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State/Territory Name: Arizona

State Plan Amendment (SPA) #: 14-0005-MM4

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Superseding Pages Notice
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
San Francisco Regional Office
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

JUN 06 2014

Tom Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona State Plan Amendment (SPA) No. 14-0005-MM4. This amendment updates the State Plan on the basic organization and administration of the Medicaid program and includes information on the agency's delegation of appeals and determinations.

The effective date of this SPA is January 1, 2014 as requested. Enclosed are the following approved State Plan pages to be incorporated within your approved State Plan:

- Templates A1 – A3
- Attorney General Certification
- General AHCCCS Organization Chart
- Superseding Pages of State Plan Material

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at cheryl.young@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Gloria Nagle.

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Wakina Scott
HeeYoung Ansell

Medicaid State Plan Eligibility: Summary Page (CMS 179)

State/Territory**name:****Arizona****Transmittal Number:**

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

AZ-14-0005

Proposed Effective Date

01/01/2014

(mm/dd/yyyy)

Federal Statute/Regulation Citation

42 CFR 431.10

Federal Budget Impact

	Federal Fiscal Year	Amount
First Year	2014	\$ 0.00
Second Year	2015	\$ 0.00

Subject of Amendment

Addresses single state agencies delegation of appeals and determinations

Governor's Office Review☐ Governor's office reported no comment☐ Comments of Governor's office received

Describe:

☐ No reply received within 45 days of submittal☒ Other, as specified

Describe:

Governor's Office is aware.

Signature of State Agency Official**Submitted By:****Theresa Gonzales****Last Revision****Date:****Mar 25, 2014****Submit Date:****Mar 11, 2014**

**SUPERSEDING PAGES OF
STATE PLAN MATERIAL**

TRANSMITTAL NUMBER:

AZ 14-0005

STATE:

Arizona

**PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT:**

A1 – A3

**COMPLETE PAGES
SUPERSEDED:**

Page 1
Section 1.1 (pages 2-6)
Section 1.2 (page 7)
Section 1.3 (page 8)
Attachment 1.1-A (Attorney
General certification)
Attachment 1.2-A
(Organizational chart)
Attachment 1.2-B (Description
of the functions of the single
state agency)
Attachment 1.2-C (Description
of professional medical and
supporting staff)
Attachment 1.2-D

**PARTIAL PAGES
SUPERSEDED:**

Section 1.4 (page 9)(State
Medical Care Advisory
Committee only. Tribal
consultation will remain in the
state plan.)

A1-A2

Notwithstanding any other provisions of the Medicaid State Plan,
the agencies designated in A1 and A2 will determine eligibility for
coverage to the extent specified in A1 and A2.



Medicaid Administration

OMB Control Number 0938-1148

OMB Expiration date: 10/31/2014

State Plan Administration Designation and Authority

A1

42 CFR 431.10

Designation and Authority

State Name:

Arizona

As a condition for receipt of Federal funds under title XIX of the Social Security Act, the single state agency named below submits the following state plan for the medical assistance program, and hereby agrees to administer the program in accordance with the provisions of this state plan, the requirements of titles XI and XIX of the Act, and all applicable Federal regulations and other official issuances of the Department.

Name of single state agency:

Arizona Health Care Cost Containment System Administration

Type of Agency:

- ☐ Title IV-A Agency
☐ Health
☐ Human Resources
☒ Other

Type of Agency Medicaid agency

The above named agency is the single state agency designated to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act. (All references in this plan to "the Medicaid agency" mean the agency named as the single state agency.)

The state statutory citation for the legal authority under which the single state agency administers the state plan is:

Arizona Revised Statutes 36-2902 through 36-2903

The single state agency supervises the administration of the state plan by local political subdivisions.

☐ Yes ☒ No

☒ The certification signed by the state Attorney General identifying the single state agency and citing the legal authority under which it administers or supervises administration of the program has been provided.

An attachment is submitted.

The state plan may be administered solely by the single state agency, or some portions may be administered by other agencies.

The single state agency administers the entire state plan under title XIX (i.e., no other agency or organization administers any portion of it).

☐ Yes ☒ No



Medicaid Administration

- ☒ Waivers of the single state agency requirement have been granted under authority of the Intergovernmental Cooperation Act of 1968.

The waivers are still in effect.

☒ Yes ☐ No

Enter the following information for each waiver:

Remove

Date waiver granted (MM/DD/YY): 05/21/14

The type of responsibility delegated is (check all that apply):

- ☐ Determining eligibility
☒ Conducting fair hearings
☐ Other

Name of state agency to which responsibility is delegated:

Arizona Department of Economic Security

Describe the organizational arrangement authorized, the nature and extent of responsibility for program administration delegated to the above named agency, and the resources and/or services of such agency to be utilized in administration of the plan:

DES will maintain final authority in fair hearings for eligibility determinations it has conducted. All appeals of eligibility determination for the Arizona Long Term Care System (ALTCS), a non-MAGI population, are conducted by the AHCCCS Administration. AHCCCS also conducts fair hearings related to Medicaid services and benefits.

