

2023 Home and Community-Based Services Provider Rate Reimbursement Adequacy Study

Presented to:

**Arizona Department of Economic Security –
Division of Developmental Disabilities**



DEPARTMENT OF ECONOMIC SECURITY

Your Partner For A Stronger Arizona

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[guidehouse.com](https://www.guidehouse.com)

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Introduction and Scope

The Arizona Department of Economic Security, Division of Developmental Disabilities (the Division) contracted with Guidehouse to conduct an annual analysis of the adequacy and appropriateness of payment rates for home and community-based services (HCBS) for individuals with a developmental disability, as required by A.R.S. 36-2959¹.

The department shall contract with an independent consulting firm for an annual study of the adequacy and appropriateness of title XIX reimbursement rates to service providers for the developmentally disabled program of both the Arizona long-term care system and the state only program. The consultant shall also include a recommendation for annual inflationary costs. Unless modified in response to federal or state law, the independent consulting firm shall include, in its recommendation, costs arising from amendments to existing contracts.

Specifically, Guidehouse executed the following analyses:

- Analyzed five (5) years of claims files, State Fiscal Year (SFY) 2019-2023²
- Reviewed utilization, payment, and provider data by year and service
- Compared overall Qualified Vendor networks to providers delivering services identified through the claims files
- Compared overall unassigned authorizations to providers delivering services identified through the claims files

Throughout the analysis process, Guidehouse took the following key elements into consideration:

- Impact of changing rates on utilization, particularly rate changes that went into effect on 1/1/2023
- Potential provider shortages
- Impact on the service delivery to members

In the rate analysis, Guidehouse evaluated the network, users, payments, and providers, as well as rates of inflation; and developed the written and graphical findings on the adequacy and appropriateness of the Division's HCBS Provider rates that follow in this report.

While reviewing the claims for services rendered during the time period State Fiscal Years (SFYs) 2019 through 2023, there were eighty-three unique services identified in the data. Guidehouse grouped these unique services into seven major service categories which includes:

- Residential Services
- In-Home Supports
- Day Treatment
- Employment
- Transportation
- Professional, Nursing
- Professional, Therapy

Guidehouse excluded all other services for purposes of this analysis. Although these are services are covered services, they are not part of the standard services delivered by providers

¹ Arizona Revised Statutes: <https://www.azleg.gov/ars/36/02959.htm>

² State Fiscal Years run from July 1 through June 30, i.e., SFY2023 runs from July 1, 2022 through June 30, 2023.

under the Request for Qualified Vendor Application (RFQVA). This analysis focused solely on the RFQVA provider services.

In addition, Guidehouse grouped the counties in Arizona into six different regions for purposes of this analysis. The regions are defined as:

- Maricopa County
- Pima County
- Flagstaff
- Northern Counties excluding Flagstaff (Apache, Coconino, Mohave, Navajo, Yavapai)
- Central Counties other than Maricopa (Gila, Pinal)
- Southern Counties other than Pima (Cochise, Graham, Greenlee, La Paz, Santa Cruz, Yuma)

Guidehouse felt it was important to look at Maricopa and Pima County individually as they are the largest counties by population and have distinct characteristics. Flagstaff was also broken out separately as the Flagstaff Proposition sets a different minimum wage than the rest of the state. Guidehouse excluded services for clients that are considered Out of State for purposes of this analysis.

Provider Rate Reimbursement Adequacy Assessment Certification

In assessing the adequacy of the Division's HCBS rates, Guidehouse examined five years of claims data (SFY2019-SFY2023), alongside Unassigned Authorization and Qualified Vendor data. As part of the determination of rate adequacy, Guidehouse reviewed metrics such as user and unit trends by service category over the last 5 years. We also reviewed payments by service, payment per user, payments per provider by service, as well as additional review of the providers in the state to determine rate adequacy. This also included a rate review compared to the benchmark rates to determine if they were in line with what would be expected in an adequate rate (rate comparisons are shown later in this report in the sections analysis by service category).

Due to high inflationary periods since the last rate study, Guidehouse felt it was an important step to bring wages forward to CY2023 for benchmarking purposes. In order to do this, Guidehouse used the 2020 rate study models and updated the wages from 2020 levels to 2023 levels. Guidehouse used the percent change of the minimum wage between the two time periods. Flagstaff wages received a 29.23 percent increase, and the other wages received a 15.42 percent increase. Also, all wages were rounded to the nearest penny. This methodology was applied to both the worker's wage and the supervisor's wage of each rate model. In this report "Benchmark" or "CY2023 Benchmark" is referring to the outputs of this exercise.

Guidehouse observed within the Division's claims data that total payments to providers increased by \$326 million in SFY2023, which represents a 21.07 percent increase from SFY2022. This increase was expected as the Division implemented updated rates. These similar growth trends extended to the number of providers serving members with developmental disabilities as well as the number of users receiving services.

Based on the service payment and utilization observed in the service categories (as detailed throughout the report), Guidehouse certifies the current rates paid by the Division are adequate reimbursement to Arizona providers for delivering the services currently covered. It should be noted that not every individual measure may indicate a specific rate is adequate for the total program, Guidehouse believes the rates meet the criteria of being adequate based on the analysis included in this document.

Guidehouse determine that anything below 85 percent of the benchmark or below the current minimum wage should be looked at for future increases. When reviewing the rates to the benchmark rates, Guidehouse did observe some current rates that fell below an acceptable benchmark percentage which does cause some concern. Some of those include:

- Therapy Services
 - Occupational Therapy
 - Speech Therapy
 - Physical Therapy
- Employment Services
- Habilitation, Group Home
- Habilitation with Music Therapy
- Homemaker

Minimum wage laws in Arizona require an increase of the minimum wage yearly by utilizing the Consumer Price Index for All Urban Consumers (CPI-U) All Items, August to August trend.

- “The increase in the cost of living shall be measured by the percentage increase as of August of the immediately preceding year over the level as of August of the previous year of the consumer price index (all urban consumers, U.S. city average for all items)”³

In accordance with A.R.S. § 23-363(B), Guidehouse suggests yearly updates to the wage portions of the rate models using the same methodology, which is trending forward wages by the CPI-U All Items, August to August trend. This will help keep the rates in line with changes to cost of living. It is Guidehouse’s understanding that the Division is currently performing a rate rebase where these issues could be resolved.

Overall Analysis of Utilization, Users, Payment, and Providers

Approach and Criteria Used in the Examination

In this section, we discuss the criteria our team used to complete this review and our analysis of overall utilization, users, payments, and providers. These analyses inform our overall assessment on the adequacy and appropriateness of the reimbursement rates for State Fiscal Year 2023.

While the State of Arizona Revised Statutes do not fully detail how this review should be conducted or define what “adequate and appropriate” rates are, consistent with previous rate certification reviews, Guidehouse used Section 1932 of the Social Security Act and 42 CFR 438.206 of the Medicaid managed care regulations as the basis for this rate assessment. It should be noted that the Division of Developmental Disabilities is, in effect, a managed care organization contracted with the Arizona Health Care Cost Containment System (AHCCCS) to provide physical health, behavioral health, and HCBS to individuals with developmental disabilities across Arizona.

In conjunction with the utilization analysis, our team considered the impact of inflation on the provider reimbursement rates, while also considering how the COVID-19 pandemic might have had an influence on our analysis for previous years of data.

³ [23-363 - Minimum wage \(azleg.gov\)](https://azleg.gov/legtext/23/0001/23-363.html)

For the purposes of our analyses, our team used SFY2019 as the benchmark year because it was the earliest year in the available claims data. Our analyses included comparisons of current year data to the previous year, SFY2022.

Users and Unit Analysis

An examination of total users and total units provides a baseline for the most common services used and those with the most utilization. In the figures that follow, bars represent totals for each SFY by service category and the percentages are the percent change from the previous year.

Guidehouse’s analysis showed that of the highest used services most had an increase in users between SFY2022 and SFY2023. In-Home Supports and Day Treatment showing the largest increases of 7.47 percent and 4.70 percent, respectively. It is also noted that after significant decreases during the pandemic, Transportation Services users have started to increase again in SFY2022 and SFY2023. Overall, the users base increased by 4.81 percent, from 33,754 users in SFY2022 to 35,376 users in SFY2023.

