

July 8, 2025

Richard Stavneak
Director
Joint Legislative Budget Committee
1716 West Adams
Phoenix, AZ 85007

SUBJECT: Reconciliation Payments and Penalties Received for the Period July 1, 2024, through June 30, 2025

Dear Mr. Stavneak,

Pursuant to A.R.S. § 35-142.01(B) and Laws 2024, Chapter 209, Section 19, AHCCCS is reporting the total amount of Medicaid and CHIP reconciliation payments and penalties received and deposited into the State's General Fund or that remain in the Hospital Assessment Fund for the period July 1, 2024 through June 30, 2025.

By way of background, unlike commercial insurers, AHCCCS Medicaid Managed Care Organization profits are 'capped' at 4% through 'risk corridors', which include mechanisms such as reconciliation payments and recoupments. Risk corridors have always been part of the annual contractual process by which AHCCCS ensures fiscal accountability within the private-public partnership with our health plans. The table below contains further details on specific Medicaid and CHIP reconciliation payments and penalties:

Type	Federal Fund	General Fund	Hospital Assessment Fund	Total Fund Amount
(Payments)/ Recoupments Reconciliations:				
ARPA Molina CYE23 Payment Mar 2025 (Recon Pmnt)	\$ (11,776.06)	\$ (545.71)	\$ -	\$ (12,321.77)
CY2022 Tiered ACC Final Recon	\$ 322,315,581.61	\$ 24,099,833.48	\$ 30,129,135.19	\$ 376,544,550.28
CYE 2022 Value Based Purchasing Performance Based Reconciliation payments	\$ (59,348,745.89)	\$ (8,714,405.37)	\$ (4,280,500.70)	\$ (72,343,651.96)
CYE 2022 Value Based Purchasing Performance Based Reconciliation Payments	\$ 1,159,120.52	\$ 361,835.42	\$ -	\$ 1,520,955.94
CYE22 BHS PPC Final BHS Recon (OCT 2021-Sept 2022)	\$ (3,385,477.23)	\$ (114,388.94)	\$ (342,645.34)	\$ (3,842,511.51)
CYE22 RBHA Recon Final	\$ 3,714,922.96	\$ 555,708.65	\$ 312,381.97	\$ 4,583,013.58
CYE22 Tiered EPD Final Recon (Oct 2021 to September 2022)	\$ 14,268,038.43	\$ 4,453,964.49	\$ -	\$ 18,722,002.92
FQHC FFY 2023 Reconciliation	\$ (13,236,755.30)	\$ (2,334,431.17)	\$ (832,847.89)	\$ (16,404,034.36)
FQHC FFY 2023 Reconciliation Payment 1 Kidscare Exp	\$ (58,138.25)	\$ (11,882.54)	\$ -	\$ (70,020.79)
FQHC FFY 2023 Reconciliation	\$ (5,439,366.61)	\$ (866,504.30)	\$ (374,734.84)	\$ (6,680,605.75)
FQHC FFY 2023 Reconciliation Payment 2 Kidscare Exp	\$ (20,702.04)	\$ (4,231.16)	\$ -	\$ (24,933.20)
FQHC/RHC FY22 FINAL RECON - MARIPOSA	\$ (20,029.88)	\$ (3,937.84)	\$ (1,115.28)	\$ (25,083.00)
FQHC/RHC FY22 RECON -	\$ (50,018.87)	\$ (7,514.65)	\$ (3,607.99)	\$ (61,141.51)
FQHC/RHC FY23 RECON - San	\$ (1,963,578.24)	\$ (490,686.01)	\$ (113,763.19)	\$ (2,568,027.44)
FQHC/RHC FY23 RECON - San Luis Kidscare	\$ (40,939.69)	\$ (9,955.00)	\$ -	\$ (50,894.69)
FQHC/RHC FY23 RECON - San Luis Kidscare expansion	\$ (22,849.18)	\$ (5,556.06)	\$ -	\$ (28,405.24)
FY23 Final Fixed Admin Cost	\$ 5,991,384.29	\$ 1,217,794.64	\$ 438,646.03	\$ 7,647,824.96
FY24 Final Fixed Admin Cost	\$ (3,676,517.68)	\$ (890,001.52)	\$ (314,263.19)	\$ (4,880,782.39)
FY24 Final Fixed Admin Cost Recon - Kidscare	\$ (124,639.77)	\$ (38,501.30)	\$ -	\$ (163,141.07)
FY24 Final Fixed Admin Cost Recon - Kidscare Expansion	\$ (1,508.45)	\$ (465.96)	\$ -	\$ (1,974.41)
	\$ -	\$ -	\$ -	\$ -
Penalties/Sanctions:	\$ -	\$ -	\$ -	\$ -
Acute	\$ 235,982.87	\$ 91,120.10	\$ -	\$ 327,102.97
ALTCS	\$ 1,587.04	\$ 662.96	\$ -	\$ 2,250.00
	\$ 260,285,574.58	\$ 17,287,912.21	\$ 24,616,684.77	\$ 302,190,171.56

If you have any questions or require more information, please contact me at (602) 417-4348 or Tinsae Babo at (602) 417-4481.

Sincerely,

A handwritten signature in black ink, appearing to read 'Josh Worley', with a stylized, cursive script.

Joshua Worley
Acting Assistant Director
Division of Business and Finance

cc: Ben Henderson, OSPB
Cameron Dodd, OSPB
Peter Moore, OSPB
Chandler Coiner, JLBC
Jeff Tegen, AHCCCS
Tinsae Babo, AHCCCS