

## **Table of Contents**

**State/Territory Name: Arizona**

**State Plan Amendment (SPA)#: 24-0013**

This file contains the following documents in the order listed below:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



## **Medicaid Benefits and Health Programs Group**

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November 21, 2024

Kyle Sawyer, Assistant Director  
Public Policy and Strategic Planning  
801 E. Jefferson St., MD #4200  
Phoenix, AZ 85034

Dear Kyle Sawyer:

We have reviewed Arizona's State Plan Amendment (SPA) 24-0013 received in the Centers for Medicare and Medicaid Services (CMS) OneMAC application on September 27, 2024. This SPA authorizes coverage of select prescribed drugs as well as coverage of drugs authorized for importation by the Food and Drug Administration to mitigate the effects of a drug shortage.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that AZ-24-0013 is approved with an effective date of July 1, 2024.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Arizona's state plan. If you have any questions regarding this amendment, please contact Whitney Swears at 410-786-6543 or via email at [Whitney.Swears@cms.hhs.gov](mailto:Whitney.Swears@cms.hhs.gov).

Sincerely,

Cynthia R. Denemark  
Director  
Division of Pharmacy

cc: Suzanne Berman, Arizona Health Care Cost Containment System  
Ruben Soliz, Arizona Health Care Cost Containment System  
Maxwell Seifer, Arizona Health Care Cost Containment System  
Brian Zolynas, CMS, Medicaid and CHIP Operations Group

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <b>24 — 0013</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <b>19</b> OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**July 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR Part 447.201**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY: **2025** \$ **0**  
b. FFY: **2026** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
**Attachment 3.1-A Limitations Page 9**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
Attachment 3.1-A Limitations Page 9

9. SUBJECT OF AMENDMENT  
This SPA authorizes coverage of certain drugs when the FDA allows temporary importation of non-FDA approved drugs to mitigate the effects of a drug shortage, effective July 1, 2024.

10. GOVERNOR'S REVIEW (Check One)

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

11. SIGNATURE OF STATE AGENCY OFFICIAL  
  


15. RETURN TO  
Kyle Sawyer  
801 E. Jefferson St., MD #4200  
Phoenix, AZ 85034

12. TYPED NAME  
Kyle Sawyer

13. TITLE  
Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED: September 27, 2024

**FOR CMS USE ONLY**

16. DATE RECEIVED  
September 27, 2024

17. DATE APPROVED  
November 21, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Cynthia R. Denmark

21. TITLE OF APPROVING OFFICIAL  
Director, Division of Pharmacy

22. REMARKS

**12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.**

**12a. Prescribed drugs.**

Medicare Part D drugs are not covered for full benefit dual eligible members, as coverage is provided through Medicare Part D PDPs and MAPDs

Prescription drugs for covered transplantation services shall be provided in accordance with AHCCCS transplantation policies.

AHCCCS only covers over-the-counter medications in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and less costly than the covered prescription medication.

In compliance with Section 1927(b) of the Social Security Act (the Act), the State collects drug rebates in accordance with established policy for drug rebate agreements as provided in Exhibit 12(a) to Attachment 3.1-A.

CMS has authorized the state of Arizona to enter into Outcomes-Based contract arrangements with drug manufacturers for drugs provided to Medicaid beneficiaries. These contracts will be executed on the contract template titled “Outcomes-Based Supplemental Rebate Agreement” submitted to CMS and authorized for use beginning July 1, 2019.

AHCCCS covers select prescribed drugs when medically necessary. Prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are also covered when medically necessary during drug shortages identified by the Food and Drug Administration.

**12c. Prosthetic devices.**

Prosthetic devices are limited to devices prescribed by a physician or other licensed practitioner to artificially replace missing, deformed or malfunctioning portions of the body and which are medically necessary to the rehabilitation of the member.

Covered prosthetic devices for members age 21 and older do not include hearing aids, cochlear implants, bone anchored hearing aids, percussive vests, microprocessors for controlled joints for the lower limbs in addition to microprocessor-controlled joints for the lower limbs, penile implants, and vacuum devices.

Orthotic devices, which are defined as devices that are prescribed by a physician or other licensed practitioner of the healing arts to support a weak or deformed portion of the body, are covered when the use of the orthotic is medically necessary as the preferred treatment option consistent with Medicare guidelines and the orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition.

**12d. Eyeglasses.**

Eye examinations for prescriptive lenses and the provision of prescriptive lenses under EPSDT services.

Adult services are limited to eyeglasses and contact lenses as the sole prosthetic device after a cataract extraction.

**13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.**

**13a. Diagnostic Services.**

Genetic testing is not covered unless the results of the genetic tests are necessary to differentiate between treatment options. Genetic testing is not covered to determine specific diagnoses or syndromes when such determination would not definitively alter the medical treatment of the member.