

October 24, 2024

The Honorable John Kavanagh
Joint Legislative Budget Committee
1700 West Washington
Phoenix, Arizona 85007

Subject: AHCCCS Targeted Investments Program (TIP) Expenditures

Dear Senator Kavanagh:

As a provision of JLBC favorable review in 2017 of the Targeted Investments Program expenditure plan required under Laws 2016, Chapter 122, the Committee required the following:

On or before 11/1/18, and each year thereafter, AHCCCS shall report to the Committee on actual TIP expenditures by program category in the preceding state fiscal year.

On December 30, 2022, AHCCCS submitted the Targeted Investments Program Expenditure Report for the final Year 5 (SFY 2021) incentive payments. The Centers for Medicare and Medicaid Services has approved the following: 1) an additional year for the original Targeted Investments Program (i.e. TI 1.0 Year 6), and 2) a subsequent 5-year program (i.e. Targeted Investments Program 2.0, aka TI 2.0).

The former’s expenditures, summarized below, include two phases of TI 1.0 Year 6 incentive payments (May, 2024 and September, 2024) and all remaining administrative expenditures for the original program since the last report to conclude the TI 1.0 reporting. Although Targeted Investments Program 2.0 incentive payments will not be distributed until early 2025, associated administrative expenditures incurred through the prior state fiscal year are also included. AHCCCS will continue submitting the AHCCCS TIP Expenditure Report for Targeted Investments 2.0 expenditures in accordance with the Committee’s requirement.

Program Category	TIP Expenditures
Adult and Child Ambulatory	\$42,362,500.00
Hospitals	\$712,500.00
Justice	\$1,425,000.00
Administration- TI 1.0	\$3,163,427.93
Administration- TI 2.0	\$306,382.70
Total	\$47,969,810.63

If you have any questions regarding this report, please do not hesitate to contact Cameron Adams at Cameron.Adams@azahcccs.gov.

Sincerely,



Marcus Johnson

AHCCCS Deputy Director on behalf of Carmen Heredia, AHCCCS Director

cc: The Honorable David Livingston, Arizona House of Representatives
Richard Stavneak, Joint Legislative Budget Committee
Sarah Brown, Director, Governor's Office of Strategic Planning and Budgeting
Zaida Dedolph Piccoro, Health Policy Advisor, Office of the Governor