

April 4, 2016

The Honorable Douglas A. Ducey
Governor of the State of Arizona
1700 West Washington
Phoenix, Arizona 85007

The Honorable Andy Biggs
President, Arizona Senate
1700 West Washington
Phoenix, Arizona 85007

The Honorable David Gowan
Speaker, Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Dear Governor Ducey, President Biggs and Speaker Gowan:

Laws 2015, 1st Regular Session, Chapter 7 (ARS § 36-2903.09), includes the following requirement:

- A. On or before March 30 of each year, the Director shall apply to CMS for waivers or amendments to the current Section 1115 waiver to allow the state to
 1. Institute a work requirement for all able-bodied adults receiving services pursuant to this article. The work requirement shall:
 - (a) Require an eligible person to either:
 - (i) Become employed.
 - (ii) Actively seek employment, which would be verified by the department.
 - (iii) Attend school or a job training program, or both, at least twenty hours per week.
 - (b) Require an eligible person to verify on a monthly basis compliance with requirements of subdivision (a) of this paragraph and any change in family income.
 - (c) Require the administration to confirm an eligible person's change in family income as reported under subdivision (b) of this paragraph and redetermine the person's eligibility under this article.
 - (d) Allow the administration to ban an eligible person from enrollment for one year if the eligible person knowingly failed to report a change in family income

- or made a false statement regarding compliance with the requirements of subdivision (a) of this paragraph.
- (e) Allow for an exemption if a person meets any of the following conditions:
- (i) Is at least nineteen years of age but is still attending high school as a full-time student.
 - (ii) Is the sole caregiver of a family member who is under six years of age.
 - (iii) Is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.
 - (iv) Has been determined to be physically or mentally unfit for employment by a health care professional in accordance with rules adopted by the administration.
2. Place on able-bodied adults a lifetime limit of five years of benefits under this article that begins on the effective date of the waiver or amendment to the current section 1115 waiver and does not include any previous time a person received benefits under this article. The lifetime limit under this paragraph does not include any time during which the person meets any of the following conditions:
- (a) Is pregnant.
 - (b) Is the sole caregiver of a family member who is under six years of age.
 - (c) Is currently receiving temporary or permanent long-term disability benefits from a private insurer or from the government.
 - (d) Is at least nineteen years of age but is still attending high school as a full-time student.
 - (e) Is employed full time but continues to meet the income eligibility requirements under this article.
 - (f) Is enrolled before reaching nineteen years of age.
 - (g) Is an eligible person as defined in section 36-2901, paragraph 6, subdivision (a), item (iii).
3. Develop and impose meaningful cost-sharing requirements to deter both:
- (a) The nonemergency use of emergency departments.
 - (b) The use of ambulance services for nonemergency transportation or when it is not medically necessary.

- B. In any year, the Director shall apply under subsection A of the section for only the waivers or amendments to the current Section 1115 waiver that have not been approved and are not in effect.
- C. On or before April 1 on each year, the Director shall submit a letter confirming the submission of the waiver request required under subsection A to the Governor, President of the Senate, and the Speaker of the House.

In fulfillment of this requirement, the AHCCCS Administration submitted an application for a new waiver on September 30, 2015 to its federal oversight agency, the Centers for Medicare and Medicaid Services (CMS). The application is currently pending before CMS. Because the State's entire 1115 demonstration waiver is set to expire by September 30, 2016, the AHCCCS Administration expects to receive a response by October 1, 2016.

For more information regarding the submittal, please see the agency's website at: <https://azahcccs.gov/shared/FiveYear.html>

Please feel free to contact Monica Coury, Assistant Director, at Monica.Coury@azahcccs.gov if you have additional questions.

Sincerely,



Thomas J. Betlach
Director

cc: Christina Corieri, Governor's Office