

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

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*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

March 18, 2010

Moe Gagnon  
Center for Medicaid and State Operations  
Center for Medicare and Medicaid Services  
Mailstop: S2-01-16  
7500 Security Blvd.  
Baltimore, Maryland 21244-1850

Dear Mr. Gagnon:

Due to Arizona's fiscal crisis and failure to qualify for Bonus Payments under the Children's Health Insurance Program Reauthorization Act (CHIPRA), the Arizona Legislature has determined that the State can no longer sustain funding for KidsCare, Arizona's CHIP program.

Arizona statute provides that enrollment for the KidsCare program is limited based on the annual appropriation made by the Legislature. On March 10 2010, Arizona's Legislature did not appropriate funds for the State's share of the KidsCare program. The Legislature also eliminated authority for AHCCCS to administer a KidsCare program by repealing Arizona's statutes. As such, Arizona is providing notice to CMS that it will eliminate the KidsCare program effective June 15, 2010.

Members of the public were provided the opportunity to testify regarding the proposal to eliminate the KidsCare program during both the House and Senate Appropriations Committees on March 9, 2010. AHCCCS will also publish information on its website and include a Notice of Public Information on the Arizona Administrative Register. AHCCCS discussed the potential for elimination of the KidsCare program at the Tribal Consultation held on January 26, 2010. The final decision to eliminate the KidsCare program will be discussed at the next Tribal Consultation meeting scheduled for March 23, 2010. Documentation of these processes will be provided as soon as they are complete. Members will be notified no later than 10 days prior to the termination of the program.

If you have any questions, feel free to contact me or Theresa Gonzales.

Sincerely,

Monica Coury  
Assistant Director

cc: Steve Rubio  
Cheryl Young  
Gloria Nagle  
Susan Ruiz  
Beverly Binkier