

March 31, 2025

Brian Zolynas  
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-25-0001, Clinic Services Four Wall Exceptions**

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) # AZ-25-0001, Clinic Services Four Walls Exception. This is a placeholder SPA in response to the March 10, 2025 CMS email which allows states to submit a placeholder SPA to seek appropriate tribal consultation in compliance with the states Medicaid State Plan. This placeholder SPA will reserve a January 1, 2025 effective date.

**Tribal Consultation** on this SPA will occur on May 7, 2025.

**Public Notice** for this SPA was posted on the following webpages:

<https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/ClinicServicesFourWallsExceptionPublicNotice.pdf>

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

- FFY 2025: TBD
- FFY 2026: TBD

If there are any questions about the enclosed SPA, please contact Maxwell Seifer at Maxwell.Seifer@azahcccs.gov or 602-417-4722.

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

25 — 0001

2. STATE

AZ3. PROGRAM IDENTIFICATION: TITLE 19 OF THE  
SOCIAL SECURITY ACTTO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

**January 1, 2025**

5. FEDERAL STATUTE/REGULATION CITATION

**42 CFR 440.90**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY: 2025 \$ TBDb. FFY: 2026 \$ TBD

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Supplement 3 to Attachment 3.1-A Limitations: pages 1-6**8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*)**NEW**

9. SUBJECT OF AMENDMENT

Updates the state plan Clinic Services Benefit to provide an exception to the four-walls requirement for certain facilities.

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: March 31, 2025

**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 Plan under Title XIX of the Social Security Act****State/Territory:** Arizona**Section 1905(a)(9) Clinic Services**

The state provides coverage for this benefit as defined at section §1905(a)(9) of the Social Security Act (the Act) and 42 C.F.R. 440.90 and as described as follows:

**General Assurances****[Select all three checkboxes below.]**

- ☐ The state assures services are furnished by a facility that is not part of a hospital in accordance with 42 C.F.R. 440.90.
- ☐ The state assures that services are furnished by facilities that are organized and operated to provide medical care to outpatients in accordance with 42 C.F.R. 440.90.
- ☐ The state assures that services are furnished under the direction of a physician or dentist in accordance with 42 C.F.R. 440.90(a).

**Types of Clinic Services and Limitations in Amount, Duration, or Scope****[Select if applicable, describe below, and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**

- ☐ Limitations apply to all services within the benefit category.

PRA Disclosure Statement - This use of this form is mandatory and the information is being collected to assist the Centers for Medicare & Medicaid Services in implementing section §1905(a)(9) of the Social Security Act. Under the Privacy Act of 1974, any personally identifying information obtained will be kept private to the extent of the law. An agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a currently valid Office of Management and Budget (OMB) control number. The OMB control number for this project is 0938-1148 (CMS-10398 #91). Public burden for all of the collection of information requirements under this control number is estimated to take about 25 hours per response. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to CMS, 7500 Security Boulevard, Attn: Paperwork Reduction Act Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

TN: Approval Date: Supersedes TN: Effective:

## State Plan under Title XIX of the Social Security Act

State/Territory: Arizona

## Section 1905(a)(9) Clinic Services

Types of Clinics and Services:

**[Select all that apply and describe below as applicable]**

- ☐ Behavioral Health Clinics **[Describe the types of behavioral health clinics below and select below if applicable.]:**

- ☐ Limitations apply only to this clinic type within the benefit category. **[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**

- ☐ IHS and Tribal Clinics **[Select below if applicable.]:**

- ☐ Limitations apply only to this clinic type within the benefit category. **[describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria].**

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## Section 1905(a)(9) Clinic Services

☐ Renal Dialysis Clinics **[Select below if applicable.]**:☐ Limitations apply only to this clinic type within the benefit category.  
**[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**☐ Other Clinics **[Describe the types of clinics, if any limitations apply, and select below if applicable.]**:☐ Limitations apply only to this clinic type within the benefit category.  
**[Describe below and indicate if limits may be exceeded based upon state determined medical necessity criteria.]**

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## State Plan under Title XIX of the Social Security Act

State/Territory: Arizona

## Section 1905(a)(9) Clinic Services

**Four Walls Exceptions**

The state assures that the following services may be furnished outside of the clinic. **[Select the first and second checkbox; Do not select the second checkbox if the state does not enroll IHS or Tribal facilities as providers of clinic services.]**

- ☐ Services furnished outside the clinic, by clinic personnel under the direction of a physician, to an eligible individual who does not reside in a permanent dwelling or does not have a fixed home or mailing address in accordance with 42 C.F.R. 440.90(b).
- ☐ Services furnished outside a clinic that is a facility of the Indian Health Service, whether operated by the Indian Health Service (IHS) or by a Tribe or Tribal organization (as authorized by the Indian Self-Determination and Education Assistance Act (ISDEAA), Pub. L. 93-638), by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(c).

The state elects to cover the following services outside of the clinic **[Select all that apply.]**:

- ☐ Services furnished outside of a clinic that is primarily organized for the care and treatment of outpatients with behavioral health disorders, including mental health and substance use disorders, by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(d) **[Describe the types of behavioral health clinics such exception applies to below.]**

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## State Plan under Title XIX of the Social Security Act

State/Territory: Arizona

## Section 1905(a)(9) Clinic Services

☐ Services furnished outside of a clinic that is located in a rural area and is not a rural health clinic (as referenced in section §1905(a)(2)(B) of the Act and 42 C.F.R. 440.20(b) of this subpart) by clinic personnel under the direction of a physician in accordance with 42 C.F.R. 440.90(e) **[Select one of the checkboxes below and describe the definition of a rural area that applies to this exception.]**:

☐ A definition adopted and used by a federal governmental agency for programmatic purposes **[Describe below.]**:

☐ A definition adopted by a state governmental agency with a role in setting state rural health policy **[Describe below.]**:

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**State Plan under Title XIX of the Social Security Act****State/Territory:** Arizona**Section 1905(a)(9) Clinic Services**

The state attests that **[Select the checkbox if the state elects to cover services outside of a clinic that is located in a rural area.]:**

- ☐ The selected definition of a rural area best captures the population of rural individuals that meets more of the four criteria that mirror the needs and barriers to access experienced by individuals who are unhoused:
- The population experiences high rates of behavioral health diagnoses or difficulty accessing behavioral health services;
  - The population experiences issues accessing services due to lack of transportation;
  - The population experiences a historical mistrust of the health care system; and
  - The population experiences high rates of poor health outcomes and mortality.

**Additional Benefit Description (Optional)**

At its option the state may provide additional descriptive information about the benefit, beyond what is included in the federal statutory and regulatory definitions and descriptions. **[Describe below.]:**

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