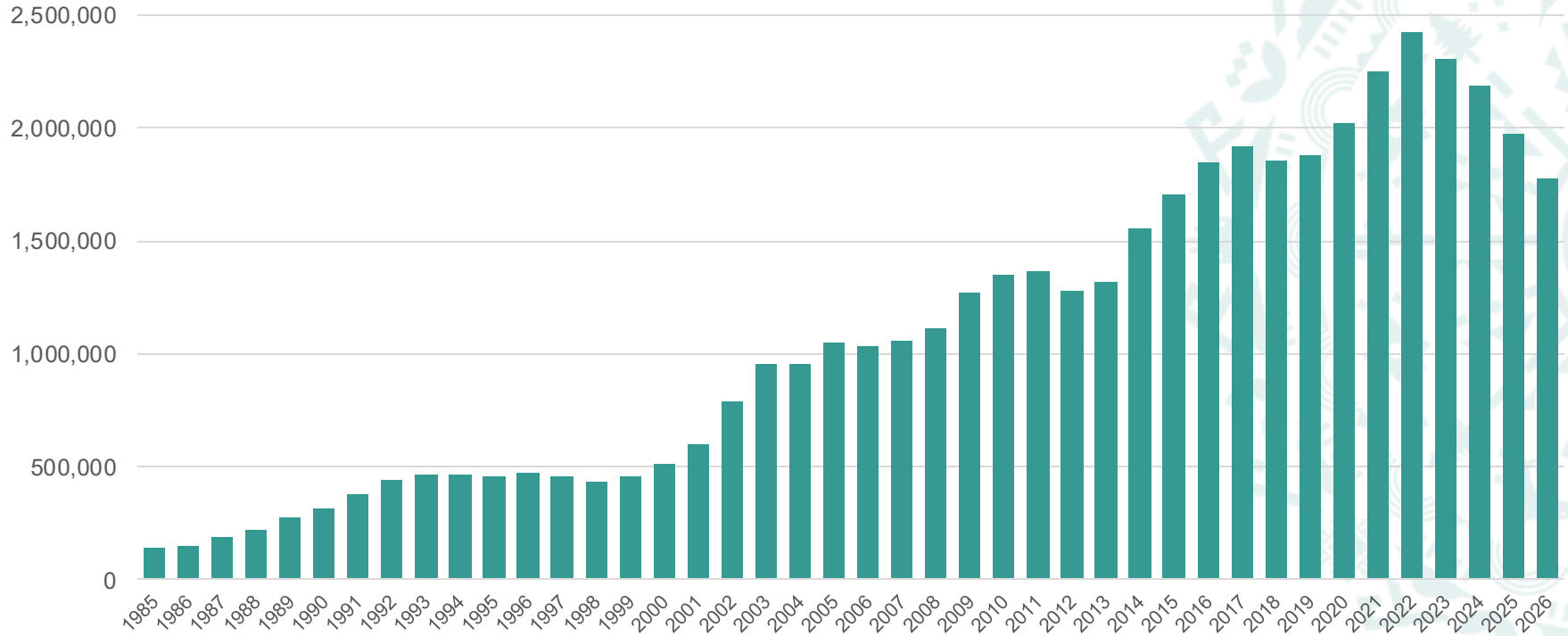


ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

**Maricopa Family Support
Alliance**

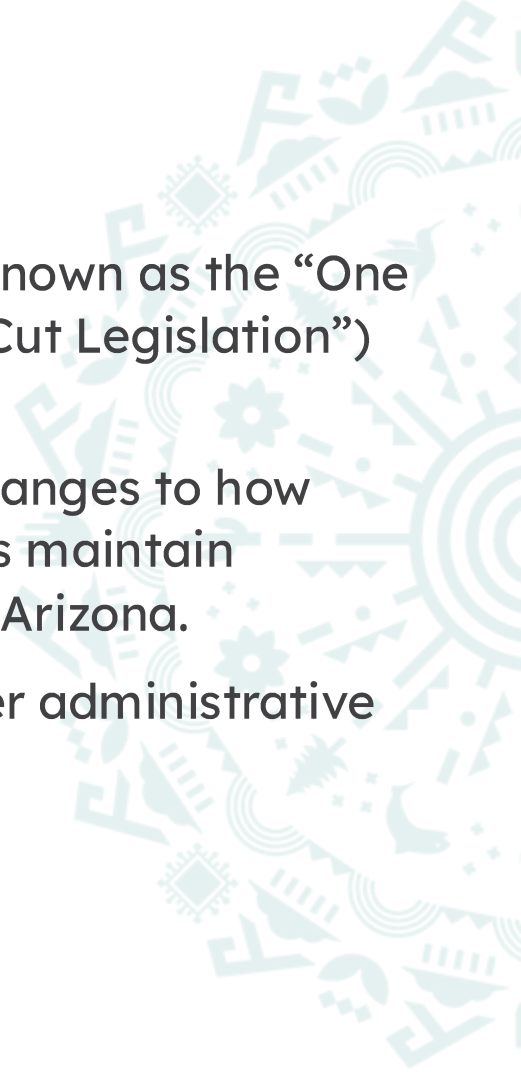
August 14, 2026
Interim Director Roberta Harrison

