



Transforming Lives Through Housing + Health in Arizona

May 2026

Over the last 30 years, the state of Arizona has worked diligently to create and scale supportive housing to meet local needs. In the last 15 years, much of that work has focused on building connections between housing and health systems to strengthen operational capacity of service providers, increase cross-system coordination, secure critical funding, and improve housing and health outcomes for people experiencing and at risk of homelessness.

In 2010, the Arizona Department of Health Services and local partners collaborated to launch a supportive housing pilot in Tempe, Arizona, followed by a [Frequently Used Systems Engagement \(FUSE\)](#) pilot in Maricopa County in 2013. Through this pilot, the state proved that supportive housing decreases the use of high-cost health services. The pilot also helped demonstrate that many of the services needed in supportive housing could be covered under Arizona's Medicaid program.

In 2015, Arizona leveraged a [Medicaid Crosswalk](#) to analyze their Covered Behavioral Health Services guide and other key documents. This allowed the state to identify supportive housing services that could be reimbursed by Medicaid and guidance on how to better align state Medicaid policy with supportive housing services.

With the help of technical assistance partners, Arizona set out to create a [data warehouse](#) in 2021 for the state's Homelessness Management and Information System (HMIS) data. Beginning with a Request for Proposals process to identify a warehouse vendor, the state then collaborated with AHCCCS (Arizona's statewide Medicaid agency) on the data sharing agreements for the warehouse, assisted in creating administrative data governance guidelines, and liaising with the data warehouse vendor to ensure quality implementation.

Organizing and collating this information, which was previously stored across three different systems and siloed, provided a clearer understanding of the total population experiencing homelessness in the state and how people move between communities. Additionally, the new process allowed for integration with Medicaid and other data sources to improve care coordination, track utilization, and monitor outcomes for a variety of purposes.

In 2022, Centers for Medicare and Medicaid Services (CMS) approved Arizona's Housing and Healthcare Opportunities (H2O) 1115 waiver, expanding the range of Medicaid-funded housing related supports that state providers can offer. That same year, the National Academy of State Health Policy (NASHP) and CSH provided technical assistance to support waiver implementation, including recommending a third-party administrator model, which the state adopted. In 2023, housing and homeless system partners were prepped for the implementation of Medicaid-funded housing related supports with resources including an 'Arizona Medicaid Explainer for a Housing Audience' guide, a capacity-building survey, and a Medicaid 101 training.

In 2024, Arizona joined the Housing and Services Partnership Accelerator, a federal learning collaborative designed to help state teams advance innovative work around housing-related supports. They also developed rates for the H2O program by leading a Medicaid rates study with supportive housing providers across the state. That data informed the state Medicaid office in the development of the monthly rate for supportive housing services (pre-tenancy and tenancy supports).



In 2025 and 2026, Arizona is leading a Community of Practice (CoP) and developing a training program with Solari under the AHCCCS H2O program to build capacity among service providers to deliver Medicaid waiver pre-tenancy and tenancy programs effectively. Through the development of tailored training modules on topics such as housing support services, emergency shelter services, self-care, managing high-priority clinical issues, and healthcare for the homeless, this initiative equips providers with the knowledge and tools needed to enhance service delivery.

Additionally, the Community of Practice fosters collaboration, allowing service providers to share experiences, align best practices, and address systemic challenges in a structured forum. Combined with Arizona's evaluation efforts, which will assess the AHCCCS H2O program's impact on homeless system utilization and cost savings, these activities contribute to a cohesive strategy that addresses immediate service gaps and strengthens the long-term sustainability of care and housing solutions for high-need populations in Arizona.

Arizona can attribute their success to collaborative governance and capacity-building efforts to deliver the Medicaid 1115 Waiver housing services program with a goal of partnership and strengthening cross-system collaboration among statewide partners.