

Table of Contents

State/Territory Name: Arizona

State Plan Amendment (SPA) #: AZ-24-0011

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

August 4, 2026

Roberta Harrison, Interim Director
Arizona Health Care Cost Containment System
150 N. 18th Ave.
Phoenix, AZ, 85007

RE: Arizona State Plan Amendment Transmittal Number 24-0011

Dear State Medicaid Director Harrison:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Arizona state plan amendment (SPA) to Attachment 4.19-A AZ-24-0011, which was submitted to CMS on September 25, 2024. This amendment provides for reallocation of Arizona disproportionate share hospital (DSH) pool 4 funds to pool 5 for the DSH state plan rate year ending 2024.

We reviewed your SPA submission for compliance with statutory requirements, including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), and 1923 of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of September 30, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Novena James-Hailey at 617-565-1291 or via email at Novena.JamesHailey@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Rory Howe". The signature is written in a cursive, flowing style.

Rory Howe
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

24 — 0011

2. STATE

AZ3. PROGRAM IDENTIFICATION: TITLE 19 OF THE
SOCIAL SECURITY ACTTO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

September 30, 20245. FEDERAL STATUTE/REGULATION CITATION
**42 CFR Part 447 and Section 1923 of the Social
Security Act**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY: 2024 \$ **44,154,842**b. FFY: 2025 \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A Page 678. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable)**Attachment 4.19-A Page 67**

9. SUBJECT OF AMENDMENT

Updates the State Plan to detail the reallocation of excess DSH Pool 4 funding.

10. 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



OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL



15. RETURN TO

Kyle Sawyer
801 E. Jefferson St., MD #4200
Phoenix, AZ 85034

12. TYPED NAME

Kyle Sawyer

13. TITLE

Assistant Director, Public Policy and Strategic Planning

14. DATE SUBMITTED: September 25, 2024

FOR CMS USE ONLY

16. DATE RECEIVED

September 25, 2024

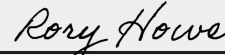
17. DATE APPROVED

August 4, 2026**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

September 30, 2024

19. SIGNATURE OF APPROVING OFFICIAL



20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. REMARKS

STATE OF ARIZONA
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
INPATIENT HOSPITAL CARE

For SPY 2020, excess pool 4 funding not allocated due to OBRA limits will be reallocated to Pool 5 by December 31, 2021 or soon after the SPA is approved. The reallocation will be based proportionately according to the hospital's LOM scores, subject to each hospital's remaining OBRA limit. The amount to be reallocated to DSH pool 5 is \$18,122,533.

The participating Pool 5 hospitals that will receive the pool 4 funding reallocation are:

- Yuma Regional Medical Center

For SPY 2024, excess pool 4 funding not allocated due to OBRA limits will be reallocated to Pool 5 by December 31, 2025. The reallocation will be based proportionately according to the hospital's LOM scores, subject to each hospital's remaining OBRA limit. The amount to be reallocated to DSH pool 5 is \$ \$66,608,602. The final pay-by date is September 30, 2026.

The participating Pool 5 hospitals that will receive the pool 4 funding reallocation are:

- Abrazo Central Campus
- Abrazo West Campus
- Arizona General Hospital
- Banner University Medical Center Phoenix
- Banner Estrella Medical
- Dignity Health Arizona General Hospital
- St. Joseph's Hospital Phoenix
- Tucson Medical Center