



Children and Adults Health Programs Group

July 24, 2023

Carmen Heredia
Director
Arizona Healthcare Cost Containment System
801 E Jefferson St
Phoenix, AZ 85034

Dear Ms. Heredia:

This letter is in response to Arizona's request, dated July 11, 2023, for a waiver under section 1902(e)(14)(A) of the Social Security Act (the Act), that will protect beneficiaries in addressing the challenges the state faces as part of a transition to routine operations upon the expiration of the Medicaid continuous enrollment condition. Section 1902(e)(14)(A) allows for waivers "as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries." Such waivers are time-limited and are meant to promote enrollment and retention of eligible individuals by easing the administrative burden states may experience in light of systems limitations and challenges.

Arizona has requested that the Centers for Medicare & Medicaid Services (CMS) provide authority under section 1902(e)(14)(A) of the Act to temporarily complete *ex parte* renewals when no income data is returned from data sources for individuals who were previously enrolled or whose coverage was renewed based on verified income at or below 100% of the federal poverty level (FPL). The state has expressed the need for this authority in order to address systems and operational issues related to the extraordinarily high volume of renewals and other eligibility and enrollment actions that need to be conducted during the unwinding period. Specifically, the state is concerned that the additional requests for information from beneficiaries that would otherwise be required would delay renewal processing and create unmanageable workload given limited staff capacity. Adopting this strategy will help the state increase renewal rates and reduce gaps in coverage.

Under Section 1902(e)(14)(A) of the Act, your request to complete *ex parte* renewals when no income data is returned from data sources for individuals who were previously enrolled or whose coverage was renewed based on verified income at or below 100% of FPL is approved, as described and subject to the conditions below.

Renew Medicaid Eligibility for Individuals with Income at or below 100% of Federal Poverty Level (FPL) and No Data Returned (100% Income Strategy):

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to complete the income determination for *ex parte* renewals without requesting additional income information or documentation if: (1) the most recent income determination (either at initial application or most recent renewal) was no earlier than 12 months prior to the beginning of the PHE (i.e., March 2019) and was based on verified income at or below 100% of FPL; and (2) the state has checked financial data sources in accordance with its verification plan and no information is

received. In order to complete the *ex parte* renewal, the state must take appropriate steps to review the non-financial components of eligibility consistent with the state's existing policies and procedures outlined in the state's verification plan implementing 42 C.F.R. §§ 435.916 and 435.956 956 or through a renewal strategy authorized under section 1902(e)(14)(A) of the Act or other alternative processes and procedures approved by the Secretary of Health and Human Services. The state will notify individuals whose eligibility is renewed using this authority that they must inform the agency if any of the information relied upon by the state in completing the renewal is inaccurate, consistent with 42 C.F.R. § 435.916(a)(2)(ii).

The authority provided in this letter is effective April 1, 2023 and will remain effective for renewals initiated through the end of the state's 12-month unwinding period, as defined in the March 3, 2022 CMS State Health Official (SHO) letter #22-001.

The authority provided in this letter is subject to CMS receiving your written acknowledgement of this approval and acceptance of this new authority and the terms described herein within 30 days of the date of this letter.

We look forward to our continuing work together as part of a transition to routine operations. If you have questions regarding this award, please contact Joe Weissfeld and Jessika Douglas in the Division of Enrollment Policy and Operations, at josef.weissfeld@cms.hhs.gov and jessika.douglas@cms.hhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone".

Sarah deLone, Director,
Children and Adults Health Programs Group