

**Notice of Proposed Exempt Rule-Making
To Phase-Out AHCCCS Coverage Under
The Medical Expense Deduction Program.**

The Arizona Health Care Cost Containment System Administration is initiating exempt rule-making to stop all new approvals for persons under the Medical Expense Deduction (MED) program (A.R.S. § 36-2901.04) with eligibility effective dates on or after May 1, 2011. The MED program currently provides coverage for approximately 5,800 individuals who normally would not qualify for AHCCCS because their household income is more than 100 per cent of the federal poverty level but qualify because they have incurred significant health care expenses.

Because any single period of MED eligibility is limited to the remainder of the month in which eligibility is determined and up to the next five months, no persons who have eligibility under MED will remain eligible for the MED program after September 30, 2011. The AHCCCS Administration does not intend to establish a waiting list.

The rule-making would add the following rule:

R9-22-1442. Cessation of MED Coverage. The Department shall not approve any individual or family who has applied on or after May 1, 2011 as eligible for MED coverage. With respect to any applications that are pending as of May 1, 2011, the Department shall not approve any individual or family as eligible for MED coverage who has not met all eligibility requirements prior to May 1, 2011.

A complete explanation of the proposed rule, including the agency's reasons for initiating the proposed rule may be found on the agency's website: www.azahcccs.gov

Written comments concerning this proposed rule may be submitted to the AHCCCS Administration or submitted electronically via the AHCCCS website at www.azahcccs.gov. Submitting comments via the website is recommended. All comments must be received no later than 5:00 p.m. April 18, 2011. Please direct written comments by mail to:

Administrative Rules
Office of Administrative Legal Services
701 East Jefferson Street, Mail Drop 6200
Phoenix, Arizona 85034

Or by e-mail to: AHCCCSRules@azahcccs.gov