

6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:

The rules outlined in Title 9, Chapter 29. Arizona Health Care Cost Containment System (AHCCCS) Medicare Cost Sharing Program outlines how AHCCCS helps low-income Medicare beneficiaries by covering certain costs like premiums, deductibles, and coinsurance. These rules define eligibility criteria, explain the application and enrollment process, and detail how AHCCCS coordinates with Medicare to reduce out-of-pocket expenses. They also establish administrative guidelines to ensure effective oversight of the program. The rules' primary objective is to enhance Medicare affordability for individuals requiring financial assistance. Updates to these regulations stem from a Five-Year Review Report, which received approval from the Governor's Regulatory Review Council on February 7, 2023.

Complete proposed revisions include:

R9-29-101 – replacing “Administration” or “AHCCCS” with “Administration or its designee” for accuracy and consistency.

R9-29-101(B) – removing references to § A.R.S. 36-2971 and adding three new definitions for clarity:

“Administration” means the Arizona Health Care Cost Containment System administration.

“Contractor” means a person or entity that has a prepaid capitated contract with the administration pursuant to section 36-2904 to provide health care to members under this article either directly or through subcontracts with providers.

“Director” means the director of Arizona Health Care Cost Containment System administration.

These definitions are consistent with those found in A.R.S. § 36-2971, however some of the other definitions found there do not have the same meaning in Ch. 29 so the Administration would prefer to add the three definitions above instead of referring to another place they are located.

R9-29-201 – replacing “Administration” or “AHCCCS” with “Administration or its designee” for accuracy and consistency.

R9-29-202 – replacing “Administration” or “AHCCCS” with “Administration or its designee” for accuracy and consistency.

R9-29-202(C) – replacing cross reference to R9-22-1406 with R9-22-302(2) since the relevant information in the rule was moved.

R9-29-202(D) – replacing cross reference to R9-22-1406 with R9-22-302 since the relevant information in the rule was moved.

R9-29-202(F) – replacing cross reference to R9-22-1406 with R9-22-302 since the relevant information in the rule was moved.

R9-29-204 – replacing “Administration” or “AHCCCS” with “Administration or its designee” for accuracy and consistency.

R9-29-206 – replacing cross reference to R9-22-1402 with R9-22-310 since the relevant information in the rule was moved.

R9-29-209 – replacing cross reference to Article 5 with Chapter 34 since the relevant information in the rule was moved.

R9-29-211(B) – replacing cross reference to R9-22-1415 with R9-22-312.

R9-29-213(2) – replacing cross reference to R9-22-1402 with R9-22-310 since the relevant information in the rule was moved.

These proposed changes are meant for clarifying purposes and do not impose any additional burdens or costs to regulated persons.

Substantive and procedural rights of members are not affected, nor are any of the programs of the Administration.

7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Administration did not review or rely on any study for this rulemaking.

8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

9. The preliminary summary of the economic, small business, and consumer impact:

The proposed modifications to the rule language are expected to have a minimal impact on small businesses, consumers, members, and providers, as they are budget neutral. Changes to these rules are merely clarifying and there are no additional financial effects on the economy, small businesses, or consumers beyond the existing operational costs of the Administration.

10. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

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Title: Sr. Rules Analyst
Division: AHCCCS Office of the General Counsel
Address: 801 E. Jefferson Street, MD 6200, Phoenix, AZ 85034
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11. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Written comments about this proposed rulemaking will be accepted in person at the address provided under Item #5, Monday through Friday from 8 a.m. to 5 p.m. except for state holidays. Comments will also be accepted via email at the email address provided under Item #5. Mailed written comments shall be postmarked within 30 days of this published notice.

An oral proceeding is scheduled on this proposed rulemaking.

Date: April 28, 2025

Time: 2:00 p.m.

Location: (meet.google.com/dzr-geek-iwt)

Nature: Public Hearing

Public comment period ends: April 28, 2025 at 5:00 p.m.

Close of record: April 28, 2025 at 5:00 p.m.

