

June 26, 2024

Brian Zolynas  
Division of Medicaid and Children's Health Operations  
U.S. Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

RE: Arizona SPA # 24-0005, ARP Supplemental Payment

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) #AZ-24-0005, ARP Supplemental Payment. This SPA updates the State Plan to allow the state to issue an American Rescue Plan (ARP) supplemental payment to select providers, effective May 1, 2024.

Tribal Consultation on this SPA occurred on February 21 and May 7, 2024. The Tribal Consultation presentation is available on the following webpage:

<https://www.azahcccs.gov/AmericanIndians/TribalConsultation/>

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

[https://www.azahcccs.gov/shared/Downloads/PublicNotices/PublicNotice\\_ARP2024FinalPayment.pdf](https://www.azahcccs.gov/shared/Downloads/PublicNotices/PublicNotice_ARP2024FinalPayment.pdf)

If there are any questions about the enclosed SPA, please contact Maxwell Seifer at [Maxwell.Seifer@azahcccs.gov](mailto:Maxwell.Seifer@azahcccs.gov) or 602-417-4722.

Sincerely,



Kyle Sawyer  
Assistant Director, Public Policy and Strategic Planning  
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>24 — 0005</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <b>19</b> OF THE SOCIAL SECURITY ACT	

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

4. PROPOSED EFFECTIVE DATE  
**May 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**Title XIX of the Social Security Act**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY: **2024** \$ **33,340,000**  
b. FFY: **2025** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
**Supplement 3 to Attachment 4.19-B, page 1**


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
**N/A, NEW PAGE**

9. SUBJECT OF AMENDMENT  
This SPA updates the State Plan to allow the state to issue an American Rescue Plan (ARP) supplemental payment to select providers.

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: June 26, 2024

15. RETURN TO  
Kyle Sawyer  
801 E. Jefferson St., MD #4200  
Phoenix, AZ 85034

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

STATE OF ARIZONA  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE

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**Supplemental Payment for Providers Who Provide Qualifying American Rescue Plan (ARP) Services**

The Administration shall make a lump sum payment to registered network providers who provide qualifying American Rescue Plan (ARP) services with Arizona Fee for Service (FFS) Medicaid utilization for service periods during the PHE, and will use October 1, 2022 - March 31, 2023 as proxy utilization data for the lump sum payment. **This payment is intended to supplement services provided from May 1, 2024 - December 31, 2024.** Registered network providers that qualify for these increases are outlined in the following link:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>

The purpose of the lump sum payment is to compensate providers for the costs of covered services furnished to Arizona Medicaid beneficiaries to improve the member's experience of care. Each registered network provider's lump sum payment shall be determined as follows:

1. Determine each provider's actual paid amounts for Medicaid state plan FFS utilization of qualifying services from October 1, 2022, to March 31, 2023.
2. Multiply the actual Medicaid utilization determined in item 1 by two.
3. The uniform percentage increase for providers will be 15.27%.
4. The Administration will multiply the appropriate uniform percentage increase listed in item three by the total utilization determined in item two to calculate the lump sum payment for each provider.

AHCCCS will not make any payments to providers that have a total lump sum payment of less than \$1,000.