

**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

October 21, 2011

The Honorable John McCain  
United States Senate  
241 Russell Senate Office Building  
Washington, DC 20515-0303

Dear Senator McCain:

I am writing to make you aware of an issue regarding Arizona's Medicaid Qualified Individuals (QI) program. Due to insufficient federal funding, AHCCCS has recently started denying new and pending applications for the QI-1 program.

The Medicaid QI program pays Medicare Part B premiums for eligible elderly and disabled individuals with income between 120% and 135% of the federal poverty level (\$13,068 to 14,701 for a single individual). States administer the QI program with 100% federal Medicaid reimbursement for the premium payments, up to an annual allotment for each state, making individuals become eligible on a first-come, first-served basis. Section 1933 of the Social Security Act requires the State to limit the number of QIs eligible for the calendar year to the amount of assistance provided to such individuals that does not exceed the State's federal allocation for the QI-1 population. Arizona limited enrollment in federal fiscal years 2010 and 2011 due to federal shortfalls, but reopened the program in both years after Congressional action made additional funding available.

Based on the funding allocated for the current federal fiscal year, AHCCCS is projecting a funding shortfall of \$1,452,500 for December. If Congress does not take action to allocate sufficient funding, Arizona will begin notifying the roughly 12,500 enrolled individuals that they will be terminated from the program, possibly as soon as December 1, 2011, and no later than January 1, 2012.

Do not hesitate to contact me at (602) 417-4711 if you have any questions or if I can provide additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Betlach', is written over a horizontal line.

Thomas J. Betlach  
Director

cc: Cindy Mann; CMS  
The Honorable John Kyl, United States Senate  
The Honorable Paul A. Gosar, United States House of Representatives  
The Honorable Trent Franks, United States House of Representatives  
The Honorable Benjamin Quayle, United States House of Representatives  
The Honorable Ed Pastor, United States House of Representatives  
The Honorable David Schweikert, United States House of Representatives  
The Honorable Jeff Flake, United States House of Representatives  
The Honorable Raul Grijalva, United States House of Representatives  
The Honorable Gabrielle Giffords, United States House of Representatives