Figure 1. Total Users, by Service Group and Year, SFY2019-SFY2023

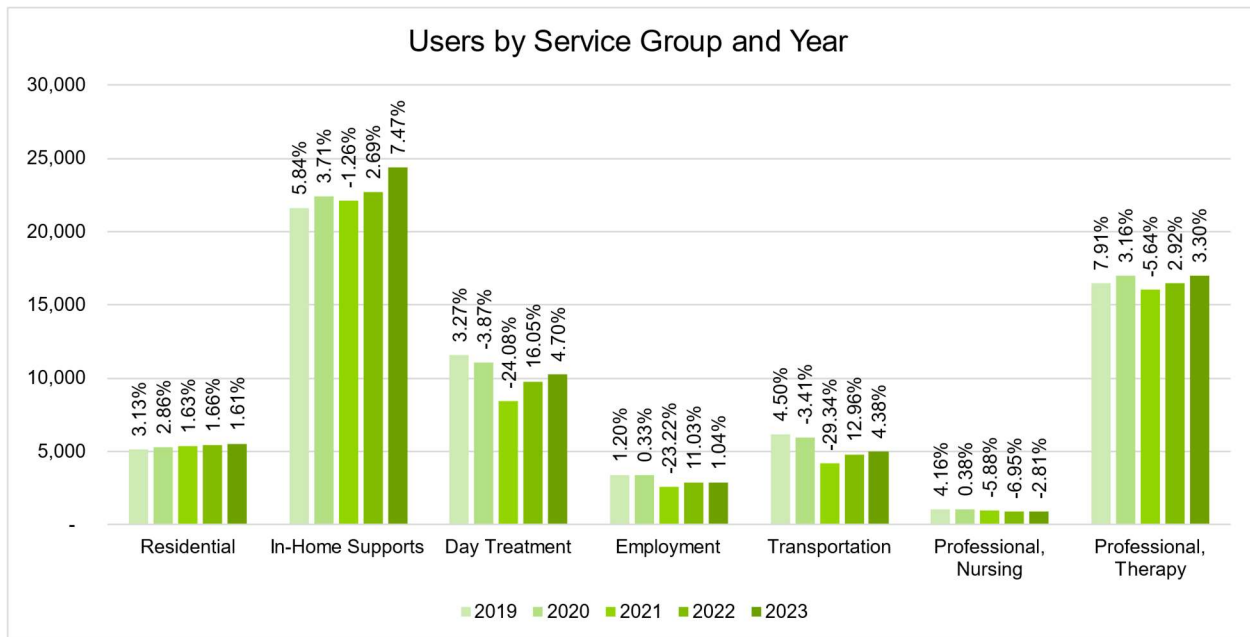


Figure 2. Total Units, by Service Group and Year, SFY2019-SFY2023

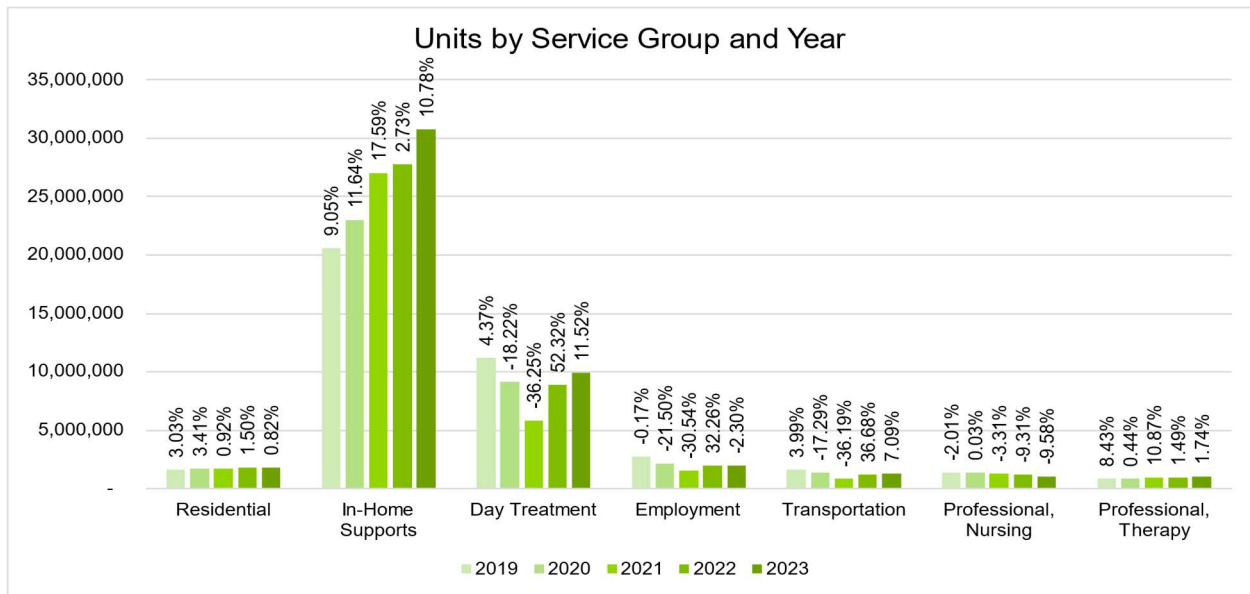
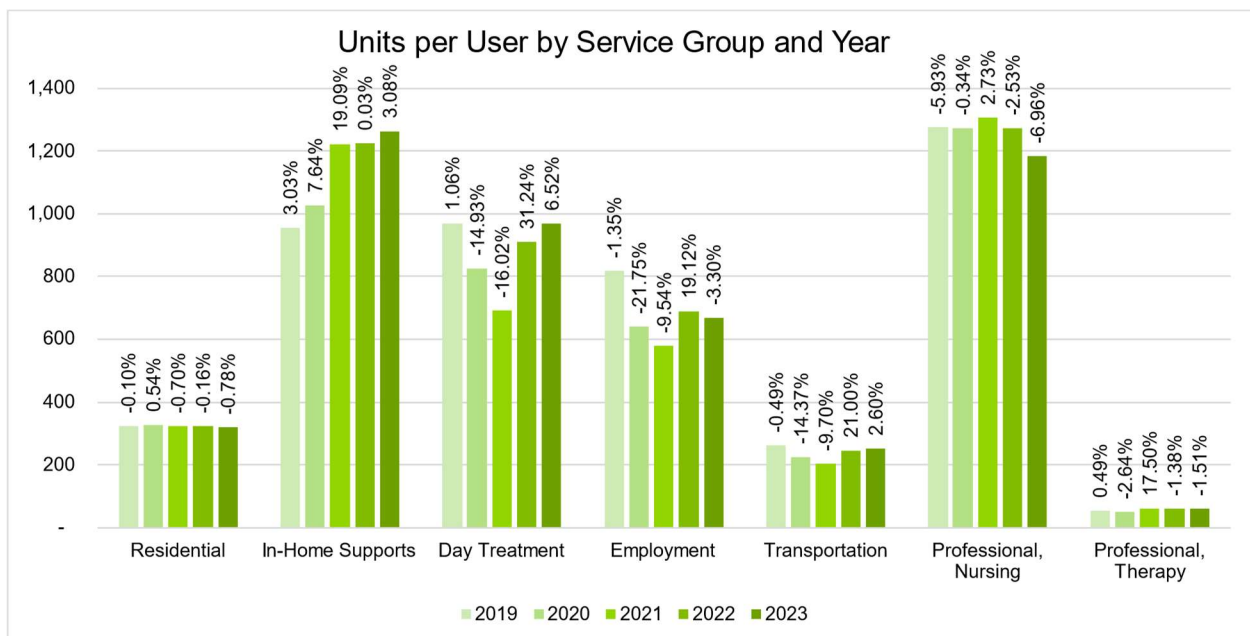


Figure 3. Total Units per User, by Service Group and Year, SFY2019-SFY2023



As seen in Figure 2 above, majority of the service categories had an increase in units between SFY2022 and SFY2023, with In-Home Supports and Day Treatment showing the largest increase. During the pandemic, it is likely that the services provided in the home would increase and the Day Treatment and Employment Services would decrease. We are now seeing a shift back into the Day Treatment in SFY2022 and SFY2023. It is also noted that after significant decreases during the pandemic, Transportation Services have started to increase again in SFY2022 and SFY2023. However, Professional Nursing did show a decrease of 9.58 percent year over year. Total units across all services increased 9.08 percent, or about four million units

between SFY2022 and SFY2023. Between SFY2019 and SFY2023, total units delivered increased by about 7.6 million units, a 19.13 percent increase.

Overall, users and units increased from SFY2022 to SFY2023 by 4.81 and 9.08 percent, respectively. As such, we observed an increase in total units per user.

Payments Analysis:

An analysis of total payments and total payments per user allows for an examination of provider rate reimbursement changes that occurred in SFY2023 and its impact on utilization. As shown in Figure 4, most of the service categories show expected increases that correlate to increase in units in Figure 2. Residential, In-Home Supports, and Day Treatment showed increases in total payments. Only Professional Nursing show a decrease in SFY2023 of 1.59 percent.

Figure 4. Total Payments, by Service Group and Year, SFY2019-SFY2023

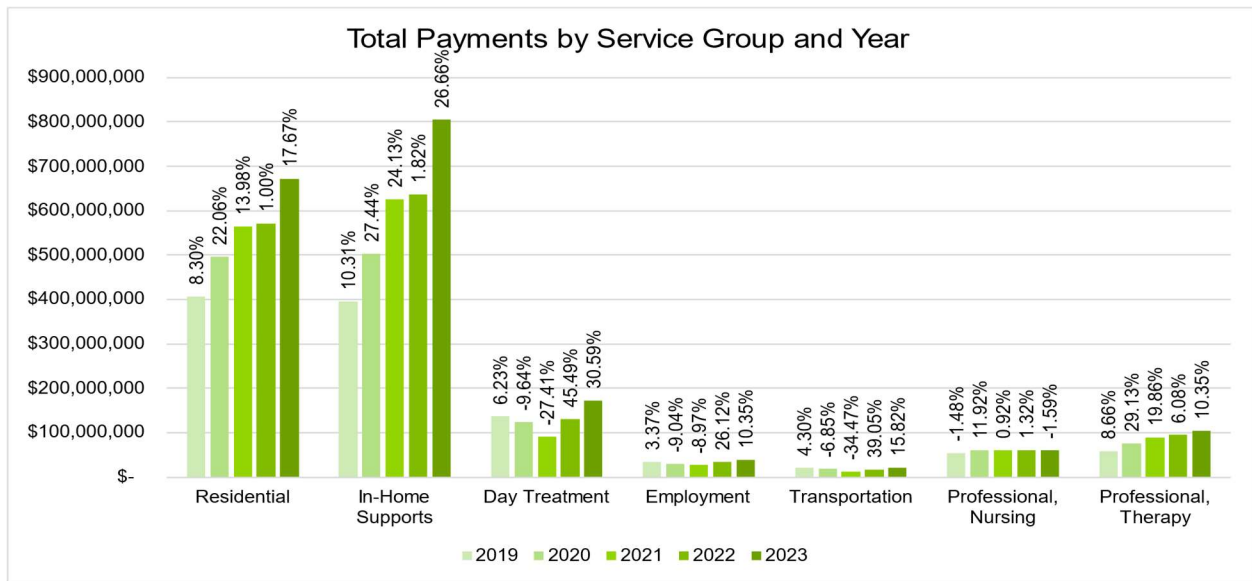
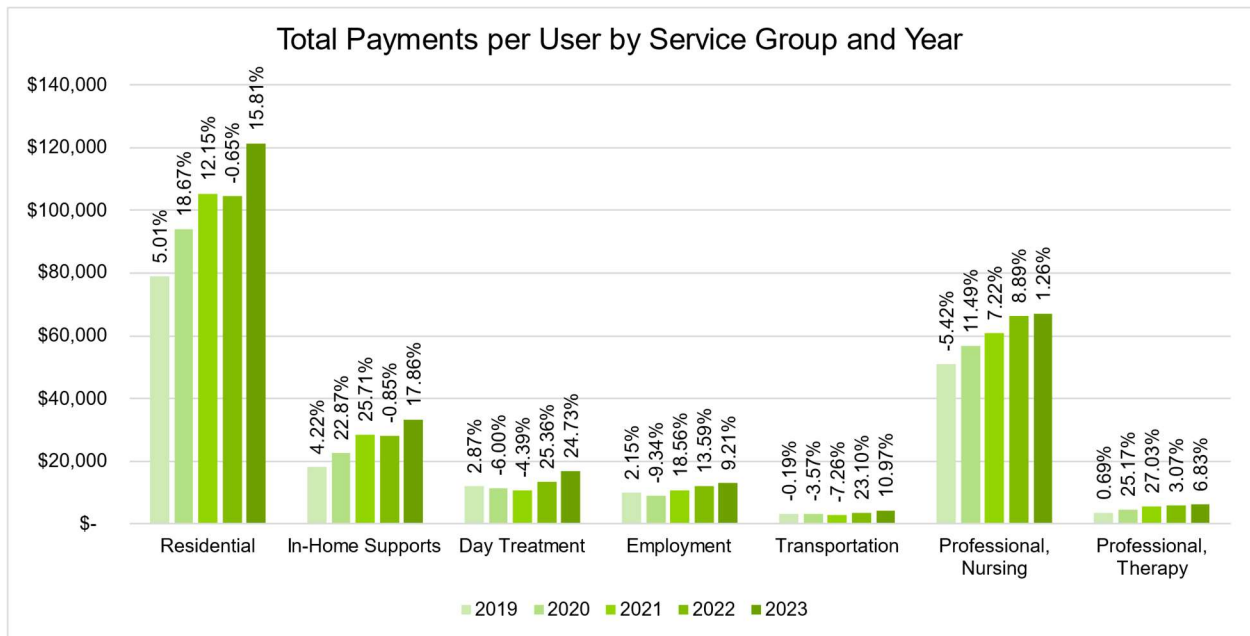


