

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



State Demonstrations Group

October 11, 2023

Carmen Heredia
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, Arizona 85034

Dear Director Heredia:

Arizona submitted a draft Approved Designated State Health Programs (DSHP) List on January 12, 2023, in accordance with the special terms and conditions (STC), specifically, STC 54(e). The Centers for Medicare & Medicaid Services (CMS) is approving the programs submitted, as an attachment to the STCs for Arizona's section 1115 demonstration project entitled, "Arizona Health Care Cost Containment System (AHCCCS)" (Project No. 11-W-00275/9), effective through September 30, 2027. A copy of the approved attachment is enclosed and will be incorporated into the STCs as Attachment P.

This approval is conditioned upon compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project. In addition, as stipulated in the STCs, the state must continue conducting monitoring and evaluation of all DSHP-funded initiatives.

We look forward to our continued partnership on the AHCCCS section 1115 demonstration. If you have any questions, please contact your CMS project officer, Kelsey Smyth. Kelsey can be reached by email at kelsey.smyth@cms.hhs.gov.

Sincerely,

10/11/2023

X Andrea J. Casart

Signed by: Andrea J. Casart -S

Andrea J. Casart
Director
Division of Eligibility and Coverage
Demonstrations

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

Attachment P
Approved DSHP List

| Program | Description | DSHP-Eligible Expenditures |
|--|---|-----------------------------------|
| Services to Individuals with Serious Mental Illness (SMI)- Maricopa County | Two counties in Arizona provide funds to AHCCCS via Intergovernmental Agreements (IGAs) to provide services to non-Medicaid individuals with SMI designations. AHCCCS contracts with managed care organizations who contract with providers for case management, peer support and planning, community-based supports, medication management services, and other medical services | \$58,093,100 |
| Services to Individuals with SMI- Pima County | Two counties in Arizona provide funds to AHCCCS via Intergovernmental Agreements (IGAs) to provide services to non-Medicaid individuals with SMI designations. AHCCCS contracts with managed care organizations who contract with providers for case management, peer support and planning, community-based supports, medication management services, and other medical services | \$2,326,900 |
| Trauma Services | Trauma and Emergency Services program operated by AHCCCS reimburses Arizona hospitals for Level 1 trauma center readiness costs and emergency services costs. Payments are made to Level 1 trauma centers based on the acuity-adjusted volume of trauma care provided and the professional, clinical, and administrative costs directly associated with the provision of that care. Target populations are individuals served by hospital trauma centers, including both uninsured and Medicaid covered individuals. AHCCCS is excluding emergency department payments and only includes trauma payments as the amount eligible for DSHP. | \$26,908,000 |
| Developmentally Disabled Services | The Arizona Department of Economic Security, Division of Developmental Disabilities (DES/DDD) provides state-only early intervention and HCBS to individuals who are not eligible for Medicaid. DDD directly contracts with independent providers for early intervention services, day treatment, habilitation, residential group homes, occupational therapy, physical therapy, and speech therapy. The programs are the state-only components of DDD, which include the Arizona Early Intervention Program (AzeIP), state-only HCBS services, and state-only case management. | \$27,321,400 |
| Total DSHP-Eligible Expenditures | | \$114,649,400 |