12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

There are not other matters prescribed by statute applicable specifically to the Administration or this specific rulemaking.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rule does not require the issuance of a regulatory permit. Therefore, a general permit is not applicable.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal

law and if so, citation to the statutory authority to exceed the requirements of federal law:

The rules are not more stringent than the federal law.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

Not applicable.

13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable.

14. The full text of the rules follows:

TITLE 9. HEALTH SERVICES
CHAPTER 29. ARIZONA COST CONTAINMENT SYSTEM
MEDICARE COST SHARING PROGRAM

ARTICLE 1. DEFINITIONS

Section

R9-29-101. Location of Definitions

ARTICLE 2. ELIGIBILITY

Section

R9-29-201. General
R9-29-202. Application Process
R9-29-204. Eligibility Requirements
R9-29-206. Institutionalized Person
R9-29-209. Notice of Eligibility Determination
R9-29-211. Discontinuance
R9-29-213. Reporting Changes

ARTICLE 1. DEFINITIONS

R9-29-101. Location of Definitions

A. Location of definitions. Definitions applicable to this Chapter are found in the following:

<u>Definition</u>	<u>Section or Citation</u>
“Federal poverty level” or “FPL”	A.R.S. § 36-2981
“Medicare Cost Sharing”	R9-29-101
“Non-QMB Dual”	R9-29-101
“QI-1”	R9-29-101
“QMB Dual”	R9-29-101
“QMB Only”	R9-29-101
“SLMB”	R9-29-101

B. General definitions. ~~In addition to definitions contained in A.R.S. § 36-2971, the~~ The words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

“Administration” means the Arizona Health Care Cost Containment System administration.

“Contractor” means a person or entity that has a prepaid capitated contract with the administration pursuant to section 36-2904 to provide health care to members under this article either directly or through subcontracts with providers.

“Director” means the director of Arizona Health Care Cost Containment System administration.

“Medicare Cost Sharing” (MCS). The MCS Program is administered by the Administration and provides help to Medicare beneficiaries with costs related to Medicare services. MCS is also referred to as the “Medicare Savings Programs.”

“Non-QMB Dual” means a person who qualifies to receive both Medicare and Medicaid services, but does not qualify for the QMB program.

“QI-1” means a person who qualifies as a Medicare beneficiary and for cost sharing assistance with the person’s Part B premium known as Qualified Individual-1 (QI-1). This person does not qualify for QMB due to the person’s income exceeding the QMB and SLMB FPL level.

“QMB Dual” means a person determined eligible under Article 2 of this Chapter for Qualified Medicare Beneficiary (QMB) and eligible for Acute Care services provided for in 9 A.A.C. 22 or ALTCS services provided for in 9 A.A.C. 28. A QMB Dual person receives both Medicare and Medicaid services and cost sharing assistance. ~~For the purpose of Article 2 of this Chapter, QMB includes members defined in A.R.S. § 36-2971(5).~~

“QMB Only” means a person who qualifies to receive Medicare services only and cost-sharing assistance known as Qualified Medicare Beneficiary program (QMB). ~~For the purpose of Article 2 of this Chapter, QMB includes members defined in A.R.S. § 36-2971(5).~~

“SLMB” means a person who qualifies as a Medicare beneficiary and for cost sharing assistance with the person’s Part B premium known as Specified Low Income Medicare Beneficiary (SLMB). This person does not qualify for QMB due to the person’s income exceeding the QMB FPL level.

ARTICLE 2. ELIGIBILITY

R9-29-201. General

A. Eligibility determination. AHCCCS shall determine eligibility for a QMB, SLMB, or QI-1 under this Article.

- B. Confidentiality. The Administration or its designee shall maintain the confidentiality of an applicant or member's records and limit the release of safeguarded information under A.A.C. R9-22-512.
- C. The Administration or its designee will accept applications for the QI-1 program subject to the availability of funds. If the Director determines that monies may be insufficient for the program, the Administration or its designee shall stop processing applications for the program. If the Administration or its designee stops processing an application because the monies are insufficient, the Administration or its designee shall place an applicant on a waiting list and notify the applicant. After the Administration or its designee has verified that funding is sufficient, it will resume processing applications.