AHCCCS Population as of July 1, 1985 – 2026



H.R. 1 - One Big Beautiful Bill Act

- On July 4, 2025, a new federal law called H.R. 1 (also known as the “One Big Beautiful Bill Act” and the “Working Families Tax Cut Legislation”) was passed by Congress.
- Over the coming years, this law will create multiple changes to how AHCCCS determines eligibility, how AHCCCS members maintain coverage, and how health care is paid for throughout Arizona.
- Additionally, this law requires changes to various other administrative processes.



What to Expect from AHCCCS

- AHCCCS is currently working through implementation plans to develop the processes, technology, communications, and systems changes required to comply with H.R. 1.
- Notices and timely reminders will be shared with members and stakeholders to stay up to date and prepare for changes.
- The AHCCCS H.R. 1 website will continue to be updated with new information and FAQs.
- A specific website for members, KeepmyAHCCCS.com, will launch in Sept 2026

H.R.1 - Work Requirements

Work Requirements also referred to as Community Engagement

- Starting January 1 2027, the law requires certain Medicaid Expansion adults to work, go to school, volunteer, or participate in a defined qualified activity for 80 hours each month, or to have earned at least \$580 in the month to be eligible for AHCCCS
- Many people are exempt and will not need to meet these requirements (e.g., kids, pregnant individuals, people with disabilities, caregivers, and more). A full list of exemptions will be reviewed later

Pre-decisional and iterative. The preliminary information presented is for exclusive use by states to inform planned implementation of Medicaid community engagement requirements. All policies and requirements are subject to change. Please do not share this resource beyond the Medicaid agency.

Who May Be Required to Meet Work Requirements?

- Work requirements may apply to adults who:
 - Are 19 to 64 years old
 - Receive Medicaid coverage as an adult without dependent children
 - Receive Medicaid coverage through the adult expansion program
 - Do not meet an exemption

Who is Exempt from Work Requirements:

- Individuals already compliant with TANF work requirements
- Certain Nutrition and Cash Assistance recipients subject to Able-Bodied Adults Without Dependents work rules
- Participants in qualifying drug or alcohol treatment or rehabilitation programs
- Pregnant individuals or those eligible for postpartum medical assistance
- Those experiencing specific short-term hardships
- Former foster youth under age 26
- American Indians or Alaska Natives
- Parents, guardians, or caregivers of:
 - A dependent child under age 14
 - A disabled individual
- Veterans with a total disability rating
- Currently incarcerated or recently released
- Individuals who are medically frail or have special medical needs

Work Requirements Population Data

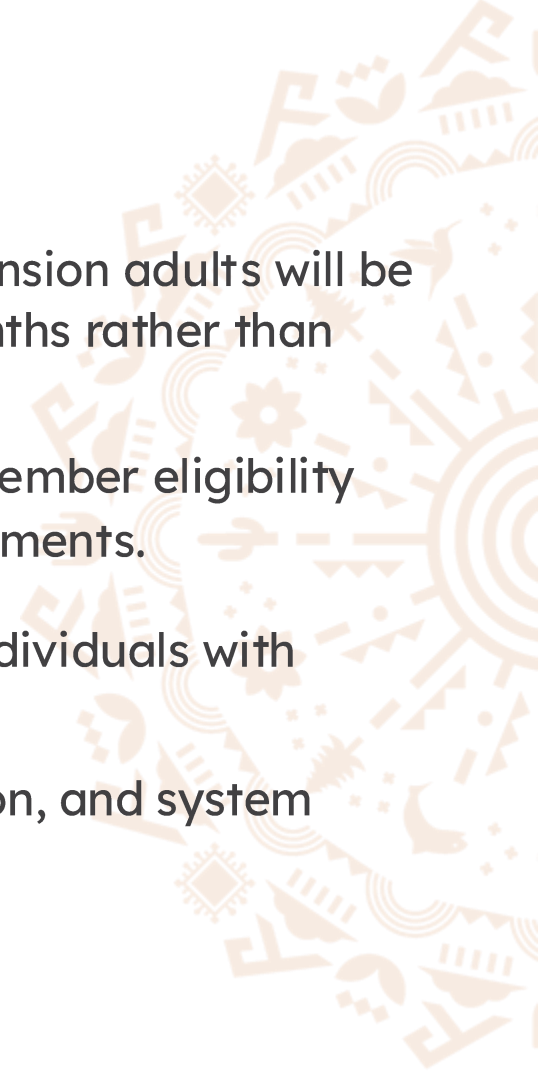
Category	Number of Members
Total Expansion Adult Population	417,307*
Members Exempt due to: • Serious Mental Illness (17,751) • AI/AN (46,531) • Parent/Caretaker/Guardian (19,356) • Caregiver of a Person with a Disability (467) • Postpartum (1,003) • TANF (278) • SNAP (193,080) • Former Foster Youth (54) • Recently Incarcerated (12,694) • Medicare Part A (303) • Medicare Part B (231)	240,192**
Non-Exempt Members Subject to Work Requirements	177,115
Members Already Meeting Work Requirements	73,136
Total Unique Members that may need to report Work Requirements	103,979

