

July 11, 2023

Sarah deLone, Director
Children and Adults Health Programs Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Ms. deLone:

Upon the end of the continuous enrollment condition on March 31, 2023, Arizona will have a large volume of eligibility and enrollment actions to complete. Arizona anticipates severe operational and systems challenges in the timely completion of these eligibility and enrollment actions in large part due to an unprecedented caseload of renewals that the state will need to process, coupled with significant staffing shortages that the state currently faces.

The March 3, 2022 Centers for Medicare & Medicaid Services (CMS) State Health Official (SHO) letter #22-001, “*Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency*,” describes strategies states may request to assist in addressing the challenges states may face as part of a transition to routine operations. CMS can authorize these strategies under Section 1902(e)(14)(A) of the Social Security Act (“1902(e)(14)(A) strategies”).

During this transition period, Arizona is requesting that CMS approve the 1902(e)(14)(A) strategies outlined below to protect beneficiaries from inappropriate terminations and reduce state administrative burden:

1. *Ex Parte Renewal for Individuals with Low Income at or below 100% of Federal Poverty Level (FPL) and No Data Returned (Beneficiaries with Low Income Renewal)*

Arizona requests to temporarily complete the income determination for *ex parte* renewals without requesting additional income information or documentation if: (1) the most recent income determination (either at initial application or most recent renewal) was no earlier than 12 months prior to the beginning of the PHE (i.e., March 2019) and was based on verified income at or below 100% of federal poverty (FPL) and (2) the state has checked financial data sources in accordance with its verification plan and no information is received. This authority is needed to address the extraordinarily high volume of renewals and other eligibility and enrollment actions that we will need to conduct during the unwinding period and will help offset the challenges presented by workforce shortages.

Arizona will continue to take appropriate steps to complete an *ex parte* determination of the non-financial components of eligibility consistent with the state's existing policies and procedures, outlined in the state's verification plan implementing 42 C.F.R. §§ 435.916 and 435.956.

Arizona requests that this authority be effective April 1, 2023 and remain effective for renewals initiated through the end of our 12-month unwinding period, as defined in SHO #22-001.

2. Partnering with Managed Care Plans to Assist Enrollees in Completing Medicaid Renewal Forms

Arizona requests to temporarily permit Medicaid managed care plans to assist their enrollees in completing the Medicaid renewal process, including completing certain parts of their renewal forms, in order to help reduce the number of procedural terminations during the state's unwinding period. Under current policy, consistent with section 1903(b)(4) of the Social Security Act, managed care plans cannot serve as an enrollment broker for the state and cannot assist enrollees in completing and signing Medicaid application and renewal forms. Given the extraordinarily high volume of enrollment and eligibility actions Arizona will need to take during the unwinding period, this authority is needed to address workforce shortages, and it would optimize the potential for positive outcomes of the member outreach Arizona managed care plans are conducting to ensure no gaps in coverage for Medicaid eligible members. AHCCCS is providing managed care plans renewal files of their assigned members a month in advance of the members' renewal dates for outreach as well as disenrollment information for outreach during the 90-day grace period when members are disenrolled for procedural reasons.

In implementing this option, Arizona assures that:

- Managed care plans may offer their assistance in completing renewal forms, but only provide such assistance if the enrollee chooses to accept the plan's assistance. Consistent with the Medicaid managed care marketing regulations at 42 CFR 438.104, managed care plans are prohibited from engaging in all forms of marketing and potential conflicts of interest, and must protect managed care enrollees' confidentiality related to providing assistance with renewals.
- When assisting enrollees with completing renewal forms, managed care plans will limit their assistance to completing fields with information provided by the enrollee relating to eligibility criteria which the enrollee must meet to retain coverage. Plans cannot assist enrollees with completing any fields associated with managed care plan selection and plans may not sign the renewal form on the enrollee's behalf. Any assistance provided to enrollees in completing their eligibility renewal forms is purely an administrative activity offered by the managed care plan; managed care plans are prohibited from acting as an enrollee's authorized representative as defined at 42 CFR 435.923.
- Managed care plans will not take actions that could influence the enrollee to select the managed care plan that is providing the assistance or not enroll in another managed care plan.
- Managed care plans will not perform activities that must be provided by an enrollment broker (as defined in 42 CFR 438.810(a)), including choice counseling (as defined in 42

CFR 438.2). As specified in 42 CFR 438.810(b)(1)-(2), enrollment brokers must be independent and free from conflict of interest from all managed care plans in the state.

Arizona requests that this authority be effective upon approval of the flexibility and remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in SHO #22-001.

3. Suspend the requirement to cooperate with the agency in establishing the identity of a child's parents and in obtaining medical support.

Arizona requests to suspend the requirement to cooperate with the agency in establishing the identity of a child's parents and in obtaining medical support. This authority will minimize churn for individuals who meet all eligibility requirements, except for meeting the requirement to cooperate with medical support enforcement or establish good cause for not doing so. It will reduce procedural denials or terminations for failure to respond to requests for additional information regarding medical support cooperation.

Arizona requests that this authority be effective upon approval of the flexibility and remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in SHO #22-001.

4. Suspend the Requirement to Apply for Other Benefits

Arizona requests authority to suspend the requirement to apply for other benefits. This authority will minimize churn for individuals who meet all eligibility requirements, except for meeting the requirement to apply for other benefits to which they are entitled. It will ultimately reduce procedural denials or terminations for failure to respond to requests for additional information regarding application for other benefits.

Arizona requests that this authority be effective upon approval of the flexibility and remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in SHO #22-001.

5. Determine eligibility for Young Adult Transitional Insurance (YATI) for former foster youth (FFY) that aged out of care in another state regardless of whether it was before or after 1/1/2023.

Arizona requests authority to determine eligibility for YATI for FFY that aged out of care in another state regardless of whether it was before or after 1/1/2023. This authority is expected to reduce the number of denials, minimize churn and improve access to care for all members of this vulnerable population. It will additionally reduce the costs of maintaining a system that would otherwise treat former foster youth differently based on when they aged out of foster care.

Arizona requests that this authority be effective 1/1/2023 and remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in SHO #22-001.

6. Using Health Information Exchange (HIE) Information to Contact the Beneficiary.

Contexture is the single state-designated health information exchange (HIE) for Arizona. Contexture is a locally operated non-for-profit 501(c)(3) organization that functions as a public-private partnership, in close collaboration with Arizona Department of Health Services, Arizona Health Care Cost Containment System, and other government agencies.

Arizona requests authority to use contact information, specifically email addresses and phone numbers, from the HIE electronic health records database maintained by Contexture, when there is no information on file with the state for the mode of contact, to conduct outreach to the beneficiary. Contact information from the HIE will be used to populate blank fields in Arizona's eligibility and enrollment system. This authority will ensure that the state is maximizing opportunities to contact the beneficiary. It will reduce procedural denials or terminations for failure to respond to requests for additional information regarding medical support cooperation.

Arizona requests that this authority be effective upon approval of the flexibility and remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in SHO #22-001.

Arizona looks forward to your review and approval of this request. If you have any questions or concerns, please contact Ruben Soliz, Federal Relations and Health Policy Advisor at ruben.soliz@azahcccs.gov.

Sincerely,



Carmen Heredia

Director

Arizona Health Care Cost Containment System (AHCCCS)