AHCCCS

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

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

801 East Jefferson, Phoenix, AZ 85034
PO Box 25520, Phoenix, AZ 85002
Phone: 602 417 4000
www.azahcccs.gov

January 11, 2010

Cheryl Young
Centers for Medicare and Medicaid Services
75 Hawthorne St., 5th Floor
San Francisco, California 94105

Dear Ms. Young:

Enclosed is State Plan Amendment (SPA)# 10-001, effective July 1, 2010, which implements cost sharing for certain populations as authorized under the Deficit Reduction Act (§§ 1916 and 1916A of the Social Security Act). The SPA specifically adds Attachments 4.18 F and G to Arizona's State Plan. It should be noted that women who receive Medicaid by virtue of the application of §§ 1902(a)(10)(A)(ii)(XVIII) and 1902(aa) of the Act, known in Arizona as the Breast and Cervical Cancer Program, are exempt from the population in which alternative co-payments under the DRA are being proposed.

The AHCCCS Administration will not impose co-payments for non emergency use of the emergency room, and therefore, any relevant cost sharing protections are inapplicable. Also, AHCCCS does not distinguish between preferred and non-preferred drugs and maximum amounts charged for any drugs are equivalent to maximum nominal amounts allowed, and therefore, any pertinent cost sharing protections for non-preferred drugs are inapplicable.

The SPA also revises cost sharing for other AHCCCS populations as provided in the update to pages 54-56 of the State Plan. AHCCCS is proposing to update the co-payment amounts to reflect the new maximum nominal amount of co-payments, adjusted for the consumer price index applied to the average cost of the services as provided under 42 CFR § 447.55.

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

Sincerely,

Monica Coury
Assistant Director
Office of Intergovernmental Relations

Cc: Steve Rubio

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL **FOR: Centers for Medicare and Medicaid Services**	1. TRANSMITTAL NUMBER: 10-001	2. STATE Arizona
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2010	

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

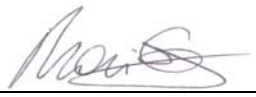
6. FEDERAL STATUTE/REGULATION CITATION: Section 1916A of the Social Security Act 42 CFR Parts 447 and 457	7. FEDERAL BUDGET IMPACT: FFY 10: $231,726 + $135,522 (Other) = ($367,248) FFY 11: $625,962 + $329,637 (Other) = ($955,599)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.18-F, pages 1-7 Attachment 4.18-G, pages 1-3 Page 54, Cost Sharing Addendum	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: Same

10. SUBJECT OF AMENDMENT:

Implements cost sharing for certain populations as authorized under the Deficit Reduction Act (§1916 of the Social Security Act)

11. GOVERNOR'S REVIEW *(Check One)*:

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

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: January 11, 2010	

FOR REGIONAL OFFICE USE ONLY

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:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

A. For TMA members with family income above 100 percent up to 150 percent of the FPL:

a. Cost sharing

a. __/ No cost sharing is imposed.

b. X/ Cost sharing is imposed under section 1916A of the Act as follows (specify the amounts by group and services (see below)):

Item/Service	**Co-pay Amount for TMA* (above 100% FPL up to150% FPL)**
Prescription Drugs	$2.30
Outpatient visits not provided in an emergency room, when services are coded as evaluation and management services	$4.00
If not provided as an outpatient visit and coded as physical, occupational, or speech therapy services	$3.00
If not provided above, and coded as non-emergent surgical procedures	$3.00
All amounts are less than 10% of the average cost of the service, regardless of income.	

* Transitional Medical Assistance includes families whose earned income has increased above the AHCCCS income limit. AHCCCS eligibility for TMA ends after two six-month periods.

b. Limitations:

X The total aggregate amount of cost sharing and premiums imposed under section 1916A for all individuals in the family may not exceed 5 percent of the family income of the family involved, as applied on a monthly and quarterly basis as specified by the State above.

