Tom Betlach, Director  
Arizona Health Care Cost Containment System  
801 East Jefferson Street  
Phoenix, AZ 85034  

Re: Arizona Title XIX FMAP State Plan Amendment, Transmittal # 13-015  

Dear Mr. Betlach:  

We have reviewed the proposed Federal Medical Assistance Payment (FMAP) State Plan Amendment (SPA), TN 13-015, which was submitted to the Centers for Medicare & Medicaid Services San Francisco Regional Office on December 12, 2013. This SPA describes the methodology used by the state for determining the appropriate FMAP rates, including the increased FMAP rates, available under the provisions of the Affordable Care Act applicable for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group adopted by the state and described in 42 CFR 435.119.

Based on the information provided, the Medicaid SPA 13-015 is approved with an effective date of January 1, 2014. We are enclosing the approved Form CMS-179 and the Medicaid state plan pages.

If you have any additional questions or need further assistance, please contact Peter Banks at (415) 744-3782.

Sincerely,

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children’s Health Operations

cc: Cheryl Young  
Hee Young Ansell
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: Centers for Medicare and Medicaid Services

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER: 13-015
2. STATE: Arizona

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE: January 1, 2014

5. TYPE OF PLAN MATERIAL (Check One):
   □ NEW STATE PLAN  □ AMENDMENT TO BE CONSIDERED AS NEW PLAN  □ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
   42 CFR 433.206(h)
   42 CFR 435.119
   42 CFR Part 440, Subpart C

7. FEDERAL BUDGET IMPACT:
   FFY 2014: $0
   FFY 2015: $0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
   Supplement 18 to Attachment 2.6A pages 1-6
   Attachment A pages 7-8
   Attachment E pages 9-19

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
   N/A

10. SUBJECT OF AMENDMENT:
    Updates the State Plan to reflect the methodology for identification of applicable FMAP rates, effective January 1, 2014.

11. GOVERNOR’S REVIEW (Check One):
    □ GOVERNOR’S OFFICE REPORTED NO COMMENT
    □ COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
    □ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
    □ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Monica Coury
14. TITLE: Assistant Director
15. DATE SUBMITTED: December 12, 2013

16. RETURN TO:
   Monica Coury
   801 E. Jefferson, MD#4200
   Phoenix, Arizona 85034

17. DATE RECEIVED: December 12, 2013
18. DATE APPROVED: MAR 3 1 2014

FOR REGIONAL OFFICE USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2014
20. SIGNATURE OF REGIONAL OFFICIAL: Gloria Nagle
21. TYPED NAME: Gloria Nagle
22. TITLE: Associate Regional Administrator
   Division of Medicaid & Children’s Health Operations

23. REMARKS:
   Box 8: Pen & ink changes – additional regulatory citations – added by CMS on 3/7/14.
   Box 9: Pen & ink change added by CMS on 3/7/14.
State Plan Under Title XIX of the Social Security Act

State: Arizona

METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the adult group described in 42 CFR 435.119 and receiving benefits in accordance with 42 CFR Part 440 Subpart C. The adult group FMAP methodology consists of two parts: an individual-based determination related to enrolled individuals, and as applicable, appropriate population-based adjustments.

Part 1 – Adult Group Individual Income-Based Determinations

For individuals eligible in the adult group, the state will make an individual income-based determination for purposes of the adult group FMAP methodology by comparing individual income to the relevant converted income eligibility standards in effect on December 1, 2009, and included in the MAGI Conversion Plan (Part 2) approved by CMS on 01/28/2014. In general, and subject to any adjustments described in this SPA, under the adult group FMAP methodology, the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup are considered as those for which the newly eligible FMAP is not available. The relevant MAGI-converted standards for each population group in the new adult group are described in Table 1.
Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

