

December 29, 2014

Ms. Wakina Scott
Project Officer
Centers for Medicare & Medicaid Services
Center for Medicaid, CHIP and Survey & Certification
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Dear Ms. Scott:

Thank you for the letter dated December 15, 2014, approving Arizona's request to amend its section 1115 Demonstration waiver (project number 11-W-00275/09 and 21-W-00064/9).

The State accepts the approval of its requests as stated in the December 15 approval letter. We acknowledge your hard work and the efforts of many others that assisted the State in obtaining this approval to: further integration of behavioral and physical health; continue needed payments to Indian Health Services and tribally operated 638 facilities; extend Safety Net Care Pool payments to Phoenix Children's Hospital for an additional year; and ensure services to pregnant women made eligible under the Hospital Presumptive Eligibility program. In addition, we would like to take this opportunity to clarify a few points:

- Arizona continues to pursue its request to charge premiums to individuals with incomes over 100% FPL. The State is currently assessing system capabilities and needed changes in order to operationalize this request. Arizona respectfully requests the premium issue to remain under CMS consideration as a pending item.
- Arizona remains concerned about the language that requires Safety Net Care Pool payments to be made prior to December 31, 2015. The State originally accepted terms of the Safety Net Care Pool with the understanding that the expenditure authority allowed for payments to be made beyond the December 31 timeframe, following the two-year claiming rule. This new interpretation places a great deal of pressure on all parties to secure Intergovernmental Agreements, obtain the non-federal share, and make payments before the end of the actual program period. As such, Arizona respectfully requests to continue to work with CMS to resolve this issue.

We value our partnership and look forward to continue working with you.

Sincerely,

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Monica Coury
Assistant Director

cc: Eliot Fishman, CMS
Hye Sun Lee, CMS
Cheryl Young, CMS