September 30, 2020

Mark Wong
Division of Medicaid and Children’s Health Operations
U.S. Department of Health & Human Services
Centers for Medicare & Medicaid Services
90 Seventh Street, Suite 5-300 (5W)
San Francisco, CA 94103-6707

RE: Arizona SPA #20-019, General Fund GME

Dear Mr. Wong:

Enclosed is State Plan Amendment (SPA) #20-019, General Fund GME, which updates the State Plan to detail amounts and methodology related to the GME General Fund program dollars approved by the Arizona State Legislature, effective September 30, 2020. Please utilize the following links for information regarding Tribal Consultation and public notice requirements:

Tribal Consultation:
- [https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html](https://www.azahcccs.gov/AmericanIndians/TribalConsultation/meetings.html)

Public Notice:

If you have any questions about the enclosed SPA, please contact Alex Demyan at (602) 417-4130.

Sincerely,

Dana Flannery
Assistant Director
Arizona Health Care Cost Containment System (AHCCCS)

cc: Brian Zolynas, CMS
Amy Upston, AHCCCS
## 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

**1. TRANSMITTAL NUMBER:** 20-019

**2. STATE**
Arizona

**3. PROGRAM IDENTIFICATION:** TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

**4. PROPOSED EFFECTIVE DATE**
September 30, 2020

**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)

**6. FEDERAL STATUTE/REGULATION CITATION:**
42 CFR Part 447

**7. FEDERAL BUDGET IMPACT:**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>FFY 2020</td>
<td>$0</td>
</tr>
<tr>
<td>FFY 2021</td>
<td>$16,317,300</td>
</tr>
</tbody>
</table>

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**
Attachment 4.19-A
pg. 9(g)(iii)

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):**
Attachment 4.19-A
pg. 9(g)(iii)

**10. SUBJECT OF AMENDMENT:**

Updates the State Plan to detail amounts and methodology related to the GME program General Fund dollars approved by the Arizona State Legislature.

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

- [X] 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:**

[Dana Flannery]

**13. TYPED NAME:** Dana Flannery

**14. TITLE:** Assistant Director

**15. DATE SUBMITTED:** September 30, 2020

**FOR REGIONAL OFFICE USE ONLY**

**16. RETURN TO:**
Dana Flannery
801 E. Jefferson, MD#4200
Phoenix, Arizona  85034

**17. DATE RECEIVED:**

**18. DATE APPROVED:**

PLAN APPROVED – ONE COPY ATTACHED

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

**20. SIGNATURE OF REGIONAL OFFICIAL:**

**21. TYPED NAME:**

**22. TITLE:**

**23. REMARKS:**
INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the regional office for approval. A separate typed transmittal form should be completed for each plan/amendment submitted.

Block 1 - Transmittal Number - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a calendar year basis (e.g., 92-001, 92-002, etc.).

Block 2 - State - Type the name of the State submitting the plan material.

Block 3 - Program Identification - Title XIX of the Social Security Act (Medicaid).

Block 4 - Proposed Effective Date - Enter the proposed effective date of material.

Block 5 - Type of Plan Material - Check the appropriate box.

Block 6 - Federal Statute/Regulation Citation - Enter the appropriate statutory/regulatory citation.

Block 7 - Federal Budget Impact - 7(a) - Enter 1st Federal Fiscal Year (FY) impacted by the SPA & estimated Federal share of the cost of the SPA (in thousands) for 1st FY. 7(b) - Enter 2nd FY impacted by the SPA & estimated Federal share of the cost for 2nd FY. See SMM section 13026.

Block 8 - Page No.(s) of Plan Section or Attachment - Enter the page number(s) of plan material transmitted. If additional space is needed, use bond paper.

Block 9 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable) - Enter the page number(s) (including the transmittal sheet number) that is being superseded. If additional space is needed, use bond paper.

Block 10 - Subject of Amendment - Briefly describe plan material being transmitted.

Block 11 - Governor’s Review - Check the appropriate box. See SMM section 13026 B.

Block 12 - Signature of State Agency Official - Authorized State official signs this block.

Block 13 - Typed Name - Type name of State official who signed block 12.

Block 14 - Title - Type title of State official who signed block 12.

Block 15 - Date Submitted - Enter the date you mail plan material to RO.

Block 16 - Return To - Type the name and address of State official to whom this form should be returned.

Block 17–23 (FOR REGIONAL OFFICE USE ONLY).

Block 17 - Date Received - Enter the date plan material is received in RO. See ROM section 6003.2.

Block 18 - Date Approved - Enter the date RO approved the plan material.

Block 19 - Effective Date of Approved Material - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 23 or attach a sheet.

Block 20 - Signature of Regional Official - Approving RO official signs this block.

Block 21 - Typed Name - Type approving official’s name.

Block 22 - Title - Type approving official’s title.

Block 23 - Remarks - Use this block to reference pen and ink changes, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

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 number for this information collection is 0938-0193. The time required to complete this information collection is estimated to average 1 hour per response, including the time to review instructions, searching existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.
Notwithstanding section 36-2903.01, subsection G, paragraph 9, subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for graduate medical education includes $3,333,400 from the state general fund and $7,781,700 from expenditure authority for the direct and indirect costs of graduate medical education programs located in a county with a population of less than five hundred thousand persons. The state general fund amount may supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program. The administration shall prioritize distribution to programs at hospitals in counties with a higher percentage of persons residing in a health professional shortage area as defined in 42 Code of Federal Regulations part 5.

Notwithstanding section 36-2903.01, subsection G, paragraph 9, subdivisions (a), (b) and (c), Arizona Revised Statutes, the amount for graduate medical education includes $2,666,600 from the state general fund and $6,225,000 from expenditure authority for the direct and indirect costs of graduate medical education programs located in a county with a population of more than five hundred thousand persons. The state general fund amount may supplement, but not supplant, voluntary payments made from political subdivisions for payments to hospitals that operate a graduate medical education program. The administration shall prioritize distribution to programs at hospitals in counties with a higher percentage of persons residing in a health professional shortage area as defined in 42 Code of Federal Regulations part 5.