<table>
<thead>
<tr>
<th>Covered Populations Within New Adult Group</th>
<th>Applicable Population Adjustment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Group</td>
<td>Relevant Population Group Income Standard</td>
</tr>
<tr>
<td></td>
<td>For each population group, indicate the lower of:</td>
</tr>
<tr>
<td></td>
<td>• The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or</td>
</tr>
<tr>
<td></td>
<td>• 133% FPL.</td>
</tr>
<tr>
<td></td>
<td>If a population group was not covered as of 12/1/09, enter “Not covered”</td>
</tr>
<tr>
<td>Parents/Caretaker Relatives</td>
<td>Att. A, Table 1, Column G, Line 1 of part 2 of the CMS approved MAGI conversion plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Disabled Persons, non-institutionalized</td>
<td>Att. A, Table 1, Column G, Line 2 of part 2 of the CMS approved MAGI conversion plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Disabled Persons, institutionalized</td>
<td>Att. A, Table 1, Column G, Line 3 of part 2 of the CMS approved MAGI conversion plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Children Age 19 or 20</td>
<td>Att. A, Table 1, Column G, Line 4 of part 2 of the CMS approved MAGI conversion plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
<tr>
<td>Childless Adults</td>
<td>Att. A, Table 1, Column G, Line 5 of part 2 of the CMS approved MAGI conversion plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.</td>
</tr>
<tr>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>

Enter “Y” (Yes), “N” (No), or “NA” in the appropriate column to indicate if the population adjustment will apply to each population group. Provide additional information in corresponding attachments.

Supplement 18 to Attachment 2.6A
Page 2

TN – 13-015 Approval Date – MAR 3 1 2014 Effective Date – 01/01/2014
Part 2 – Population-based Adjustments to the Newly Eligible Population Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1. The state:

☐ Applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

☒ Does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B).

Table 1 indicates the group or groups for which the state applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2. Data source used for resource proxy adjustments:

The state:

☐ Applies existing state data from periods before January 1, 2014.

☐ Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3. Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.206(e))

1. ☐ An enrollment cap adjustment is applied by the state (complete items 2 through 4).

☒ An enrollment cap adjustment is not applied by the state (skip items 2 through 4 and go to Section C).
2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).

3. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
   - ☐ Yes. The combined enrollment cap adjustment is described in Attachment C
   - ☐ No.

4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:
   - ☐ Applies a special circumstances adjustment(s).
   - ☑ Does not apply a special circumstances adjustment.

2. The state:
   - ☐ Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
   - ☑ Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).

3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.
Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

A. Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group

- Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D.

- The state does not have any relevant populations requiring such transitions.

Part 4 - Applicability of Special FMAP Rates

A. Expansion State Designation

The state:

- Does NOT meet the definition of expansion state in 42 CFR 433.204(b). (Skip section B and go to Part 5)

- Meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated 10/30/2013.

B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

The state:

- Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7).

- Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated _____________. The state will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6).

Approval Date – MAR 3, 2014  Effective Date – 01/01/2014
Part 5 - State Attestations

The State attests to the following:

A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual’s eligibility for Medicaid.

B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

ATTACHMENTS

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- [ ] Attachment A – Conversion Plan Standards Referenced in Table 1
- [ ] Attachment B – Resource Criteria Proxy Methodology
- [ ] Attachment C – Enrollment Cap Methodology
- [ ] Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- [ ] Attachment E – Transition Methodologies

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 4 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN – 13-015 Approval Date – MAR 3 1 2014 Effective Date – 01/01/2014
### Table: Most Recent Table 1 for Part 2 of the Modified Adjusted Gross Income (MAGI) Conversion Plan*

<table>
<thead>
<tr>
<th>Population Group</th>
<th>SIPP results used? (Yes/No)</th>
<th>Time Period</th>
<th>Sampling (Yes/No)</th>
<th>Net Income Standard</th>
<th>Income band used in conversion</th>
<th>Converted Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
<td>E</td>
<td>F</td>
<td>G</td>
</tr>
<tr>
<td><strong>Conversions for FMAP Claiming</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Parents/Caretaker Relatives</td>
<td>No</td>
<td>January, April, July 2012</td>
<td>No</td>
<td>100% FPL</td>
<td>75-100% FPL</td>
<td>100% FPL</td>
</tr>
<tr>
<td>2 Noninstitutionalized Disabled Adults</td>
<td>N/A**</td>
<td>N/A**</td>
<td>N/A**</td>
<td>N/A**</td>
<td>N/A**</td>
<td>N/A**</td>
</tr>
<tr>
<td>3 Institutionalized Disabled Adults</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>300% SSI FBR</td>
</tr>
</tbody>
</table>

