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 State Plan Amendment (SPA) 13-014, which was submitted to CMS on December 10, 2013. This amendment updates the State Plan to remove the 25-day limit on the inpatient hospital benefit effective on October 1, 2014 as requested.

Enclosed is the following approved State Plan page to be incorporated within your approved State Plan:

- Attachment 3.1-A Limitations, page 1

If you have any questions, please have your staff contact Cheryl Young at (415) 744-3598 or at cheryl.young@cms.hhs.gov.

Sincerely,

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

cc: Wakina Scott  
    HeeYoung Ansell
# Transmittal and Notice of Approval of State Plan Material

**FOR: Centers for Medicare and Medicaid Services**

**TO: REGIONAL ADMINISTRATOR**
**CENTERS FOR MEDICARE AND MEDICAID SERVICES**
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

<table>
<thead>
<tr>
<th>1. TRANSMITTAL NUMBER:</th>
<th>13-014</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. STATE:</td>
<td>Arizona</td>
</tr>
<tr>
<td>3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</td>
<td></td>
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<tr>
<td>4. PROPOSED EFFECTIVE DATE:</td>
<td>October 1, 2014</td>
</tr>
</tbody>
</table>

**5. TYPE OF PLAN MATERIAL (Check One):**

- [ ] NEW STATE PLAN
- [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN
- [X] AMENDMENT

**COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)**

<table>
<thead>
<tr>
<th>6. FEDERAL STATUTE/REGULATION CITATION:</th>
</tr>
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<tbody>
<tr>
<td>Section 1905(a)(1) of the Social Security Act</td>
</tr>
<tr>
<td>42 CFR 440.10</td>
</tr>
<tr>
<td>42 CFR 440.230</td>
</tr>
<tr>
<td>42 CFR 440.240</td>
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</tbody>
</table>

<table>
<thead>
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<th>7. FEDERAL BUDGET IMPACT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 2014: $0</td>
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<tr>
<td>FFY 2015: $0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment 3.1-A Limitations, Page 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attachment 3.1-A Limitations, Page 1</td>
</tr>
</tbody>
</table>

**10. SUBJECT OF AMENDMENT:**

Updates the State Plan to eliminate the 25 day inpatient hospital limit beginning October 1, 2014.

**11. GOVERNOR’S REVIEW (Check One):**

- [ ] GOVERNOR’S OFFICE REPORTED NO COMMENT
- [ ] COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

**12. SIGNATURE OF STATE AGENCY OFFICIAL:**

[Signature]

**13. TYPED NAME:**

Monica Coury

**14. TITLE:**

Assistant Director

**15. DATE SUBMITTED:**

December 10, 2013

**16. RETURN TO:**

Monica Coury
801 E. Jefferson, MD#4200
Phoenix, Arizona 85034

**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:**

December 10, 2013

**18. DATE APPROVED:**

JAN 21, 2014

**19. EFFECTIVE DATE OF APPROVED MATERIAL:**

October 1, 2014

**20. SIGNATURE OF REGIONAL OFFICIAL:**

[Signature]

**21. TYPED NAME:**

Gloria Nagle

**22. TITLE:**

Associate Regional Administrator,
Division of Medicaid & Children’s Health Operations

**23. REMARKS:**

Box 6 — Pen and ink change to add statutory citation made by CMS and confirmed by the State via email dated 1/10/14.
Box 9 — Pen and ink change to add attachment name made by CMS and confirmed by the State via email dated 1/10/14.

FORM HCFA-179 (07-92)
All covered services shall be authorized by an appropriate entity or entities except in the case of emergency hospital services and emergency transportation. As provided in AHCCCS’ policies and procedures, authorization for medical services shall be obtained from at least one of the following entities: a primary care provider (a licensed physician, physician assistant or certified nurse practitioner) or a physician specialist or dentist, a health plan, a program contractor, a Regional Behavioral Health Authority, an ALTCS case manager affiliated with a program contractor, or the AHCCCS Administration. The appropriate entity shall only authorize medically necessary services subject to the limitations specified below and in compliance with applicable federal and state law and regulations and AHCCCS policies and procedures or other applicable guidelines.

1. **Inpatient hospital services other than those provided in an institution for mental diseases.**

   Inpatient hospital services shall be furnished by a licensed and certified hospital.

   Inpatient hospital services include services in inpatient psychiatric facilities, provided to EPSDT-eligible persons < 21 years in accordance with 42 CFR 441.150.

   Inpatient hospital services for medically necessary abortions only when the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.

2a. **Outpatient hospital services.**

   Outpatient hospital services are services ordinarily provided in hospitals, clinics, offices and other health care facilities by licensed health care providers.

   Outpatient hospital services for medically necessary abortions only when the pregnancy is the result of an act of rape or incest; or in the case where a woman suffers from a physical disorder, physical injury, or physical illness, including a life-endangering physical condition caused by or arising from the pregnancy itself, that would, as certified by a physician, place the woman in danger of death unless an abortion is performed.