Figure 5. Total Payments per User, by Service Group and Year, SFY2019-SFY2023



As expected with the increase in payments, we see a significant increase in payment per user with 10 percent plus increases to all services with the exception of Professional Nursing and Professional Therapy showing slightly more moderate increases. Total payments per user increased 15.52 percent between SFY2022 and SFY2023, a \$7,115 increase. Overall, total payments increased 21.07 percent between SFY2022 and SFY2023, a \$326M increase.

Provider Analysis:

Guidehouse also examined changes in the provider landscape in SFY2023, as changes in provider levels are a key indicator in rate adequacy. We examined the total number of providers with a claim of in scope services to understand trends in provider participation across each service category, as well as the trends in payments per provider. We observed that the rate increases in past years seems to have been met with an increase in total providers, except for services with more skilled workers like Professional Nursing and Professional Therapy where these skilled services may require a longer timeframe to acquire more providers. Professional Nursing Services has remained flat over the last two years indicating there may be a shortage in nursing services available. As noted later in the Professional Nursing Services wage summary the wages have increased significantly compared to benchmark, but it does not seem to be bringing more providers into the space. Professional Therapy Services had been decreasing for the previous 4 year but showed a slight increase of 1.09 percent in SFY2023.

Figure 6. Total Providers, by Service Group and Year, SFY2019-SFY2023

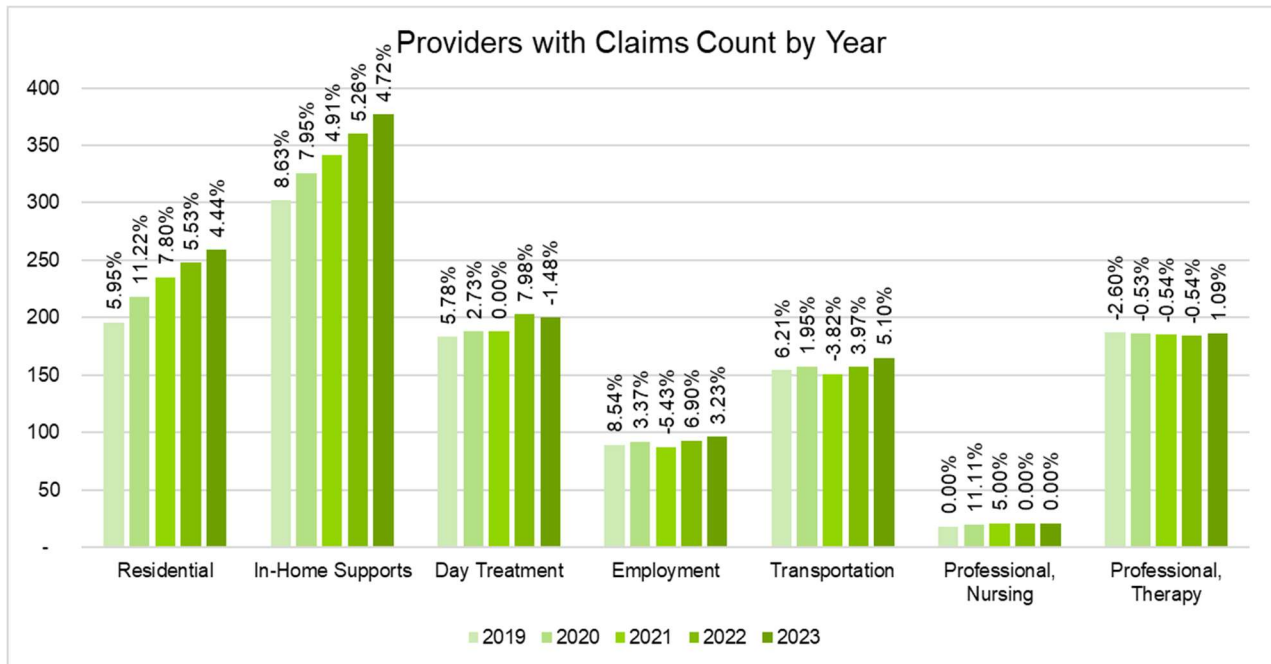
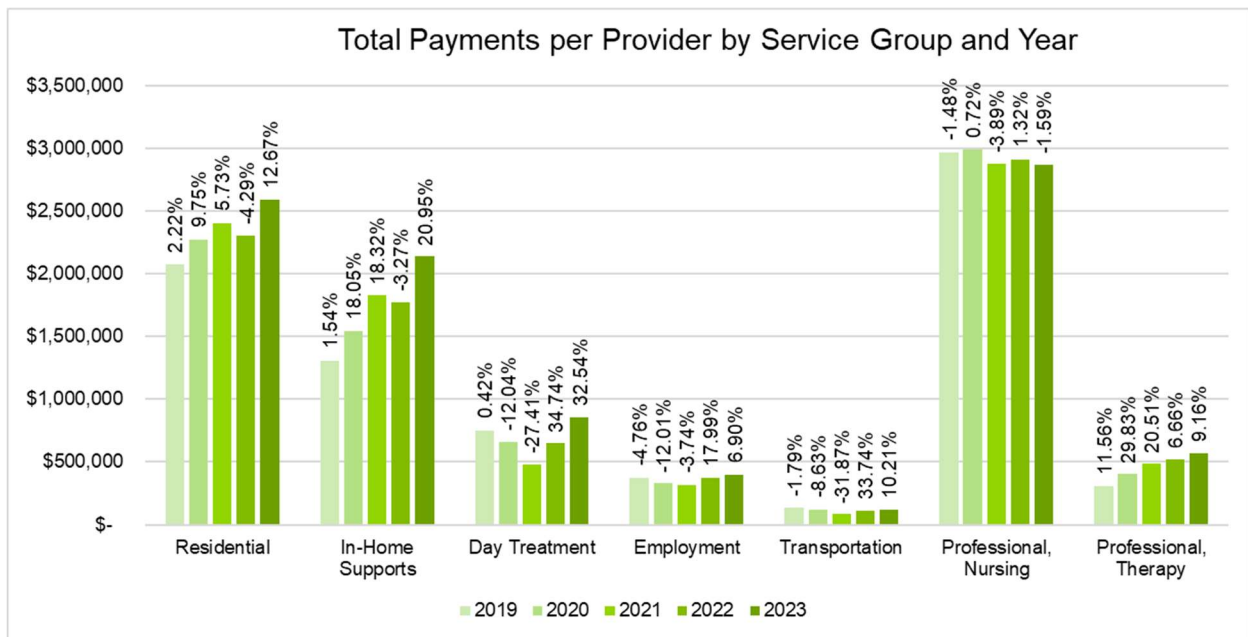


Figure 7. Total Payments per Provider, by Service and Year, SFY2019-SFY2023



Payments per provider increased for all services with the exception of Professional Nursing that showed a small decrease of 1.59 percent, as payment growth outpaced provider growth, as shown in Figure 7, above. The total number of providers grew by 2.41 percent between SFY2022 and SFY2023 and there was growing provider numbers in all the regions. The smaller regions by population also showed the percentage increases which is a good sign. The total units administered in each region increased between SFY2022 and SFY2023. This indicates

that a similar number of services are being provided by the providers who remain active in each region.

