



DIVISION OF DEVELOPMENTAL DISABILITIES

Sent on Behalf of DES/DDD

DDD GROWTH UPDATE

Target Audience - Qualified Vendors and Providers

Transmittal Date - 03/28/2025

The Division of Developmental Disabilities (DDD or Division) is sending out this update in light of ongoing negotiations at the State Legislature regarding a supplemental funding need for DDD in this current fiscal year. The DDD program has experienced significant growth over the past year and has taken the steps outlined in the [Governor's press release](#) issued March 26, 2025 to manage cost growth. More details about DDD's growth can be found in the [DDD Growth presentation](#) that was shared in February public forums.

As a State government program, DDD is not directly involved in the budget process. The budget is negotiated by the Governor's Office and the State Legislature. DDD supports the Governor's Executive Budget Recommendation that provides the necessary funding for the DDD program. At this time there is no agreement but both sides have signaled they are committed to ensuring supplemental funding is provided. While those negotiations continue, DDD still must work with the DDD community to prepare for the impacts if the supplemental funding is not provided timely.

The Division has been evaluating several financial management and cash flow options to mitigate the impact if the Legislature does not provide timely supplemental funding for this fiscal year. The Division has already implemented a change in how claims are processed. Effective April 7, 2025 claims payment processing will occur once per week instead of every day. These batched payments will have three benefits. First, they will allow for improved system capacity. Second, they will provide a regular and expected cadence of payments for vendors. Third, they could potentially allow for current funding to last for a few days longer than originally projected.

DDD is asking vendors to continue providing services and submitting claims as usual. The system will keep processing claims and checking for errors. The statuses will be updated in WellSky and the PBS reports (Focus) so vendors can review denials and understand which claims will still be eventually paid. When supplemental funding is provided, DDD will be able to pay clean claims for dates of service in May and June; even if those payments do not occur until after FY25 ends. DDD would not be using FY26 funding to make those payments for dates of service provided in May/June, DDD would be using the FY25 supplemental funding it receives. It is important to remember that vendors have 6 months from the date of service to submit billing. It is accurate that if the legislature does not pass FY25 supplemental funding that DDD would not be able to pay out those claims for dates of service in May/June.

Qualified Vendors who are concerned about their ability to continue providing services are encouraged to contact the [DDD Customer Service Center - Provider Relations](#) team as soon as possible. They will connect these vendors with the appropriate functional area within the Division to work with them directly to troubleshoot how to best address the issues on a case-by-case basis.

DDD will commit to providing weekly updates like this one to share the information we have at the time until this current budget situation is resolved. Thank you all for your ongoing involvement in this wonderful DDD community and for your contributions toward empowering Arizonans with developmental disabilities to live self-directed, healthy, and meaningful lives.