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TN: **13-015**  
Supersedes:  
TN: **N/A**  
Approval Date: **MAY 3 1 2014**  
Effective Date: **January 1, 2014**
<table>
<thead>
<tr>
<th>Population Group</th>
<th>SIPP results used? (Yes/No)</th>
<th>Time Period</th>
<th>Sampling (Yes/No)</th>
<th>Net Income Standard</th>
<th>Income band used in conversion</th>
<th>Converted Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>5</td>
<td>No</td>
<td>January, April, July 2012</td>
<td>No</td>
<td>100% FPL</td>
<td>75-100% FPL</td>
<td>105% FPL</td>
</tr>
</tbody>
</table>

**The converted standard applied for Non-Institutionalized disabled adults is 105% FPL, the same converted standard as applied for childless adults.**

**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 20 per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

*The contents of this table will be updated automatically in the case of modification in the CMS approval MAGI Conversion Plan.*
Arizona 1115 Demonstration Transition Plan

I. 2013 Renewal Process

For those members that have a renewal coming due between October 1 through December 31, they will go through the current renewal process. Thus, they will not get asked to update their information with the tax relationships in the household as the system will not yet be ready to send that style of renewal yet.

II. Coverage in 2014

For all populations currently served by Arizona’s demonstration (this includes mandatory state plan, optional state plan, and expansion populations), you must map their coverage in 2014. Please:
- Identify the current authority for the population;
- Identify the 1/1/2014 authority for the population; and
- For each 1/1/2014 population, specify the benefits the population will receive and the delivery system for those benefits.

<table>
<thead>
<tr>
<th>Eligibility Category</th>
<th>Current Coverage and Authority</th>
<th>Jan. 1, 2014 Coverage and Authority</th>
<th>Benefits</th>
<th>Delivery System</th>
<th>Transition Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infants Age 0-1</td>
<td>140% FPL; Mandatory State Plan (AZ covers FPL above minimum requirement of 133% FPL)</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
<td>No</td>
</tr>
<tr>
<td>Children Age 1-5</td>
<td>133% FPL; Mandatory State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
<td>No</td>
</tr>
<tr>
<td>Children Age 6-18</td>
<td>100% FPL; Mandatory State Plan</td>
<td>Increase to 133% FPL</td>
<td>State Plan</td>
<td>Managed Care</td>
<td>Yes – State Plan to State Plan</td>
</tr>
</tbody>
</table>

1 – AZ transition plan as of 10-2-13

Approval Date (for SPA): MAR 31 2014
Effective Date (for SPA): JAN 01 2014
<table>
<thead>
<tr>
<th>Group</th>
<th>Coverage Details</th>
<th>Change Required</th>
<th>Plan Status</th>
<th>Optional Coverage Groups (State Plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pregnant Women</td>
<td>150% FPL; Mandatory State Plan (AZ covers FPL above minimum requirement of 133% FPL)</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Parents and Caretaker Relatives</td>
<td>100% FPL; Mandatory State Plan (AZ covers FPL above 1996 minimum level which averages 21.3% FPL)</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Aged, Blind and Disabled</td>
<td>100% FPL; Mandatory State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Young Adult Transitional Insurance (YATT)</td>
<td>Mandatory State Plan</td>
<td>Increase of coverage to Age 26</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Adoption Assistance and Foster Care Children</td>
<td>Mandatory State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Optional Coverage Groups (State Plan)</td>
<td></td>
<td></td>
<td></td>
<td>Yes – State Plan to State Plan</td>
</tr>
<tr>
<td>SSI-MAO</td>
<td>Income greater than 100% FBR and up to 100% FPL; Optional State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Breast and Cervical Cancer Treatment Program</td>
<td>Optional State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
<tr>
<td>Freedom to Work</td>
<td>250% FPL; Optional State Plan</td>
<td>No change</td>
<td>State Plan</td>
<td>Managed Care</td>
</tr>
</tbody>
</table>

