

August 30, 2023

Joyce Jordan  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard, Mail Stop: S2-01-16  
Baltimore, MD 21244-1850

RE: Arizona SPA # 23-0012, CHIP Premium Amounts and Strategic Objectives

Dear Ms. Jordan,

Enclosed is State Plan Amendment (SPA) # 23-0012, CHIP Premiums and Strategic Objectives. This SPA updates CHIP premium amounts to include children up to 225% of the federal poverty level (FPL). This SPA also updates the State Plan strategic objectives and performance goals. The state requests an effective date of November 1, 2023.

Tribal Consultation on this SPA occurred on August 29, 2023. The Tribal Consultation presentation is available on the following webpage:

[https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2023/08292023QuarterlyTC\\_Presentation.pdf](https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2023/08292023QuarterlyTC_Presentation.pdf).

Public Notice for this SPA was posted on the following webpages:

<https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/KidsCareIncomeEligibility23.pdf>

If there are any questions about the enclosed SPA, please contact Ruben Soliz at [ruben.soliz@azahcccs.gov](mailto:ruben.soliz@azahcccs.gov) or 602-417-4355.

Sincerely,



Alex Demyan  
Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <b>23 — 0012</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <b>XXI</b> OF THE SOCIAL SECURITY ACT	

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

4. PROPOSED EFFECTIVE DATE  
**11/1/2023**

5. FEDERAL STATUTE/REGULATION CITATION  
42 CFR 457.320

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY **24** \$ **14,287,100**  
b. FFY: **25** \$ **23,223,500**

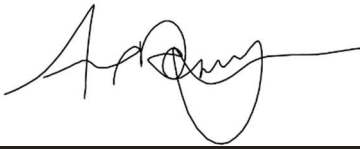
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
Section 1, page 3  
Section 4, page 1  
Section 8, page 2  
Section 9, page 1-2

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Section 1, page 3  
Section 4, page 1  
Section 8, page 2  
Section 9, page 1-2

9. SUBJECT OF AMENDMENT  
The purpose of this SPA is to update CHIP premium amounts to include children up to 225% FPL. In addition, it updates the CHIP strategic objectives and performance goals.

10. GOVERNOR'S REVIEW (Check One)

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

11. SIGNATURE OF STATE AGENCY OFFICIAL  


12. TYPED NAME  
Alex Demyan

13. TITLE  
Assistant Director

14. DATE SUBMITTED: August 30, 2023

15. RETURN TO  
Alex Demyan  
801 E. Jefferson St., MD #4200  
Phoenix, AZ 85034

**FOR CMS USE ONLY**

**PLAN APPROVED - ONE COPY ATTACHED**

16. DATE RECEIVED

17. DATE APPROVED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

**Original Implementation Date:** November 1, 1998

**Amendment Effective Date:** February 1, 2004 (premiums >150% FPL)  
July 1, 2004 (premiums 100%-150% FPL)  
May 1, 2009 (premiums >150% FPL) January 1, 2010 (enrollment cap)  
October 10, 2013 (remove wait list)  
July 26, 2016 (remove enrollment cap)  
August 6, 2016 (premium lock out period)  
October 1, 2017 (mental health parity)  
July 1, 2018 (Managed Care Regulations)  
July 1, 2019 (COVID-19 Disaster Response)  
March 11, 2021 (ARP Coverage of COVID-19 Vaccines, Testing and Treatment)  
[November 1, 2023 \(CHIP Income Eligibility and Strategic Objectives\)](#)

Discontinuation of coverage of children aging out of CHIP during the COVID public health emergency became effective on June 26, 2020.

In the event of a disaster, the State will notify CMS of its intent to provide temporary adjustments to; flexibilities around delays in processing applications and renewals, the ability to waive the three month waiting period for applicants, the ability to waive existing premiums, and the ability to waive the premium lock-out period. In addition, the state is requesting to temporarily provide continuous eligibility to its CHIP population.