R9-29-202. Application Process

- A. The Administration or its designee shall provide the opportunity to apply without delay.
- B. To apply for the MCS Program, a person shall submit an application form prescribed by AHCCCS Administration or its designee unless the person's application has been referred by the Social Security Administration as part of the Extra Help program described under A.A.C. R930-101.
- C. An application shall be submitted by a person listed in A.A.C. ~~R9-22-1406(B)~~ R9-22-302(2) unless the person's application has been referred by the Social Security Administration as part of the Extra Help program described under A.A.C. R9-30-101.
- D. The date of application is the date a signed application is received as described under A.A.C. ~~R9-22-1406~~ R9-22-302 or the date of an application referred by the Social Security Administration as part of the Extra Help program described under A.A.C. R930-101.
- E. Applicant's representative. AHCCCS shall allow a person of an applicant's choice to accompany, assist, and represent the applicant in the application process or assistance can be provided by AHCCCS. If requested, AHCCCS shall help a person complete an application.
- F. AHCCCS shall determine whether an application is complete under A.A.C. ~~R9-22-1406~~ R9-22-302.

R9-29-204. Eligibility Requirements

To be eligible for MCS a person shall:

1. Provide information necessary to establish paternity and enforce medical support obligations, when requested by AHCCCS for the QMB program,
2. Furnish a SSN or apply for a SSN,
3. Be a United States citizen or a qualified alien under A.R.S. § 36-2903.03,
4. Be a resident of Arizona,
5. Apply for potential benefits that may be available to the person, if requested by AHCCCS,
6. Provide verification, or authorize the release of verification, for all information necessary to complete the determination of eligibility, and
7. Receive Medicare Part A benefits or be determined conditionally entitled to Medicare Part A benefits by the Social Security Administration.

R9-29-206. Institutionalized Person

The provisions in A.A.C. ~~R9-22-1402~~ R9-22-310 apply to this Article for an institutionalized person.

R9-29-209. Notice of Eligibility Determination

- A. Notice. AHCCCS shall send an applicant written notice of the eligibility decision. The notice shall include a statement of the action and an explanation of the person's hearing rights specified in ~~Article 5~~ Chapter 34.

- B. Approval. If AHCCCS determines that the applicant is eligible, the notice shall contain the effective date of eligibility.
- C. Denial. If AHCCCS determines that the applicant is not eligible, the notice shall contain:
 - 1. The effective date of the decision;
 - 2. A statement detailing the reason for the decision, including specific financial calculations and the financial eligibility standard if applicable; and
 - 3. The legal authority supporting the decision.

R9-29-211. Discontinuance

- A. Discontinuance. AHCCCS shall discontinue a person's eligibility if any of the conditions of eligibility under this Article are not met.
- B. Notice. AHCCCS shall follow the discontinuance notice requirements under A.A.C. ~~R9-22-1415~~, except where it states "Department" replace the term with "Administration." R9-22-312.

R9-29-213. Reporting Changes

A person eligible under this Article shall report to an ALTCS or Social Security Insurance Medical Assistance Only (SSI-MAO) office the following changes for the person, the person's spouse, or the person's dependent children:

- 1. A change of address;
- 2. An admission to, or discharge from, a public institution, as specified in A.A.C. ~~R9-22-1402~~ R9-22-310;
- 3. A change in household composition;
- 4. A change in income;
- 5. A determination of eligibility for other benefits;
- 6. A death;
- 7. A change in marital status;
- 8. A change in Arizona state residency;
- 9. A change in citizenship or alien status;
- 10. Receipt of a SSN;
- 11. A change in Medicare receipt or eligibility; and
- 12. For QMB recipients, a change in first- or third-party liability that may be responsible for payment of all or a portion of the person's medical costs.