2 – AZ transition plan as of 10-2-13
<table>
<thead>
<tr>
<th>State Adoption Subsidy</th>
<th>Optional State Plan</th>
<th>No change</th>
<th>State Plan</th>
<th>Managed Care</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Adult Group</td>
<td>100-133% FPL; Not currently covered</td>
<td>Coverage begins 1/1/14 at option of the State; State Plan authority</td>
<td>ABP</td>
<td>Managed Care</td>
<td>Yes – New State Plan</td>
</tr>
<tr>
<td><strong>Optional Coverage Groups (1115 Waiver)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Childless Adults</td>
<td>100% FPL; 1115 Waiver (Enrollment currently frozen)</td>
<td>No FPL change; restore coverage 1/1/14; transition authority from 1115 to State Plan</td>
<td>ABP</td>
<td>Managed Care</td>
<td>Yes – expansion to State Plan</td>
</tr>
<tr>
<td>Family Planning Extension Program</td>
<td>150% FPL; 1115 Waiver</td>
<td>No change</td>
<td>State plan</td>
<td>Managed Care</td>
<td>No</td>
</tr>
<tr>
<td>KidsCare II</td>
<td>100-200% FPL up to age 19; 1115 Waiver (authority expires 12/31/13)</td>
<td>Transition to Medicaid: Children with income between 100-133% FPL</td>
<td>N/A</td>
<td>N/A</td>
<td>Yes – Expansion to State Plan; Expansion to FFM</td>
</tr>
<tr>
<td><strong>CHIP/KidsCare</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KidsCare I</td>
<td>100-200% FPL up to age 19; Title XXI State Plan (enrollment currently frozen)</td>
<td>Transition to Medicaid: Children with income between 100-133% FPL</td>
<td>State plan</td>
<td>Managed Care</td>
<td>Yes – Title XXI CHIP State Plan to Title XIX State Plan</td>
</tr>
</tbody>
</table>

3 – AZ transition plan as of 10-2-13

Approval Date (for SPA): __________
Effective Date (for SPA): __________
### III. Process for Transition

Describe the state process for transitioning covered groups to appropriate Medicaid eligibility or to the Marketplace under the 2014 coverage options.

- Describe any actions (including proposed dates for those actions) the state will take to transition populations including the process the state will use to screen individuals for coverage under his/her existing category, and for other Medicaid eligibility categories (if he/she is not still eligible under the existing category);
- Describe any actions the beneficiary will need to take for his/her transition; and
- Describe how the state will communicate with and transfer cases to the Marketplace.

### AHCCCS Populations Requiring Transition

<table>
<thead>
<tr>
<th>Eligibility Category</th>
<th>Type of Transition</th>
<th>Impact to Member</th>
<th>State Action</th>
<th>Action Needed by AHCCCS Member?</th>
<th>Member Notice Needed?</th>
<th>Transfer of Case to FFM?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maintain KidsCare enrollment:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Children with income over 133% FPL up to 200%; enrollment remains frozen (no new enrollment)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Arizona Long Term Care System (ALTCS)**

<table>
<thead>
<tr>
<th>Elderly &amp; Physically Disabled</th>
<th>300% of FBR; Optional State Plan</th>
<th>No change</th>
<th>State Plan and 1115 Waiver</th>
<th>Managed Care</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division of Developmental Disabilities (DDD)</td>
<td>300% of FBR; Optional State Plan</td>
<td>No change</td>
<td>State Plan and 1115 Waiver</td>
<td>Managed Care</td>
<td>No</td>
</tr>
</tbody>
</table>

---

*4 – AZ transition plan as of 10-2-13*

**Tn:** 13-015

Supercedes **Tn:** N/A

**Attachm E of Supplement 18 to Attachment 2.6A**

Page 12

**Attachment E of Supplement 18 to Attachment 2.6A**

Page 12
| Children ages 6-18 (100-133% FPL) | State Plan to reflect increase in FPL level from current maximum of 100% FPL to new of 133% FPL | None. Current members in this category retain their coverage. Enrollment opens for new members from 100-133% FPL on 10-1-13 for coverage effective 1-1-14. | System change to allow for new enrollment | No. | No. | No. |
| VATT | State Plan to reflect increase in upper age limit for youth transitioning out of foster care from current age limit of 21 to new age limit of 26. | Members in this category will retain their coverage through age 26. | System change to maintain eligibility of member in this category through age 26. | No. | Yes to inform member they will retain coverage in this category through age 26. Notices to be sent 1-1-14. | No. |
| Childless adults (0-100% FPL) | 1115 Waiver to State Plan | Current members retain coverage; enrollment will open to new members beginning 10-1-13 for coverage effective 1-1-14 | System change to open enrollment 10-1-13 for coverage effective 1-1-14 | None for existing members. Adults not currently enrolled must submit application to be considered for eligibility. | Yes to inform current members that enrollment is no longer frozen, their coverage is not being impacted and coverage is available to all adults from 0-133% FPL effective 1-1-14. Notice to be sent 1-1-14. | No. |
| New Adults (100-133% FPL) | New State Plan Amendment | None. Coverage category not currently available | System change to open enrollment 10-1-13 for | Yes. Must submit application to be considered for | Yes. This is a new notice to explain final eligibility determination (eligibility | No |