Figure 8. Total Providers by Region, SFY2019-SFY2023

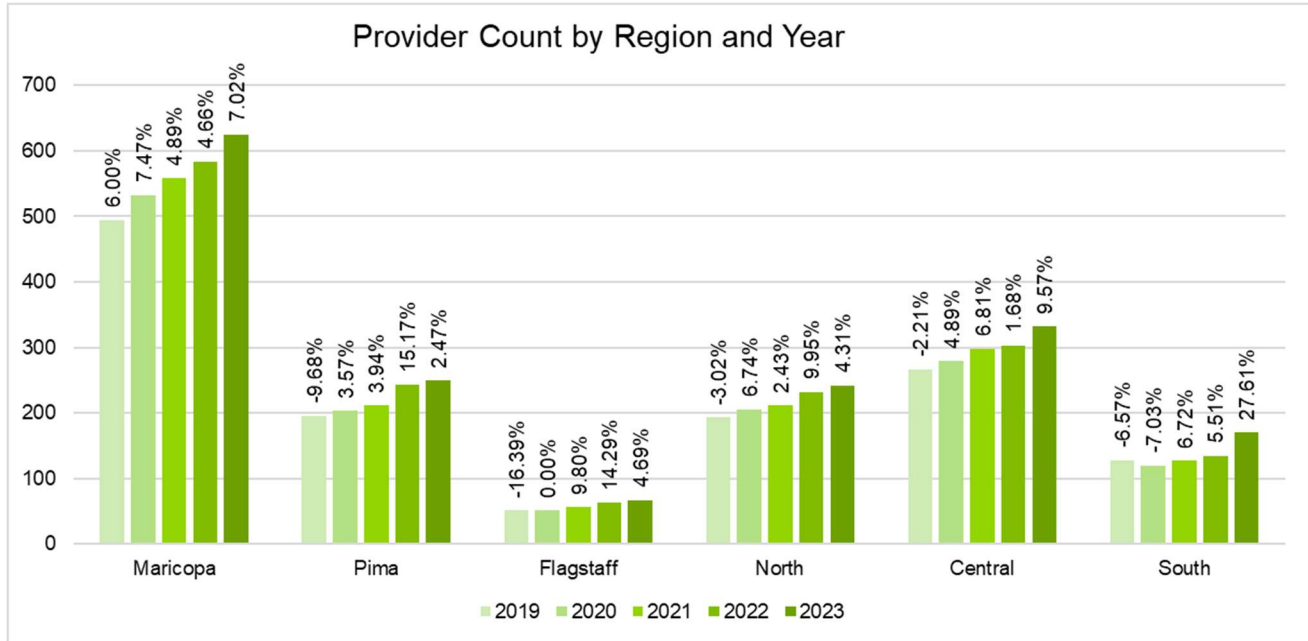
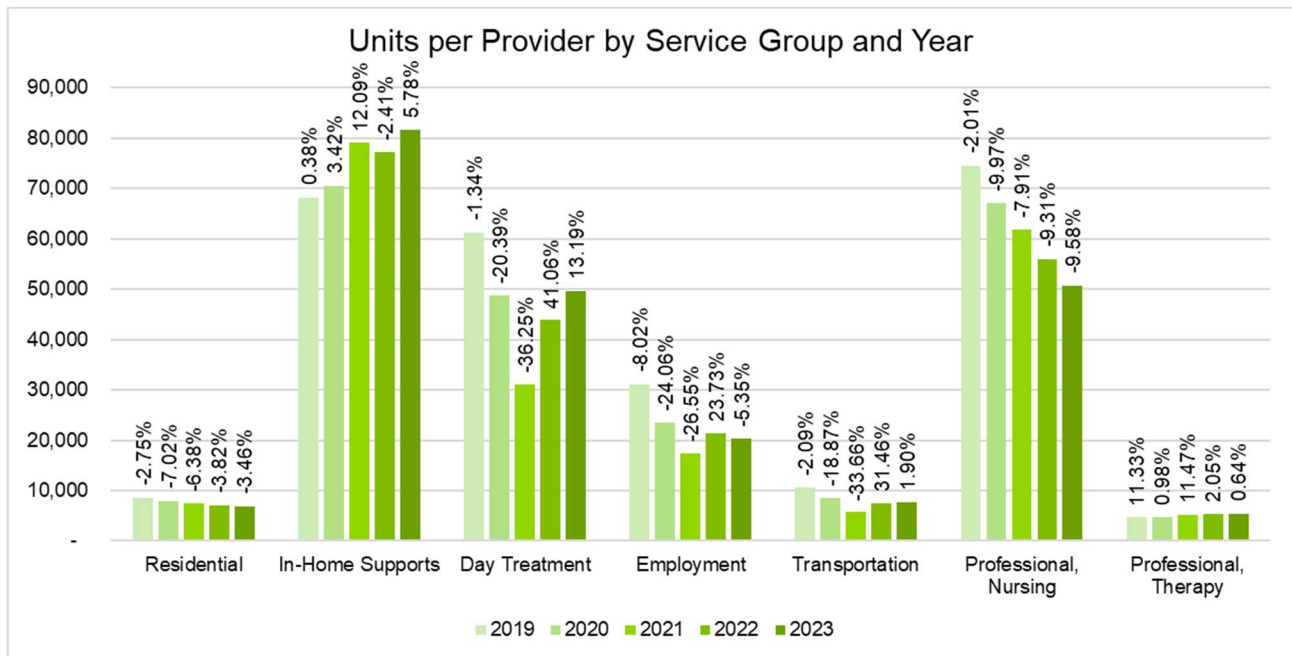


Figure 9. Total Units Per Provider, by Service and Year, SFY2019-SFY2023



Trends are somewhat different when examining the number of units administered by each provider in Figure 9, above. Generally, the number of providers grew faster than the number of units among the top services. However, given the increases in units in SFY2023 that are in line with historical growth rates, there does not appear to be a rate adequacy issue for HCBS providers.

Analysis by Service Category

Residential Services

The services that that comprise this service category include Group Home, Group Home Nursing Supported, Group Home Community Protection, and Developmental Home Child and Adult. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 10. Benchmarks for Residential Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
HAB	Habilitation, Group Home	\$ 29.60	\$ 32.81	\$ 23.77	80.30%	72.44%
HAN	Habilitation, Nursing Supported Group Home	\$ 439.18	\$ 499.99	\$ 474.32	108.00%	94.87%
HBA	Habilitation, Vendor Supported Developmental Home (Adult)	\$ 143.19	\$ 148.67	\$ 148.57	103.76%	99.93%
HBC	Habilitation, Vendor Supported Developmental Home (Child)	\$ 169.39	\$ 177.72	\$ 148.57	87.71%	83.60%
HPD	Habilitation, Community Protection and Treatment Group Home	\$ 32.44	\$ 36.23	\$ 37.61	115.94%	103.81%

In reviewing the benchmark ratio, Group Home at 72 percent is significantly lower than the 85 percent of benchmark and should be looked at for future increases. Vendor Supported Development Home (Child) is also just below the 85 percent threshold at 83.60 percent. When reviewing this in conjunction with Figures 11 – 16 below there is not concern in total of Residential Services rate inadequacies as there is growth in all the metrics below. There is an increase in providers as well as paid per user and unit cost which indicates these service needs are being met.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 11. Total Paid Claims for Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 259,326,854	\$ 323,041,851	\$ 372,835,522	\$ 382,918,041	\$ 450,234,058
Pima County	\$ 71,495,169	\$ 84,580,435	\$ 93,233,197	\$ 92,380,550	\$ 106,109,997
City of Flagstaff	\$ 10,418,870	\$ 12,903,948	\$ 14,723,476	\$ 13,569,815	\$ 15,632,567
Northern Counties (excl. Flagstaff)	\$ 33,402,740	\$ 37,810,725	\$ 42,456,194	\$ 41,844,726	\$ 49,886,128
Central Counties (excl. Maricopa)	\$ 15,354,951	\$ 17,977,213	\$ 18,349,614	\$ 17,610,058	\$ 20,920,995
Southern Counties (excl. Pima)	\$ 15,205,916	\$ 19,089,323	\$ 22,263,564	\$ 22,048,082	\$ 27,520,297
Statewide	\$ 405,204,500	\$ 495,403,495	\$ 563,861,566	\$ 570,371,272	\$ 670,304,042

Figure 12. Total Units for Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	1,011,106	1,063,986	1,088,592	1,117,390	1,137,735
Pima County	308,396	307,877	305,062	309,361	304,753
City of Flagstaff	46,038	46,466	45,021	45,502	47,140
Northern Counties (excl. Flagstaff)	150,459	151,304	148,735	146,258	141,981
Central Counties (excl. Maricopa)	85,053	87,900	82,230	78,457	78,661
Southern Counties (excl. Pima)	60,204	63,984	65,062	66,268	66,576
Statewide	1,661,256	1,721,517	1,734,702	1,763,236	1,776,846

Figure 13. Total Users of Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	3,205	3,356	3,440	3,522	3,532
Pima County	970	962	985	1,002	951
City of Flagstaff	141	145	141	147	142
Northern Counties (excl. Flagstaff)	489	499	479	472	438
Central Counties (excl. Maricopa)	301	313	297	289	266
Southern Counties (excl. Pima)	193	191	205	209	199
Statewide	5,299	5,466	5,547	5,641	5,528

Figure 14. Total Providers of Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	139	163	178	194	219
Pima County	47	50	56	67	64
City of Flagstaff	13	12	10	12	16
Northern Counties (excl. Flagstaff)	48	52	54	60	57
Central Counties (excl. Maricopa)	51	58	55	49	57
Southern Counties (excl. Pima)	23	21	30	30	30
Statewide	196	218	235	248	259

Figure 15. Average Paid per User for Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 80,913.22	\$ 96,258.00	\$ 108,382.42	\$ 108,721.76	\$ 127,472.84
Pima County	\$ 73,706.36	\$ 87,921.45	\$ 94,652.99	\$ 92,196.16	\$ 111,577.28
City of Flagstaff	\$ 73,892.69	\$ 88,992.74	\$ 104,421.81	\$ 92,311.67	\$ 110,088.50
Northern Counties (excl. Flagstaff)	\$ 68,308.26	\$ 75,773.00	\$ 88,635.06	\$ 88,654.08	\$ 113,895.27
Central Counties (excl. Maricopa)	\$ 51,013.13	\$ 57,435.19	\$ 61,783.21	\$ 60,934.46	\$ 78,650.36
Southern Counties (excl. Pima)	\$ 78,787.13	\$ 99,944.10	\$ 108,602.75	\$ 105,493.22	\$ 138,292.95
Statewide	\$ 76,468.11	\$ 90,633.64	\$ 101,651.63	\$ 101,111.73	\$ 121,256.16

Figure 16. Average Unit Cost for Residential Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 256.48	\$ 303.61	\$ 342.49	\$ 342.69	\$ 395.73
Pima County	\$ 231.83	\$ 274.72	\$ 305.62	\$ 298.62	\$ 348.18
City of Flagstaff	\$ 226.31	\$ 277.71	\$ 327.04	\$ 298.22	\$ 331.62
Northern Counties (excl. Flagstaff)	\$ 222.01	\$ 249.90	\$ 285.45	\$ 286.10	\$ 351.36
Central Counties (excl. Maricopa)	\$ 180.53	\$ 204.52	\$ 223.15	\$ 224.45	\$ 265.96
Southern Counties (excl. Pima)	\$ 252.57	\$ 298.35	\$ 342.19	\$ 332.71	\$ 413.37
Statewide	\$ 243.91	\$ 287.77	\$ 325.05	\$ 323.48	\$ 377.24

In-Home Supports Services

The services that that comprise this service category include Attendant Care, Habilitation (IDLA Hourly and Daily), Habilitation Support, Homemaker, Music Therapy, and Respite (Hourly and Daily). In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 17. Benchmarks for In-Home Supports Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
ATC	Attendant Care	\$ 23.23	\$ 26.64	\$ 24.48	105.38%	91.89%
HAH	Habilitation, Support	\$ 28.54	\$ 32.60	\$ 28.48	99.79%	87.36%
HAI	Habilitation, Individually Designed Living Arrangement	\$ 31.32	\$ 34.88	\$ 29.92	95.53%	85.78%
HID	Habilitation, Individually Designed Living Arrangement, Daily	\$ 27.87	\$ 31.03	\$ 29.66	106.42%	95.58%
HAM	Habilitation with Music Therapy	\$ 52.78	\$ 59.25	\$ 47.48	89.96%	80.14%
HSK	Homemaker	\$ 22.33	\$ 25.65	\$ 21.24	95.12%	82.81%
RSD	Respite, Daily	\$ 454.19	\$ 523.20	\$ 465.80	102.56%	89.03%
RSP	Respite, Hourly	\$ 23.38	\$ 26.77	\$ 24.08	102.99%	89.95%

In reviewing the benchmark ratio, Music Therapy at 80.14 percent and Homemaker at 82.81 percent is slightly lower than the 85 percent of benchmark and should be looked at for future increases. When reviewing this in conjunction with Figures 18 – 23 below there is not concern in total of rate inadequacies as there is significant growth in total paid, units, as well as providers to keep up with the increase in users. It wage does indicates these service needs are being met.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 18. Total Paid Claims for In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 275,785,655	\$ 351,563,935	\$ 437,689,275	\$ 439,551,554	\$ 551,563,708
Pima County	\$ 51,104,942	\$ 65,441,790	\$ 79,275,373	\$ 82,685,704	\$ 103,292,429
City of Flagstaff	\$ 2,879,380	\$ 3,703,479	\$ 4,345,679	\$ 3,991,631	\$ 4,455,366
Northern Counties (excl. Flagstaff)	\$ 24,828,701	\$ 30,501,738	\$ 35,886,335	\$ 37,277,552	\$ 49,879,703
Central Counties (excl. Maricopa)	\$ 23,969,263	\$ 30,293,067	\$ 37,974,261	\$ 40,887,655	\$ 54,782,131
Southern Counties (excl. Pima)	\$ 16,164,511	\$ 21,674,735	\$ 29,330,217	\$ 31,760,139	\$ 40,686,903
Statewide	\$ 394,732,452	\$ 503,178,745	\$ 624,501,142	\$ 636,154,236	\$ 804,660,239

Figure 19. Total Units for In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	14,593,763	16,278,084	19,133,941	19,364,586	21,133,504
Pima County	2,315,084	2,611,776	3,089,425	3,299,945	3,688,215
City of Flagstaff	139,864	151,994	171,975	153,307	150,086
Northern Counties (excl. Flagstaff)	1,389,393	1,510,242	1,663,363	1,726,365	2,015,222
Central Counties (excl. Maricopa)	1,267,981	1,414,164	1,672,303	1,806,519	2,117,613
Southern Counties (excl. Pima)	862,624	1,003,275	1,277,923	1,402,080	1,591,244
Statewide	20,568,710	22,969,536	27,008,931	27,752,802	30,695,884

Figure 20. Total Users of In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	15,087	15,783	15,634	15,972	16,824
Pima County	2,657	2,697	2,594	2,681	2,823
City of Flagstaff	165	169	161	153	153
Northern Counties (excl. Flagstaff)	1,372	1,364	1,320	1,362	1,484
Central Counties (excl. Maricopa)	1,366	1,446	1,487	1,595	1,705
Southern Counties (excl. Pima)	1,161	1,197	1,171	1,215	1,317
Statewide	21,808	22,656	22,367	22,978	24,306

Figure 21. Total Providers of In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	253	274	290	307	330
Pima County	94	103	104	121	128
City of Flagstaff	16	17	20	25	29
Northern Counties (excl. Flagstaff)	87	103	96	107	117
Central Counties (excl. Maricopa)	136	144	156	170	181
Southern Counties (excl. Pima)	54	56	58	63	86
Statewide	302	326	342	360	377

Figure 22. Average Paid per User for In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 18,279.69	\$ 22,274.85	\$ 27,995.99	\$ 27,520.13	\$ 32,784.34
Pima County	\$ 19,234.08	\$ 24,264.66	\$ 30,561.05	\$ 30,841.37	\$ 36,589.60
City of Flagstaff	\$ 17,450.79	\$ 21,914.08	\$ 26,991.80	\$ 26,089.09	\$ 29,120.04
Northern Counties (excl. Flagstaff)	\$ 18,096.72	\$ 22,361.98	\$ 27,186.62	\$ 27,369.72	\$ 33,611.66
Central Counties (excl. Maricopa)	\$ 17,547.04	\$ 20,949.56	\$ 25,537.50	\$ 25,634.89	\$ 32,130.28
Southern Counties (excl. Pima)	\$ 13,922.92	\$ 18,107.55	\$ 25,047.15	\$ 26,140.03	\$ 30,893.62
Statewide	\$ 18,100.35	\$ 22,209.51	\$ 27,920.65	\$ 27,685.36	\$ 33,105.42

Figure 23. Average Unit Cost for In-Home Supports Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 18.90	\$ 21.60	\$ 22.88	\$ 22.70	\$ 26.10
Pima County	\$ 22.07	\$ 25.06	\$ 25.66	\$ 25.06	\$ 28.01
City of Flagstaff	\$ 20.59	\$ 24.37	\$ 25.27	\$ 26.04	\$ 29.69
Northern Counties (excl. Flagstaff)	\$ 17.87	\$ 20.20	\$ 21.57	\$ 21.59	\$ 24.75
Central Counties (excl. Maricopa)	\$ 18.90	\$ 21.42	\$ 22.71	\$ 22.63	\$ 25.87
Southern Counties (excl. Pima)	\$ 18.74	\$ 21.60	\$ 22.95	\$ 22.65	\$ 25.57
Statewide	\$ 19.19	\$ 21.91	\$ 23.12	\$ 22.92	\$ 26.21

Day Treatment Services

The services that that comprise this service category include Day Treatment and Training for Adult, After School, and Summer. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 24. Benchmarks for Day Treatment Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
DTA	Day Treatment and Training, Adult	\$ 11.59	\$ 12.79	\$ 12.52	108.02%	97.89%
DTT	Day Treatment and Training, Children (After School)	\$ 13.09	\$ 14.27	\$ 13.92	106.34%	97.55%
DTS	Day Treatment and Training, Children (Summer)	\$ 13.09	\$ 14.27	\$ 13.64	104.20%	95.59%

In reviewing the benchmark ratio, all services are well above the 85 percent of benchmark ranging from 96 percent to 98 percent. When reviewing this in conjunction with Figures 25 – 30 below there is significant growth in total paid, units, as well as providers to keep up with the increase in users. The one exception is Flagstaff where there were only fourteen providers in SFY2022 and that dropped to thirteen in SFY2023. After decreases in services during the pandemic, we are now seeing a shift back into the day treatment in SFY2022 and SFY2023.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 25. Total Paid Claims for Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 86,615,564	\$ 78,548,084	\$ 57,064,159	\$ 83,225,387	\$ 108,494,145
Pima County	\$ 23,313,390	\$ 20,304,989	\$ 14,232,845	\$ 21,608,508	\$ 29,062,832
City of Flagstaff	\$ 2,437,631	\$ 1,931,187	\$ 658,158	\$ 2,113,536	\$ 2,594,115
Northern Counties (excl. Flagstaff)	\$ 11,814,644	\$ 11,346,578	\$ 8,415,033	\$ 10,548,074	\$ 13,171,183
Central Counties (excl. Maricopa)	\$ 6,924,784	\$ 6,350,098	\$ 5,366,452	\$ 6,719,626	\$ 8,562,675
Southern Counties (excl. Pima)	\$ 6,289,453	\$ 5,792,086	\$ 4,409,064	\$ 7,055,792	\$ 9,113,597
Statewide	\$ 137,395,467	\$ 124,273,022	\$ 90,145,711	\$ 131,270,923	\$ 170,998,547

Figure 26. Total Units for Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	7,131,044	5,869,405	3,797,223	5,756,567	6,411,979
Pima County	1,809,639	1,402,962	806,258	1,379,360	1,588,723
City of Flagstaff	193,768	139,269	43,308	134,840	144,585
Northern Counties (excl. Flagstaff)	1,014,825	883,322	590,677	760,230	797,652
Central Counties (excl. Maricopa)	556,943	463,800	347,966	444,266	492,893
Southern Counties (excl. Pima)	488,670	405,190	251,980	425,391	472,484
Statewide	11,194,889	9,163,948	5,837,412	8,900,656	9,908,315

Figure 27. Total Users of Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	7,522	7,195	5,522	6,305	6,596
Pima County	1,862	1,741	1,190	1,547	1,584
City of Flagstaff	168	160	103	149	152
Northern Counties (excl. Flagstaff)	1,053	1,085	840	950	890
Central Counties (excl. Maricopa)	590	571	488	544	541
Southern Counties (excl. Pima)	523	496	373	426	453
Statewide	11,718	11,248	8,516	9,921	10,216

Figure 28. Total Providers of Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	145	140	137	147	161
Pima County	51	49	48	52	57
City of Flagstaff	10	11	11	14	13
Northern Counties (excl. Flagstaff)	58	52	40	48	51
Central Counties (excl. Maricopa)	50	57	53	59	61
Southern Counties (excl. Pima)	28	24	21	22	33
Statewide	183	188	188	203	200

Figure 29. Average Paid per User for Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 11,514.96	\$ 10,917.04	\$ 10,333.97	\$ 13,199.90	\$ 16,448.48
Pima County	\$ 12,520.62	\$ 11,662.83	\$ 11,960.37	\$ 13,968.01	\$ 18,347.75
City of Flagstaff	\$ 14,509.71	\$ 12,069.92	\$ 6,389.89	\$ 14,184.80	\$ 17,066.55
Northern Counties (excl. Flagstaff)	\$ 11,219.98	\$ 10,457.68	\$ 10,017.90	\$ 11,103.24	\$ 14,799.08
Central Counties (excl. Maricopa)	\$ 11,736.92	\$ 11,121.01	\$ 10,996.83	\$ 12,352.25	\$ 15,827.50
Southern Counties (excl. Pima)	\$ 12,025.72	\$ 11,677.59	\$ 11,820.55	\$ 16,562.89	\$ 20,118.32
Statewide	\$ 11,725.16	\$ 11,048.45	\$ 10,585.45	\$ 13,231.62	\$ 16,738.31

Figure 30. Average Unit Cost for Day Treatment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 12.15	\$ 13.38	\$ 15.03	\$ 14.46	\$ 16.92
Pima County	\$ 12.88	\$ 14.47	\$ 17.65	\$ 15.67	\$ 18.29
City of Flagstaff	\$ 12.58	\$ 13.87	\$ 15.20	\$ 15.67	\$ 17.94
Northern Counties (excl. Flagstaff)	\$ 11.64	\$ 12.85	\$ 14.25	\$ 13.87	\$ 16.51
Central Counties (excl. Maricopa)	\$ 12.43	\$ 13.69	\$ 15.42	\$ 15.13	\$ 17.37
Southern Counties (excl. Pima)	\$ 12.87	\$ 14.29	\$ 17.50	\$ 16.59	\$ 19.29
Statewide	\$ 12.27	\$ 13.56	\$ 15.44	\$ 14.75	\$ 17.26

