

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-01-16  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**  
**Children and Adults Health Program Group**

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**JUL 30 2012**

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

Dear Mr. Betlach:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has reviewed and approved the revised Disproportionate Share Hospital Payment Methodology (Exhibit 3 in Attachment D) to Arizona's section 1115 Demonstration entitled, Arizona Health Care Cost Containment System (AHCCCS) project number 11-W-00275/09 and 21-W-00064/9.

Written acceptance of the new STCs is needed for our administrative records within 30 days of the date of this letter. Please send the acceptance letter to your project officer, Ms. Jessica Schubel. Ms. Schubel's contact information is as follows:

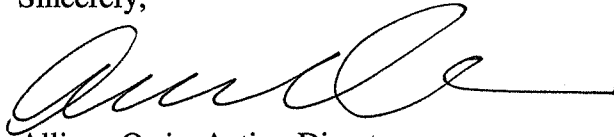
Centers for Medicare & Medicaid Services  
Center of Medicaid and CHIP Services  
7500 Security Boulevard  
Mail Stop: S2-01-16  
Baltimore, MD 21244-1850  
Telephone: (410) 786-3032  
Email: [Jessica.schubel@cms.hhs.gov](mailto:Jessica.schubel@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Schubel and to Ms. Gloria Nagle, Associate Regional Administrator for the Division of Medicaid and Children's Health in our San Francisco Regional Office. Ms. Nagle's contact information is as follows:

Ms. Gloria Nagle  
Associate Regional Administrator  
Division of Medicaid and Children Health Operations  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103 -6706

We look forward to continuing to work with your staff on the administration of this Demonstration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allison Orris', written in a cursive style.

Allison Orris, Acting Director  
Division of State Demonstrations and Waivers

Enclosures

Cc: Victoria Wachino, CMCS  
Jessica Schubel, CMCS  
Gloria Nagel, ARA, San Francisco Regional Office