5 - AZ transition plan as of 10-2-13
| KidsCare I (children 100-133% FPL) | CHIP State Plan to Medicaid State Plan for children in households with income between 100-133% FPL | Minimal. Coverage and health plan options are the same. Move to Medicaid means household will no longer have to pay premiums for coverage. Some copay requirements may apply. | AHCCCS will determine Medicaid eligibility using income data on file | No. | Yes to inform member they are now Medicaid eligible and impact of change in status regarding premiums. Notice to be sent 11-15-13. | No. |
| KidsCare II (children 100-133% FPL) | 1115 Expansion to Medicaid State Plan for children in households with income between 100-133% FPL | Minimal. Coverage and health plan options are the same. Move to Medicaid means household will no longer have to pay premiums for coverage. Some copay requirements may apply. | AHCCCS will determine Medicaid eligibility using income data on file | No. | Yes to inform member they are now Medicaid eligible and impact of change in status regarding premiums. Notice to be sent 11-15-13. | No. |
| KidsCare II (children above 133% FPL) | Termination of 1115 Expansion program | Children in households with income above 133% FPL will no longer be eligible for KidsCare II. Household | AHCCCS will review for Medicaid eligibility using income data on file to confirm | Yes. Member will have to work with FFM to complete the application | Yes to inform member their KidsCare coverage is terminating and their case is being transferred to FFM for | Yes. Ideally the State will complete account transfer electronically but is awaiting |
General Transition Information

1. Prepopulated forms will be used in 2014 for the renewal process. The prepopulated form will be used to collect additional income information. Notices will request that additional information be sent if your income has changed.

2. Between November and December 2013 a data conversion will take place to move data to the new system. In 2014, the new system will run household information thru MAGI rules.

3. The state will transfer accounts to the federal facilitated Marketplace.

4. Arizona will check all eligible categories before referring enrollee to the marketplace.

IV. Notification

Please describe the notification process the state will use to communicate with beneficiaries about changes to his/her coverage in 2014. This process description should include:

- A description of the review process used to develop the notices;
- The timing of notices to beneficiaries;
- How the notices will be sent to beneficiaries; and
- How the beneficiaries will be able to ask questions about the notice.

Notices are developed by AHCCCS staff. AHCCCS uses special software to identify base reading level and ease of reading. Also, the staff who complete final reviews have participated in multiple training sessions and webinars by Penny Lane and Maximus, and employ the principles from those sessions in development and review to ensure notices are clear and written at appropriate reading levels.

For those coverage groups whose transition will trigger a notice requirement, the timing of the notice was noted above. Notices will be sent via U.S. Mail to the address of record. A phone number will be provided on the notice for customers to call with questions. The AHCCCS Administration is currently working on a streamline call center targeting a 10-1-13 start date.

V. Content of the Notices

- Please provide drafts of the notices that will be sent to beneficiaries.
• Please provide an example of the draft notice for each type of transition (this should include examples of notices where the only change that will be apparent to a beneficiary is a change in benefits or delivery system).

Please note that all notices must comply with the notice requirements in 42 CFR 431.206, 431.210 and 431.213, and must include information on appeal and hearing rights as outlined in 42 CFR 431.220 and 431.221.

The State is working on its draft notices. The State's first goal is to complete work on the actual eligibility system to conform to required ACA changes for a 10-1-13 start date.

Kids CareII Notice: The state is trying to obtain a list of navigators to provide to the beneficiaries as part of their notice. The notice may reference a list of navigators and/or reference a website to obtain navigator information.

VI. Community Outreach

• Please describe all community outreach activities (such as public forums, webinars, flyers, websites, etc.) the state has or will undertake to inform beneficiaries about the transition and to support them during the transition period.

• This component of the transition plan must include information about tribal consultation activities for all states with federally recognized tribes.

HEA Plus Subscribers

The State has a robust community outreach and education effort. First, the State has 75 organizations with 300 different sites and over 1,000 employees trained as community assistors on the State's current and new eligibility system, Health-e-Arizona Plus (HEA Plus). These HEA Plus subscribers will be able to assist applicants and obtain real time eligibility determinations. The State engages with these subscribers in monthly meetings and has conducted various phases of testing on the new system. These subscribers represent FQHCs, other providers, community organizations and more.

In addition, the State is reaching out to new groups not currently subscribers. The State has a list of 20 new groups that will sign HEA Plus agreements beginning 10-1-13. The number of new subscribers is expected to grow.

Attached is a list of HEA Plus demonstrations and trainings conducted to date.

Website and Community Forums
The State developed a dedicated page on its website called Medicaid Moving Forward to provide updated information on the progress of the State in moving toward 2014. That page can be found here: http://www.azahcccs.gov/publicnotices/MovingForward.aspx.

The State also has developed a listserv that currently has 1,366 individuals representing various organizations, Medicaid members or themselves.

The State is also hosting Community Forums across the State that are open to the public. The schedule is below, news of the update was sent via the AHCCCS listserv and is posted to the AHCCCS website here: http://www.azahcccs.gov/publicnotices/Downloads/MedicaidCoverage/MMFCommunityForums.pdf

<table>
<thead>
<tr>
<th>GENERAL – Sessions for Families, Advocates and Community Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, October 8, 2013</td>
</tr>
<tr>
<td>1p.m. – 3p.m.</td>
</tr>
<tr>
<td>RSVP: <a href="mailto:ForwardTucson@azahcccs.gov">ForwardTucson@azahcccs.gov</a></td>
</tr>
<tr>
<td>Casino del Sol - Conference Center</td>
</tr>
<tr>
<td>5655 W. Valencia Rd.</td>
</tr>
<tr>
<td>Tucson, AZ 85757</td>
</tr>
<tr>
<td>Friday, October 11, 2013</td>
</tr>
<tr>
<td>1p.m. – 3p.m.</td>
</tr>
<tr>
<td>RSVP: <a href="mailto:ForwardFlagstaff@azahcccs.gov">ForwardFlagstaff@azahcccs.gov</a></td>
</tr>
<tr>
<td>Flagstaff Medical Center – McGee Auditorium</td>
</tr>
<tr>
<td>1200 N. Beaver Street</td>
</tr>
<tr>
<td>Flagstaff, AZ 86001</td>
</tr>
<tr>
<td>Wednesday, October 30, 2013</td>
</tr>
<tr>
<td>1p.m. – 3p.m.</td>
</tr>
<tr>
<td>RSVP: <a href="mailto:ForwardPhoenix@azahcccs.gov">ForwardPhoenix@azahcccs.gov</a></td>
</tr>
<tr>
<td>The Disability Empowerment Center</td>
</tr>
<tr>
<td>5025 E. Washington Street, Suite 200</td>
</tr>
<tr>
<td>Phoenix, AZ 85034</td>
</tr>
</tbody>
</table>

*Two additional sessions in Phoenix have been scheduled for October 30, 3:15 – 5:00 and November 4, 1:00-3:00. The website (link above) is updated as new forums are scheduled.

**Tribal Consultation Activities**

The State has been engaging with its tribal stakeholders throughout this process. Regular updates on HEA Plus and the transition of populations have been provided in tribal consultation. In addition, many tribal organizations are HEA Plus subscribers and have been part of the special trainings and demonstrations. These issues have been discussed as part of tribal consultation on the dates below:

**Tribal Consultations and Meetings**

2/6/13: Tribal Consultation meeting held in Phoenix
3/21/13: Special Meeting with I/T/U’s held in Phoenix
6/25/13: Special ACA SPA Tribal Consultation via teleconference
7/12/13: Meeting with Vice-Chairwoman Catalina Alvarez of Pascua Yaqui Tribe to discuss Restoration Plan
8/5/13: Meeting with White Mountain Apache Tribal leaders and Health Program personnel re: Restoration Plan and HEA Plus
8/13/13: Inter-Tribal Council of Arizona Training: State Health Insurance Assistance Program (included update on restoration plan)
8/15/13: Tribal Consultation meeting off-site on the Hopi Reservation review of HEA Plus and 1115 Transition Plan