DES will conduct fair hearings on appeals of Medicaid eligibility determination when:

1. There is an appeal of an eligibility determination that is based on the financial methodologies required by 42 C.F.R. § 435.603.
2. There is an appeal of Medicaid eligibility made on behalf of one or more persons in the same household if at least one appeal relates to an eligibility determination based on MAGI even if another determination is made based on a non-MAGI determination of income, other than eligibility for ALTCS; that is, when the appeal involves both MAGI and non-MAGI household members (other than eligibility for ALTCS).
3. There is an appeal of a Medicaid eligibility determination - other than a determination of eligibility for the ALTCS - if there is also an appeal of a determination of eligibility for TANF, SNAP, or another public assistance program administered by ADES made at or near the same time as or arises from the same facts and circumstances as those that give rise to the Medicaid fair hearing request.

The methods for coordinating responsibilities among the agencies involved in administration of the plan under the alternate organizational arrangement are as follows:

An Intergovernmental Agreement is in place that includes assurances that every applicant is informed in writing of the fair hearings process and knows how to obtain a fair hearing.



Medicaid Administration

- i. AHCCCS ensures that DES complies with all federal and state Medicaid laws, regulations and policies.
- ii. AHCCCS retains oversight of the State Plan and will establish a process to monitor the entire appeals process, including the quality and accuracy of the final decisions made by DES.
- iii. AHCCCS will ensure that every applicant and beneficiary is informed, in writing, of the fair hearing process, how to contact DES, and how to obtain information about fair hearings from that agency

Add

- ☐ The agency that administers or supervises the administration of the plan under Title X of the Act as of January 1, 1965, has been separately designated to administer or supervise the administration of that portion of this plan related to blind individuals.

The entity or entities that have responsibility for determinations of eligibility for families, adults, and for individuals under 21 are:

- ☒ The Medicaid agency
- ☒ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act

The entity that has responsibility for determinations of eligibility for the aged, blind, and disabled are:

- ☒ The Medicaid agency
- ☒ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ☒ The Federal agency administering the SSI program

Indicate which agency determines eligibility for any groups whose eligibility is not determined by the Federal agency:

- ☒ Medicaid agency
- ☒ Title IV-A agency
- ☐ An Exchange

The entity or entities that have responsibility for conducting fair hearings with respect to denials of eligibility based on the applicable modified adjusted gross income standard are:

- ☒ Medicaid agency
- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ☐ An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

The agency has established a review process whereby the agency reviews appeals decisions made by the Exchange or Exchange appeals entity or other state agency, but only with respect to conclusions of law, including interpretations of state or federal policies.

☐ Yes ☒ No

State Plan Administration
Organization and Administration

A2



Medicaid Administration

42 CFR 431.10

42 CFR 431.11

Organization and Administration

Provide a description of the organization and functions of the Medicaid agency.

AHCCCS is the single State agency designated to administer or supervise the administration of the Medicaid program under title XIX of the Social Security Act. AHCCCS is responsible for determining the eligibility policy and criteria, service coverage, and payment policies for the Arizona's Medicaid and CHIP programs; for ensuring the Arizona's health care programs maximize federal funding to finance health care services; for developing effective methods for managing the utilization of health care services and the cost of care in the Medicaid programs; and for analyzing existing health care financing policies to ensure that they promise efficient, effective, and economical provisions of care. The Executive Management Team provides management, policy direction, strategic and financial planning, public relations, and resource management for AHCCCS. The Executive Team controls and disseminates work assignments and coordinates AHCCCS operations to ensure the attainment of AHCCCS goals and objectives.

The Deputy Director, part of the Executive Management Team, supervises the six (6) divisions: Business and Finance; Business Intelligence & Analytics, Health Care Management (rates); Information Services; Intergovernmental Relations; and Member Services (DMS). DMS determines eligibility for the following population categories: Caretaker Relative, Child, Pregnant Women, Adult, TMA, 4 Month Continuous Coverage when the person is a member of a household for which AHCCCS determines eligibility. DMS also determines eligibility for the following population categories: Aged, Blind Disabled, Medicare Savings Programs, Freedom to Work, Disabled Adult Children, Pickle, Disabled Widow/Widower, Breast & Cervical Cancer, ALTCS, KidsCare (Title XXI). AHCCCS conducts the hearing when the action was taken by AHCCCS staff. See attached chart for detailed information.

