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## **Table of Contents**

**State/Territory Name: Arizona**

**State Plan Amendment (SPA) #: AZ-16-0016**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) SPA Pages

The complete title XXI state plan for Arizona consists of the most recent state plan posted on Medicaid.gov under CHIP and State Plan Amendments. The link is provided below. The following pages are in addition to, or replace sections of the state's posted current state plan. The attached approval letter(s) explain how these pages fit into that state plan.

Link to state title XXI state plans and amendments: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-State-Program-Information.html>

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-01-16  
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

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Monica H. Coury  
Assistant Director  
Arizona Health Care Cost Containment System  
Office of Intergovernmental Relations  
801 East Jefferson  
Phoenix, AZ 85034

JUL 22 2016

Dear Ms. Coury:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendments (SPAs) AZ-16-0016 and AZ-16-0017.

Arizona's SPA AZ-16-0016, submitted on May 23, 2016 and effective on July 26, 2016, lifts the state's existing enrollment freeze enabling children ages birth through age 19 with income above 133 percent up to and including 200 percent of the federal poverty level (FPL) to enroll in the state's CHIP, known as "KidsCare." The state's enrollment into its separate CHIP was initially frozen on January 1, 2010. While enrollment was temporarily opened as part of a section 1115 demonstration, KidsCare II, from May 2012 to January 2014, KidsCare II was sunset on January 31, 2014. With this SPA, we support the state's efforts to ensure that low income uninsured children have access to affordable coverage and the protections that exist under CHIP.

CMS is also approving SPA AZ-16-0017, which was submitted on May 27, 2016 and has an effective date of July 26, 2016. This SPA reduces the state's existing premium lock-out period from 90 to 60 days. Consistent with 42 CFR 457.570, states may identify a state-specified period of time (referred to as a premium lock-out period) that a CHIP eligible child who has an unpaid premium may not reenroll in coverage in CHIP.

Your title XXI project officer is Ms. Tonia Brown. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Brown's contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-8613  
Facsimile: (410) 786-5943  
E-mail: [Tonia.Brown@cms.hhs.gov](mailto:Tonia.Brown@cms.hhs.gov)

Page 2 – Ms. Monica H. Coury

Official communications regarding program matters should be sent simultaneously to Ms. Brown and to Ms. Kristin Dillon, Associate Regional Administrator (ARA) in our San Francisco Regional Office. Ms. Dillon's address is:

Centers for Medicare & Medicaid Services  
90 7th Street, Suite 5-300 (W)  
San Francisco, California 94103-6706

If you have additional questions, please contact Mr. Manning Pellanda, Director, Division of State Coverage Programs, at (410) 786-5143. We look forward to continuing to work with you and your staff.

Sincerely,

/ Anne Marie Costello /

Anne Marie Costello  
Director

Enclosures

cc: Ms. Kristin Dillon, ARA, CMS Region IX, San Francisco

Once the application is approved, the applicant is enrolled with their chosen provider and AHCCCS sends a notice confirming the choice and a member identification card to the member. Following enrollment, the contractor provides a member handbook to the member, which contains important information about how to access health care for KidsCare eligible children.

AHCCCS approves a newborn of a mother who is eligible for KidsCare on the date the child is born. The newborn's KidsCare eligibility begins with the newborn's date of birth. Once approved for KidsCare, AHCCCS enrolls the newborn with the mother's health plan. AHCCCS notifies the mother by mail of the newborn's enrollment into KidsCare and is given an opportunity to change health plans at that time.

A member is allowed to change contractors on an annual basis and when an individual moves into a new geographic area not served by the current contractor. A member can change PCPs at any time. The option to change contractors is based on the member's anniversary date, which is the first day of the month that the member is enrolled into KidsCare. Ten months following the anniversary date, the member will be sent an annual enrollment notice advising that a different contractor may be selected. A list of contractors, with toll-free numbers and the available services, is included. The member, or parent of the child, has 60 days to change contractors. If a change is requested, the effective date is a year from the anniversary date or the month after the change is requested, whichever is later. Enrollees must notify AHCCCS of a change in address or other circumstances that could affect continued eligibility or enrollment.

American Indian children who elect to enroll with the American Indian Health Program are allowed to disenroll at any time upon request and choose a contractor for all KidsCare services. Similarly, American Indian children enrolled with a contractor or other providers are allowed to disenroll at any time upon request and enroll with the American Indian Health Program.

**4.3.1 Describe the state's policies governing enrollment caps and waiting lists (if any). (Section 2106(b)(7)) (42CFR 457.305(b))**

Arizona does not currently have an enrollment cap or wait list in place. AHCCCS will submit a state plan amendment if the state decides to implement an enrollment cap or waiting list.

~~Due to insufficient state funds, an enrollment cap has been placed on the KidsCare program effective January 1, 2010. No new applications will be processed until such time that the AHCCCS Administration is able to verify that funding is sufficient, and the Governor agrees that the AHCCCS Administration may begin processing new applications.~~

~~Prior public notice of the enrollment cap will be communicated to the public by publication in the Arizona Administrative Register by the Secretary of State, posting on the AHCCCS Administration's internet website, written communication to the Legislature and Governor, the State Medicaid Advisory Committee, and other interested stakeholders. Notice to the public was also provided on October 9, 2009, when AHCCCS posted information about the potential impact of implementing a 15% reduction which identified elimination of the KidsCare program as a discretionary program that would not jeopardize federal stimulus dollars or voter protected programs. Finally, a public hearing with the opportunity to present public comments will be held on December 29, 2009 and tribal consultation will be held on December 28, 2009.~~

~~Despite the KidsCare enrollment cap, applications will continue to be evaluated and processed for potential Medicaid eligibility. If a child does not meet the Medicaid eligibility requirements, the authorized representative of the child will be notified in writing of the denial of Medicaid.~~

~~Children who have current enrollment in the KidsCare program will be allowed to continue to renew their enrollment so long as they continue to meet all the eligibility and renewal criteria including timely premium payments.~~

**4.4. Describe the procedures that assure that:**

**4.4.1. Through the screening procedures used at intake and follow-up eligibility determination, including any periodic redetermination, that only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42CFR 457.350(a)(1)) 457.80(c)(3))**

AHCCCS administers both the Medicaid and KidsCare Program. Medicaid screening is part of the KidsCare eligibility determination process. Records of KidsCare eligibility are maintained in a database that is also used for Medicaid eligibility. The database is checked for current Medicaid eligibility before determining KidsCare eligibility. Medicaid eligibility always overrides KidsCare eligibility.

AHCCCS accepts a declaration on the application confirming that there is no other creditable insurance including the state health benefits plan. A family member, legal representative or the child is required to report changes in employer insurance coverage or eligibility for group health insurance or other creditable insurance.

When conducting a renewal (periodic redetermination) of KidsCare eligibility, AHCCCS screens for potential Medicaid eligibility, group health plan, health insurance coverage, or other state health benefits. For review of potential group health plan coverage see section 4.4.4.1.