

June 23, 2025

Edwin Walaszek
Division of Medicaid and Children's Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA # AZ-25-0004, Small Bowel Transplant

Dear Mr. Walaszek:

Enclosed is State Plan Amendment (SPA) # AZ-25-0004, Small Bowel Transplant. This SPA updates Attachment 3.1-E Standards for Coverage of Organ Transplant Services to include small bowel transplant as a covered services for adults age 21 and older. This Small Bowel Transplant SPA will reserve an October 1, 2025 effective date. Closer to the proposed effective date, Arizona will submit another SPA dedicated to the reimbursement methodology of this service.

Tribal Consultation on this SPA occurred on May 7, 2025:

https://www.azahcccs.gov/AmericanIndians/Downloads/Consultations/Meetings/2025/5725_Tri-AgencyDeck-SanCarlosApacheHealthcare.pdf

Public Notice for this SPA was posted on the following webpage:

https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/SmallBowelTransplantPublicNotice_20250505.pdf

The **Federal Fiscal Impact** of this SPA has been calculated as:

- FFY 2025: 780,000
- FFY 2026: 770,000

Arizona calculated the federal fiscal impact based on the cost of the most recently completed case in 2016 and the estimated projected cost for the current case in 2025 by just taking the average of the two. As a result, for the FFY 2025, the federal impact was \$780,000 at the FMAP of 64.89%. For FFY 2026, the full year impact is \$770,000 at an FMAP of 64.34%. Arizona has included the workbook that includes the fund split based on FY 2025 and FY 2026 general FMAP.

If there are any questions about the enclosed SPA, please contact Ryan Melson at Ryan.Melson@azahcccs.gov or 602-417-7309.

Sincerely,

A handwritten signature in black ink that reads "Kyle Sawyer". The signature is written in a cursive, flowing style.

Kyle Sawyer
Assistant Director, Public Policy and Strategic Planning
Arizona Health Care Cost Containment System (AHCCCS)

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

1. TRANSMITTAL NUMBER

25 0004

2. STATE

AZ3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACTTO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR § 441.35, Section 1903(i)(1) of the Act

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 780,000b. FFY: 2026 \$ 770,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-E Standards for Coverage of Organ Transplant Services:
Page 18. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)Attachment 3.1-E Standards for Coverage of Organ Transplant
Services: Page 1

9. SUBJECT OF AMENDMENT

Small Bowel Transplant is added as a covered service for adults age 21 and older.

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Kyle Sawyer

13. TITLE

Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED: June 23, 2025

15. RETURN TO

Kyle Sawyer
801 E. Jefferson St., MD #4200
Phoenix, AZ 85034**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

State/Territory: Arizona

Standards for the Coverage of Organ Transplant Services

Medically necessary transplant services are available to AHCCCS members as described in the AHCCCS Medical Policy Manual, meeting nationally recognized criteria for non- experimental, non-investigational organ or tissue transplants. All medically necessary, non experimental transplants are covered for EPSDT members. For persons age 21 and older, AHCCCS coverage of transplants is limited to the following:

- Heart
- Liver
- Kidney
- Simultaneous Pancreas/Kidney
- Autologous and Allogenic related and unrelated Hematopoietic Cell
- Cornea
- Bone
- Lung
- Pancreas after Kidney
- Small Bowel

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AHCCCS does not cover the following transplants for persons age 21 years and older:

- Pancreas only transplants
- Partial pancreas transplants, including islet cell transplants
- Intestine transplants (Visceral)
- Any other transplant not listed in the covered transplants above.

All AHCCCS members are eligible to receive the medically necessary transplants and related services described in the AHCCCS Medical Policy Manual with the following exceptions:

- Title XIX SOBRA Family Planning Program members; and
- Federal Emergency Services Program (FESP) members.

AHCCCS has established specific prior authorization medical criteria for coverage of transplant and related services as specified in the AHCCCS Medical Policy Manual. The Manual, including all supplements and updates to the Manual are available to the public on the agency's web site:

<http://www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals>

TN No. 25-000411-005 Approval Date JUL 14 2011 Effective Date
October 1, 2025April 1, 2011
Supersedes TN No. 11-0050-006

\$ 1,448,748	2016 case, total paid amount
\$ 1,044,258	2025 case, projected amount
\$ 1,200,000	Average

64.89%	FY 2025 FMAP
64.34%	FY 2026 FMAP

Fund Split

	General Fund	Federal Fund	Total
FY 2025	\$ 420,000	\$ 780,000	\$ 1,200,000
FY 2026	\$ 430,000	\$ 770,000	\$ 1,200,000