

June 27, 2025

Joyce Jordan  
Division of Medicaid and Children's Health Operations  
U.S. Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6707

**RE: Arizona SPA # AZ-25-0008, Section 5121 of the CAA**

Dear Ms. Jordan:

Enclosed is State Plan Amendment (SPA) # AZ-25-0008, Section 5121 of the CAA. This SPA updates Section 4.1.9 "Other Standards", Pages 3 and 4. The Section 5121 of the CAA SPA will reserve a January 1, 2025 effective date.

**Tribal Consultation** on this SPA will occur on August 7, 2025.

**We are submitting this SPA before the closing of the public notice period, which goes until July 26, 2025, but will be reviewing and incorporating comments throughout that time period. Arizona has also held a public notice for the Medicaid Section 5121 SPA which was originally posted on February 28, 2025. Public Notice for this SPA was posted on the following webpage:**

[https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/25-0008\\_Section5121\\_CAA.pdf](https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/25-0008_Section5121_CAA.pdf)

The **Federal Fiscal Impact** of this SPA has been calculated as:

- FFY 2025: \$TBD
- FFY 2026: \$TBD

If there are any questions about the enclosed SPA, please contact Ryan Melson at [Ryan.Melson@azahcccs.gov](mailto:Ryan.Melson@azahcccs.gov) or 602-417-7309.

Sincerely,



Kyle Sawyer  
Assistant Director, Public Policy and Strategic Planning  
Arizona Health Care Cost Containment System (AHCCCS)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER  
**2 5 0 0 0 8**

2. STATE  
**AZ**

3. PROGRAM IDENTIFICATION: TITLE **XXI** OF THE SOCIAL SECURITY ACT

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**January 1, 2025**

5. FEDERAL STATUTE/REGULATION CITATION  
Consolidated Appropriations Act, 2023 (CAA, 2023) (P.L. 117- 328), Section 521; 42 C.F.R. § 457.305(a) and 457.320(a); 42 C.F.R. § 435.1010; 42 C.F.R. § 457.310(c)(2)(I)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY: 2025 \$ TBD  
b. FFY: 2026 \$ TBD

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Section 4, Eligibility Standards and Methodology, Section 4.1.9 "Other Standards", pages 3 and 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
New Assurance and Section 4, Eligibility Standards and Methodology, Section 4.1.9 "Other Standards", pages 3 and 4

9. SUBJECT OF AMENDMENT  
This SPA includes the updated assurance language from Section 5121 of the CAA, 2023.

10. GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT  OTHER, AS
- SPECIFIED: COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL  


15. RETURN TO  
Kyle Sawyer  
150 N. 18th Ave.  
Phoenix, AZ 85007

12. TYPED NAME  
Kyle Sawyer

13. TITLE  
Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED: June 27, 2025

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

- Is a patient in an institution for mental diseases; or
- Voluntarily withdraws from the program.

KidsCare members are notified on the approval notice of the requirement to report changes that affect eligibility. Ineligibility due to excess income does not affect the initial 12 months of continuous coverage.

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**4.1.9. X Other standards (identify and describe):**

**Citizenship or Qualified Alien Status.** A child must be a United States citizen or a qualified alien. Unless one of the exceptions listed in P.L. 104-193 is applicable, a child who is a qualified alien who entered the United States on or after August 22, 1996 is not eligible for KidsCare until five years after child became a qualified alien.

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**Assignment of Rights.** Under Arizona law, assignment of payments for medical care from any first or third party occurs when the application is signed. Assignment is explained on the application form.

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**Social Security Number.** The application for KidsCare is a joint application for Medicaid and KidsCare. AHCCCS requests a Social Security Number on the KidsCare application but does not deny eligibility for KidsCare due solely to the failure to provide a Social Security Number or refusal to apply for a Social Security Number. However, if the financial screening determines that the child would be eligible for Medicaid if an application were processed and the child, or responsible party, refuses to apply for a Social Security Number necessary to complete the Medicaid application, AHCCCS denies the KidsCare eligibility. Please see the requirement in Section 4.4.2.

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**Section 5121 of the CAA, 2023: The state's treatment of inmates of a public institution complies with sections 2102(d) and 2110(b)(7) of the Act as follows:**

- The state does not terminate eligibility for children enrolled in a separate CHIP because the child is an inmate of a public institution.
- The state elects to suspend CHIP coverage for the duration of a child's incarceration. The state will use a benefits suspension.
- The state redetermines eligibility for any child prior to their release if it has been longer than 12 months since the child's last redetermination and restores coverage for child health assistance to eligible children upon their release.
- Within the 30 days prior to release (or within one week of release, or as soon as practicable after release), the state provides eligible children with any screenings, diagnostic services, or case management services that would otherwise be available to children under the CHIP state plan (or waiver of such plan).
- The state will process any application submitted by or on behalf of a child and make an eligibility determination for child health assistance to provide all services available under the CHIP state plan (or waiver of such plan) upon their release from the institution.
- Children applying for coverage who are within 30 days prior to their release and are found eligible for CHIP are provided screenings, diagnostic services, and case management services that are otherwise available under the CHIP state plan (or waiver of such plan).

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**4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B)) (42CFR 457.320(b))**

4.2.1. X These standards do not discriminate on the basis of diagnosis.

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4.2.2. X Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.

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4.2.3. X These standards do not deny eligibility based on a child having a pre-existing medical condition.

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**4.3. Describe the methods of establishing eligibility and continuing enrollment. (Section 2102)(b)(2)) (42CFR 457.350)**

The following describes the methods of establishing and continuing eligibility and enrollment.

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The child, a family member or legal guardian, fills out a simple application form which is submitted to AHCCCS. If assistance with the application is needed, appropriate personnel assist the applicant. The form also serves as an application for Medicaid.

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AHCCCS has published the application form and instructions for completing the form in English and Spanish. Based on the demographics in Arizona of other ethnic groups, AHCCCS does not believe that developing the application in other languages is necessary since no other ethnic group exceeds 3% of the population. However, an interpreter is provided, if needed.

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AHCCCS completes an eligibility determination for KidsCare applications within 30 days from the date of receipt of a signed, completed application in an AHCCCS eligibility office except in unusual circumstances. One example would be when the agency can not reach a decision because the applicant failed to provide required information or take required action.

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When information needed to make an eligibility determination is not submitted with the application, AHCCCS sends a notice to the applicant or the representative outlining the information required and the time frame for providing the information. AHCCCS gives applicants ten calendar days to provide any information necessary to enable AHCCCS to determine the applicant's eligibility.

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Applicants must choose a health plan or the IHS before enrollment into the KidsCare Program.

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Written materials about the various health plans and their toll-free telephone numbers are available with the application form. In addition, the covered services are outlined in the written materials. If a Native American selects the Indian Health Service or a tribal facility, AHCCCS provides any KidsCare services not provided by these entities on a fee-for-service basis off-reservation.

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The KidsCare providers are:

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- AHCCCS health plans, which includes Comprehensive Medical and Dental Program (CMDP) for foster care children.
- For Native Americans, any of the above or the Indian Health Service or a 638 tribal facility.

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For eligibility determinations completed by the 25<sup>th</sup> day of the month, KidsCare eligibility begins with the first day of the month following the month in which the child is determined to meet the eligibility criteria for the program. Children who are determined eligible for the program after the 25<sup>th</sup> day of the month are eligible for the program the first day of the second month following the determination of eligibility.

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