#### **1.4-TC Tribal Consultation.**

Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred, and who was involved. The State of Arizona seeks advice on a regular, ongoing basis from all of the federally-recognized tribes, Indian Health Service (IHS) Area Offices, tribal health programs operated under P.L. 93- 638, and urban Indian health programs in Arizona regarding Medicaid and CHIP matters. These matters include but are not limited to State Plan Amendments, waiver proposals, waiver extensions, waiver amendments, waiver renewals, and proposals for demonstration projects. The AHCCCS Tribal Consultation Policy serves as a guidance document that includes the process by which reasonable notice and opportunity for consultation should occur and scenarios in which AHCCCS shall engage in the consultative process. The frequency of consultation is dependent on the frequency in which policy changes are proposed. When a proposed policy change requires consultation, the State will to its best ability provide notice of the tribal consultation meeting date as well as a description of the proposed policy change to be discussed. Ideally, a consultation meeting, which provides an opportunity for discussion and verbal comments to be made regarding a proposed change, will occur either in-person or by conference call 45 days prior to the submission of the policy change to CMS. The State will also provide an opportunity for written comments. Ideally, during the 45-day period, tribes and I/T/U will be provided at least 30 days to submit written comments regarding the policy change for consideration. Verbal comments presented at the meeting as well as written comments will be included in an attachment to accompany the submission of a State Plan Amendment, waiver proposal, waiver renewal, or proposal for a demonstration project.

Effective Date: ~~March 11, 2021~~ November 1, 2023 3 Approval Date: July 13, 2022

**Section 4. Eligibility Standards and Methodology. (Section 2102(b))**

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state’s Medicaid plan, and continue on to Section 5.

**4.1 The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable describe the criteria that will be used to apply the standard.** (Section 2102)(b)(1)(A)) (42 CFR 457.305(a) and 457.320(a))

4.1.1.	X	<b>Geographic area served by the Plan:</b> Statewide
4.1.2.	X	<b>Age:</b> KidsCare is available to children under 19 years of age. A child is considered to be under age 19 through the day before the child’s 19 <sup>th</sup> birthday. Coverage will continue through the month in which the child turns age 19.
4.1.3.	X	<b>Income:</b> The combined gross income of the family household members may not exceed <del>200</del> <b>225</b> % of the FPL. As required by CMS, certain payments and grants as specified in 20 CFR Part 416, the Appendix to Subpart K, are excluded when determining gross income. All wages paid by the Census Bureau for temporary employment related to census activities are excluded.  See Attachment G for a description of family household income and the methodology for evaluating family income.
4.1.4.		Resources (including any standards relating to spend downs and disposition of resources):  No resource text.
4.1.5	X	<b>Residency:</b> Arizona residency is required. An Arizona resident is a person who currently lives in Arizona and intends to remain in the state indefinitely. AHCCCS requires a signature on the application declaring that the child is an Arizona resident.
4.1.6		Disability Status (so long as any standard relating to disability status does not restrict eligibility):

Effective ~~May 1, 2009~~November 1, 2023, the premium amounts for children when parents are no enrolled are as follows:

PREMIUM AMOUNTS

Federal Poverty Levels (FPL)	1 <sup>st</sup> Child	More than 1 Child
100% to 150%	\$10.00	\$15.00
151% - 175%	\$40.00	\$60.00 Total
176% - <del>200</del> <u>225</u> %	\$50.00	\$70.00 Total

**8.2.2 Deductibles:** Not Applicable

**8.2.3. Coinsurance or copayments:** No copayments are charged.

**8.2.4. Other:** N/A

**8.3 Describe how the public will be notified, including the public schedule, of this cost-sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)((1))(B)) (42 CFR 457.5805(b))**

Information about cost sharing is included in the following:

- Member notices will be sent prior to implementation
- Education and application materials.
- Member handbooks provided by KidsCare contractors.
- Arizona Administrative Register and other rulemaking activities conducted by the AHCCCS Administration.
- Native American newsletters and meetings make it clear that the Native American and Alaskan Native populations are exempt from paying any cost sharing.
- Posted on the AHCCCS public website
- Presented to the State Medicaid Advisory Committee

