

June 23, 2025

Joyce Jordan
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-25-0005, Non-Financial Eligibility - Substitution of Coverage

Dear Ms. Jordan:

Enclosed is State Plan Amendment (SPA) # AZ-25-0005, Non-Financial Eligibility - Substitution of Coverage. This SPA updates the CS20 template and Section 4 Eligibility Standards and Methods, Provision 4.4.6. The Non-Financial Eligibility - Substitution of Coverage SPA will reserve an August 6, 2024 effective date.

Tribal Consultation on this SPA will occur on August 7, 2025.

We are submitting this SPA before the closing of the public notice period, which goes until July 20, 2025, but will be reviewing and incorporating comments throughout that time period. Public Notice for this SPA was posted on the following webpage:

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

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

- FFY 2025: \$0
- FFY 2026: \$0

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

Sincerely,



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 2 5 0 0 0 5 | 2. STATE AZ |
|---|-----------------------|

3. PROGRAM IDENTIFICATION: TITLE **XXI** OF THE SOCIAL SECURITY ACT

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

4. PROPOSED EFFECTIVE DATE
August 6, 2024

5. FEDERAL STATUTE/REGULATION CITATION
Section 2102(b)(3)(C) of the SSA and 42 CFR § 457.340(d)(3), § 457.350(i), and § 457.805

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

SPA, Section 4 Eligibility Standards and Methods,4.4.6

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

New

9. SUBJECT OF AMENDMENT
This updates the CS20 Template for Non-Financial Eligibility - Substitution of Coverage and incorporates those changes into the State Plan.

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

4.4.6 Non-Financial Eligibility - Substitution of Coverage (Section 2102(b)(3)(C) of the SSA and 42 CFR 457.340(d)(3), 457.350(i), and 457.805)

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The CHIP Agency provides assurance that it has methods and policies in place to prevent the substitution of group health coverage or other commercial health insurance with public funded coverage. The substitution of coverage prevention policies includes: Insurance Coverage (No Creditable Coverage) and Medical Insurance Coverage and Premiums.

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Insurance Coverage (No Creditable Coverage) states that those who have creditable health insurance coverage do not qualify for Arizona's KidsCare program (CHIP). Creditable coverage is defined in the policy as health insurance coverage as defined under the Health Insurance Portability and Accountability Act (HIPAA) and gives examples including Medicare, group health plans, health insurance through a hospital or medical service policy, certificate or plan contract, or armed forces insurance.

Medical Insurance Coverage and Premiums states that a customer must provide information about any medical insurance coverage and is no longer eligible for KidsCare when he or she has creditable health insurance coverage. Please note that a child under age 19 obtaining new group health coverage or commercial health insurance during a 12-month period of continuous enrollment will not be disenrolled until renewal.

There is no waiting period during which an individual is ineligible due to having been disenrolled from group health coverage, Medicaid, or another insurance affordability program.

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