



DEPARTMENT OF ECONOMIC SECURITY

*Your Partner For A Stronger Arizona*

Janice K. Brewer  
Governor

Neal Young  
Director

May 15, 2009

PROVIDER RATE NOTICE

As you know, the State of Arizona continues to address a major shortfall in revenue for State Fiscal Year ending June 30, 2009. The Department of Economic Security's (DES) leadership team continues to work diligently to identify all possible steps to meet more than \$150 million in funding reductions including the lump sum reduction and fund transfers from the special session, as well as unfunded requests for supplemental funding and other caseload-related shortfalls.

To address this shortfall, the Division of Developmental Disabilities (Division) made a number of changes in staffing to reduce expenditures including staff furloughs and other operating and administrative reductions. The magnitude of the budget reduction to DES and the Division requires that additional cost-saving measures be implemented.

Several cost-saving measures impact the provider service delivery network. These measures, while very difficult, were considered carefully to achieve the reductions set forth in S.B. 1001 by spreading the impact as broadly as possible in an effort to maintain our overall network of services. In March 2009, the Division's previously announced 10% provider rate reduction was delayed as a result of a preliminary injunction by the Maricopa County Superior Court; however, the Arizona Court of Appeals vacated that injunction on April 30, 2009.

Accordingly, effective May 25, 2009, home and community based provider rates will be reduced by 10% as outlined below:

- ◆ Qualified Vendor details – The Division will be posting to the DDD website a May 25, 2009 RateBook with the specific rates by May 15, 2009. See [www.azdes.gov/ddd](http://www.azdes.gov/ddd).
- ◆ Independent Provider details – Services provided by independent providers and paid by the Fiscal Intermediary, Public Partnerships, Limited (PPL), will receive a 10% reduction of the consumer rate calculated by the Rate Assessment Tool and process. The May 25, 2009 consumer rates will be transmitted to PPL by May 19, 2009.

The Division has reviewed provider financials submitted as required by the Division's contract with providers. Those providers who have not complied with this contract requirement are required to submit their financials to the Division for State Fiscal Years 2007 and 2008 no later than June 1, 2009. Financials may be sent via email to [DDDContractsManager@azdes.gov](mailto:DDDContractsManager@azdes.gov) or by mail to:

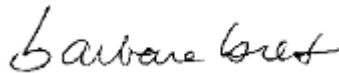
DDD Contract Unit  
Business Operations – Site Code 791A  
Division of Developmental Disabilities  
Arizona Department of Economic Security  
P.O. Box 6123  
Phoenix, Arizona 85005

Any providers that believe their organization will need to make changes to their network coverage must immediately identify what areas and services will be impacted and communicate that information via email to [DDDNetworkChangeNotifications@azdes.gov](mailto:DDDNetworkChangeNotifications@azdes.gov). The Division will use this information to plan for any necessary reassignment of individuals to new providers in the area and/or identify providers interested in expanding into the area(s).

We realize that these measures create difficulties and were not made lightly. We have tried to mitigate the impacts to the extent possible and remain committed to being as responsive and supportive as possible. Thank you for your continued commitment to serving individuals with developmental disabilities and their families during these difficult economic times.

If you have additional questions about specific rate changes please call 602-364-1864 or send an email to [DDDHotline@azdes.gov](mailto:DDDHotline@azdes.gov).

Sincerely,

A handwritten signature in cursive script that reads "Barbara Brent".

Barbara Brent  
Assistant Director  
Division of Developmental Disabilities