Table of Contents

State/Territory Name: Arizona

State Plan Amendment (SPA) #: 21-0026

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid and CHIP Operations Group

December 27, 2021

Jami Snyder, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Re: Arizona State Plan Amendment (SPA) 21-026

Dear Ms. Snyder:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-026. This amendment attests to the state's compliance with the third party liability requirements outlined in sections 1902(a)(25)(E) and 1902(a)(25)(F)(i) of the Social Security Act.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that Arizona Medicaid SPA 21-026 was approved on December 27, 2021, with an effective date of December 31, 2021.

If you have any questions, please contact Brian Zolynas at 415-744-3601 or via email at Brian.Zolynas@cms.hhs.gov

Sincerely,

[redacted]
Digitally signed by James G. Scott -S
Date: 2021.12.27 14:46:25 -06'00'

James G. Scott, Director
Division of Program Operations

cc: Dana Flannery, AHCCCS
Ruben Soliz, AHCCCS
Alex Demyan, AHCCCS

DEPARTMENT OF HEALTH ANDHUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 21 – 0026

2. STATE: AZ

3. PROGRAM IDENTIFICATION: TITLE 19 OF THE SOCIALSECURITY ACT

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
December 31, 2021

5. FEDERAL STATUTE/REGULATION CITATION
1902(a)(25)(E) and 1902(a)(25)(F)(i) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2021 2 $ 0
b. FFY: 20223 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.22-A, page 2
Attachment 4.22-A, page 5
Attachment 4.22-B, page 2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Attachment 4.22-A, page 2
Attachment 4.22-A, page 5
Attachment 4.22-B, page 2

9. SUBJECT OF AMENDMENT
Attests to the state's compliance with the Third Party Liability requirements outlined in 1902(a)(25)(E) and 1902(a)(25)(F)(i) of the Social Security Act

10. GOVERNOR'S REVIEW *(Check One)*

- [x] GOVERNOR'S OFFICE REPORTED NO COMMENT
- [ ] COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- [ ] OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[redacted]

12. TYPED NAME
Dana Flannery

13. TITLE
Assistant Director

14. DATE SUBMITTED: 12/20/2021

15. RETURN TO

Dana Flannery
801 E, Jefferson, MD#4200
Phoenix, AZ 85034

FOR CMS USE ONLY

16. DATE RECEIVED
December 20, 2021

17. DATE APPROVED
December 27, 2021

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
December 31, 2021

19. S[redacted]G OFFICIAL
Digitally signed by James G. Scott -S
Date: 2021.12.27 14:47:16 -06'00'

20. TYPED NAME OF APPROVING OFFICIAL
James G. Scott

21. TITLE OF APPROVING OFFICIAL
Director, Division of Program Operations

22. REMARKS
Pen-and-ink changes made to Box 6 with approval of the state on 12/21/2021.

FORM CMS-179 (09/24)

Instructions on Back

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: Arizona

Frequency of the diagnosis and trauma code edits per 42 CFR 433.138(e).

Diagnosis and trauma code edits are conducted monthly. AHCCCS contracts with a TPL Contractor to perform the required diagnosis and trauma code edits matches and recovery.

The TPL Contractor is provided, via the secure FTP server, a monthly extract of fee-for-service (FFS) paid claims that include the claim specific diagnosis codes. The TPL Contractor conducts diagnosis and trauma code edits for codes identified in AHCCCS's published Trauma Code Set, for all fee-for-service claims, and removes all beneficiaries with any previous trauma code if the date of service is within six months of the previously reported date of service. The Contractor then returns a file of matched members not previously identified in a trauma code data match. Each member identified in the data match is sent a questionnaire, and they are asked to respond within ten days.

4.22(b)(2)
Methods used for meeting the follow-up requirements contained in 42 CFR 433.138(g)(l)(i), SWICA, SSA Wage and Earnings Files, and IV-A Agency.

