

# Fiscal Note

**BILL #** SB 1613

**TITLE:** ALTCS; rate increases; appropriations

**SPONSOR:** Shope

**STATUS:** As Introduced

**PREPARED BY:** Chandler Coiner

## Description

The bill would appropriate \$13.6 million from the General Fund and \$63.3 million in expenditure authority to the Arizona Health Care Cost Containment System (AHCCCS), as well as \$822,000 from the General Fund and \$1.5 million in expenditure authority to the Department of Economic Security (DES), for rate increases in the Arizona Long Term Care System (ALTCS) for assisted living centers and skilled nursing facilities in FY 2026.

## Estimated Impact

The bill would cost \$14.4 million from the General Fund in FY 2026. The bill contemplates that this funding would generate a provide rate increase for assisted living centers and skilled nursing facilities that totals \$76.9 million for those serving the elderly and physical disabled (EPD) population and \$2.3 million for those serving the developmental disability (DD) population.

## Analysis

The ALTCS program offers coverage of institutional services such as assisted living centers and skilled nursing facilities, among other settings, for individuals who meet certain financial and medical criteria.

Based on the amount appropriated from the General Fund, we estimate this bill would generate sufficient funding for an aggregate rate increase of approximately 7% for assisted living centers and skilled nursing facilities serving the ALTCS-EPD population. The actual rate increase could be higher depending on whether AHCCCS applies the increase to only assisted living centers or to assisted living facilities more broadly. A.R.S. § 36-401, Subsection A, defines an "assisted living center" as an assisted living facility that serves 11 or more residents and an "assisted living home" as serving 10 or fewer residents.

We also estimate this bill would generate a \$2.3 million rate increase for assisted living centers and skilled nursing facilities serving the ALTCS-DD population.

## Local Government Impact

We estimate that county costs would increase by \$10.3 million as a result of this bill. This assumes county governments cover 43% of the state's share of ALTCS-EPD costs.

3/3/25