9 – AZ transition plan as of 10-2-13

TN: 13-015
Supersedes
TM: N/A

Approval Date (for SPA): **MAR 3 1 2014**
Effective Date (for SPA): __________
9/19/13: Tribal Consultation regarding restoration and expansion implementation, threat of legal challenges to implementation and extension of current supplemental payments waiver authority
9/26/13: Provided overview at Phoenix Indian Medical Center ACA kick-off event
9/30/13: Meeting with Navajo Nation Vice President and Councilmembers

Communications on Expansion/Restoration Updates/Information sent to tribal listserv:
1/15/13: Proposed Expansion of AZ Medicaid Program by Governor Brewer = 205 people
3/19/13: Governor Brewer’s Medicaid Coverage Bill = 205
3/22/13: Yuma Public Forum Announcement sent to Colorado River Tribe Leaders, Tribal Council, Tribal Health Programs = 18
4/17/13: AHCCCS Public Forum at Eastern Arizona College in Thatcher sent to San Carlos Apache Tribal Leaders, Tribal Council, Tribal Health Programs = 20
5/1/13: AHCCCS Updates re: Medicaid Restoration = 205
5/2/13: Show Your Support - Rally for Restoration = 205
5/14/13: Rally for Restoration = 183
5/14/13: Rally for Restoration sent to Tribal Leaders = 22
6/14/13: Medicaid Restoration Approval Amendment Announcement = 205
6/14/13: Bill Signing Ceremony sent to Tribal Leaders = 22
6/17/13: AHCCCS Update – Thank you Follow-up to tribal stakeholders = 205

In addition, the schedule for upcoming forums, including dedicated tribal sessions outlined below, was sent to the tribal listserv.

<table>
<thead>
<tr>
<th>Date</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday, September 16, 2013 and Monday, September 23, 2013 1p.m. – 3p.m.</td>
<td>Native American Community Service Center 4520 N. Central Ave., 6th Floor Conference Room Phoenix, AZ 85012</td>
</tr>
<tr>
<td>Tuesday, October 8, 2013 10a.m. – 12p.m.</td>
<td>Casino del Sol - Conference Center 5655 W. Valencia Rd. Tucson, AZ 85757</td>
</tr>
<tr>
<td>Friday, October 11, 2013 10:30a.m. – 12:30p.m.</td>
<td>Flagstaff Medical Center – McGee Auditorium 1200 N. Beaver Street Flagstaff, AZ 86001</td>
</tr>
</tbody>
</table>

*Additional sessions in Parker, Arizona and Western and Eastern Navajo Nation are being scheduled. The website (link above) is updated as new forums are scheduled.

Additional Outreach Activities

Although the AHCCCS Administration has limited staffing and resources to attend individual meetings, AHCCCS staff has provided or are scheduled to provide updates on these issues to the following groups:
6/11: Healthy Children Arizona Committee
8/11: Arizona Hemophilia Association Statewide Conference

10 - AZ transition plan as of 10-2-13
8/13: Alzheimer's Task Force Conference Call
8/20: Arizona Probation Court Administrators Monthly Meeting
9/6: Access Tucson — a panel discussion to be aired on local cable stations in the Tucson area
9/21: Philippine Nurses Association
9/24: Participated in Tele-Town Hall for small business owners and employees hosted by AZ Sen. Steve Farley
9/25: Participated in Tele-Town Hall for small business owners and employees hosted by AZ Sen. Steve Farley
9/27: Hosted two Webinars on implementation of restoration and expansion for HEA and HEAplus community partners and Cover AZ coalition members with over 600 people attending
10/22: Scheduled to speak at conference hosted by Mental Health America of Arizona
11/1: Arizona School Based Health Care Council Board annual meeting

Special communications and information are being provided as well to the hospital community working in cooperation with the Arizona Hospital and Healthcare Association. Additional outreach activities are anticipated throughout the Fall of 2013.