AHCCCS and the DES Division of Benefits and Medical Eligibility (DBME) workers identify potential TPL based on information obtained from the SWICA and SSA Wage and Earnings files. Eligibility workers also obtain other insurance information if it is reported by the applicant through the CMS-approved application. The DES Division of Child Support Enforcement verifies coverage through the absent parent's employer via the National Medical Support Part B Medical Support Notice to Plan Administrator. The TPL information is inputted into the Arizona Technical Eligibility Computer System (AZTECS), ACE, or HEAplus eligibility systems. AZTECS is the DES eligibility system for various public assistance programs; AHCCCS Customer Eligibility (ACE) is the eligibility system used by AHCCCS for ALTCS enrollment; Health-e-Arizona Plus (HEAplus) is the state's new eligibility system designed to comply with the Affordable Care Act. Medical eligibility is currently being transitioned to HEAplus. Eventually, the state plans to use HEAplus to determine eligibility for all of the state's public assistance programs. This information is transmitted daily to the AHCCCS Prepaid Medical Management Information System (PMMIS). Once entered into the PMMIS, the information is sent to the AHCCCS TPL Contractor for verification. The Contractor verifies the health insurance information through its data matching processes with insurance carriers throughout the country. Once verified, the information is communicated to the AHCCCS Managed Care Contractors via the enrollment roster which provides the insurance carrier information.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: Arizona

4.22(b)(4):Method used for following up on paid claims contained in 42 CFR 433.138(g)(4)(i)(ii)(iii), diagnosis and trauma code edits.

AHCCCS' contracts with a TPL Contractor to perform the required diagnosis and trauma code edits for AHCCCS. The TPL Contractor conducts diagnosis and trauma code edits for codes identified in AHCCCS's published Trauma Code Set, for all fee-for-service claims.

AHCCCS provides the TPL Contractor, via the AHCCCS secure FfP server, a monthly extract of the AHCCCS paid claims which include the claim specific diagnosis codes. The TPL Contractor matches an extract of those claims, that contain specific trauma codes, with the database of AHCCCS Members, and returns a file of matched members not previously identified in a trauma code data match. Each Member identified in the current data match is sent a questionnaire and are asked to respond within 10 days. If the questionnaire is returned indicating an incorrect address, a letter is sent to the eligibility office where the member was determined eligible requesting the address be verified with the office records and that any difference be referred to the TPL Contractor for correction of their information. The TPL Contractor will then mail a new questionnaire using the corrected address information.

The TPL Contractor will review the response to the questionnaire and determine if a casualty case should be opened. A casualty case is opened if the returned questionnaire includes TPL or attorney information. Arizona does not specify a dollar threshold or minimum period of accumulation of claims. If a case is opened a medical lien is filed against the member for possible third party recovery within 60 days of a notification of injury and the TPL Contractor actively pursues recovery from the liable source. All recoveries are reported in the year of the AHCCCS paid claim using appropriate reporting categories.

If after 30 days the completed questionnaire is not returned by the member, a letter is sent asking the member to contact the TPL Contractor. If a response to the letter is not received within 30 days, the TPL Contractor will attempt to contact the member by telephone, if a telephone number is available. If the member cannot be contacted by telephone, another letter is sent to the member stating that AHCCCS is requesting that the member contact the TPL Contractor.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: Arizona

4.22(d)(3):

Method used for determining billing accumulation as specified in 42 CFR 433.139(f)(3).

Specific member claims must generally total $250.00, or more, in order for a case to be considered for potential recovery. Claims expenses are accumulated beginning with the date of injury to, whichever occurs first, the last date of treatment or the case is settled.

4.22(d)(4)

The State attests that the Third Party Liability requirements outlined in 1902(a)(25)(E) and 1902(a)(25)(F)(i) of the Social Security Act are met. These requirements are:

1. For the State to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services;
2. For the State to make payments without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for 90 days; and
3. The State's flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries.