



DEC 29 2017

Mr. Thomas Betlach
Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving your July 17, 2017, request to amend Arizona's section 1115 demonstration, Arizona Health Care Cost Containment System (AHCCCS) (Project Number 11-W-00275/09). This amendment is to allow Arizona to claim federal financial participation (FFP) for payments to Phoenix Children's Hospital (PCH) made after December 31, 2017, that are based on uncompensated care costs incurred by PCH during calendar year 2017, to the extent that aggregate payments based on uncompensated care for calendar year 2017 do not exceed \$90 million (total computable). This amends the time limit on such payments that was part of the demonstration approval of December 23, 2015, but does not amend the aggregate cost limit on such payments.

FFP can be claimed to the extent that sufficient state and local matching funds are available. In accordance with the principles shared with AHCCCS in our November 2015 letter, payments for uncompensated care costs incurred by PCH after December 31, 2017, will not be permitted.

The demonstration special terms and conditions (STC) and the Safety Net Care Pool Claiming Protocol in Attachment E have been revised to reflect these changes. The demonstration approval is conditioned upon acceptance and compliance with the enclosed STCs defining the nature, character and extent of anticipated federal involvement in the demonstration. The state must provide written acknowledgement of the approval and acceptance of the STCs, waiver and expenditure authorities within 30 days of the date of this letter.

Your acceptance and any questions regarding the AHCCCS demonstration may be directed to your project officer, Jessica Woodard. Ms. Woodard can be reached at (410)786-9249 or at Jessica.Woodard@cms.hhs.gov. Communications regarding program matters and official correspondence concerning the demonstration should be submitted to Ms. Woodard at the following address:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mailstop: S2-03-17
7500 Security Boulevard
Baltimore, MD 21244-1850

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Official communications regarding program matters should be sent simultaneously to Ms. Woodard and Ms. Henrietta Sam-Louie, Associate Regional Administrator, in our San Francisco Regional Office. Ms. Sam-Louie's contact information is as follows:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
90 7th Street, Suite 5-300
San Francisco, CA 94103-6706
Telephone: (415)744-3724
Email: Henrietta.Sam-Louie@cms.hhs.gov

If you have questions regarding this approval, please contact Ms. Judith Cash, Acting Director, State Demonstrations Group, Center for Medicaid & CHIP Services, at (410)786-9686.

Sincerely,



Brian Neale
Director

Enclosure

cc: Henrietta Sam-Louie, Associate Regional Administrator, CMS San Francisco Regional Office