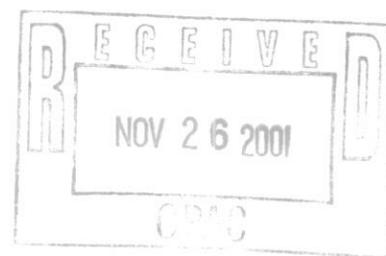




Administrator
Washington, DC 20201

NOV 15 2001



Ms. Lynn Dunton
Assistant Director
Office of Policy Analysis and Coordination
Arizona Health Care Cost Containment System
801 East Jefferson
Phoenix, AZ 85034

Dear Ms. Dunton:

We are pleased to inform you that your State Children's Health Insurance Program (SCHIP) plan amendment, submitted August 17, 2001, has been approved as amended by the additional information you submitted on September 21, 2001, and September 24, 2001. This amendment expands covered services, reduces the period of uninsurance from 6 months to 3 months, waives the period of uninsurance for children who are seriously or chronically ill, and establishes a hardship exemption to the disenrollment process for non-payment of premiums.

Your title XXI project officer is Ms. Johanna Barraza-Cannon. She is available to answer questions concerning this amendment and other SCHIP-related issues. Ms. Barraza-Cannon's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850

Telephone: (410) 786-7969
Facsimile: (410) 786-5882
Email: jbarrazacannon@cms.hhs.gov

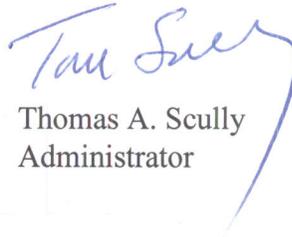
Official communications regarding program matters should be sent simultaneously to Ms. Barraza-Cannon and Ms. Linda Minamoto, Associate Regional Administrator in our San Francisco Regional Office. Ms. Minamoto's address is:

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Centers for Medicare & Medicaid Services
75 Hawthorne Street, 4th Floor
San Francisco, CA 94105-3901

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

Sincerely,



Thomas A. Scully
Administrator

cc: CMS Region IX Office