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State/Territory Name: Arizona

State Plan Amendment (SPA) #: 25-0010

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

November 19, 2025

Virginia Rountree
State Medicaid Director
Arizona Health Care Cost Containment System
801 E. Jefferson Street
Phoenix, AZ 85034

Re: Arizona State Plan Amendment (SPA) – 25-0010

Dear Director Rountree:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0010. This amendment proposes to confirm the state's compliance with Section 5121 of the 2023 Consolidated Appropriations Act (CAA) to establish Medicaid coverage for screening, diagnostic, and targeted case management services to eligible juveniles.

This SPA will sunset on December 31, 2026, and the state must complete the actions outlined in the Companion Letter by the sunset date.

We conducted our review of your submittal according to statutory requirements in Section 1902(a)(84)(D) of the Social Security Act (the Act). This letter informs you that Arizona's Medicaid SPA TN AZ-25-0010 is approved on November 19, 2025, with an effective date of January 1, 2025.

Enclosed are copies of Form CMS-179 and approved SPA pages to be incorporated into the Arizona State Plan.

Please note that accompanying this approval of AZ-25-0010, there is an enclosed companion letter regarding the need for Arizona to address identified actions that must be completed by December 31, 2026, to fully implement mandatory coverage in accordance with section 1902(a)(84)(D) of the Act. CMS is issuing the companion letter to document these actions and establish a timeframe for their completion.

If you have any questions, please contact Edwin Walaszek at (212) 616-2512 or via email at Edwin.Walaszek1@cms.hhs.gov.

Sincerely,

Wendy E. Hill Petras
Acting Director, Division of Program Operations

Enclosures

cc: Max Seifer, Federal Relations Chief, AHCCCS
Ryan Melson, Federal Relations Chief, AHCCCS
Kyle Sawyer, Assistant Director, AHCCCS

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Kansas City, Missouri 64106

Medicaid and CHIP Operations Group

November 19, 2025

Virginia Rountree
State Medicaid Director
Arizona Health Care Cost Containment System
801 E. Jefferson Street
Phoenix, AZ 85034

Re: Arizona State Plan Amendment (SPA) – 25-0010 Companion Letter

Dear Director Rountree:

The Centers for Medicare & Medicaid Services (CMS) is sending this companion letter to AZ-25-0010, approved on November 19, 2025. This SPA amends the Medicaid state plan to provide for mandatory coverage in accordance with section 1902(a)(84)(D) of the Social Security Act (the Act) for eligible juveniles that are incarcerated in a public institution post-adjudication of charges. As noted in the approval letter and state plan, this SPA is effective January 1, 2025, and will sunset on December 31, 2026. The state must complete the actions identified in this letter by the sunset date. Once these actions are completed, the state should submit a SPA to remove the sunset date from the state plan.

Effective January 1, 2025, section 1902(a)(84)(D) of the Act requires states to have an internal operational plan and, in accordance with such plan, provide for the following for eligible juveniles as defined in section 1902(nn) of the Act (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children under 42 C.F.R. § 435.150 who are at least age 18 but under age 26) who are within 30 days of their scheduled date of release from a public institution following adjudication:

- In the 30 days prior to release (or not later than one week, or as soon as practicable, after release from the public institution), and in coordination with the public institution, the state must provide any screenings and diagnostic services which meet reasonable standards of medical and dental practice, as determined by the state, or as otherwise indicated as medically necessary, in accordance with the Early and Periodic Screening, Diagnostic, and Treatment requirements, including a behavioral health screening or diagnostic service.

- In the 30 days prior to release and for at least 30 days following release, the state must provide targeted case management services, including referrals to appropriate care and services available in the geographic region of the home or residence of the eligible juvenile, where feasible, under the Medicaid state plan (or waiver of such plan).

We appreciate the state's efforts to implement this mandatory coverage and recognize the progress that has been made as well as the complexities associated with full implementation. However, during the review of AZ-25-0010 CMS identified actions that must be completed to fully implement mandatory coverage in accordance with section 1902(a)(84)(D) of the Act. CMS is issuing this companion letter to document these actions and establish a timeframe for their completion.

The state must complete the following actions by December 31, 2026, to fully implement section 1902(a)(84)(D) of the Act. Once these actions are completed the state should submit a SPA to remove the sunset date from the state plan.

1. **Establish Formal Data Sharing Agreements:** Finalize and operationalize data sharing agreements between the Arizona Health Care Cost Containment System (AHCCCS) and carceral facilities to support timely and automated notifications of booking and release. This will enable pre-release service coordination and support timely Medicaid reinstatement processes following release.

2. **Implement Technology Solutions for Notification and Enrollment:** Deploy and test technical infrastructure to support 30-day pre-release notifications and Medicaid application submissions. This includes system interoperability assessments and remediation plans for carceral facilities with limited infrastructure.