Employment Services

The services that that comprise this service category include Group Supported Employment, Individual Supported Employment, Employment Support Aide, Center-Based Employment, and Transition to Employment. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 31. Benchmarks for Employment Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
CBE	Center-Based Employment	\$ 8.45	\$ 9.48	\$ 7.00	82.84%	73.84%
ESA	Employment Support Aide	\$ 40.00	\$ 44.86	\$ 36.32	90.80%	80.96%
GSE	Group Supported Employment	\$ 27.69	\$ 31.41	\$ 24.96	90.14%	79.47%
ISE	Individual Supported Employment	\$ 52.97	\$ 60.75	\$ 47.64	89.94%	78.42%
TTE	Transition to Employment	\$ 13.25	\$ 15.18	\$ 11.92	89.96%	78.52%

In reviewing the benchmark ratio, all services are well below the 85 percent of benchmark ranging from 74 percent to 81 percent. Given all services are below the benchmark this is a service that should be examined closely in the rate rebase that is currently being completed. During the pandemic, it is likely that the Employment Services would decrease. There has been an increase in utilization in SFY2022 and SFY2023, but they have not returned to the levels seen before the pandemic. An increase in rate could help bring these services back to the levels previously experienced.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 32. Total Paid Claims for Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 15,539,086	\$ 14,680,549	\$ 13,889,063	\$ 17,818,578	\$ 19,931,377
Pima County	\$ 7,587,200	\$ 6,686,850	\$ 6,139,075	\$ 7,366,146	\$ 7,689,892
City of Flagstaff	\$ 765,823	\$ 594,691	\$ 408,323	\$ 1,086,356	\$ 1,121,036
Northern Counties (excl. Flagstaff)	\$ 2,457,712	\$ 1,914,854	\$ 1,839,790	\$ 2,068,171	\$ 2,009,951
Central Counties (excl. Maricopa)	\$ 2,805,873	\$ 2,661,841	\$ 2,239,382	\$ 2,502,210	\$ 3,012,667
Southern Counties (excl. Pima)	\$ 3,963,082	\$ 3,616,812	\$ 2,932,472	\$ 3,801,893	\$ 4,479,297
Statewide	\$ 33,118,777	\$ 30,155,598	\$ 27,448,105	\$ 34,643,353	\$ 38,244,219

Figure 33. Total Units for Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	1,340,371	1,066,132	714,016	1,004,472	1,041,552
Pima County	682,506	527,672	383,599	444,557	374,215
City of Flagstaff	59,041	39,539	22,059	61,937	54,902
Northern Counties (excl. Flagstaff)	216,895	157,324	128,656	150,825	138,223
Central Counties (excl. Maricopa)	213,008	180,160	116,985	152,950	157,906
Southern Counties (excl. Pima)	243,977	194,486	139,287	176,218	179,378
Statewide	2,755,796	2,165,313	1,504,602	1,990,958	1,946,176

Figure 34. Total Users of Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	1,750	1,813	1,376	1,586	1,609
Pima County	711	696	531	577	577
City of Flagstaff	86	82	58	88	90
Northern Counties (excl. Flagstaff)	403	367	285	285	262
Central Counties (excl. Maricopa)	242	227	181	188	170
Southern Counties (excl. Pima)	255	248	200	199	204
Statewide	3,447	3,433	2,631	2,923	2,912

Figure 35. Total Providers of Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	63	62	64	64	70
Pima County	20	19	17	18	21
City of Flagstaff	6	4	6	9	6
Northern Counties (excl. Flagstaff)	29	27	23	22	21
Central Counties (excl. Maricopa)	18	17	19	21	24
Southern Counties (excl. Pima)	19	18	15	15	14
Statewide	89	92	87	93	96

Figure 36. Average Paid per User for Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 8,879.48	\$ 8,097.38	\$ 10,093.80	\$ 11,234.92	\$ 12,387.43
Pima County	\$ 10,671.17	\$ 9,607.54	\$ 11,561.35	\$ 12,766.28	\$ 13,327.37
City of Flagstaff	\$ 8,904.92	\$ 7,252.34	\$ 7,040.05	\$ 12,344.95	\$ 12,455.96
Northern Counties (excl. Flagstaff)	\$ 6,098.54	\$ 5,217.59	\$ 6,455.40	\$ 7,256.74	\$ 7,671.57
Central Counties (excl. Maricopa)	\$ 11,594.52	\$ 11,726.17	\$ 12,372.28	\$ 13,309.63	\$ 17,721.57
Southern Counties (excl. Pima)	\$ 15,541.50	\$ 14,583.92	\$ 14,662.36	\$ 19,104.99	\$ 21,957.34
Statewide	\$ 9,608.00	\$ 8,784.04	\$ 10,432.58	\$ 11,851.99	\$ 13,133.32

Figure 37. Average Unit Cost for Employment Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 11.59	\$ 13.77	\$ 19.45	\$ 17.74	\$ 19.14
Pima County	\$ 11.12	\$ 12.67	\$ 16.00	\$ 16.57	\$ 20.55
City of Flagstaff	\$ 12.97	\$ 15.04	\$ 18.51	\$ 17.54	\$ 20.42
Northern Counties (excl. Flagstaff)	\$ 11.33	\$ 12.17	\$ 14.30	\$ 13.71	\$ 14.54
Central Counties (excl. Maricopa)	\$ 13.17	\$ 14.77	\$ 19.14	\$ 16.36	\$ 19.08
Southern Counties (excl. Pima)	\$ 16.24	\$ 18.60	\$ 21.05	\$ 21.58	\$ 24.97
Statewide	\$ 12.02	\$ 13.93	\$ 18.24	\$ 17.40	\$ 19.65

Transportation Services

The services that that comprise this service category include Transportation to and from Day Programs and Employment. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 38. Benchmarks for Transportation Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
TRA	Regular Scheduled Daily Transportation (Day Program)	\$ 12.59	\$ 13.26	\$ 14.57	115.73%	109.88%
TRE	Regular Scheduled Daily Transportation (Employment Program)	\$ 13.45	\$ 14.25	\$ 14.57	108.33%	102.25%

Rates for these services are significantly above benchmark. There was a significant decrease during the pandemic in Transportation Services, however payments, utilization and users have started to increase again in SFY2022 and SFY2023. The rates paid have appeared to help bring more providers into these services as well which is helping with the increase in utilization. The rate of increase has however been slower in Flagstaff as well as the Northern Counties and have not returned to pre-pandemic levels.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 39. Total Paid Claims for Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 13,546,171	\$ 12,202,814	\$ 7,640,296	\$ 10,799,326	\$ 12,893,655
Pima County	\$ 675,346	\$ 705,784	\$ 493,183	\$ 562,291	\$ 652,043
City of Flagstaff	\$ 167,108	\$ 158,721	\$ 102,683	\$ 279,493	\$ 249,074
Northern Counties (excl. Flagstaff)	\$ 2,579,371	\$ 2,425,155	\$ 1,728,686	\$ 2,182,130	\$ 2,379,248
Central Counties (excl. Maricopa)	\$ 1,685,399	\$ 1,856,180	\$ 1,412,137	\$ 1,887,106	\$ 1,979,374
Southern Counties (excl. Pima)	\$ 1,795,087	\$ 1,704,103	\$ 1,113,345	\$ 1,658,263	\$ 1,927,433
Statewide	\$ 20,448,482	\$ 19,052,757	\$ 12,490,330	\$ 17,368,609	\$ 20,080,826

Figure 40. Total Units for Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	1,139,839	944,987	576,745	801,824	868,479
Pima County	46,132	40,832	28,548	33,243	37,047
City of Flagstaff	13,812	9,245	4,363	11,889	10,030
Northern Counties (excl. Flagstaff)	174,526	142,539	105,710	128,458	126,891
Central Counties (excl. Maricopa)	120,238	102,637	74,972	94,579	96,558
Southern Counties (excl. Pima)	131,184	104,613	68,371	103,758	115,822
Statewide	1,625,730	1,344,851	858,709	1,173,751	1,254,827

Figure 41. Total Users of Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	4,422	4,227	2,889	3,281	3,403
Pima County	194	211	159	158	185
City of Flagstaff	57	52	27	46	51
Northern Counties (excl. Flagstaff)	660	651	523	561	538
Central Counties (excl. Maricopa)	432	408	328	370	369
Southern Counties (excl. Pima)	502	483	334	398	419
Statewide	6,267	6,032	4,260	4,814	4,965

Figure 42. Total Providers of Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	115	113	111	117	125
Pima County	27	28	28	21	26
City of Flagstaff	9	9	8	11	9
Northern Counties (excl. Flagstaff)	43	37	28	31	34
Central Counties (excl. Maricopa)	40	42	39	40	40
Southern Counties (excl. Pima)	22	18	17	16	23
Statewide	154	157	151	157	165

Figure 43. Average Paid per User for Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 3,063.36	\$ 2,886.87	\$ 2,644.62	\$ 3,291.47	\$ 3,788.91
Pima County	\$ 3,481.16	\$ 3,344.95	\$ 3,101.78	\$ 3,558.80	\$ 3,524.55
City of Flagstaff	\$ 2,931.72	\$ 3,052.32	\$ 3,803.09	\$ 6,075.93	\$ 4,883.80
Northern Counties (excl. Flagstaff)	\$ 3,908.14	\$ 3,725.28	\$ 3,305.33	\$ 3,889.72	\$ 4,422.39
Central Counties (excl. Maricopa)	\$ 3,901.39	\$ 4,549.46	\$ 4,305.30	\$ 5,100.29	\$ 5,364.16
Southern Counties (excl. Pima)	\$ 3,575.87	\$ 3,528.16	\$ 3,333.37	\$ 4,166.49	\$ 4,600.08
Statewide	\$ 3,262.88	\$ 3,158.61	\$ 2,932.00	\$ 3,607.94	\$ 4,044.48

