

# AHCCCS Long-Term Care for Individuals Who Are Elderly and/or Have a Physical Disability Solicitation #YH24-0001

## Best and Final Offer

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### BAFO Summary of Changes

HCA has made the following changes/assumption updates to the administrative and case management cost components bid submission workbooks.

**Administrative expenses** - Annual compensation trend and non-salary inflation were reduced from original submission based on a review of emerging industry sources, including the AHCCCS actuarial certification published for the ALTCS-EPD CYE 2024 rates. We also slightly revised the base data allocation methodology for fixed costs.

**Case management expenses** – Compensation trend was updated, consistent with the administrative expenses. In addition, since submission of the original bid, HCA has finalized the 2024 budget, so salary and benefit load assumptions have been updated to align with 2023 emerging experience. Finally, HCA intends to hire case managers in the communities in which they live, therefore case management travel was reduced from the original submission.

All excel workbooks (C2 & C3) and the actuarial certification (C4) have been updated to reflect the above changes. HCA has no changes for the agreement accepting capitation rates (C1).

