

June 7, 2018

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 #18-006, Asset Verification

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) #18-006, Asset Verification, which revises the State Plan to provide updated information regarding AHCCCS plans to join the NESCO consortium of states to acquire an asset verification system.

If you have any questions about the enclosed SPA, please contact Kyle Sawyer at (602) 417-4211.

Sincerely,

Elizabeth Lorenz Assistant Director Arizona Health Care Cost Containment System (AHCCCS)

cc: Blake Holt, CMS Mark Wong, CMS

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE AND MEDICAID SERVICES		FORM APPROVED OMB NO. 0938-0193		
TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER:	2. STATE		
STATE PLAN MATERIAL	18-006	Arizona		
STATE I LAN WATERIAL				
FOR: Centers for Medicare and Medicaid Services	3. PROGRAM IDENTIFICATION: TIT SOCIAL SECURITY ACT (MEDICA			
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE			
CENTERS FOR MEDICARE AND MEDICAID SERVICES	May 1, 2018			
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
5. TYPE OF PLAN MATERIAL (Check One):				
□ NEW STATE PLAN □ AMENDMENT TO BE G	CONSIDERED AS NEW PLAN	AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AME	NDMENT (Separate Transmittal for each	amendment)		
6. FEDERAL STATUTE/REGULATION CITATION:	7. FEDERAL BUDGET IMPACT:			
42 CFR Part 447	FFY 18: \$0 FFY 19: \$528,300			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERS	EDED PLAN SECTION		
	OR ATTACHMENT (If Applicable):			
Att. 2.6A Pages 1-3	Same			
10. SUBJECT OF AMENDMENT:				
Updates the State Plan to describe AHCCCS acquisition of an Asset Verification system through the NESCO consortium				
11. GOVERNOR'S REVIEW (Check One):				
GOVERNOR'S OFFICE REPORTED NO COMMENT	OTHER, AS SPEC	IFIED:		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED				
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:			
/				
1220-	Elizabeth Lorenz			
	801 E. Jefferson, MD#4200 Phoenix, Arizona 85034			
	r noema, Arizona 83034			
V				
13. TYPED NAME:				
Elizabeth Lorenz				
14. TITLE:				
Assistant Director				
15. DATE SUBMITTED:				
6/7/18 EOD DECIONAL OF	EICE USE ONI V			
FOR REGIONAL OFFICE USE ONLY   17. DATE RECEIVED: 18. DATE APPROVED:				
PLAN APPROVED – ONE COPY ATTACHED				
19. EFFECTIVE DATE OF APPROVED MATERIAL:	20. SIGNATURE OF REGIONAL OFF	FICIAL:		
21. TYPED NAME:	22. TITLE:			
23. REMARKS:				

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Arizona

### ASSET VERIFICATION SYSTEM

1940(a)1.The agency will provide for the verification of assets for purposes of<br/>determining or redetermining Medicaid eligibility for aged, blind and<br/>disabled Medicaid applicants and recipients using an Asset Verification<br/>System (AVS) that meets the following minimum requirements.

- A. The request and response system must be electronic:
  - (1) Verification inquiries must be sent electronically via the internet or similar means from the agency to the financial institution (FI).
  - (2) The system cannot be based on mailing paper-based requests.
  - (3) The system must have the capability to accept responses electronically.
- B. The system must be secure, based on a recognized industry standard of security (e.g., as defined by the U.S. Commerce Department's National Institute of Standards and Technology, or NIST).
- C. The system must establish and maintain a database of FIs that participate in the agency's AVS.
- D. Verification requests also must be sent to FIs other than those identified by applicants and recipients, based on some logic such as geographic proximity to the applicant's home address, or other reasonable factors whenever the agency determines that such requests are needed to determine or redetermine the individual's eligibility.
- E. The verification requests must include a request for information on both open and closed accounts, going back up to 5 years as determined by the State.

TN No.	12-004	Approval Date	Effective Date	September 30, 2012
Supersede	es TN No.			-

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Arizona

# ASSET VERIFICATION SYSTEM

2.	System De	Development		
	A.	The agency itself will develop an AVS.		
		In 3 below, provide any additional information the agency wants to include.		
	B.	The agency will hire a contractor to develop an AVS.		
		In 3 below provide any additional information the agency wants to include.		
	<u>X</u> C.	The agency will be joining a consortium to develop an AVS.		
		In 3 below, identify the States participating in the consortium. Also, provide any other information the agency wants to include pertaining to how the consortium will implement the AVS requirements.		
	D.	The agency already has a system in place that meets the requirements for an acceptable AVS.		
		In 3 below, describe how the existing system meets the requirements in Section 1.		
	<u> </u>	Other alternative not included in A. – D. above.		
		In 3 below, describe this alternative approach and how it will meet the requirements in Section 1.		

TN No. <u>18-00612-004</u> Approval Date \_\_\_\_\_ Effective Date <u>September</u> <u>30, 2012</u>May 1, 2018 Supersedes TN No.\_\_\_\_\_. 12-004

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Arizona

# ASSET VERIFICATION SYSTEM

3. Provide the AVS implementation information requested for the implementation approach checked in Section 2, and any other information the agency may want to include.

Pursuant to Section 1940 of the Social Security Act, the Arizona Health Care Cost Containment System (AHCCCS) Administration is working towardsimplementing an asset verification system (AVS) that is consistent with the Social Security Administration's AVS pilot program to verify the assets of aged, blind or disabled applicants for and recipients of Medicaid.<u>AHCCCS will be joining the</u> NESCSO consortium with Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont to obtain an Asset Verification System.