

Special Audit of the Arizona Parents as Paid Caregivers (PPCG) Service Delivery Model

Despite continued cost increases for the Arizona Long Term Care Services (ALTCS) program, which includes the Parents as Paid Caregivers service delivery model, the Arizona Health Care Cost Containment System (AHCCCS) and the Arizona Department of Economic Security (Department) have not fully implemented all cost-control requirements of Laws 2025, Chapter 93, such as not implementing a new standardized assessment tool by October 1, 2025, and not initiating action to enforce the 40-hour limit on parent-provided care until April 2026

Audit purpose

To review the implementation of the new standardized assessment tool required by Laws 2025, Chapter 93 and to compare Arizona's PPCG model components to best practices of similar service models in other states.¹

Key findings

- AHCCCS suspended implementation of the new standardized assessment tool required by State law, and as a result did not realize a potential cost reduction of between \$133 million to \$493 million in fiscal year 2026.²
- AHCCCS and the Department did not fully implement all required cost-control measures, such as oversight processes for ensuring parents reside in Arizona for at least 6 months before being paid caregivers, prohibiting payment for parent-provided services between 10 p.m. and 6 a.m., and prohibiting payment when the child is not in the home. Further, AHCCCS and the Department did not initiate action to enforce the 40-hour limit on parent-provided paid care until April 2026 despite State law requiring it since July 2025.
- Other states have developed common cost-control measures, such as member enrollment caps, that could help contain costs in the State but would require additional legislative changes and CMS approval.
- Department did not maintain some assessment records we reviewed as required by State law, nor did it ensure the accuracy of some member assessments that were used to authorize services.

Key recommendations

- AHCCCS and the Department should develop and implement all required cost controls, including the new standardized assessment tool, and oversight processes to ensure the cost controls are working.
- AHCCCS should identify if there are additional cost-control measures that could be implemented in order to support greater long-term fiscal sustainability of the ALTCS program, which includes the PPCG service delivery model, and work with the Governor's Office, CMS, and other key stakeholders as needed to determine what steps would be needed to implement these controls.
- Department should revise and implement procedures to help ensure all assessments are retained and that assessed hours are accurately calculated, consistently recorded, and properly reflected in the system before service authorizations are finalized.

¹ Sjoberg Evashenk Consulting, under contract with the Arizona Auditor General, conducted this special audit of the Parents as Paid Caregivers Service Delivery Model pursuant to Laws 2025, Chapter 93.

² AHCCCS initially implemented the new standardized assessment tool on October 1, 2025, but then ordered that the tool stop being used on October 16, 2025, due to threat of litigation.