3. **Expand the Justice Community Partner – Assistor Organization Program:** Enroll carceral facilities not currently participating in the AHCCCS Community Partner - Assistor Organization Program to support Medicaid applications for youth not currently enrolled. Provide technical assistance and training to facilities without correctional assistors. Provide periodic training and as-needed technical assistance to all community assistors.

4. **Conduct Facility Readiness Assessments:** Assess infrastructure, staffing, and operational capacity of carceral facilities statewide to determine readiness for phased implementation. Facilities will be categorized as ready, ready with remediation, or not ready, informing the phased rollout strategy.

5. **Develop and Deploy Pre-Release Assessment Protocols:** Implement standardized pre-release assessments using AHCCCS-enrolled providers to evaluate medical, behavioral health, and social support needs. Ensure availability of Health Insurance Portability and Accountability Act (HIPAA) compliant in-person and telehealth modalities to address geographic disparities.

6. **Strengthen Provider Network Capacity:** Identify and onboard providers capable of delivering pre-release services, with emphasis on high-needs youth populations. Provide support to address provider capacity limitations and ensure equitable access to pre-release services across counties.

As always, CMS is available to provide technical assistance on any of these actions. If you have any questions, please contact Edwin Walaszek at (212) 616-2512 or via email at Edwin.Walaszek1@cms.hhs.gov.

Sincerely,

Wendy E. Hill Petras, Acting Director
Division of Program Operations

Enclosures

cc: Max Seifer, Federal Relations Chief, AHCCCS
Ryan Melson, Federal Relations Chief, AHCCCS
Kyle Sawyer, Assistant Director, AHCCCS

DEPARTMENT OF HEALTH AND HUMAN 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: 25-0010

2. STATE: AZ

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT: (●) XIX ( ) XXI

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

4. PROPOSED EFFECTIVE DATE
January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
~~42 CFR 441.18(a)(8)(i) and 441.18(a)(9)~~ 1902(a)(84)(D) of the Social Security Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY ~~2026~~ 2025 $ 0
b. FFY ~~2027~~ 2026 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3.1-M, pages 1-2

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

9. SUBJECT OF AMENDMENT
This SPA attests to meeting the Juvenile Justice Requirements of section 5121 of the CAA.

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

12. TYPED NAME
Kyle Sawyer

13. TITLE
Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED
September 17, 2025

15. RETURN TO
Kyle Sawyer
150 N. 18th Avenue
Phoenix, Arizona, 85007

FOR CMS USE ONLY

16. DATE RECEIVED
September 17, 2025

17. DATE APPROVED
November 19, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Wendy E. Hill Petras

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

22. REMARKS

10/8/25: State authorizes the following pen and ink change:

- Box 6a: Change to '2025'
- Box 6b: Change to '2026'

9/30/25: State authorizes the following pen and ink change:

- Box 5: Change to 1902(a)(84)(D) of the Social Security Act

Instructions on Back

Mandatory Coverage for Eligible Juveniles who are Inmates of a Public Institution Post Adjudication of Charges

State/Territory: Arizona

General assurances. State must indicate compliance with all four items below with a check.

☒ In accordance with section 1902(a)(84)(D) of the Social Security Act, the state has an internal operational plan and, in accordance with such plan, provides for the following for eligible juveniles as defined in 1902(nn) (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children age 18 up to age 26, immediately before becoming an inmate of a public institution or while an inmate of a public institution) who are within 30 days of their scheduled date of release from a public institution following adjudication:

> ☒ In the 30 days prior to release (or not later than one week, or as soon as practicable, after release from the public institution), and in coordination with the public institution, any screenings and diagnostic services which meet reasonable standards of medical and dental practice, as determined by the state, or as otherwise indicated as medically necessary, in accordance with the Early and Periodic Screening, Diagnostic, and Treatment requirements, including a behavioral health screening or diagnostic service.
>
> ☒ In the 30 days prior to release and for at least 30 days following release, targeted case management services, including referrals to appropriate care and services available in the geographic region of the home or residence of the eligible juvenile, where feasible, under the Medicaid state plan (or waiver of such plan).

☒ The state acknowledges that a correctional institution is considered a public institution and may include prisons, jails, detention facilities, or other penal settings (e.g., boot camps or wilderness camps).

Additional information provided (optional):

☐ No

☒ Yes [provide below]

The authority to provide for mandatory coverage for eligible juveniles who are inmates of a public institution post adjudication of charges will cease on December 31, 2026.

The state may determine that it is not feasible to provide the required services during the pre-release period in certain carceral facilities (e.g., identified local jails, youth correctional facilities, and state prisons) and/or certain circumstances (e.g. unexpected release or short-term stays). The state will maintain clear documentation in its internal operational plan regarding each facility and/or circumstances where the state determines that it is not feasible to provide for the required services during the pre-release period. This information is available to CMS upon request. Services will be provided post-release, including the mandatory 30-days of targeted case management, screening, and diagnostic services.

The state will maintain clear documentation in its internal operational plan indicating which carceral facility/facilities are furnishing required services during the pre-release period but not enrolling in or billing Medicaid. This information is available to CMS upon request.