

September 27, 2024

Brian Zolynas  
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 # AZ-24-0014, Third Party Liability (TPL) SPA

Dear Mr. Zolynas:

Enclosed is State Plan Amendment (SPA) # AZ-24-0014, Third Party Liability (TPL). This SPA attests to the Third Party Liability requirements outlined in Section 1902(a)(25)(I) of the Social Security Act and is in response to Arizona Senate Bill 1250 which bars liable third parties from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. This SPA will be effective September 14, 2024.

Tribal Consultation on this SPA occurred through a "Dear Tribal Leader Letter" sent on August 29, 2024. The letter has been attached below.

Public Notice for this SPA was posted on the following webpages:

<https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/TPLSPAPublicNoticeandPlanPages.pdf>

If there are any questions about the enclosed SPA, please contact Maxwell Seifer at [Maxwell.Seifer@azahcccs.gov](mailto:Maxwell.Seifer@azahcccs.gov) or 602-417-4722.

Sincerely,



Kyle Sawyer  
Assistant Director, Public Policy and Strategic Planning  
Arizona Health Care Cost Containment System (AHCCCS)

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

1. TRANSMITTAL NUMBER <b>24 — 0014</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <b>19</b> OF THE SOCIAL SECURITY ACT	

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**September 14, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**1902(a)(25)(I) of the SSA**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY: **2025** \$ **0**  
b. FFY: **2026** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**Attachment 4.22-B Page 2**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**Attachment 4.22-B Page 2**

9. SUBJECT OF AMENDMENT  
This SPA attests to the Third Party Liability requirements outlined in Section 1902(a)(25)(I) of the Social Security Act.

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 27, 2024

**FOR CMS USE ONLY**

16. DATE RECEIVED

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

22. REMARKS

4.22(d)(3):

**Method used for determining billing accumulation as specified in 42 CFR 433.139(f)(3).**

Specific member claims must generally total \$250.00, or more, in order for a case to be considered for potential recovery. Claims expenses are accumulated beginning with the date of injury to, whichever occurs first, the last date of treatment or the case is settled.

4.22(d)(4):

**The State attests that the Third Party Liability requirements outlined in 1902(a)(25)(E) and 1902(a)(25)(F)(i) of the Social Security Act are met.** These requirements are:

1. For the State to apply cost avoidance procedures to claims for prenatal services, including labor, delivery, and postpartum care services;
2. For the State to make payments without regard to potential TPL for pediatric preventive services, unless the state has made a determination related to cost-effectiveness and access to care that warrants cost avoidance for 90 days; and
3. The State's flexibility to make payments without regard to potential TPL for up to 100 days for claims related to child support enforcement beneficiaries.

4.22(d)(5):

**The State attests that the Third Party Liability requirements outlined in 1902(a)(25)(l) and State Medicaid Director Letter (SMDL) 23-002 are met.**

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The State has in effect laws that require third parties to comply with the provisions of 1902(a)(25)(1) of the Social Security Act, including those that require third parties to provide the State with coverage, eligibility and claims data. This includes:

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1. Laws that bar liable third parties from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules.
2. Laws that require responsible third parties to respond to any inquiry regarding a health care claim that is submitted not later than three years after the provision of such item or service. Third-party payers are required to respond to a state inquiry regarding a health care claim within sixty (60) days of receiving the inquiry.

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August 28, 2024

**Re: AHCCCS State Plan Amendment (SPA) Tribal Notice**

Dear Tribal Leader and Urban Indian Organization Leader:

The Arizona Health Care Cost Containment System (AHCCCS), Arizona's State Medicaid Agency, has prepared this letter to inform tribal stakeholders of an upcoming State Plan Amendment (SPA) and to meet the tribal consultation requirement established in Arizona's Medicaid State Plan. Ideally, AHCCCS strives for a consultation meeting, which provides an opportunity for discussion and verbal comments to be made regarding a proposed change 45 days prior to the submission of the policy change to CMS. However, this SPA was created in response to [Arizona Senate Bill 1250](#) which establishes a policy effective date of September 14, 2024. Due to this limited timeline, this letter is being sent to fulfill AHCCCS' commitment to Tribal Consultation. If any tribal stakeholders are interested in discussing this SPA, AHCCCS would be happy to schedule individual meetings. In addition, Tribal stakeholders are welcome to provide verbal comments on this SPA via telephone by contacting the AHCCCS State Plan Manager, Max Seifer, at 602-417-4722.

**Background**

Arizona's Medicaid and CHIP programs operate under the federal authorities of a State Plan and an 1115 Research and Demonstration Waiver. The Medicaid and CHIP (KidsCare) State Plans are federally mandated contracts between the State and the federal government, describing how Arizona's Medicaid and CHIP (KidsCare) programs are administered, and serving as the basis for Federal Financial Participation (FFP). In alignment with established federal regulations, the State Plan covers topics such as eligibility standards, provider requirements, payment methods, health benefit packages, and other topics. Changes to the State Plan regularly occur through State Plan Amendments (SPAs), which undergo rigorous negotiations with the Centers for Medicare and Medicaid Services (CMS). Once a SPA is approved, it becomes a permanent part of Arizona's Medicaid program and is filed in the State Plan.

**State Plan Amendment Details**

SPA Title: Third-Party Liability (TPL)

SPA Purpose: This SPA attests to the Third Party Liability requirements outlined in Section 1902(a)(25)(I) of the Social Security Act and is in response to Arizona Senate Bill 1250 which bars liable third parties from refusing payment for an item or service solely on the basis that such item or service did not receive prior authorization under the third-party payer's rules. This SPA will be effective September 14, 2024.

SPA Public Notice: The public notice posting for this SPA can be found at the following link and is attached to this email.

<https://www.azahcccs.gov/AHCCCS/Downloads/PublicNotices/TPLSPAPublicNoticeandPlanPages.pdf>

Public Comments: Public comments on this SPA will be accepted from Tribal stakeholders through October 12, 2024. Public comments can be submitted through the following mediums:

- Email: [publicinput@azahcccs.gov](mailto:publicinput@azahcccs.gov)
- Postal Mail:  
Attn: Division of Public Policy and Strategic Planning  
801 E. Jefferson St., MD 4200  
Phoenix, AZ 85034
- Telephone: Contact Max Seifer, State Plan Manager, at (602) 417-4722

Public Comment Considerations: AHCCCS welcomes any public comments that Tribal leaders may have on this SPA. Key questions that may be helpful in organizing feedback include:

- What questions do you have about this SPA?
- What impact will this SPA have on AHCCCS members in your community?
- What impact will this SPA have on AHCCCS-enrolled providers in your community?
- What concerns or suggestions should AHCCCS consider in implementing this SPA?

Please feel free to contact Max Seifer, the AHCCCS State Plan Manager with any questions about this SPA. He may be reached at (email) [maxwell.seifer@azahcccs.gov](mailto:maxwell.seifer@azahcccs.gov) or (phone) 602-417-4722.

Thank You,

Christine Holden  
AHCCCS Tribal Liaison

Ruben Soliz  
AHCCCS Federal Relations Section Lead