

**Janice K. Brewer, Governor**  
**Thomas J. Betlach, Director**

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*Our first care is your health care*  
ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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July 15, 2013

Linda Nablo, CHIP Director  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Nablo:

Enclosed is Arizona State Plan Amendment (SPA) #13-001, effective October 1, 2013, which updates the State Plan to remove the waiting list for the KidsCare (CHIP) program.


If you have any questions about the enclosed SPA, please contact Theresa Gonzales at (602) 417-4732.

Sincerely,

A handwritten signature in black ink, appearing to read 'Monica Coury', is written over a light gray horizontal line.

Monica Coury  
Assistant Director  
Office of Intergovernmental Relations

Cc: Judith Cash  
Stacey Green

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: Centers for Medicare and Medicaid Services</b>		1. TRANSMITTAL NUMBER: 13-001	2. STATE Arizona
		3. PROGRAM IDENTIFICATION: TITLE XXI OF THE SOCIAL SECURITY ACT (CHIP)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE October 1, 2013	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 2102(b)2; 42CFR 457.350 2106(b)(7); 42CFR 457.305(b) 2102(b)(3)(A) and 2110(b)(2)(B); 42CFR 457.310(b), 42CFR 457.350(a)(1), 457.80(c)(3) 2102(b)(3)(B); 42CFR 457.350(a)(2)		7. FEDERAL BUDGET IMPACT:  N/A	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Sec. 4, pages 5, 5(a) and 6		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ):  Same	
10. SUBJECT OF AMENDMENT:  Updates the State Plan to remove the waiting list for the KidsCare program			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:  		16. RETURN TO:  Monica Coury 801 E. Jefferson, MD#4200 Phoenix, Arizona 85034	
13. TYPED NAME:  Monica Coury			
14. TITLE:  Assistant Director			
15. DATE SUBMITTED:  7-15-13			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED:	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	

23. REMARKS:

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Once the application is approved, the applicant is enrolled with their chosen provider and AHCCCS sends a notice confirming the choice and a member identification card to the member. Following enrollment, the contractor provides a member handbook to the member, which contains important information about how to access health care for KidsCare eligible children.

AHCCCS approves a newborn of a mother who is eligible for KidsCare on the date the child is born. ~~and enrolled in the KidsCare Program.~~ The newborn's KidsCare eligibility begins with the newborn's date of birth. ~~Prior to approval, the agency contacts the mother by telephone to reverify household composition and monthly income.~~ Once approved for KidsCare, AHCCCS enrolls the newborn with the mother's health plan. AHCCCS notifies the mother by mail of the newborn's enrollment into KidsCare and is given an opportunity to change health plans at that time.

~~If a member of a family is enrolled in KidsCare and another child is born to the family, AHCCCS enrolls the newborn in KidsCare if the family income meets the KidsCare criteria. Eligibility is prospective. The same process applies to a child who may be reunited with a family.~~

A member is allowed to change contractors on an annual basis and when an individual moves into a new geographic area not served by the current contractor. A member can change PCPs at any time. The option to change contractors is based on the member's anniversary date, which is the first day of the month that the member is enrolled into KidsCare. Ten months following the anniversary date, the member will be sent an annual enrollment notice advising that a different contractor may be selected. A list of contractors, with toll-free numbers and the available services, is included. The member, or parent of the child, has ~~three weeks~~ 60 days to change contractors. If a change is requested, the effective date is a year from the anniversary date or the month after the change is requested, whichever is later. Enrollees must notify AHCCCS of a change in address or other circumstances that could affect continued eligibility or enrollment.

American Indian cChildren who elect to enroll with ~~HHS or a 638 tribal facility~~ the American Indian Health Program are allowed to disenroll at any time upon request and choose a contractor for all KidsCare services. Similarly, ~~Native~~-American Indian children enrolled with a contractor or other provider are allowed to disenroll at any time upon request and enroll with the ~~HHS~~ American Indian Health Program.

#### **4.3.1 Describe the state's policies governing enrollment caps and waiting lists (if any). (Section 2106(b)(7)) (42CFR 457.305(b))**

Due to insufficient state funds, an enrollment cap has been placed on the KidsCare program effective January 1, 2010. ~~The program will place individuals on a waiting list and no~~ No new applications will be processed until such time that the AHCCCS Administration is able to verify that funding is sufficient, and the Governor agrees that the AHCCCS Administration may begin processing new applications.

