2025-2026

In August 2025, AHCCCS asked the SMAC members to fill out a survey focused on preventive health. After reviewing this feedback, the SMAC liaison and leaders within the Division of Public Policy and Strategic Planning (DPPSP) identified the following four themes:

1. Understanding/Awareness/Health Literacy
2. Access and Availability
3. Administrative/Tech/Navigation
4. Other (Provider/Network/System Capacity)

In order to gain an even better understanding of how preventive health is viewed by the community, AHCCCS also conducted further research through other data sources shown below:

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What We Did & Who We Heard From

- Asked our **SMAC members** about perceived barriers to getting or providing effective and efficient preventive healthcare
- Reviewed **Maricopa County Public Health** data (CHNA Community Health Needs Assessment) to find out what health issues are priorities to residents
- Asked **BAC members** about their experiences and perceptions about barriers to preventive healthcare and access
- Reviewed most common **member comments and issues** (Better Business Bureau (BBB), etc.)
- **Identified themes** that were common across all channels
- The BAC members **selected the following priorities** which will be discussed on the next slide...

In May 2026, AHCCCS also heard from the BAC members about their priorities which provided deeper insight into this topic and how members are affected. At the June 10th BAC meeting, the AHCCCS BAC Administration team engaged with the members in a preventive health activity that allowed us to identify priorities to take to the SMAC. Through a facilitated round-robin discussion, the BAC members reached consensus on what they felt were the top three priorities which are shown below:

BAC Selected Priorities

Source + / Theme →	Understanding / Awareness / Health Literacy	Access and Availability	Administrative / Tech / Navigation	Other (Provider / Network / System Capacity)
SMAC	• Lack of awareness of services • Confusion about insurance coverage and benefits • Mistrust or fear of medical system • Need for more patient education • Need for hands-on support (e.g., cognitive limitations)	• Transportation challenges (reliable public transit) • Long wait times (PCP & specialists) • Limited provider availability • Difficulty finding Medicaid providers • Workforce shortages impacting access • Rural & border access gaps (travel distance) • Appointment delays / limited availability	• Difficulty scheduling appointments • Delays in getting appointments • Difficulty obtaining referrals • Ineffective provider directories • Confusion with telehealth • Lack of technology access • Need for navigation/case management support • Poor coordination/follow-up • System is complex and hard to navigate	• Workforce shortages: - Low reimbursement - Burnout - Retirements - Lack of incentives • High provider workload • Rural system constraints • Capacity vs demand mismatch • Social barriers affecting follow-through
BAC	• Not knowing what is covered • Complicated medical language • Not knowing how often preventive services are recommended • SMI and other chronic conditions preventing understanding	• Spoken language barriers • Lack of dental care coverage • Transportation barriers • Long wait times • Difficulty scheduling appointments	• Lack of consistent case managers & technical assistance in navigating services, leading to inadequate customer service and patient care • Confusion about telehealth options • Complicated processes to sign up for coverage • Getting referrals	• Distance to medical facilities • Patient potentially not wanting all of the preventive services offered • Minimal shared information between providers • Complex or unclear eligibility information
Community Health Needs Assessment (CHNA) (Local Data)	• Lack of awareness of available programs and services • Limited understanding of preventive care importance • Low health literacy in some populations	• Limited clinic hours • Cost barriers and fear of medical bills • Lack of a regular primary care provider • Transportation challenges • Long wait times	• Challenges scheduling appointments • Limited digital access or comfort with technology • Difficulty navigating complex healthcare systems	• Mental health and substance use challenges • Limited provider supply in community
MEMBERS	• "Don't understand how to find the right provider" • "Not sure where to go or who to call" • "Got different answers from different people" • "Process is confusing / unclear"	• "9-month wait for a specialist" • "Can't find any providers that take my plan" • "No in-person care available"	• "System says I already have an account" • "Can't verify identity / log in" • "Hold times too long to get help" (21 mins) • "Every call leads to a dead end" • Negative customer service experiences	• Unable to find network providers (especially mental health) • Provider and medical staff shortages

At the July 8, 2026, SMAC meeting, BAC team members presented the top three priorities that were identified the month earlier. Through a facilitated round-robin discussion, the SMAC members reached

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consensus on what they felt was the top priority for collaborative problem-solving, which they identified as [Non-Emergency Medical Transport \(NEMT\)](#). NEMT is a covered service by AHCCCS and provides medically necessary non-emergency ground and air transportation to and from a required medical service for most recipients.

In addition to Transportation and NEMT, the committee/council identified two other priorities and developed shared recommendations for all three, as illustrated below:

Priority	SMAC and BAC Recommendations	Agency Response
1. Transportation	- Address gaps in transportation services for individuals with various disabilities - Schedule ad-hoc meeting to further discuss transportation and NEMT	Ad-hoc meeting has been scheduled for Tue, 9/15/26
2. Confusion about insurance coverage and benefits	- Develop plain-language communications regarding the federal Medicaid changes from H.R.1 - Better support with navigating the complex Medicaid system for all members - Create better understanding of new community engagement/work requirements	- In 2026, the AHCCCS Communications Director worked with the BAC members to update the language - Federal Relations team presented on navigating Medicaid & the new requirements
3. Provider availability	No recommendations at this time. It may be a topic for future discussions.	N/A No recommendations from the SMAC at this time.

V. Closing and Look Ahead

During the 2025-2026 reporting period, the SMAC and the BAC strengthened their roles as collaborative advisory bodies by expanding beneficiary engagement, supporting implementation of new federal requirements, and providing recommendations on issues affecting members and providers. Through continued partnership between beneficiaries, providers, community stakeholders, and AHCCCS, the SMAC and BAC have worked on advancing efforts to improve communication, access to care, transparency, and member and provider Medicaid experiences.

AHCCCS expects to continue engaging with the SMAC and BAC members on implementation of federal H.R.1 Medicaid changes and activities, eligibility, respite care, provider and member access issues, behavioral and mental health services, NEMT, and improvements for the Deaf, Hard of Hearing, and Blind member population. Future work will also include strengthening beneficiary participation, and actualizing recommendations provided by both advisory bodies. The report was developed

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collaboratively by the SMAC/BAC Liaison, BAC Administration Team, and AHCCCS Leadership Team, with review and approval by SMAC members on August 11, 2026.