The Chief Medical Officer, part of the Executive Management Team, supervises the 3 Divisions: Administrative Legal Services (OALS); Clinical Services; and Medical Policy and Coding. OALS oversees the administrative dispute resolution process and issues final hearing decisions on behalf of the agency for all non-MAGI determinations when there is not simultaneously an appeal from another household member of a MAGI determination and there is not a simultaneous appeal of a SNAP or TANF determination.

The Director, supervises the remaining six (6) divisions: Fee for Service Management; Health Care Management (Ops, Quality and Medical Management); Health Care Innovations Infrastructure Management; HIT Coordinator; Human Resources & Development; and Project Management/Payment Modernization.

Upload an organizational chart of the Medicaid agency.

An attachment is submitted.

Provide a description of the structure of the state's executive branch which includes how the Medicaid agency fits in with other health, human service and public assistance agencies.

The Executive Branch consists of a number of Departments and Agencies as follows: The Secretary of State, Attorney General, Department of Law, State Treasurer; Superintendent of Public Institution, Department of Education, Corporation Commission, State Mine Inspector; Department of Administration, Department of Corrections, Department of Revenue; Department of Public Safety; Department of Transportation, Department of Health Services; AHCCCS- the Medicaid agency, Department of Economic Security (DES); Board of Regents (ASU, NAU, UofA); Community College Board; Other Boards, Commissions and Agencies.

AHCCCS works with other health, human service and public assistance agencies like the Department of Health Services (ADHS) and the Department of Economic Security (DES). For all AHCCCS members other than those in ALTCS, the treatment of behavioral health conditions is a separate system of care that is carved out and administered under contract with ADHS Behavioral Health Services (BHS) who subcontracts with Regional Behavioral Health Authorities. Recently, AHCCCS integrated physical and behavioral health services provided to adults residing in Maricopa County who are diagnosed with a serious mental illness under the



Medicaid Administration

purview of ADHS/DBHS.

Similarly, ALTCS services for persons with developmental disabilities are managed by the Arizona Department of Economic Security/Division of Developmental Disabilities (ADES/DDD) under contract with AHCCCS. Both DES and DHS are required to comply with the same requirements as other AHCCCS health plans. DES is also responsible for determining eligibility for persons falling into categories other than the aged, blind and disabled (for whom the AHCCCS Administration determines eligibility). Because DES administers TANF, SNAP, and several other public assistance programs, this shared responsibility affords many Arizona residents a single point of contact for multiple public assistance programs (including Medicaid).

Entities that determine eligibility other than the Medicaid Agency (if entities are described under Designation and Authority)

Remove

Type of entity that determines eligibility:

- ☒ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ☐ The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

Arizona Department of Economic Security, the Title IV-A agency.

DES staff in two divisions, the Division of Benefits and Medical Eligibility (DBME) and the Division of Children, Youth and Families (DCYF), performs the eligibility determinations for children, families, and single adults for the AHCCCS Acute Care program, the statewide managed care program that covers acute care services for these eligibility groups within Arizona's Medicaid program.. With the exception of foster care and adoption subsidy children, Title XIX DBME staff in statewide local offices process Title XIX applications and renewals. DCYF staff conduct Title XIX eligibility determinations for children in the foster care and adoption subsidy programs.

DES will maintain final authority in fair hearings for determinations it has conducted. AHCCCS staff could determine eligibility for any of the Medicaid groups determined by DES except foster care and adoptions subsidy. Specifically, DES determines eligibility for the following population categories: Caretaker Relative, Child, Pregnant Women, Adult, TMA, 4 Month Continuous Coverage, Title IV-E Foster Care, and Title IV-E Adoption Subsidy. When a person is a member of a household for which DES determines eligibility, DES can also determine eligibility for the: Aged, Blind, Disabled, Medicare Savings Programs and Freedom to Work. DES conducts the hearing when the action was taken by DES staff. See attached chart for more information.

Remove

Type of entity that determines eligibility:

- ☐ Single state agency under Title IV-A (in the 50 states or the District of Columbia) or under Title I or XVI (AABD) in Guam, Puerto Rico, or the Virgin Islands
- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ☒ The Federal agency administering the SSI program

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.



Medicaid Administration

SSA provides AHCCCS with information on individuals who are eligible or ineligible for SSI cash via the File Transfer Protocol. The agreement between AHCCCS and SSA provides for the transfer of eligibility information.

Add

Entities that conduct fair hearings other than the Medicaid Agency (if are described under Designation and Authority)

Remove

Type of entity that conducts fair hearings:

- ☐ An Exchange that is a government agency established under sections 1311(b)(1) or 1321(c)(1) of the Affordable Care Act
- ☐ An Exchange appeals entity, including an entity established under section 1411(f) of the Affordable Care Act

Provide a description of the staff designated by the entity and the functions they perform in carrying out their responsibility.

Add

Supervision of state plan administration by local political subdivisions (if described under Designation and Authority)

Is the supervision of the administration done through a state-wide agency which uses local political subdivisions?

