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) 13-0013-MM, which was submitted to CMS on October 16, 2013. SPA 13-0013-MM incorporates the MAGI-Based Income Methodologies 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 California’s approved State plan:

- S10, Pages 1-2

In addition, enclosed is a summary of State Plan pages which are superseded by SPA AZ-13-0013-MM, which should also be incorporated into a separate section in the front of the State Plan:

- Superseding Pages of State Plan Material, 13-0013-MM

This enclosure incorporates the following statement into the Arizona Medicaid State Plan:

“Notwithstanding any other provisions of the Arizona Medicaid State Plan, the financial eligibility methodologies described in State Plan Amendment AZ SPA 13-0013 will apply to all MAGI-based eligibility groups covered under Arizona’s Medicaid State Plan. The MAGI financial methodologies set forth in 42 CFR § 435.603 apply to everyone except those individuals described at 42 CFR § 435.603(j) for whom MAGI-based methods do not apply. This State Plan Amendment supersedes the current financial eligibility provisions of the Medicaid State Plan only with respect to the MAGI-based eligibility groups.”

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

Sincerely,

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

cc: Wakina Scott
HeeYoung Ansell
Medicaid 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 13-0013

Proposed Effective Date
01/01/2014 (mm/dd/yyyy)

Federal Statute/Regulation Citation
1902(e)(14); 42 CFR 435.603

Federal Budget Impact

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<th>Federal Fiscal Year</th>
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<td>Second Year 2015</td>
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Subject of Amendment
MAGI-Based Income Methodologies; SPA Action #3 (S10)

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:
  Governor's Office is aware

Signature of State Agency Official
Submitted By: Theresa Gonzales
Last Revision Date: Oct 16, 2013
Submit Date: Oct 16, 2013
<table>
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<th>DATE RECEIVED:</th>
<th>DATE APPROVED:</th>
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<td>10/16/2013</td>
<td>October 25, 2013</td>
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<td>EFFECTIVE DATE OF APPROVED MATERIAL:</td>
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<td>1/1/2014</td>
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<tbody>
<tr>
<td>Gloria Nagle</td>
<td>Associate Regional Administrator</td>
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The state will apply Modified Adjusted Gross Income (MAGI)-based methodologies as described below, and consistent with 42 CFR 435.603.

In the case of determining ongoing eligibility for beneficiaries determined eligible for Medicaid on or before December 31, 2013, MAGI-based income methodologies will not be applied until March 31, 2014, or the next regularly-scheduled renewal of eligibility, whichever is later, if application of such methods results in a determination of ineligibility prior to such date.

In determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.

In determining family size for the eligibility determination of the other individuals in a household that includes a pregnant woman:

- The pregnant woman is counted just as herself.
- The pregnant woman is counted as herself, plus one.
- The pregnant woman is counted as herself, plus the number of children she is expected to deliver.

Financial eligibility is determined consistent with the following provisions:

When determining eligibility for new applicants, financial eligibility is based on current monthly income and family size.

When determining eligibility for current beneficiaries, financial eligibility is based on:

- Current monthly household income and family size
- Projected annual household income and family size for the remaining months of the current calendar year

In determining current monthly or projected annual household income, the state will use reasonable methods to:

- Include a prorated portion of a reasonably predictable increase in future income and/or family size.
- Account for a reasonably predictable decrease in future income and/or family size.

Except as provided at 42 CFR 435.603(d)(2) through (d)(4), household income is the sum of the MAGI-based income of every individual included in the individual's household.

In determining eligibility for Medicaid, an amount equivalent to 5 percentage points of the FPL for the applicable family size will be deducted from household income in accordance with 42 CFR 435.603(d).

Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent.

- Yes  - No
Medicaid Eligibility

☐ The age used for children with respect to 42 CFR 435.603(f)(3)(iv) is:

☑ Age 19

☐ Age 19, or in the case of full-time students, age 21

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.
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<th>PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</th>
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<tr>
<td>S10 - MAGI Income Methodology</td>
<td>Notwithstanding any other provisions of the Arizona Medicaid State Plan, the financial eligibility methodologies described in State Plan Amendment AZ SPA 13-0013 will apply to all MAGI-based eligibility groups covered under Arizona's Medicaid State Plan. The MAGI financial methodologies set forth in 42 CFR § 435.603 apply to everyone except those individuals described at 42 CFR § 435.603(j) for whom MAGI-based methods do not apply. This State Plan Amendment supersedes the current financial eligibility provisions of the Medicaid State Plan only with respect to the MAGI-based eligibility groups.</td>
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