- Cost sharing with respect to any item or service may not exceed 10 percent of the cost of such item or service.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory:

c. No cost sharing will be imposed for the following services for the TMA population:

- Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy;
- Emergency services as defined by the Secretary for the purposes of section 1916(a)(2)(D) of the Act;
- Family planning services and supplies described in section 1905(a)(4)(C) of the Act;
- Services furnished to an individual who is receiving hospice services as defined in section 1905(o); and
- Preventative services for TMA children under 19 years.

d. No cost sharing will be imposed for TMA members who are:

- Eligible for the Children's Rehabilitative Services Program under ARS §36-2906 E;
- Determined to be Seriously Mentally Ill (SMI) by the Arizona Department of Health Services;
- Institutionalized persons under AHCCCS Rule A.A.C. R9-22-216;
- American Indians; or
- Under 19 years of age and are receiving child welfare services under Title IV Part B or adoption or foster care assistance under Title IV Part E.

. e. Under Section 1916 of the Social Security Act, cost sharing will be imposed for TMA members for the following services, but services shall not be denied due to the member's inability to pay the cost sharing:

- Services furnished to individuals 19 years or older with respect to whom aid and assistance is made available under part B of title IV to children in foster care and individuals with respect to whom adoption or foster care assistance is made available under part E of such title .

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

f. Enforcement

1. X / Providers are permitted to require, as a condition for the provision of care, items, or services, the payment of any cost sharing except as described in described in c, d, and e. above.

2. X / (If above box selected) Providers are permitted to reduce or waive cost sharing on a case-by-case basis.

3. State payments to providers must be reduced by the amount of the beneficiary cost sharing obligations, regardless of whether the provider successfully collects the cost sharing. However, the State shall not reduce payments due to IHS, an Indian Tribe, Tribal Organization, or a health care provider through referral under contract health services for the furnishing of service to an American Indian.

4. States have the ability to increase total State plan rates to providers to maintain the same level of State payments when cost sharing is introduced.

g. Premiums

No premiums may be imposed for individuals with family income above 100 percent up to 150 percent of the FPL.

B. For groups of individuals with family income above 150 percent of the FPL:

a. Cost sharing amounts

a. __/ No cost sharing is imposed.

b. X / Cost sharing is imposed under section 1916A of the Act as follows (specify amounts by groups and services (see below):

Item/Service	**Co-pay Amount for TMA* (above 150% FPL**
Prescription Drugs	$2.30
Outpatient visits not provided in an emergency room, when services are coded as evaluation and management services	$4.00
If not provided as an outpatient visit and coded as physical, occupational, or speech therapy services	$3.00
If not provided above, and coded as non-emergent surgical procedures	$3.00
All amounts are less than 10% of the average cost of the service, regardless of income.	

* Transitional Medical Assistance includes families whose earned income has increased above the AHCCCS income limit. AHCCCS eligibility for TMA ends after two six-month periods.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

Attach a copy of the schedule of the cost sharing amounts for specific items and the various eligibility groups. See above

b. Limitations:

- The total aggregate amount of all cost sharing and premiums imposed under section 1916A for all individuals in the family may not exceed 5 percent of the family income of the family involved, as applied on a monthly or quarterly basis as specified by the State above.

- Cost sharing with respect to any item or service may not exceed 20 percent of the cost of such item or service.

c. No cost sharing will be imposed for the following services for the TMA population:

- Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy;

- Emergency services as defined by the Secretary for the purposes of section 1916(a)(2)(D) of the Act;

- Family planning services and supplies described in section 1905(a)(4)(C) of the Act;

- Services furnished to an individual who is receiving hospice services as defined in section 1905(o); and

- Preventative services for TMA children under 19 years.

d. No cost sharing will be imposed for TMA members who:

- Are eligible for the Children's Rehabilitative Services Program under ARS §36-2906 E;

- Are determined to be Seriously Mentally Ill (SMI) by the Arizona Department of Health Services;

- Are institutionalized persons under AHCCCS Rule A.A.C. R9-22-216;

