



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

DIVISION OF DEVELOPMENTAL DISABILITIES

Sent on Behalf of DES/DDD Business Operations

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TRANSMITTAL DATE: June 30, 2017

TOPIC: Rate Adjustments Effective July 1, 2017

Target Audience – All Qualified Vendors

With the passage of the State Fiscal Year 2018 budget, the Governor's Office and the Legislature approved funding to address increases in provider costs as a result of the passage of Proposition 206, the Minimum Wage and Paid Time Off initiative. The approved budget provided funding for an on-going rate adjustment to selective rates and one-time funding to offset provider increased costs. The Arizona Health Care Cost Containment System will be adjusting the Department's capitation rates.

With the on-going funding, the Division will be adjusting selective service rates impacted by Proposition 206. A separate rate adjustment will be implemented for the Flagstaff area for selective services rendered in the following zip codes 86001, 86004, and 86005. Please refer to the Proposed Rate Increase 7-1-2017 document attached for details on which service rates will be increased effective July 1, 2017. The RateBook will be updated and posted to the DDD website to reflect these changes. With regards to the one-time funding appropriation, the Department will make a separate announcement in the near future with its plans for use of this funding.

Lastly, the Department received additional one-time funding to increase Room and Board provider rates. The Division will be increasing all Room and Board rates by 6.5 percent, effective July 1, 2017. If this funding is not approved in the FY 2019 budget cycle, the rate increase will be reversed on July 1, 2018.

Questions regarding this communication may be directed to DDDCustomerService-Providers@azdes.gov.

Attachment: Proposed Rate Increase 7-1-2017

Thank you!