

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-25-26  
Baltimore, Maryland 21244-1850



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## State Demonstrations Group

September 27, 2022

Jami Snyder  
Director  
Arizona Health Care Cost Containment System  
801 East Jefferson Street  
Phoenix, Arizona 85034

Dear Ms. Snyder:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "Arizona Health Care Cost Containment System (AHCCCS)" (Project Number 11-W-00275/9), in order to allow the state and CMS to continue negotiations over the state's extension application. This demonstration will now expire October 28, 2022.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs and expenditure authorities will continue to apply during the temporary extension period of this demonstration. The state's current budget neutrality agreement and per member per month amounts will continue to apply as described in the STCs, until October 28, 2022 or until the demonstration is extended, whichever is sooner.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration's evaluation. As indicated in the temporary extension approved on September 30, 2021, the state may include this temporary extension period within its summative evaluation for the demonstration approval period from October 1, 2016 through September 30, 2021. In this case, the Summative Evaluation Report is due 18 months after the end of the temporary extension period. Alternatively, if CMS approves an extension beyond October 14, 2022, the state may include this and the prior temporary extension periods in the Evaluation Design and activities of the next full demonstration approval period. In this case, the Summative Evaluation Report for the current demonstration approval period from October 1, 2016 through September 30, 2021 will still be due to CMS no later than March 31, 2023 and will be developed in alignment with the Evaluation Design approved on November 19, 2020. In the event that the state does not obtain an extension beyond October 28, 2022, the state must include the temporary extension period in its Summative Evaluation Report.

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Your CMS project officer for this demonstration is Ms. Kelsey Smyth. She is available to answer any questions concerning your section 1115 demonstration. Ms. Smyth can be reached at [kelsey.smyth@cms.hhs.gov](mailto:kelsey.smyth@cms.hhs.gov).

Sincerely,

Judith Cash  
Director

Enclosure

cc: Brian Zolynas, State Monitoring Lead, Medicaid and CHIP Operations Group