

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

THE FINANCE FLASH

May 31, 2025

DBF HC Finance Team Updates

Financial Reporting Guide (FRG) and Financial Reporting Template (FRT) Changes:

There were some changes made to the FRG, referenced by the FRG section:

ALL FRGs, Section 3.05 Income Statement – To differentiate between cost containment in non-claims costs reported in Care Management/Care Coordination (Account #80405-01) and non-claims costs that are not cost containment but that qualify as Health Care Quality Initiative (HCQI) expenses, a new account number was created, *Account #80405-05 – Care Management/Care Coordination (HCQI Activities)*.

ALL FRGs, Section 3.06 Footnote Disclosure Requirements – Bad Debt Expense¹ – A footnote has been added for disclosure of bad debt write-offs occurring during the quarter/year. In the tables provided, report the amounts written off for bad debt expense by quarter and contract-year-to-date, and the amounts of bad debt write-offs related to an affiliate.

ACC and ACC-RBHA FRG, Section 5.04, Financial Viability Standards and Performance Guidelines Report – The Equity Per Member discussion was modified for clarification, “...*The Equity Available for Equity Per Member Requirements must be sufficient to provide at least \$250 per ACC member when divided by the number of Title XIX/XXI members enrolled at the end of the period and at least \$1,300 per Title XIX/XXI member with SMI assigned to the ACC-RBHA for the Central GSA or at least \$1,200 per Title XIX/XXI member with SMI assigned to the ACC-RBHA for the North and South GSAs plus the Required Non-Title XIX/XXI Maintenance of Minimum Capitalization...*”

ALTCSE/PD FRG, Section 5.05, Financial Viability Standards and Performance Guidelines Report – The Equity Per Member discussion was modified for clarification, “... *results in Equity available for Equity Per Member Requirements which is divided by the number of members at the end of the period to determine Equity Per Member...*”

There were some changes made in the FRT, referenced by the FRT tab:

ALL FRTs, MLR H-1 tab - Account #80405-05 was added to the Income Statement, related schedules and to the HCQI section of the MLR H-1 tab.

ALL FRTs, FS-Footnotes¹ - In the tables provided, report the amounts written off for bad debt expense by quarter, by contract-year-to-date and any amounts of bad debt write-offs related to an affiliate.

Updated FRTs and FRGs reflecting these changes will be posted to the AHCCCS website shortly.

¹ Footnote 21 in ACC and ACC-RBHA FRG and Footnote 20 in ALTCSE/PD FRG.