☐ Yes ☒ No

The types of the local subdivisions that administer the state plan under the supervision of the Medicaid agency are:

- ☐ Counties
- ☐ Parishes
- ☐ Other

Are all of the local subdivisions indicated above used to administer the state plan?

☐ Yes ☐ No

State Plan Administration

Assurances

A3

42 CFR 431.10
42 CFR 431.12
42 CFR 431.50

Assurances

- ☒ The state plan is in operation on a statewide basis, in accordance with all the requirements of 42 CFR 431.50.
- ☒ All requirements of 42 CFR 431.10 are met.
- ☒ There is a Medical Care Advisory Committee to the agency director on health and medical services established in accordance with meeting all the requirements of 42 CFR 431.12.
- ☒ The Medicaid agency does not delegate, to other than its own officials, the authority to supervise the plan or to develop or issue policies, rules, and regulations on program matters.



Medicaid Administration

Assurance for states that have delegated authority to determine eligibility:

- ☒ There is a written agreement between the Medicaid agency and the Exchange or any other state or local agency that has been delegated authority to determine eligibility for Medicaid eligibility in compliance with 42 CFR 431.10(d).

Assurances for states that have delegated authority to conduct fair hearings:

- ☐ There is a written agreement between the Medicaid agency and the Exchange or Exchange appeals entity that has been delegated authority to conduct Medicaid fair hearings in compliance with 42 CFR 431.10(d).
- ☐ When authority is delegated to the Exchange or an Exchange appeals entity, individuals who have requested a fair hearing are given the option to have their fair hearing conducted instead by the Medicaid agency.

Assurance for states that have delegated authority to determine eligibility and/or to conduct fair hearings:

- ☒ The Medicaid agency does not delegate authority to make eligibility determinations or to conduct fair hearings to entities other than government agencies which maintain personnel standards on a merit basis.

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

ATTACHMENT 1.1-A

State of ARIZONA

I certify that:

the ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

is the single State agency responsible for:

x administering the plan.

The legal authority under which the agency administers the plan on a Statewide basis is

ARIZONA REVISED STATUTE 36-2902 through 36-2903
(statutory citation)

— supervising the administration of the plan by local political subdivisions.

The legal authority under which the agency supervises the administration of the plan on a Statewide basis is contained in

(statutory citation)

The agency's legal authority to make rules and regulations that are binding ~~on the public~~ is

ARIZONA REVISED STATUTE 36-2902 through 36-2903
(statutory citation)

7-2-84
DATE

84-2 APP: 07-26-84
 EFF: 05-05-84

Signature

Attorney General

Arizona Health Care Cost Containment System

*Agency Administration
and Management*

Arizona Governor

DIRECTOR



Office of Inspector General

DEPUTY DIRECTOR

Business & Finance

Business Intelligence &
Analytics

Health Care Management
Rate Development

Information Services

Intergovernmental Relations

Member Services
(Member Policy)

Fee for Service Management

Health Care Management
Ops, Quality & Medical Mgmt

Health Care Innovations
Infrastructure Management

HIT Coordinator

Human Resources
& Development

Project Management /
Payment Modernization

CHIEF MEDICAL OFFICER

Administrative Legal Services
(Fair Hearings)

Clinical Services

Medical Policy & Coding

Arizona State Plan

Exhibit 1 to Pages A1-A2

Category	Determines Eligibility		Conducts Hearing	
	DES	AHCCCS	DES	AHCCCS
Caretaker Relative	X	X*	X	X*
Child	X	X*	X	X*
Pregnant Woman	X	X*	X	X*
Adult	X	X*	X	X*
TMA	X	X*	X	X*
4 Month Continuous Coverage	X	X*	X	X*
Title IV-E Foster Care	X		X	
Title IV-E Adoption Subsidy	X		X	
Children aged out of Foster Care	X		X	
State Adoption Subsidy	X		X	
Aged, Blind, Disabled	X**	X	X**	
Medicare Savings Programs	X**	X	X**	X
Freedom to Work	X**	X	X**	X
Disabled Adult Child		X		X
Pickle		X		X
Disabled Widow/Widower		X		X
Breast & Cervical Cancer		X		X
Arizona Long Term Care System		X		X
KidsCare (Title XXI)		X		X

*AHCCCS determines eligibility when the person is a member of a household for which AHCCCS determines eligibility (e.g., aged, blind, disabled, ALTCS, KidsCare, etc.). AHCCCS conducts the hearing when the action was taken by AHCCCS staff.

**DES determines eligibility when the person is a member of a household for which DES determines eligibility (e.g., caretaker relative, child, pregnant woman, etc.) or has also applied for SNAP or TANF. DES conducts the hearing when the action was taken by DES staff. AHCCCS staff will assist with the hearing as needed.