

February 17, 2017

Ms. Jessica Woodard Project Officer Centers for Medicare & Medicaid Services Center for Medicaid & CHIP Services 7500 Security Boulevard, Mail Stop S2-01-16 Baltimore, MD 21244-1850

RE: Arizona's 1115 Waiver Amendment: Targeted Investments Program Acceptance Letter

Dear Ms. Woodard:

This letter serves as the State of Arizona's formal acceptance of the Special Terms and Conditions for the amendment to the Section 1115 Waiver Demonstration project entitled, "Arizona Health Care Cost Containment System (AHCCCS)" (No. 11-W-00275/09), as set forth in CMS' approval letter dated January 18, 2017.

In addition, I would like to take this opportunity to request technical corrections to ensure the STCs accurately reflect the agreed terms between the State and CMS. Please see the enclosed document for our proposed technical changes.

My team and I sincerely appreciate the hard work and professionalism of the CMS staff and leadership who worked to finalize this very important initiative. We value our partnership and look forward to continue working with you.

Sincerely,

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Thomas J. Betlach Director

cc: Andrea Cassart, CMS Bryan Zolynas, CMS