

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

October 3, 2024

Carmen Heredia
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, Arizona 85034

Dear Director Heredia:

The Centers for Medicare & Medicaid Services (CMS) completed its review of the Targeted Investments (TI) 2.0 Evaluation Design, which is required by the Special Terms and Conditions (STCs), specifically, STC 96, of the section 1115 demonstration, “Arizona Health Care Cost Containment System (AHCCCS)” (Project Number 11-W-00275/9), effective through September 30, 2027. CMS has determined that the TI 2.0 Evaluation Design, which was submitted on February 29, 2024, and revised on July 19, 2024,¹ meets the requirements set forth in the STCs and our evaluation design guidance, and therefore approves the state’s TI 2.0 Evaluation Design.

CMS has incorporated the approved TI 2.0 Evaluation Design into Attachment H of the demonstration’s STCs. A copy of the STCs, which includes the updated attachment, is enclosed with this letter. In accordance with 42 CFR 431.424, the approved TI 2.0 Evaluation Design may now be posted to the state’s Medicaid website within 30 days. CMS will also post the approved TI 2.0 Evaluation Design as a standalone document, separate from the STCs, on Medicaid.gov.

Please note that an Interim Evaluation Report, consistent with the approved TI 2.0 Evaluation Design, is due to CMS one year prior to the expiration of the demonstration, or at the time of the extension application, if the state chooses to extend the demonstration. Likewise, a Summative Evaluation Report, consistent with this approved design, is due to CMS within 18 months of the end of the demonstration period. In accordance with 42 CFR 431.428 and the STCs, we look forward to receiving updates on evaluation activities in the demonstration monitoring reports.

¹ CMS approved the Evaluation Design for all demonstration components except the Housing and Health Opportunities (H2O) and TI 2.0 initiatives on February 27, 2024. A separate Evaluation Design was submitted for the H2O program, which CMS approved on August 30, 2024.

We appreciate our continued partnership with Arizona on the AHCCCS section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Brian Zolynas, State Monitoring Lead, CMS Medicaid and CHIP Operations Group