

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop: S2-26-12  
Baltimore, Maryland 21244-1850



**Children and Adults Health Programs Group**

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**OCT 23 2014**

Ms. Melanie Norton, Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)  
801 E. Jefferson MD 2600  
Phoenix, AZ 85034

Dear Ms. Norton:

I am pleased to inform you that the Centers for Medicare & Medicaid Services has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number AZ-13-0006, submitted on June 19, 2014, with additional information provided on October 21, 2014. This SPA relates to Modified Adjusted Gross Income (MAGI) Eligibility and has an effective date of January 1, 2014.

The SPA number AZ-13-0006 describes the state's plan to provide coverage in its separate CHIP, for children subject to Section 2101(f) of the Affordable Care Act, as specified in the state's submission of CS14: Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards. A copy of the approved CS14 is attached, and should be incorporated within a separate subsection under Section 4.1 of Arizona's approved CHIP state plan.

Your title XXI project officer is Ms. Joyce Jordan. She is available to answer questions concerning these amendments and other CHIP-related issues. Ms. Jordan's contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop: S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-3413  
Facsimile: (410) 786-5882  
E-mail: [Joyce.Jordan@cms.hhs.gov](mailto:Joyce.Jordan@cms.hhs.gov)

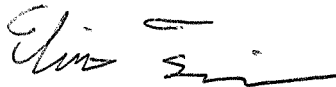
Official communications regarding program matters should be sent simultaneously to Ms. Jordan and to Ms. Hye Sun Lee, Acting Associate Regional Administrator (ARA) in our San Francisco Regional Office. Ms. Lee's address is:

Centers for Medicare & Medicaid Services  
90 7th Street, Suite 5-300 (5W)  
San Francisco, California 94103-6706

Congratulations on the approval. If you have additional questions, please contact Ms. Kelly Whitener, Director, Division of State Coverage Programs at (410) 786-0719.

We look forward to continuing to work with you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Eliot Fishman", with a horizontal line extending to the right.

Eliot Fishman  
Director

Enclosure

cc:

Ms. Hye Sun Lee, Acting ARA, CMS Region IX, San Francisco



# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

**Child Health Insurance Program**  
**Eligibility - Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards** CS14

Section 2101(f) of the ACA and 42 CFR 457.310(d)

Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards

The CHIP agency provides coverage for this group of children as follows:

- The state has received approval from CMS to maintain Medicaid eligibility for children who would otherwise be subject to Section 2101(f) such that no child in the state will be subject to this provision.

- The state assures that separate CHIP coverage will be provided for children ineligible for Medicaid due to the elimination of income disregards in accordance with 42 CFR 457.310(d). Coverage for this population will cease when the last child protected from loss of Medicaid coverage as a result of the elimination of income disregards has been afforded 12 months of coverage in a separate CHIP (expected to be no later than April 1, 2016).

Describe the methodology used by the state to identify and enroll children in a separate CHIP who are subject to the protection afforded by Section 2101(f) of the Affordable Care Act:

- The state has demonstrated and CMS has agreed that all children qualifying for section 2101(f) protection will qualify for the state's existing separate CHIP.
- The state will enroll all children in a separate CHIP who lose Medicaid eligibility because of an increase in family income at their first renewal applying MAGI methods.
- The state will enroll children in a separate CHIP whose family income falls above the converted MAGI Medicaid FPL but at or below the following percentage of FPL. The state has demonstrated and CMS has agreed that all or almost all the children who would have maintained Medicaid eligibility if former disregards were applied will be within this income range and therefore covered in the separate CHIP.

% FPL

- The state will enroll children in a separate CHIP who are found to be ineligible for Medicaid based on MAGI but whose family income has not increased since the child's last determination of Medicaid eligibility or who would have remained eligible for Medicaid (based on the 2013 Medicaid income standard) if the value of their 2013 disregards had been applied to the family income as determined by MAGI methodology.

- Other.

The state will identify children protected by Section 2101(f) and enroll such children in a separate CHIP based on the following methodology and procedures as approved by CMS.

In all cases where a child is found to be ineligible for Medicaid based on MAGI, the state will determine whether the child is protected by Section 2101(f). If so, the state will enroll children in a separate CHIP who are found to be ineligible for Medicaid based on MAGI who would have remained eligible for Medicaid (based on the 2013 Medicaid income standard) if the value of their 2013 disregards had been applied to the family income as determined by MAGI methodology.

Describe the benefits provided to this population:



# CHIP Eligibility

- This population will be provided the same benefits as are provided to children in the state's Medicaid program.
- This population will be provided the same benefits as are provided to children in the state's separate CHIP.
- Other (consistent with Section 2103 of the SSA and 42 CFR 457 Subpart D).

Describe premiums and cost sharing required of this population:

- Cost sharing is the same as for children in the Medicaid program.
- Premiums and cost sharing are the same as for targeted low-income children in the state's separate CHIP.
- No premiums, copayments, deductibles, coinsurance or other cost sharing is required.
- Other premiums and/or cost-sharing requirements (consistent with Section 2103(e) of the SSA and 42 CFR 457 Subpart E).

### PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.