**8.4 The state assures that it has made the following findings with respect to the cost sharing in its plan: (Section 2103(e))**

**8.4.1. X Cost-sharing does not favor children from higher income families over lower income families (Section 2103(e)(1)(B)) (42 CFR 457.530)**

**8.4.2. X No cost sharing applies to well-baby and well-child care, including age-appropriate immunizations (Section 2103(e)(2)) (42 CFR 457.520)**

Effective Date: 05-01-09

Approval Date: 04/13/09

Implementation date: ~~June 1, 2009~~ November 1, 2023

## Section 9. Strategic Objectives and Performance Goals and Plan Administration (Section 2107)

### 9.1. Describe strategic objectives for increasing the extent of creditable health coverage among targeted low-income children and other low-income children: (Section 2107(a)(2)) (42CFR 457.710(b))

Arizona has established the following strategic objectives for the KidsCare Program:

- ~~Decrease the percentage of children in Arizona who are uninsured or who do not have a regular source of health care.~~
- ~~Improve the health status of children enrolled in KidsCare in Arizona through a focus on early preventive and primary care.~~
- ~~Ensure that KidsCare eligible children in Arizona have access to a regular source of care and ensure utilization of health care by enrolled children.~~
- ~~Avoid "crowd out" of employer coverage.~~
- ~~Coordinate with other health care programs providing services to children to ensure a seamless system of coverage.~~

1. ~~Reduce the number of uninsured children.~~
2. ~~Maintain or increase annual dental visits.~~
3. ~~Maintain or increase child and adolescent well-care visits~~
4. ~~Maintain or increase metabolic monitoring for children and adolescents on antipsychotics~~

### 9.2. Specify one or more performance goals for each strategic objective identified: (Section 2107(a)(3)) (42CFR 457.710(c))

- ~~Decrease the percentage of children in Arizona who are uninsured. (In the first year of the KidsCare Program, decrease the percentage of children with income under 150% of FPL who are uninsured and, in subsequent years, decrease the number of children with income under 200% of FPL who are uninsured.)~~
- ~~Screen 100 percent of applications to determine if the child was covered by employer sponsored insurance within the last three months. If however, a child has exceeded the lifetime limit to his or her employer sponsored insurance policy, the child will not be required to go bare for three months.~~
- ~~Improve the number of KidsCare eligible children who receive preventive and primary care by meeting goals according to Health People 2010:~~

1. ~~90 percent of children under two will receive age appropriate immunizations;~~
2. ~~90 percent of children under 15 months will receive the recommended number of well child visits;~~
3. ~~90 percent of three, four, five, and six year olds will have at least one well child visit during the year;~~
4. ~~90 percent of children will have at least one dental visit during the year; and~~

- ~~Ensure that KidsCare enrolled children receive access to a regular source of care:~~

1. ~~100 percent of enrolled children will be assigned a PCP; and~~
2. ~~90 percent of KidsCare children will see a PCP at least once during the first 12 months of enrollment.~~

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1. Objective 1: Reduce the number of uninsured children

Goal: Reduce the percentage of children losing Medicaid or CHIP eligibility at renewal for procedural reasons.

2. Objective 2: Maintain or increase annual dental visits

Goal: The percent of members having Annual Dental Visits will meet or exceed the associated National Committee for Quality Assurance (NCQA) Medicaid Mean for the associated reporting period.

3. Objective 3: Maintain or increase child and adolescent well-care visits

Goal: The percent of members having a Child and Adolescent Well Visit will meet or exceed the associated NCQA Medicaid Mean for the associated reporting period.

4. Objective 4: Maintain or increase metabolic monitoring for children and adolescents on antipsychotics

Goal: The percent of members on antipsychotics having metabolic monitoring will meet or exceed the associated NCQA Medicaid Mean for the associated reporting period.

Effective Date: ~~02-01-04~~ 11/1/2023

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Approval Date: