

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
San Francisco Regional Office  
90 Seventh Street, Suite 5-300 (5W)  
San Francisco, CA 94103-6706



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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JUN 17 2013

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

Dear Mr. Betlach:

Enclosed is an approval letter from Larry Reed, Director of CMS Division of Pharmacy, for Arizona State Plan Amendment (SPA) 13-004. Copies of the approved State Plan pages are also included. SPA 13-004 was submitted to my office on March 28, 2013 to comply with the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008, which added barbiturates used in the treatment of epilepsy, cancer and chronic mental health disorders and benzodiazepines as categories of drugs Part D plans must cover as of January 1, 2013. This amendment excludes from coverage benzodiazepines for all conditions and barbiturates for those conditions for full benefit dual eligible beneficiaries.

The effective date of this SPA is January 1, 2013. Enclosed are the following approved SPA pages that should be incorporated into your approved State Plan:

- Attachment 3.1-A Limitations, page 9
- Attachment 3.1-A Limitations, page 9(a)

Enclosed are the additional following documents:

- HCFA Form 179
- Approval letter from CMS' Division of Pharmacy

If you have any questions, please contact Tyler Sadwith by phone at (415) 744-3563 or by email at [Tyler.Sadwith@cms.hhs.gov](mailto:Tyler.Sadwith@cms.hhs.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Gloria Nagle".

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure

cc: Monica Coury, Arizona Health Care Cost Containment System

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



**Disabled & Elderly Health Programs Group**

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June 17, 2013

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

Dear Mr. Betlach:

We have reviewed Arizona's State Plan Amendment (SPA) 13-004, received in the San Francisco Regional Office on March 28, 2013. This amendment proposes to exclude from coverage benzodiazepines for all conditions and barbiturates for the treatment of epilepsy, cancer and chronic mental health disorders for full benefit dual eligibles as Medicare Part D will provide this coverage.

Based on the information provided, we are pleased to inform you that consistent with the regulations at 42 CFR 430.20, SPA 13-004 is approved with an effective date of January 1, 2013. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Arizona state plan will be forwarded by the San Francisco Regional Office.

If you have any questions regarding this amendment, please contact Jessica Walker at (410) 786-2457.

Sincerely,

/s/

Larry Reed  
Director  
Division of Pharmacy

cc: Monica Coury, Arizona Health Care Cost Containment System  
Gloria Nagle, ARA, San Francisco Regional Office  
Tyler Sadwith, San Francisco Regional Office



**12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.**

**12a. Prescribed drugs.**

Medicare Part D drugs, including benzodiazepines for any condition and barbiturates used for the treatment of epilepsy, cancer or chronic mental health conditions, are not covered for full-benefit dual eligible members, as Part D will cover them.

Prescription drugs for covered transplantation services shall be provided in accordance with AHCCCS transplantation policies.

Over-the-counter or non-prescription medications are not covered unless an appropriate, alternative over-the-counter medication is available and less costly than a prescription medication.

In compliance with Section 1927(b) of the Social Security Act (the Act), the State collects drug rebates in accordance with established policy for drug rebate agreements as provided in Exhibit 12(a) to Attachment 3.1-A.

**12c. Prosthetic devices.**

Prosthetic devices are limited to devices prescribed by a physician or other licensed practitioner to artificially replace missing, deformed or malfunctioning portions of the body and which are medically necessary to the rehabilitation of the member.

Covered prosthetic devices for members age 21 and older do not include hearing aids, cochlear implants, bone anchored hearing aids, insulin pumps, percussive vests, microprocessors for controlled joints for the lower limbs in addition to microprocessor-controlled joints for the lower limbs, penile implants, and vacuum devices.

Orthotic devices, which are defined as devices that are prescribed by a physician or other licensed practitioner of the healing arts to support a weak or deformed portion of the body, are not covered.

**12d. Eyeglasses.**

Eye examinations for prescriptive lenses and the provision of prescriptive lenses under EPSDT services.

Adult services are limited to eyeglasses and contact lenses as the sole prosthetic device after a cataract extraction.

**13. Other diagnostic, screening, preventive, and rehabilitative services, i.e., other than those provided elsewhere in the plan.**

**13a. Diagnostic Services.**

Genetic testing is not covered unless the results of the genetic tests are necessary to differentiate between treatment options. Genetic testing is not covered to determine specific diagnoses or syndromes when such determination would not definitively alter the medical treatment of the member.

**13b. Screening services.**

Coverage is available for evidence-based medically necessary screening services for children based on guidelines from the American Academy of Pediatrics and CDC/IACIP for immunizations.

Coverage is available for evidence-based medically necessary screening services for adults as described in the AHCCCS Medical Policy Manual ([www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals](http://www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx?ID=policymanuals)) which are based, in part, on guidelines from the U.S. Preventive Services Task Force.

**13c. Preventive services.**

Coverage is available for evidence-based medically necessary preventive services for children based on guidelines from the American Academy of Pediatrics and CDC/ACIP for immunizations.

Coverage is available for evidence-based medically necessary preventive services for adults as described in the AHCCCS Medical Policy Manual (<http://www.azahcccs.gov/shared/MedicalPolicyManual/MedicalPolicyManual.aspx>) which are based, in part, on guidelines from the U.S. Preventive Services Task Force.

Preventive services not covered are: well exams meaning physical examinations in absence of any known disease or symptom or any specific medical complaint by the patient precipitating the examination.

PAP smears, mammograms and colonoscopies are covered services.

**13d. Rehabilitative services.**

**Rehabilitative Services-** Services to teach independent living, social and communication skills to persons or their families to promote the maximum reduction of behavioral health symptoms and/or restoration of an individual to his/her best age appropriate functional level for the purpose of maximizing the person's ability to live independently and function in the community. Services may be provided to a person, a group of persons or their families with the person(s) present. Rehabilitative services must be provided by individuals who are qualified behavioral health professionals, behavioral health technicians or behavioral health paraprofessionals as described in the following pages of Attachment 3.1-A Limitations, pages 9(b) – 9(j).