- Are American Indians; or

- Are under 19 years of age and are receiving child welfare services under Title IV Part B or adoption or foster care assistance under Title IV Part E.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

e. Under Section 1916 of the Social Security Act, cost sharing will be imposed for TMA members for the following services, but services shall not be denied due to the member's inability to pay the cost sharing:

- Services furnished to individuals 19 years and older with respect to whom aid and assistance is made available under part B of title IV to children in foster care and individuals with respect to whom adoption or foster care assistance is made available under part E of such title

f. Enforcement

1. _X_ / Providers are permitted to require, as a condition for the provision of care, items, or services, the payment of any cost sharing except as described in c, d, or e above.
2. _X_ / (If above box selected) Providers are permitted to reduce or waive cost sharing on a case-by-case basis.
3. State payments to providers must be reduced by the amount of the beneficiary cost sharing obligations, regardless of whether the provider successfully collects the cost sharing.
4. States have the ability to increase total State plan rates to providers to maintain the same level of State payments when cost sharing is introduced.

g. Premiums

a. _X_/ No premiums are imposed.

b. ___/ Premiums are imposed under section 1916A of the Act as follows (specify the

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

C. Period of determining aggregate 5 percent cap

Specify the period for which the 5 percent maximum would be applied.
_X_/ Quarterly
___/ Monthly

D. Method for tracking cost sharing amounts

Describe the State process used for tracking cost sharing and informing beneficiaries and providers of their beneficiary's liability and informing providers when an individual has reached his/her maximum so further costs are no longer charged.
Also describe the State process for informing beneficiaries and providers of the allowable cost sharing amounts.

1. Tracking:
Beneficiaries will be responsible for informing the State when they reach the 5% aggregate quarterly limit by providing the AHCCCS Administration with records of copayments for the quarter. In addition, the State will use available FFS claims and Health Plan adjudicated encounters to identify beneficiaries reaching the 5% aggregate copayment amount in a quarter by using the lowest possible family income and calculating the applicable copayment amounts for reported services during the quarter. If it is determined that a beneficiary has reached the 5% cap, the State will identify this status in the system so that the member will not be subject to future cost sharing for the quarter.

2. Notice
Members will be informed of the process through existing notices, the public website, and through special co-pay notices provided to members prior to implementation.

Contracted health plans will be informed of the services subject to co payments and their corresponding dollar amounts. Health plans will make this information available to their network of providers through the 834- the Benefit Enrollment Maintenance Transaction, a HIPAA required format used as the roster to contracted health plans. Additionally, information will be provided on all verifications that are used by AHCCCS providers.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: Arizona

A. Regardless of the income of the TMA member, the cost sharing amount for all prescription drugs, whether preferred or non preferred drugs, will not exceed a nominal amount as specified under section 1916.

B. Cost sharing is implemented for prescription drugs as indicated below:

Item/Service	**TMA* (above 100 % FPL up to 150% FPL)**	**TMA* (above 150+ FPL)**
Prescription Drugs**	$2.30	$2.30

* Transitional Medical Assistance includes families whose earned income has increased above the AHCCCS income limit. AHCCCS eligibility for TMA ends after two six-month periods.
** There is no distinction between preferred and non-preferred drugs.

C. Availability of Information
X / States must make available to the public and to beneficiaries the schedule of the cost sharing/premium amounts for specific items and the various eligibility groups.

STATE OF ARIZONA

ADDENDUM
COST SHARING

Citation: Pages 54 to 56a of the State Plan

Co-payments are as follows:

Item/Service	Co-pay
Prescription Drugs	$2.30
Outpatient visits not provided in an emergency room, when services are coded as evaluation and management services	$3.40
If not provided as an outpatient visit and coded as physical, occupational, or speech therapy services	$2.30
If not provided above, and coded as non-emergent surgical procedures	$3.40

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No cost sharing will be imposed for the following services:

- Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy;
- Emergency services as defined by the Secretary for the purposes of section 1916(a)(2)(D) of the Act;
- Family planning services and supplies described in section 1905(a)(4)(C) of the Act; and
- Services furnished to an individual who is receiving hospice services as defined in section 1905(o).

