DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850

Children and Adults Health Programs Group

April 20, 2022

Dana Flannery
Senior Policy Advisor and Assistant Director
Arizona Healthcare Cost Containment System
801 E Jefferson St
Phoenix, AZ 85034

Dear Ms. Flannery:

This letter is in response to Arizona's request, dated April 12, 2022, 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 when the COVID-19 Public Health Emergency (PHE) ends. 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.

The ongoing COVID-19 pandemic and implementation of federal policies to address the PHE have disrupted routine Medicaid and Children's Health Insurance Program (CHIP) eligibility and enrollment operations. Medicaid and CHIP enrollment has grown to historic levels due in large part to the continuous enrollment requirements that states implemented as a condition of receiving a temporary 6.2 percentage point federal medical assistance percentage increase under section 6008 of the Families First Coronavirus Response Act (P.L. 116-127).

Consistent with the March 3, 2022 Centers for Medicare & Medicaid Services (CMS) State Health Official (SHO) letter #22-001, "*Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency*," Arizona has requested that CMS provide authority under section 1902(e)(14)(A) of the Act to temporarily assume there has been no change in resources that are verified through the AVS when no information is returned through the Asset Verification System (AVS) or when the AVS call is not returned within a reasonable timeframe, and to complete an *ex parte* renewal process without any further verification of assets. 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 cited that this flexibility will help alleviate significant additional strain on the state's workforce through the unwinding period, which is already experiencing shortages and that this flexibility will help the state meet required timeframes related to unwinding and enhance the state's ability to ensure retention of coverage for beneficiaries who remain eligible for Medicaid.

Under Section 1902(e)(14)(A) of the Act, your request to facilitate renewal for individuals with no AVS data returned within a reasonable timeframe is approved, as described and subject to the conditions below.

Facilitating Renewal for Individuals with no Asset Verification System (AVS) Data Returned within a Reasonable Timeframe

The authority provided in accordance with this letter will enable the state, during the period of time specified below, to assume there has been no change in resources that are verified through the AVS when no information is returned through the AVS or when the AVS call is not returned within a reasonable timeframe, and to complete an *ex parte* renewal process without any further verification of assets. If the state receives information from the AVS indicating potential ineligibility after a beneficiary has received notice that their coverage has been renewed, the state will treat such information as a change in circumstances that may affect eligibility and redetermine the beneficiary's eligibility in accordance with 42 C.F.R. § 435.916(d). 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), and that it will redetermine the beneficiary's eligibility in accordance with 42 C.F.R. § 435.916(d) if the individual informs the agency of any such inaccuracies that may impact eligibility.

The authority provided in this letter is effective June 1, 2022 and will remain effective for renewals initiated through the end of our 12-month unwinding period, as defined in SHO #22-001.

The authority provided in this letter is subject to the 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 in the Division of Enrollment Policy and Operations, at josef.weissfeld@CMS.hhs.gov.

Sincerely,

Sarah deLone, Director,
Children and Adults Health Programs Group