

Janice K. Brewer, Governor
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Our first care is your health care
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

November 22, 2010

The Honorable Jeff Flake
United States House of Representatives
240 Cannon House Office Building
Washington, D.C. 20515-0306

Dear Representative Flake:

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 (\$12,480 to \$14,040 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.

Based on the funding allocated, AHCCCS is projecting a funding shortfall of \$424,100 for November and \$1,448,000 for December. If Congress does not take action to allocate sufficient funding, Arizona will begin notifying the 12,500 enrolled individuals that they will be terminated from the program on January 1, 2011.

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', written over a horizontal line.

Thomas J. Betlach

C: Cindy Mann; CMS