*Internal Data Estimates as of July 2026

**Unique individuals (deduplicated).

Renewals Every 6 Months

- Beginning January 1, 2027, H.R. 1 certain Medicaid expansion adults will be required to renew their AHCCCS coverage every six months rather than annually.
- This provision significantly increases the frequency of member eligibility determinations and directly interacts with Work Requirements.
- This does not apply to kids, adults over the age of 65, individuals with disabilities, Tribal members, and multiple other groups.
- AHCCCS is evaluating policy, operational, communication, and system changes necessary to support implementation.

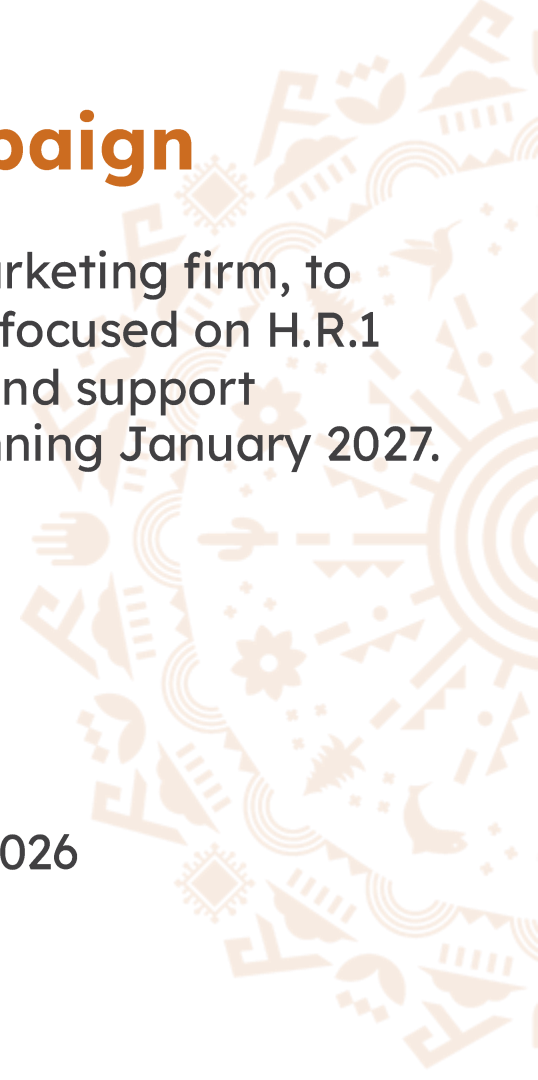


H.R.1 Community Awareness Campaign

AHCCCS is partnering with Riester, a Phoenix-based marketing firm, to develop and launch a community awareness campaign focused on H.R.1 work requirements. The campaign will educate, guide, and support members and the public on changes taking effect beginning January 2027.

Riester's scope includes:

- Stakeholder & member focus groups and gatherings
- Messaging & asset creation
- Member/provider toolkits
- [KeepmyAHCCCS.com](https://www.KeepmyAHCCCS.com) member facing website, Sept 2026



Non-Citizen Eligibility

- Starting October 1, 2026, H.R. 1 Section 71109 limits Medicaid eligibility for certain non-citizen populations.
- Individuals who no longer meet federal eligibility requirements may lose access to full Medicaid coverage and may instead qualify only for Federal Emergency Services (FES) when applicable.
- AHCCCS estimates approximately 22,000 currently enrolled members may be impacted statewide and is implementing policy, system, and communication changes to comply with federal requirements.
- AHCCCS will send notices to impacted members to explain their options.

