

July 24, 2025

The Honorable David Livingston
Chairman, Joint Legislative Budget Committee
Arizona House of Representatives
1700 W Washington St.
Phoenix, Arizona 85007

Dear Chairman Livingston,

Pursuant to Laws 2025, Chapter 93, Section 1, the Arizona Health Care Cost Containment System (AHCCCS) and the Department of Economic Security (DES) shall provide to the staff of the Joint Legislative Budget Committee at the end of each calendar quarter, a report on the utilization of attendant care services and habilitation services by parent caregivers under the Parents as Paid Caregivers Program (PPCG). The report shall also include all of the following:

1. The annual growth in the number of parents and members enrolled in the program.
2. The number of emergency department visits and inpatient hospitalizations in the calendar quarter.
3. The approved annual hours delineated by primary diagnosis.
4. How long a member who receives care under PPCG has been enrolled in the Arizona Long Term Care System (ALTCS).

Please note, there are two separate reports; one created by AHCCCS (information below) and the second created by the DES, Division of Developmental Disabilities (DDD). These two coordinated reports provide a comprehensive review of the PPCG service model and related utilization across the ALTCS Program. DES DDD will provide data specific to the intellectual/developmental disability (I/DD) population served. AHCCCS will provide data specific to the Elderly and/or Physically Disabled (EPD) population served through ALTCS-EPD Managed Care Organizations (MCOs).

This initial report serves to outline the Agency's data capabilities specific to the information requested and the proposed methodology for future reporting.

If you have any questions regarding this report, please contact Damien Carpenter, Chief Legislative Liaison, at 602-396-0767.

Thank you,



Marcus Johnson
Deputy Director

Cc: The Honorable John Kavanagh, Vice Chairman, Joint Legislative Budget Committee
Richard Stavneak, Director, Joint Legislative Budget Committee
Ben Henderson, Director, Office of Strategic Planning and Budgeting
Meaghan Kramer, Health Policy Advisor, Office of the Governor

Background

In May 2024, AHCCCS established a PPCG implementation work group comprised of family members, as well as provider, agency, and health plan representatives. The work group met at a regular meeting cadence to help develop and provide input on policy and form revisions necessary to implement the new PPCG service model including reviewing materials from other states with similar models. Agenda topics and discussions also included competencies and content for case manager training and consultation on broader stakeholder engagement and communications. Work group members were encouraged to engage in dialogue with AHCCCS staff between meetings to share input, thoughts, and recommendations. The regular meetings concluded when AHCCCS posted policies for public comment in May 2025. AHCCCS intends to continue engagement with the work group on an intermittent and as needed basis throughout initial implementation to support AHCCCS in monitoring accurate and consistent application of the new policies and procedures while also maintaining an open dialogue on the PPCG service model with stakeholders.

Current Data Capabilities

Federal law, 42 U.S.C. 1396b, requires states to implement Electronic Visit Verification (EVV) for non-skilled in-home services (attendant care, personal care, homemaker, habilitation, respite) and for in-home skilled nursing services (home health) in order to prevent a reduction in the Federal Medical Assistance Percentage (FMAP). AHCCCS implemented EVV in Arizona beginning January 1, 2023. AHCCCS employed the system as an Open Vendor Model with one statewide EVV contractor, Sandata Technologies (Sandata), which is used for the data aggregator as well as an option for provider-based EVV technology. Providers can use Sandata or choose an alternate EVV vendor, although all must report required data into Sandata's EVV aggregator system. Approximately 85% of all visit volume is representative of providers using alternate (non-Sandata) EVV vendors. In order to provide the agency with greater flexibility in oversight and management of EVV compliance, support long term sustainability and cost savings, AHCCCS will be transitioning aggregator services in house. Beginning October 1, 2025, EVV vendors will be sending data directly to AHCCCS and the providers currently using the Sandata EVV system will be required to enter into their own contract with an EVV vendor.