Figure 44. Average Unit Cost for Transportation Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 11.88	\$ 12.91	\$ 13.25	\$ 13.47	\$ 14.85
Pima County	\$ 14.64	\$ 17.29	\$ 17.28	\$ 16.91	\$ 17.60
City of Flagstaff	\$ 12.10	\$ 17.17	\$ 23.54	\$ 23.51	\$ 24.83
Northern Counties (excl. Flagstaff)	\$ 14.78	\$ 17.01	\$ 16.35	\$ 16.99	\$ 18.75
Central Counties (excl. Maricopa)	\$ 14.02	\$ 18.08	\$ 18.84	\$ 19.95	\$ 20.50
Southern Counties (excl. Pima)	\$ 13.68	\$ 16.29	\$ 16.28	\$ 15.98	\$ 16.64
Statewide	\$ 12.58	\$ 14.17	\$ 14.55	\$ 14.80	\$ 16.00

Professional Nursing Services

The services that that comprise this service category include Nursing Visit RN and LPN, Nursing Visit Intermittent RN and LPN, Nursing Continuous RN and LPN, and Nursing Respite RN and LPN. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 45. Benchmarks for Professional Nursing Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
G0299	Nursing, Visit, RN, Base Rate	\$ 99.59	\$ 114.30	\$ 117.76	118.24%	103.03%
G0299	Nursing, Intermittent, RN, Base Rate	\$ 82.57	\$ 94.90	\$ 117.76	142.62%	124.09%
G0300	Nursing, Visit, LPN, Base Rate	\$ 74.51	\$ 85.35	\$ 103.20	138.50%	120.91%
G0300	Nursing, Intermittent, LPN, Base Rate	\$ 62.07	\$ 71.23	\$ 103.20	166.26%	144.88%
HNR	Nursing, Respite	\$ 66.49	\$ 76.66	\$ 64.64	97.22%	84.32%
S9123	Nursing, Continuous, RN, Base Rate	\$ 66.49	\$ 76.66	\$ 64.63	97.20%	84.31%
S9124	Nursing, Continuous, LPN, Base Rate	\$ 50.14	\$ 57.79	\$ 48.73	97.19%	84.32%

When looking at the Professional Nursing Services benchmarks, the Continuous and Respite Services are all in the 84 percent range. Services with more skilled workers like Professional Nursing may require a longer timeframe to acquire more providers. Where the wages have increased significantly compared to benchmark it does not seem to be bringing more providers into the space. As a result, the utilization and users have decreased in all regions and payment

has been flat over the last two years indicating there may be a shortage in nursing services available.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 46. Total Paid Claims for Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 39,772,058	\$ 43,660,769	\$ 44,001,857	\$ 43,324,079	\$ 43,366,720
Pima County	\$ 6,178,639	\$ 6,557,081	\$ 6,958,675	\$ 7,500,646	\$ 7,247,307
City of Flagstaff	\$ 251,245	\$ 381,526	\$ 445,408	\$ 509,174	\$ 345,149
Northern Counties (excl. Flagstaff)	\$ 2,795,036	\$ 3,819,179	\$ 3,883,694	\$ 4,838,105	\$ 4,681,571
Central Counties (excl. Maricopa)	\$ 2,891,584	\$ 3,150,460	\$ 3,174,675	\$ 2,935,617	\$ 2,357,453
Southern Counties (excl. Pima)	\$ 1,489,440	\$ 2,182,437	\$ 1,834,684	\$ 1,998,477	\$ 2,094,639
Statewide	\$ 53,378,003	\$ 59,751,452	\$ 60,298,994	\$ 61,106,096	\$ 60,092,838

Figure 47. Total Units for Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	1,012,670	992,302	954,948	838,784	769,841
Pima County	156,721	149,631	154,036	151,578	132,507
City of Flagstaff	5,641	7,370	8,331	8,387	5,482
Northern Counties (excl. Flagstaff)	59,625	77,444	77,512	86,669	78,375
Central Counties (excl. Maricopa)	73,870	71,153	67,937	55,286	41,336
Southern Counties (excl. Pima)	31,470	42,898	33,447	35,157	35,109
Statewide	1,339,997	1,340,799	1,296,212	1,175,862	1,062,648

Figure 48. Total Users of Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	792	778	707	658	658
Pima County	122	130	131	121	107
City of Flagstaff	10	9	10	9	7
Northern Counties (excl. Flagstaff)	51	54	69	74	66
Central Counties (excl. Maricopa)	59	57	60	44	37
Southern Counties (excl. Pima)	30	38	31	28	21
Statewide	1,064	1,066	1,008	934	896

Figure 49. Total Providers of Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	14	15	18	17	17
Pima County	8	8	7	8	8
City of Flagstaff	3	4	3	3	3
Northern Counties (excl. Flagstaff)	5	4	5	6	6
Central Counties (excl. Maricopa)	14	11	10	10	10
Southern Counties (excl. Pima)	5	5	5	5	5
Statewide	18	20	21	21	21

Figure 50. Average Paid per User for Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 50,217.25	\$ 56,119.24	\$ 62,237.42	\$ 65,842.07	\$ 65,906.87
Pima County	\$ 50,644.58	\$ 50,439.09	\$ 53,119.65	\$ 61,988.81	\$ 67,731.84
City of Flagstaff	\$ 25,124.55	\$ 42,391.83	\$ 44,540.76	\$ 56,574.83	\$ 49,306.98
Northern Counties (excl. Flagstaff)	\$ 54,804.62	\$ 70,725.54	\$ 56,285.42	\$ 65,379.79	\$ 70,932.89
Central Counties (excl. Maricopa)	\$ 49,009.90	\$ 55,271.23	\$ 52,911.26	\$ 66,718.56	\$ 63,714.94
Southern Counties (excl. Pima)	\$ 49,648.00	\$ 57,432.54	\$ 59,183.37	\$ 71,374.17	\$ 99,744.70
Statewide	\$ 50,167.30	\$ 56,052.02	\$ 59,820.43	\$ 65,424.09	\$ 67,067.90

Figure 51. Average Unit Cost for Professional Nursing Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 39.27	\$ 44.00	\$ 46.08	\$ 51.65	\$ 56.33
Pima County	\$ 39.42	\$ 43.82	\$ 45.18	\$ 49.48	\$ 54.69
City of Flagstaff	\$ 44.54	\$ 51.77	\$ 53.46	\$ 60.71	\$ 62.97
Northern Counties (excl. Flagstaff)	\$ 46.88	\$ 49.32	\$ 50.10	\$ 55.82	\$ 59.73
Central Counties (excl. Maricopa)	\$ 39.14	\$ 44.28	\$ 46.73	\$ 53.10	\$ 57.03
Southern Counties (excl. Pima)	\$ 47.33	\$ 50.88	\$ 54.85	\$ 56.84	\$ 59.66
Statewide	\$ 39.83	\$ 44.56	\$ 46.52	\$ 51.97	\$ 56.55

Professional Therapy Services

The services that that comprise this service category include Respiratory Therapy, Occupational Therapy, Speech Therapy, and Physical Therapy. In the exhibit below Guidehouse compared the CY2023 Benchmark Rates to the 1/1/2023 Adopted Rate to determine if the rates are adequate.

Figure 52. Benchmarks for Professional Therapy Services

Service Code	Service Name	Old Benchmark	CY2023 Benchmark	Adopted Rate 1/1/2023	Adopted to SFY2020 Benchmark Ratio	Adopted to CY2023 Benchmark Ratio
OTA	Occupational Therapy	\$ 101.88	\$ 116.84	\$ 92.24	90.54%	78.94%
PTA	Physical Therapy	\$ 101.88	\$ 116.84	\$ 92.24	90.54%	78.94%
RP1	Respiratory Therapy	\$ 52.45	\$ 60.53	\$ 52.40	99.90%	86.56%
STA	Speech Therapy	\$ 101.88	\$ 116.84	\$ 92.24	90.54%	78.94%

In reviewing the benchmark ratio, all services with the exception of Respiratory Therapy are well below the 85 percent of benchmark at 79 percent. Like Professional Nursing Services, Professional Therapy Services with more skilled workers may require a longer timeframe to acquire more providers. The number of providers has remained relatively flat statewide and as a result the utilization and users have also remained relatively flat over the last two years indicating there may be a shortage in services available. Given all services are below the benchmark and utilization and providers have not grown, this is a service that should be examined closely in the rate rebase that is currently being completed.

The tables below breakout the paid amount, units, provider count, users, average paid per user, and average unit cost for each region by SFY.

Figure 53. Total Paid Claims for Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 42,104,316	\$ 54,175,165	\$ 65,019,247	\$ 68,394,769	\$ 74,887,359
Pima County	\$ 3,964,279	\$ 5,248,058	\$ 6,050,166	\$ 6,180,767	\$ 6,614,986
City of Flagstaff	\$ 399,030	\$ 480,670	\$ 423,727	\$ 425,090	\$ 375,052
Northern Counties (excl. Flagstaff)	\$ 3,453,548	\$ 4,378,449	\$ 5,011,056	\$ 5,603,556	\$ 6,103,313
Central Counties (excl. Maricopa)	\$ 5,075,724	\$ 6,797,542	\$ 8,370,087	\$ 9,556,704	\$ 11,466,682
Southern Counties (excl. Pima)	\$ 3,048,314	\$ 3,912,351	\$ 4,995,237	\$ 5,228,278	\$ 5,606,995
Statewide	\$ 58,045,211	\$ 74,992,235	\$ 89,869,520	\$ 95,389,165	\$ 105,054,387

Figure 54. Total Units for Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	666,908	669,623	741,595	747,732	754,385
Pima County	58,198	60,203	64,860	65,201	65,250
City of Flagstaff	6,024	5,645	4,732	4,499	3,566
Northern Counties (excl. Flagstaff)	42,632	41,107	43,847	45,923	46,647
Central Counties (excl. Maricopa)	63,468	66,718	77,242	83,819	92,697
Southern Counties (excl. Pima)	32,478	30,620	36,441	36,504	36,191
Statewide	869,708	873,915	968,717	983,678	998,736

Figure 55. Total Users of Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	11,874	12,292	11,682	12,071	12,218
Pima County	1,564	1,631	1,456	1,445	1,469
City of Flagstaff	165	166	133	123	112
Northern Counties (excl. Flagstaff)	1,035	1,004	939	957	982
Central Counties (excl. Maricopa)	1,241	1,295	1,310	1,395	1,464
Southern Counties (excl. Pima)	777	774	726	692	725
Statewide	16,656	17,162	16,246	16,683	16,970

Figure 56. Total Providers of Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	150	156	152	158	164
Pima County	57	53	52	57	60
City of Flagstaff	18	18	18	22	17
Northern Counties (excl. Flagstaff)	53	58	71	70	80
Central Counties (excl. Maricopa)	88	94	97	97	106
Southern Counties (excl. Pima)	44	39	41	43	55
Statewide	187	186	185	184	186

