



Region IX

Division of Medicaid & Children's Health Operations
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6706

APR 15 2010

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

Dear Mr. Betlach:

This letter is being sent as a companion to our approval of Arizona State Plan Amendment (SPA) 09-004 that eliminates coverage of dentures for adults. Our review of SPA 09-004 included an analysis of behavioral health services included under rehabilitative services. These services are described on the same pages as the denture provisions. Based on that review, it was determined that item 13.d. of Attachment 3.1-A Limitations on page 9 is not in compliance with current regulations, statute, and CMS guidance.

Regulations at 42 CFR 430.10 require that the State plan be a comprehensive written statement describing the nature and scope of the State's Medicaid program and that it contain all information necessary for CMS to determine whether the plan can be approved to serve as the basis for Federal financial participation (FFP) in the State program.

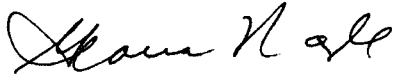
Accordingly, the State must comprehensively describe the coverage of behavioral health services provided under rehabilitative services on page 9 of the state plan in item 13.d. of Attachment 3.1-A Limitations. This section should provide information on the following:

- a) The behavioral health services provided and any corresponding service limitations;
and
- b) A description of the providers who deliver behavioral health services and the providers' qualifications.

Please respond to this letter within 90 days (July 14, 2010) with a corrective action plan describing how you will resolve the issues identified above. During the 90-day period, we are happy to provide any technical assistance that you need. State plans that are not in compliance with requirements at 42 CFR 430.10 are grounds for initiating a formal compliance process.

If you have any questions regarding this letter, please contact Cheryl Young by phone at (415) 744-3598 or by email at Cheryl.Young@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gloria Nagle".

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

cc: Michele Bowser, CMS Center for Medicaid and State Operations (two copies)
HeeYoung Ansell, CMS DMCHO