In March 2025, AHCCCS implemented a change request with Sandata that allows Sandata users to identify a live-in caregiver's relationship to a member in order to collect more information about the direct care workers (DCWs) providing Home and Community Based Services (HCBS). This requirement

was immediately implemented for providers using the Sandata EVV system; representing approximately 15% of the visit volume in EVV. While AHCCCS and Sandata were working on the updates to the technical specifications for the alternate (non-Sandata) EVV vendors, the two entities were simultaneously working on developing reports that providers and health plans can use for monitoring and workforce development planning purposes. AHCCCS posted updated Alternate EVV specifications on June 25, 2025, which allows and requires providers contracting with and using an alternate (non-Sandata) EVV system to identify a live-in caregiver's relationship to a member in accordance with the revised specifications. Sandata is ready to accept the data from the alternate (non-Sandata) EVV vendors who will begin onboarding the submission of the live-in caregiver data throughout the July 1, 2025- September 30, 2025, timeframe. AHCCCS anticipates that complete live in caregiver data will be available for future reporting in the quarter ending December 31, 2025. Communications sent to stakeholders in February and June 2025 regarding the live-in caregiver data requirements were followed by an invitation to participate in a webinar. All materials are posted to the AHCCCS EVV webpage. In the interim, while EVV data capabilities were and are being developed to streamline data collection, AHCCCS worked in partnership with the health plans to identify minor members being served by their parents.

Utilization of Attendant Care and Habilitation

Based on the limited data currently available, AHCCCS estimates that from October 1, 2024, through May 31, 2025, 214 EPD unique members participated in the PPCG service model with 225 unique parent caregivers being paid to deliver attendant care services. Please note that for the EPD program, habilitation is rarely utilized due to the qualifying nature of members' conditions; attendant care is the predominant parent-delivered service for this population. For this reporting period, there were zero hours of habilitation provided via the PPCG service model.

Proposed Methodology for Future Reporting

AHCCCS has documented the methodology below that the agency will use in subsequent quarterly reports. The data will be reported retrospectively to ensure the most accurate reporting using EVV, authorization, and encounter data. Valid encounter data for inpatient hospitalizations and emergency room visits is available to AHCCCS six (6) months after services are rendered and paid, specifically for inpatient hospitalizations and emergency room visits. For this reason, each quarterly report will be a six- month look back so that the data reflected will be accurate and complete; for instance, the September 2025 report will include data from January 1, 2025, to March 31, 2025.

1. The annual growth in the number of parents and members enrolled in the program.

This data will be provided each quarter along with an annual summary reflective of the state fiscal year. The data will include the number of minor members receiving care from a parent utilizing the PPCG service model at any time during the reporting quarter compared to the number of minor members receiving care from a parent utilizing the PPCG service model at any time during the prior reporting quarter. The report will also include the number of parents providing services to their children at any time during the reporting quarter compared to the previous quarter.

PPCG Utilization (Reflective of MONTH DAY, 20XX – MONTH DAY, 20XX)					
# of Unique Members (Current Quarter)	# of Unique Members (Previous Quarter)	% Change	# of Unique Parent Providers (Current Quarter)	# of Unique Parent Providers (Previous Quarter)	% Change

2. The number of emergency department visits and inpatient hospitalizations in the calendar quarter.

The data will include the count of emergency department visits and inpatient hospitalization stays for members participating in the PPCG service model during the reporting period.

ED/Hospitalization Data for Quarter Ending (Month, Day, Year)		
Number of Unique Members Participating in PPCG	Number of Emergency Department Visits for PPCG Participants	Number of Hospitalizations for PPCG Participants

3. The approved annual hours delineated by primary diagnosis.

This data will be provided each quarter, along with an annual summary reflective of each state fiscal year. The data will include the sum of the authorized hours for Attendant Care delivered via the PPCG service model, broken down by primary diagnosis (EPD qualifying condition), during the reporting period.

PPCG Annual Attendant Care Authorization, by Qualifying Diagnosis (Reflective of MONTH DAY, 20XX through MONTH DAY, 20XX)	
Qualifying Diagnosis	Quarterly Count of Authorized Attendant Care Hours via PPCG

4. How long a member who receives care under the PPCG Program has been enrolled in ALTCS.

This data will include information specific to the average length of time minor members utilizing the PPCG service model during the quarter have been determined eligible for ALTCS. AHCCCS will derive this data by determining the ALTCS eligibility date of all members participating in the PPCG service model in the given quarter and evaluating their eligibility month in comparison with the last month of the reporting quarter. From there, an overall average for each quarter will be calculated and presented in response to this question.