July 28, 2014

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

Dear Mr. Betlach:

We have reviewed the proposed State Plan Amendment (SPA) 14-003, which was submitted to the Centers for Medicare & Medicaid Services San Francisco Regional Office on January 31, 2014. This SPA adds limited orthotics coverage of halos, walking boots, and knee orthotics as part of the prosthetics benefit described in Attachment 3.1-A Limitations.

Based on the information provided, we are approving SPA 14-003 with an effective date of October 1, 2014. We are enclosing the approved Form CMS-179 and the following Medicaid state plan page:

- Attachment 3.1-A Limitations, page 9

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

Sincerely,

/s/

Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid & Children’s Health Operations

cc: Cheryl Young
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

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1905(a) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
FFY 2014: None.
FFY 2015: None.

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1-A, Limitations pages 9

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Attachment 3.1-A, Limitations, page 9

10. SUBJECT OF AMENDMENT:
Revises the State Plan to reflect updates to the orthotic benefit

11. GOVERNOR’S REVIEW (Check One):
☐ GOVERNOR’S OFFICE REPORTED NO COMMENT ☒ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

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

13. TYPED NAME:
Monica Coury

14. TITLE:
Assistant Director

15. DATE SUBMITTED:
January 31, 2014

16. RETURN TO:

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
January 31, 2014

18. DATE APPROVED:
July 28, 2014

19. EFFECTIVE DATE OF APPROVED MATERIAL:
October 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPED NAME: Hye Sun Lee

22. TITLE: Acting Associate Administrator, Division of Medicaid & Children’s Health Operations

23. REMARKS:
Box 1: Pen & ink change to renumber SPA to be consistent with the year it was submitted: 14-001. State agreed to CMS change via email dated 1/17/14 and also per AZ written response to informal questions dated 3/19/14.
Box 7: Pen & ink change that this SPA has no budget impact per AZ written response to informal questions dated 3/19/14.
Box 9: Pen & ink change to add the SPA page numbers that are to be superseded per AZ written response to informal questions dated 3/19/14.
Box 4: Pen & ink change to add effective date of 10/1/14 per State/CMS discussion dated 7/22/14 via email.

FORM HCFA-179 (07-92)
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 are not covered for full benefit dual eligible members, as coverage is provided through Medicare Part D PDPs and MAPDs

Prescription drugs for covered transplantation services shall be provided in accordance with AHCCCS transplantation policies.
AHCCCS only covers over-the-counter medications in place of a covered prescription medication that is clinically appropriate, equally safe and effective, and less costly than the covered 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 except under the following circumstances: Halos to treat cervical fracture instead of surgery; Walking boots instead of surgery or serial casting; Knee orthotics for crutch dependent ambulation instead of a wheelchair.

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.

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TN No. 14-003  
Supersedes  
TN No. 14-002  
Approval Date: **July 28 2014**  
Effective Date: **October 1, 2014**