Non-Citizen Eligibility: What is Changing?

Today	H.R. 1 Section 71109 Requirement	Future State
Certain non-citizen populations qualify for full Medicaid coverage.	Limits Medicaid eligibility to specified non-citizen categories effective 10/01/2026.	AHCCCS will implement updated eligibility determinations, member notices, and reverification processes.
Existing members receive coverage based upon current federal requirements.	Certain members may transition to Federal Emergency Services or lose eligibility.	Eligibility systems and business processes are being updated to support the Section 71109 implementation.



Arizona Rural Health Transformation Program Overview

AZ RHTP Overview

Arizona's RHTP initiatives were designed to align with CMS's 5 strategic priority areas, ensuring that program investments advance federal objectives while addressing Arizona's rural and underserved community needs.

Strategic Goal	Description
Make Rural America Healthy Again	Focus on preventive care, chronic disease management, behavioral health, and maternal-fetal health using evidence-based approaches. Address root causes of poor health and improve long-term outcomes
Sustainable Access	Help rural providers become long-term, reliable access points by improving efficiency and encouraging collaboration across facilities and systems (e.g., better coordinate primary, specialty, and emergency care)
Workforce Development	Strengthen recruitment and retention of health care workers in rural communities
Innovative Care	Promote new ways to deliver care , such as value-based payment models or Accountable Care Organizations, to improve quality and reduce costs
Tech Innovation	Invest in digital health tools, telehealth, data sharing, and cybersecurity to modernize health care delivery



CMS awarded Arizona \$166,988,956 for administration and implementation of their initiatives and programs in RHTP Budget Year 1.



Arizona's RHTP Initiatives

Below are the **4 initiatives** that Arizona is focusing on to address the key challenges related to access to healthcare in rural communities:

Rural Health Workforce Development and Training Program

- **Recruit, train, and retain skilled health professionals** serving Arizona's **rural and Tribal communities** by creating new and expanding existing workforce initiatives
- Create **financial incentives to encourage recruitment and retention** of healthcare professionals, collaborating with universities colleges, and AHECs, with an emphasis on allied health disciplines

Priority Health Initiatives Grants Portfolio

- Focused on **Behavioral Health & Substance Use Disorder (SUD), Maternal-Fetal Health, and Chronic Disease Prevention & Management**
- **Expand prevention and treatment access** via grant opportunities, including for mobile/digital units, enhancing training, and increasing screening

Making Rural Healthcare Accessible

- Expand access to care in rural communities by deploying mobile units and satellite sites, and expanding telehealth services for **specialty, primary, and preventive care in remote areas**
- Integrate **regional coordination** for referrals, scheduling, and continuity of care, and telehealth-enabled access to improve rural health outcomes

Making Rural Healthcare Resilient

- Implement shared services models to reduce administrative and financial burdens by **leveraging EMRs, HIE, and scaling back-office support**
- Provide **technical assistance** to strengthen rural network **performance and coordination** for better care delivery



1115 Waiver Renewal Overview

Programs Continuing As-Is:

- Mandatory Managed Care
- Arizona Long Term Care System(ALTCS)
- Parents as Paid Caregivers (PPCG)
- Tribal Dental Authority
- Prior Quarter Coverage (PQC)
- Re-entry pre-release Services
- KidsCare Expansion
- Former Foster Youth Eligibility and Enrollment (YATI)

Arizona's Section 1115 Waiver

Proposed Modifications:

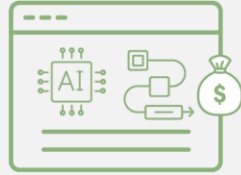
- Traditional Healthcare Practices
- Housing and Health Opportunities (H2O)
- Long Term Supports and Services: Timeliness Waiver
- Five-Year Lifetime Coverage Limit
- Presumptive Eligibility and Self Attestation
- (Sunset at end of Demonstration) Targeted Investments (T.I 2.0)
- (Future Amendment) SMI Enhanced Residential Treatment Pilot

AHCCCS PROGRAM INTEGRITY



WHO

Limited to registered providers reimbursed directly by AHCCCS for members not enrolled with a Managed Care Organization (prepay only).



WHAT

The Alivia 360 Platform, an innovative, AI-powered system that detects potential Medicaid fraud and supports human decision-making to review and stop improper payments before they occur.



WHEN

July 2026, a major milestone in AHCCCS's modernization efforts!



WHY

To detect fraud, improve accountability and efficiency, and protect Medicaid funds.



WHERE

Within AHCCCS systems, enhancing internal oversight with limited changes to provider claims submission processes.

Alivia 360: Platform in Action