No cost sharing will be imposed for members who:

TN No. 10-010
Supersedes
TN No. 04-010

Approval Date _____
Effective Date July 1, 2010

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- Are eligible for the Children's Rehabilitative Services Program under ARS §36-2906 E;
- Are determined to be Seriously Mentally Ill (SMI) by the Arizona Department of Health Services;
- Are institutionalized persons under AHCCCS Rule A.A.C. R9-22-216;
- Are American Indians; or
- Are under 19 years of age.

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Citation 42 CFR 447.51 through 447.58

4.18 Recipient Cost Sharing and Similar Charges

(a) Unless a waiver under 42 CFR 431.55(g) applies, deductibles, coinsurance rates, and copayments do not exceed the maximum allowable charges under 42 CFR 447.54.

1916(a) and (b) of the Act

(b) Except as specified in items 4.18(b)(4), (5), and (6) below, with respect to individuals covered as categorically needy or as qualified Medicare beneficiaries (as defined in section 1905(p)(1) of the Act) under the plan:

(1) No enrollment fee, premium, or similar charge is imposed under the plan.

(2) No deductible, coinsurance, copayment, or similar charge is imposed under the plan for the following:

(i) Services to individuals under age 18, or under--

[X] Age 19

[ ] Age 20

[ ] Age 21

Reasonable categories of individuals who are age 18 or older, but under age 21, to whom charges apply are listed below, if applicable.

(ii) Services to pregnant women related to the pregnancy or any other medical condition that may complicate the pregnancy.

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Revision: HCFA-PM-91-4 (BPD) OMB No.: 0938-
AUGUST 1991

State/Territory: Arizona

Citation 4.18(b)(2) (Continued)

42 CFR 447.51 through 447.58

(iii) All services furnished to pregnant women. women.

[X] Not applicable. Charges apply for services to pregnant women unrelated to the pregnancy.

(iv) Services furnished to any individual who is an inpatient in a hospital, long-term care facility, or other medical institution, if the individual is required, as a condition of receiving services in the institution to spend for medical care costs all but a minimal amount of his or her income required for personal needs.

(v) Emergency services if the services meet the requirements in 42 CFR 447.53(b)(4).

(vi) Family planning services and supplies furnished to individuals of childbearing age.

(vii) Services furnished by a managed care organization, health insuring organization, prepaid inpatient health plan, or prepaid ambulatory health plan in which the individual is enrolled, unless they meet the requirements of 42 CFR 447.60.

42 CFR 438.108
42 CFR 447.60

[X] Managed care enrollees are charged deductibles, coinsurance rates, and copayments
in an amount equal to the State Plan service cost-sharing.

[ ] Managed care enrollees are not charged deductibles, coinsurance rates, and copayments.

1916 of the Act, P.L. 99-272, (Section 9505)

(viii) Services furnished to an individual receiving hospice care, as defined in section 1905(o) of the Act.

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TN No. 10-001
Supersedes
TN No. 03-009

Approval Date _____
Effective Date July 1, 2010

Revision: HCFA-PM-91-4 (BPD) OMB No.: 0938-
AUGUST 1991

State/Territory: Arizona

Citation 4.18(b) (Continued)

42 CFR 447.51
through 447.48

(3) Unless a waiver under 42 CFR 431.55(g) applies, nominal deductible, coinsurance, copayment, or similar charges are imposed for services that are not excluded from such charges under item (b)(2) above.

* Waiver

[ ] Not applicable. No such charges are imposed.

(i) For any services, no more than one type of charge is imposed

(ii) Charges apply to services furnished to the following age groups:

[ ] 18 or older

[X] 19 or older

[ ] 20 or older

[ ] 21 or older

[ ] Charges apply to services furnished to the following reasonable categories of individuals listed below who are 18 years of age or older but under age 21.

* See addendum for explanation of copayment.

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