Figure 57. Average Paid per User for Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 3,545.93	\$ 4,407.35	\$ 5,565.76	\$ 5,666.04	\$ 6,129.26
Pima County	\$ 2,534.71	\$ 3,217.69	\$ 4,155.33	\$ 4,277.35	\$ 4,503.05
City of Flagstaff	\$ 2,418.36	\$ 2,895.61	\$ 3,185.92	\$ 3,456.01	\$ 3,348.68
Northern Counties (excl. Flagstaff)	\$ 3,336.76	\$ 4,361.00	\$ 5,336.59	\$ 5,855.34	\$ 6,215.19
Central Counties (excl. Maricopa)	\$ 4,090.03	\$ 5,249.07	\$ 6,389.38	\$ 6,850.68	\$ 7,832.43
Southern Counties (excl. Pima)	\$ 3,923.18	\$ 5,054.72	\$ 6,880.49	\$ 7,555.32	\$ 7,733.79
Statewide	\$ 3,484.94	\$ 4,369.67	\$ 5,531.79	\$ 5,717.75	\$ 6,190.59

Figure 58. Average Unit Cost for Professional Therapy Services

Region	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023
Maricopa County	\$ 63.13	\$ 80.90	\$ 87.67	\$ 91.47	\$ 99.27
Pima County	\$ 68.12	\$ 87.17	\$ 93.28	\$ 94.80	\$ 101.38
City of Flagstaff	\$ 66.24	\$ 85.16	\$ 89.54	\$ 94.49	\$ 105.18
Northern Counties (excl. Flagstaff)	\$ 81.01	\$ 106.51	\$ 114.28	\$ 122.02	\$ 130.84
Central Counties (excl. Maricopa)	\$ 79.97	\$ 101.88	\$ 108.36	\$ 114.02	\$ 123.70
Southern Counties (excl. Pima)	\$ 93.86	\$ 127.77	\$ 137.08	\$ 143.22	\$ 154.93
Statewide	\$ 66.74	\$ 85.81	\$ 92.77	\$ 96.97	\$ 105.19

Unassigned Authorizations and Qualified Vendor Analysis

To better understand how and if user access to a provider may be impacting the delivery of certain services, we completed several analyses to determine whether there was capacity within the provider network to address unmet demands of the Users. There are several reasons providers may not be offering a certain service to Users; including insufficient rates, a lack of qualified staff to provide the service, or a business decision to not respond to a particular vendor call.

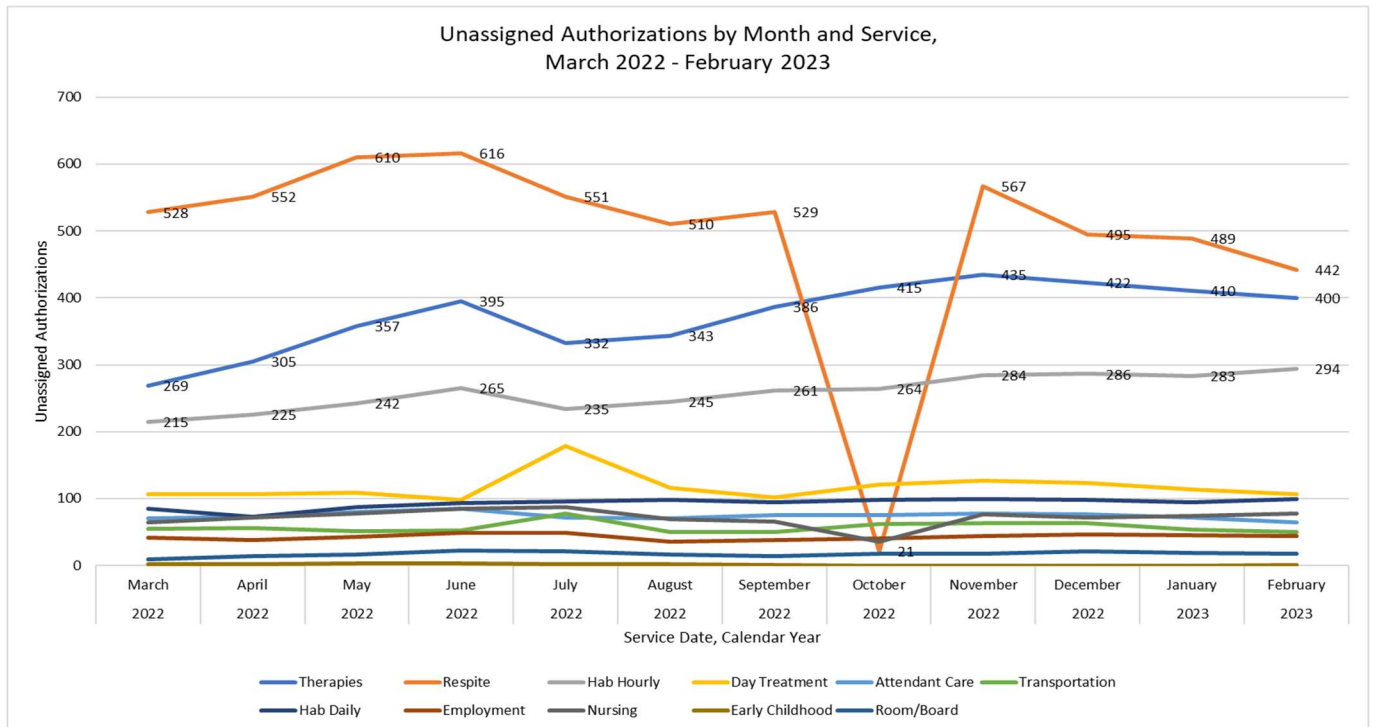
Unassigned Authorizations

Unassigned Authorizations (UAs) are a process used by the Division to track outstanding requests for services. UAs track how many individuals are assessed for a service but are unable to receive these services due to difficulties finding a provider. For the first portion of the UAs analysis, Guidehouse examined the average number of daily UAs per month at a service category level in Figure 59 for the most recent 12 months available. This is calculated by taking the total number of UAs in a given month and dividing by the number of days in that month with at least one UA request.

Three services, Therapies, Respite, and Hourly Habilitation comprise the majority of UAs on a monthly basis, as shown in Figure 59. Respite UAs are somewhat less of a concern, as providers often put out requests for Respite services without having a direct need, in preparation for future demand. Even so, there were between 528 and 616 UAs for the Respite Services for each month between March 2022 and September 2022. There is a significant drop in October 2022 which appears to be an issue where the authorizations are made on year-long basis from October 1st - September 30th and there is a lag before they are re-entered in the system. The UAs rebound to slightly lower levels of Respite Services dropping from 567 in November to 442 by February 2023. UAs for Hourly Habilitation appear to slowly increase throughout the time period which could indicate that providers are not able to administer these services as quickly as they had been.

Similarly, Professional Therapies saw UAs consistently increase throughout the time period. It is important to note UAs from Professional Therapies began a rapid decrease in the spring of 2020 as COVID-19 was starting to ramp up. The drop in UAs during this time period may reflect the rapid adoption of Telehealth Services by therapy providers. UAs were in the range of 1250 in February 2020 and continued to decline into a range of three hundred in mid-2022. However, it may also be due to fewer members seeking therapy services, which previously required significant face to face contact with a provider in the home or at a clinic site. As more and more providers are shifting back to some in-person visits again and not just telehealth visits in 2023, that could explain the increase we are seeing in this 12-month time period. The other service groupings have relatively low UAs on a monthly basis and showed no significant patterns over the time period included in Guidehouse's analysis.

Figure 59. Unassigned Authorizations by Month and Service, March 2022 – February 2023



As a corollary to the previous chart, the Figure 60 below shows the average UAs per day for each service grouping. Note that several services, including Therapies, had a higher daily average than in SFY2022. The increase in UAs through the year before the COVID-19 emergency offset the drop in unassigned authorizations that began in March. Several services are excluded from this table, as they had less than 1 unassigned authorization per day, on average.

Figure 60. Average Unassigned Authorizations Per Day by Service Code, SFY2023

Service Code	Average Unassigned Authorizations Per Day
Therapies	373
Respite	492
Hab Hourly	258
Day Treatment	117
Attendant Care	74
Transportation	57
Hab Daily	93
Employment	43
Nursing	71
Early Childhood	1
Room/Board	17
Miscellaneous	39
AzEIP	1

Qualified Vendor Analysis

Guidehouse also examined Qualified Vendor data and compared the list of qualified vendors to vendors that submitted a claim during SFY2023. Overall, there were 711 qualified vendors, with 676 of the vendors submitted a claim in SFY2023. 95 percent of qualified vendors submitted a claim in SFY2023.

Figure 61 shows the data by service category by total paid, total paid by qualified vendors, the count of total qualified vendors, the count of qualified vendors with claims, percentage paid to qualified vendors, and the percentage of qualified vendors that submitted a claim. All service categories show more than 98 percent of paid claims are going to qualified vendors with the one exception being Transportation Services which were impacted during the pandemic and are slowly starting to recover. Although 95 percent of all qualified vendors are submitting claims in the program, Figure 61 shows that Transportation and Professional Therapy are the only services showing over 70 percent of qualified vendors with claims when reviewing the data by service category. The remaining service categories are in the range of 51 percent to 64 percent of qualified providers submitting claims. This indicates that although providers may be qualified to provider services in several different service groups, they may only be providing services in certain specific services.

Figure 61. Qualified Vendors vs. Claims Data Providers, SFY2023

Service Group	Total Paid	Total Paid to Qualified Vendors	Count of Qualified Vendors	Count of Qualified Vendors with Claims	Percent Paid to Qualified Vendors	Percent of Qualified Vendors with Claims
Residential	\$ 671,790,845	\$ 669,139,219	408	236	99.61%	57.84%
In-Home Supports	\$ 806,309,420	\$ 792,717,438	571	368	98.31%	64.45%
Day Treatment	\$ 171,521,768	\$ 170,635,168	325	199	99.48%	61.23%
Employment	\$ 38,274,991	\$ 38,121,827	184	95	99.60%	51.63%
Transportation	\$ 20,134,694	\$ 15,328,281	126	94	76.13%	74.60%
Professional, Nursing	\$ 60,162,750	\$ 59,631,683	34	20	99.12%	58.82%
Professional, Therapy	\$ 105,316,118	\$ 104,370,558	247	178	99.10%	72.06%