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

Dear Mr. Betlach:

Enclosed is an approved copy of Arizona’s State Plan Amendment (SPA) 13-0008-MM, which was submitted to CMS on August 30, 2013. SPA 13-0008-MM incorporates Optional MAGI-based eligibility groups into Arizona’s Medicaid State Plan in accordance with the Affordable Care Act. The effective date of the SPA is January 1, 2014.

Enclosed is a copy of the new State Plan pages to be incorporated within a separate section at the back of Arizona’s approved State plan:

- S14, Pages 1-5
- S50, Page 1
- S51, Page 1
- S52, Page 1
- S53, Page 1
- S54, Page 1
- S55, Page 1
- S57, Pages 1-2
- S59, Page 1

Please note that with the approval of AZ 13-0007-MM, the AZ MAGI Income Conversion Plan Numbers document, and the 13-0007-MM and 13-0008-MM Superseding Pages of State Plan Material document -- which also pertain to this SPA-- have already been incorporated into the State Plan.

If you have any questions, please contact Rebecca Bruno at (415) 744-3677 or Rebecca.bruno@cms.hhs.gov.

Sincerely,

[Signature]

Gloria Nagle, Ph.D., MPA  
Associate Regional Administrator  
Division of Medicaid & Children’s Health Operations
Madeicaid State Plan Eligibility: Summary Page (CMS 179)

State/Territory name: Arizona

Transmittal Number:
Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

AZ-13-0008

Proposed Effective Date

01/01/2014 (mm/dd/yyyy)

Federal Statute/Regulation Citation

#S50: 1902(a)(10)(A)(i)(XX); 1902(hh); 42 CFR 435.218; #S51: 1902(a)(10)(A)(ii)(I); 42 CFR 435.220; #S52:

Federal Budget Impact

<table>
<thead>
<tr>
<th>Federal Fiscal Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Year 2014</td>
<td>$0.00</td>
</tr>
<tr>
<td>Second Year 2015</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Subject of Amendment
SPA Action #1: MAGI-based Eligibility Groups (Optional)

Governor's Office Review

- Governor's office reported no comment
- Comments of Governor's office received
  Describe:

No reply received within 45 days of submittal

Other, as specified
Describe:
The Governor's Office is aware

Signature of State Agency Official

Submitted By: Theresa Gonzales
Last Revision Date: Sep 27, 2013
Submit Date: Aug 30, 2013
<table>
<thead>
<tr>
<th>DATE RECEIVED:</th>
<th>DATE APPROVED:</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/30/2013</td>
<td>October 4, 2013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLAN APPROVED – ONE COPY ATTACHED</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>EFFECTIVE DATE OF APPROVED MATERIAL:</th>
<th>SIGNATURE OF REGIONAL OFFICIAL:</th>
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<tbody>
<tr>
<td>1/1/2014</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>TYPED NAME</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gloria Nagle</td>
<td>Associate Regional Administrator</td>
</tr>
</tbody>
</table>
Medicaid Eligibility

AFDC Income Standards

Enter the AFDC Standards below. All states must enter:

MAGI-equivalent AFDC Payment Standard in Effect As of May 1, 1988 and
AFDC Payment Standard in Effect As of July 16, 1996

Entry of other standards is optional.

MAGI-equivalent AFDC Payment Standard in Effect As of May 1, 1988

<table>
<thead>
<tr>
<th>Income Standard Entry - Dollar Amount - Automatic Increase Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>The standard is as follows:</td>
</tr>
<tr>
<td>○ Statewide standard</td>
</tr>
<tr>
<td>○ Standard varies by region</td>
</tr>
<tr>
<td>○ Standard varies by living arrangement</td>
</tr>
<tr>
<td>○ Standard varies in some other way</td>
</tr>
</tbody>
</table>

Enter the statewide standard

<table>
<thead>
<tr>
<th>Household size</th>
<th>Standard ($)</th>
<th>Additional incremental amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ 1</td>
<td></td>
<td>○ Yes</td>
</tr>
<tr>
<td>+ 2</td>
<td>247</td>
<td>○ No</td>
</tr>
<tr>
<td>+ 3</td>
<td>312</td>
<td></td>
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<tr>
<td>+ 4</td>
<td>376</td>
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</tr>
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<td>+ 5</td>
<td>441</td>
<td></td>
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<tr>
<td>+ 6</td>
<td>505</td>
<td></td>
</tr>
</tbody>
</table>

The dollar amounts increase automatically each year

○ Yes ○ No

AFDC Payment Standard in Effect As of July 16, 1996

<table>
<thead>
<tr>
<th>Income Standard Entry - Dollar Amount - Automatic Increase Option</th>
</tr>
</thead>
<tbody>
<tr>
<td>The standard is as follows:</td>
</tr>
</tbody>
</table>

Transmittal Number: AZ 13-0008-MM Approval Date: October 4, 2013 Effective Date: January 1, 2014
Medicaid Eligibility

Enter the statewide standard

<table>
<thead>
<tr>
<th>Household size</th>
<th>Standard ($)</th>
<th>Additional incremental amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>204</td>
<td>X</td>
</tr>
<tr>
<td>2</td>
<td>275</td>
<td>X</td>
</tr>
<tr>
<td>3</td>
<td>347</td>
<td>X</td>
</tr>
<tr>
<td>4</td>
<td>418</td>
<td>X</td>
</tr>
<tr>
<td>5</td>
<td>489</td>
<td>X</td>
</tr>
<tr>
<td>6</td>
<td>561</td>
<td>X</td>
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<tr>
<td>7</td>
<td>632</td>
<td>X</td>
</tr>
<tr>
<td>8</td>
<td>703</td>
<td>X</td>
</tr>
</tbody>
</table>

The dollar amounts increase automatically each year

- Yes  No

Increment amount $72

MAGI-equivalent AFDC Payment Standard in Effect As of July 16, 1996

Income Standard Entry - Dollar Amount - Automatic Increase Option

The standard is as follows:

- Statewide standard
- Standard varies by region
- Standard varies by living arrangement
- Standard varies in some other way
## Medicaid Eligibility

### Table: Additional Incremental Amount

<table>
<thead>
<tr>
<th>Household size</th>
<th>Standard ($)</th>
<th>Additional incremental amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>214</td>
<td>X</td>
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<tr>
<td>2</td>
<td>289</td>
<td>X</td>
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<td>3</td>
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<td>4</td>
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<td>5</td>
<td>516</td>
<td>X</td>
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<tr>
<td>6</td>
<td>591</td>
<td>X</td>
</tr>
<tr>
<td>7</td>
<td>667</td>
<td>X</td>
</tr>
</tbody>
</table>

The dollar amounts increase automatically each year

- Yes  
- No

### AFDC Need Standard in Effect As of July 16, 1996

#### Income Standard Entry - Dollar Amount - Automatic Increase Option

The standard is as follows:

- Statewide standard
- Standard varies by region
- Standard varies by living arrangement
- Standard varies in some other way

The dollar amounts increase automatically each year

- Yes  
- No

### AFDC Payment Standard in Effect As of July 16, 1996, increased by no more than the percentage increase in the Consumer Price Index for urban consumers (CPI-U) since such date.

#### Income Standard Entry - Dollar Amount - Automatic Increase Option

The standard is as follows:

- Statewide standard
- Standard varies by region
Medicaid Eligibility

- Standard varies by living arrangement
- Standard varies in some other way

The dollar amounts increase automatically each year
- Yes  - No

MAGI-equivalent AFDC Payment Standard in Effect As of July 16, 1996, increased by no more than the percentage increase in the Consumer Price Index for urban consumers (CPI-U) since such date

Income Standard Entry - Dollar Amount - Automatic Increase Option  S13a

The standard is as follows:
- Statewide standard
- Standard varies by region
- Standard varies by living arrangement
- Standard varies in some other way

The dollar amounts increase automatically each year
- Yes  - No

TANF payment standard

Income Standard Entry - Dollar Amount - Automatic Increase Option  S13a

The standard is as follows:
- Statewide standard
- Standard varies by region
- Standard varies by living arrangement
- Standard varies in some other way

The dollar amounts increase automatically each year
- Yes  - No

MAGI-equivalent TANF payment standard

Income Standard Entry - Dollar Amount - Automatic Increase Option  S13a
The standard is as follows:
- O Statewide standard
- O Standard varies by region
- O Standard varies by living arrangement
- O Standard varies in some other way

The dollar amounts increase automatically each year
- O Yes  O No

PRA Disclosure Statement
According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.
# Medicaid Eligibility

Eligibility Groups - Options for Coverage

## Individuals above 133% FPL

<table>
<thead>
<tr>
<th>1902(a)(10)(A)(ii)(XX)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902(hh)</td>
</tr>
<tr>
<td>42 CFR 435.218</td>
</tr>
</tbody>
</table>

### individuals above 133% FPL

- The state elects to cover individuals under 65, not otherwise mandatorily or optionally eligible, with income above 133% FPL and at or below a standard established by the state and in accordance with provisions described at 42 CFR 435.218.

- [ ] Yes
- [ ] No

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.
## Medicaid Eligibility

### Eligibility Groups - Options for Coverage

#### Optional Coverage of Parents and Other Caretaker Relatives

<table>
<thead>
<tr>
<th>42 CFR 435.220</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902(a)(10)(A)(ii)(l)</td>
</tr>
</tbody>
</table>

**Optional Coverage of Parents and Other Caretaker Relatives** - The state elects to cover individuals qualifying as parents or other caretaker relatives who are not mandatorily eligible and who have income at or below a standard established by the state and in accordance with provisions described at 42 CFR 435.220.

- [ ] Yes
- [ ] No

---

**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.
# Medicaid Eligibility

## Eligibility Groups - Options for Coverage

### Reasonable Classification of Individuals under Age 21

<table>
<thead>
<tr>
<th>42 CFR 435.222</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902(a)(10)(A)(ii)(I)</td>
</tr>
<tr>
<td>1902(a)(10)(A)(ii)(IV)</td>
</tr>
</tbody>
</table>

### Reasonable Classification of Individuals under Age 21 - The state elects to cover one or more reasonable classifications of individuals under age 21 who are not mandatorily eligible and who have income at or below a standard established by the state and in accordance with provisions described at 42 CFR 435.222.

☐ Yes ☐ No

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**PRA Disclosure Statement**

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.
### Medicaid Eligibility

**Eligibility Groups - Options for Coverage**

**Children with Non IV-E Adoption Assistance**

<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>OMB Control Number</th>
<th>OMB Expiration date</th>
</tr>
</thead>
<tbody>
<tr>
<td>42 CFR 435.227</td>
<td>0938-1148</td>
<td>10/31/2014</td>
</tr>
<tr>
<td>1902(a)(10)(A)(ii)(VIII)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The state elects to cover children with special needs for whom there is a non IV-E adoption assistance agreement in effect with a state, who were eligible for Medicaid, or who had income at or below a standard established by the state and in accordance with provisions described at 42 CFR 435.227.

- [ ] Yes
- [ ] No

- [ ] The state attests that it operates this eligibility group in accordance with the following provisions:
  - [ ] Individuals qualifying under this eligibility group must meet the following criteria:
    - [ ] The state adoption agency has determined that they cannot be placed without Medicaid coverage because of special needs for medical or rehabilitative care;
    - [ ] Are under the following age (see the Guidance for restrictions on the selection of an age):
      - [ ] Under age 21
      - [ ] Under age 20
      - [ ] Under age 19
      - [ ] Under age 18
  - [ ] MAGI-based income methodologies are used in calculating household income. Please refer as necessary to S10 MAGI-Based Income Methodologies, completed by the state.

The state covered this eligibility group in the Medicaid state plan as of December 31, 2013, or under a Medicaid 1115 Demonstration as of March 23, 2010 or December 31, 2013.

- [ ] Yes
- [ ] No

The state also covered this eligibility group in the Medicaid state plan as of March 23, 2010.

- [ ] Yes
- [ ] No

- [ ] Individuals qualify under this eligibility group if they were eligible under the state's approved state plan prior to the execution of the adoption agreement.

The state used an income standard or disregarded all income for this eligibility group either in the Medicaid state plan as of March 23, 2010 or December 31, 2013, or under a Medicaid 1115 Demonstration as of March 23, 2010 or December 31, 2013.

- [ ] Yes
- [ ] No

- [ ] There is no resource test for this eligibility group.

---

**PRA Disclosure Statement**

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## Medicaid Eligibility

### Eligibility Groups - Options for Coverage

**Optional Targeted Low Income Children**

<table>
<thead>
<tr>
<th>1902(a)(10)(A)(ii)(XIV)</th>
<th>42 CFR 435.229 and 435.4</th>
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</thead>
<tbody>
<tr>
<td>1905(u)(2)(B)</td>
<td></td>
</tr>
</tbody>
</table>

**Optional Targeted Low Income Children** - The state elects to cover uninsured children who meet the definition of optional targeted low income children at 42 CFR 435.4, who have household income at or below a standard established by the state and in accordance with provisions described at 42 CFR 435.229.

- [ ] Yes
- [ ] No

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### PRA Disclosure Statement

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Transmittal Number: AZ 13-0008-MM  
Approval Date: October 4, 2013  
Effective Date: January 1, 2014  
S54
Medicaid Eligibility

Eligibility Groups - Options for Coverage

<table>
<thead>
<tr>
<th>Individuals with Tuberculosis</th>
<th>S55</th>
</tr>
</thead>
<tbody>
<tr>
<td>1902(a)(10)(A)(ii)(XII)</td>
<td></td>
</tr>
<tr>
<td>1902(z)</td>
<td></td>
</tr>
</tbody>
</table>

Individuals with Tuberculosis - The state elects to cover individuals infected with tuberculosis who have income at or below a standard established by the state, limited to tuberculosis-related services.

☐ Yes  ☐ No

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-0S, Baltimore, Maryland 21244-1850.
Eligibility Groups - Options for Coverage
**Independent Foster Care Adolescents**

42 CFR 435.226
1902(a)(10)(A)(ii)(XVII)

**Independent Foster Care Adolescents** - The state elects to cover individuals under an age specified by the state, less than age 21, who were in state-sponsored foster care on their 18th birthday and who meet the income standard established by the state and in accordance with the provisions described at 42 CFR 435.226.

- Yes  
- No  

☑ The state attests that it operates this eligibility group in accordance with the following provisions:

- Individuals qualifying under this eligibility group must meet the following criteria:
  - Are under the following age
    - Under age 21
    - Under age 20
    - Under age 19
  - Were in foster care under the responsibility of a state on their 18th birthday.
  - Are not eligible and enrolled for mandatory coverage under the Medicaid state plan.
  - Have household income at or below a standard established by the state.
  - MAGI-based income methodologies are used in calculating household income. Please refer as necessary to S10 MAGI-Based Income Methodologies, completed by the state.

The state covered this eligibility group under its Medicaid state plan as of December 31, 2013, or under a Medicaid 1115 demonstration as of March 23, 2010 or December 31, 2013.

- Yes  
- No  

The state also covered this eligibility group in the Medicaid state plan as of March 23, 2010.

- Yes  
- No  

The state covers children under this eligibility group, as follows (selection may not be more restrictive than the coverage in the Medicaid state plan as of March 23, 2010 until October 1, 2019, nor more liberal than the most liberal coverage in the Medicaid state plan as of December 31, 2013, or under a Medicaid 1115 demonstration as of March 23, 2010 or December 31, 2013):

- All children under the age selected
- A reasonable classification of children under the age selected:

- Income standard used for this eligibility group

- Minimum income standard
  The minimum income standard for this classification of children is the AFDC payment standard in effect as of July 16, 1996, not converted to MAGI-equivalent. This standard is described in S14 AFDC Income Standards.
Medicaid Eligibility

☐ Maximum income standard

No income test was used (all income was disregarded) for this eligibility group either in the Medicaid state plan as of March 23, 2010 or December 31, 2013, or under a Medicaid 1115 Demonstration as of March 23, 2010 or December 31, 2013.

☐ Yes  ☐ No

☐ No income test was used (all income was disregarded) for this eligibility group under (check all that apply):

☒ The Medicaid state plan as of March 23, 2010.
☒ The Medicaid state plan as of December 31, 2013.
☐ A Medicaid 1115 demonstration as of December 31, 2013.

The state's maximum standard for this eligibility group is no income test (all income is disregarded).

☐ Income standard chosen

Individuals qualify under this eligibility group under the following income standard:

This eligibility group does not use an income test (all income is disregarded).

☐ There is no resource test for this eligibility group.

PRA Disclosure Statement

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Eligibility Groups - Options for Coverage

Individuals Eligible for Family Planning Services

1902(a)(10)(A)(ii)(XXI)
42 CFR 435.214

Individuals Eligible for Family Planning Services - The state elects to cover individuals who are not pregnant, and have household income at or below a standard established by the state, whose coverage is limited to family planning and related services and in accordance with provisions described at 42 CFR 435.214.

☐ Yes ☐ No

PRA Disclosure Statement

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