Prior public notice of the enrollment cap will be communicated to the public by publication in the Arizona Administrative Register by the Secretary of State, posting on the AHCCCS Administration's internet website, written communication to the Legislature and Governor, the State Medicaid Advisory Committee, and other interested stakeholders. Notice to the public was also provided on October 9, 2009, when AHCCCS posted information about the potential impact of implementing a 15% reduction which identified elimination of the KidsCare program as a discretionary program that would not jeopardize federal stimulus dollars or voter protected programs. Finally, a public hearing with the opportunity to present public comments will be held on December 29, 2009 and tribal consultation will be held on December 28, 2009.

Despite the KidsCare enrollment cap, applications will continue to be evaluated and processed for potential Medicaid eligibility. If a child does not meet the Medicaid eligibility requirements, the authorized representative of the child will be notified in writing of the denial of Medicaid ~~and will also be notified of the denial of KidsCare due to the enrollment cap. The notice will also state that the child will be placed on a waiting list for KidsCare.~~

Children who have current enrollment in the KidsCare program will be allowed to continue to renew their enrollment so long as they continue to meet all the eligibility and renewal criteria including timely premium payments.

~~When sufficient funding becomes available and the Governor agrees that the AHCCCS Administration may begin processing new applications, the Administration shall contact an applicant on the waiting list and ask the applicant to submit a new application if the original application is more than 60 days old. The Administration shall fill spaces in the order that an application is received and approved. In the event the enrollment cap is lifted, public notice will occur using the methods described above for the implementation of the cap. CMS will also be notified in writing.~~

**4.4. Describe the procedures that assure that:**

**4.4.1. Through the screening procedures used at intake and follow-up eligibility determination, including any periodic redetermination, that only targeted**

**low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan) are furnished child health assistance under the state child health plan. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42CFR 457.350(a)(1)) 457.80(c)(3))**

~~AHCCCS ensures that a child who is not eligible for Medicaid, but who meets KidsCare eligibility criteria, is enrolled in KidsCare.~~—AHCCCS administers both the Medicaid and KidsCare Program. Medicaid screening is part of the KidsCare eligibility determination process. Records of KidsCare eligibility are maintained in a database that is also used for Medicaid eligibility. The database is checked for current Medicaid eligibility before determining KidsCare eligibility. Medicaid eligibility always overrides KidsCare eligibility.

AHCCCS accepts a declaration on the application confirming that there is no other creditable insurance including the state health benefits plan. A family member, legal representative or the child is required to report changes in employer insurance coverage or eligibility for group health insurance or other creditable insurance.

When conducting a renewal (periodic redetermination) of KidsCare eligibility, AHCCCS screens for potential Medicaid eligibility, group health plan, health insurance coverage, or other state health benefits. ~~If a child appears to meet the Medicaid eligibility criteria, AHCCCS forwards a copy of the renewal application and all obtained verification to the Department of Economic Security staff for an eligibility determination.~~—For review of potential group health plan coverage see section 4.4.4.1.

**4.4.2. The Medicaid application and enrollment process is initiated and facilitated for children found through the screening to be potentially eligible for medical assistance under the state Medicaid plan under Title XIX. (Section 2102(b)(3)(B)) (42CFR 457.350(a)(2))**

As stated in subsection 4.4.1, AHCCCS administers both Medicaid and the KidsCare Program and ensures that any child eligible for Medicaid is enrolled in Medicaid. The application form used for KidsCare ~~initiates~~ and is the same application for Medicaid, which is determined simultaneously. Medicaid eligibility always overrides KidsCare eligibility.

~~If a child appears to meet Medicaid eligibility criteria, AHCCCS forwards a copy of the application and all obtained verification to the Department of Economic Security staff for an eligibility determination. Prior to a full Medicaid determination, AHCCCS enrolls the child into KidsCare.~~—If the child is approved for Medicaid, AHCCCS claims Medicaid funding, rather than KidsCare funding, back to the date of Medicaid eligibility which generally is prior to the KidsCare eligibility effective date.