

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION

PREAMBLE

- | <u>1. Article, Part, or Section Affected (as applicable)</u> | <u>Rulemaking Action</u> |
|---|---------------------------------|
| R9-22-1413 | Amend |
| R9-22-1421 | Amend |
| R9-22-1432 | Amend |
- 2. Citations to the agency’s statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):**
- Authorizing statute: A.R.S. § 36-2903.01
Implementing statute: A.R.S. § 36-2901
- 3. Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the proposed rule:**
- Notice of Rulemaking Docket Opening: [to be filled in by SOS editor]
- 4. The agency’s contact person who can answer questions about the rulemaking:**
- Name: Sladjana Kuzmanovic
Address: AHCCCS Office of the General Counsel
801 E. Jefferson Street, MD 6200
Phoenix, AZ 85034
Telephone: (602) 417-4232
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov
Web site: www.azahcccs.gov
- 5. An agency’s justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**
- Pursuant to A.R.S. § 36-2903.01, AHCCCS is mandated to adopt rules that establish a streamlined eligibility process, to be followed when determining eligibility for healthcare services provided. These rules provide guidelines for eligibility criteria under AHCCCS for medical coverage to qualifying households and intend to ensure that eligible families have access to essential medical services, facilitating healthcare affordability and accessibility statewide. However, certain current rules do not align with some of the federal regulations or current practice, or provide true clarity to members as well as individuals utilizing them in determining eligibility. AHCCCS plans to amend these rules to ensure they align with the federal regulations in order to make them clearer and more understandable as identified in recent five-year report approved by the Governor's Regulatory Review Council on May 7, 2024. Failure to conduct this rulemaking will continue the misalignment of these regulations with federal standards and current practice.

6. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Administration did not review or rely on any study for this rulemaking.

7. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state:

Not applicable.

8. The preliminary summary of the economic, small business, and consumer impact:

The Administration anticipates no impact on economic, small business and consumers as compared to last making of these rules. These changes are required to bring the rules into compliance with federal regulations, so that AHCCCS may still draw down federal matching funds for services provided to these members. These rules do not impose compliance or reporting requirements on small businesses beyond those already necessary to comply with federal law and state statute. Therefore, these changes are the most cost-effective way to continue to fund the care for these members, with no anticipated increase in costs to AHCCCS.

The last rulemaking in August 2023 focused on eligibility for postpartum pregnant women and there was no anticipated cost to the state because the federal government approved a waiver that allowed for 100% federal funds to cover the additional period of eligibility. This anticipated impact was carried out in the actual impact of the rule. Therefore, the cost to the state for these rules remains the same as during the last rulemaking, and these changes are compliance-related in nature, with not anticipated additional cost.

9. The agency's contact person who can answer questions about the economic, small business and consumer impact statement:

Name: Sladjana Kuzmanovic
Address: AHCCCS Office of the General Counsel
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Web site: www.azahcccs.gov

10. The time, place, and nature of the proceedings to make, amend, repeal, or renumber the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Proposed rule language will be available on the AHCCCS website www.azahcccs.gov as of June 28, 2024. Please send written or email comments to the above address by the close of the comment period, 5:00 p.m., August 19, 2024.

Date: August 19, 2024

Time: 2:00 p.m.

Location: (meet.google.com/enw-vksu-jhu)

Nature: Public Hearing

11. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:

There are no other matters prescribed by statute applicable specifically to the Administration or this specific rulemaking.

a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:

The rule does not require the issuance of a regulatory permit. Therefore, a general permit is not applicable.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The rules are not more stringent than 42 CFR Part 435.

c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states:

No business competitiveness analysis was submitted to the Administration.

12. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rules:

Not applicable.

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 34. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION

ARTICLE 14. AHCCCS MEDICAL COVERAGE FOR HOUSEHOLDS

Sections

- R9-22-1413. Time-frames, Reinstatement of an Application
- R9-22-1421 MAGI Based Income Eligibility
- R9-22-1432. Young Adult Transitional Insurance

R9-22-1413. Time-frames, Reinstatement of an Application

- A. The Administration or its designee shall complete an eligibility determination under R9-22-306(A)(1) unless:
 - 1. The applicant is pregnant. The Administration or its designee shall complete an eligibility determination for a pregnant woman within 20 days after the application date unless additional information is required to determine eligibility; or
 - 2. The applicant is in a hospital as an inpatient at the time of application. Within seven days of the Administration or its designee's receipt of a signed application the Administration or its designee shall complete an eligibility determination if the Administration or its designee does not need additional information or verification to determine eligibility.
- B. The Administration or its designee shall ~~reopen or reinstate~~ redetermine eligibility of an individual who is discontinued for failure to submit the renewal form or necessary information, without requiring a new application, if the individual submits the renewal form or necessary information within 90 days after the date of discontinuance.

R9-22-1421. MAGI Based Income Eligibility

- A. In determining eligibility, if an individual would otherwise be ineligible under this Article due to excess income, the Administration or its designee shall subtract an amount equivalent to five percentage points of the Federal Poverty Level (FPL) from the household income.
- B. A person is eligible under this Article when:
 - 1. Subject to subsection (A), the monthly household income does not exceed the appropriate percentage of the FPL under R9-22-1427;
 - 2. If ineligible under (B)(1), the household income determined in accordance with 26 CFR 1.36B-1(e) is below 100 percent FPL; or
 - 3. For eligibility under R9-22-1437, the person's income during the period defined in R9-22-1437(C) does not exceed the percentage of the FPL under R9-22-1437(B).
- C. The Administration or its designee shall consider the following factors when determining the income period to use to determine monthly income:
 - 1. Type of income,
 - 2. Frequency of income,
 - 3. If source of income is new or terminated, or
 - 4. Income fluctuation.

R9-22-1432. Young Adult Transitional Insurance

An individual is eligible for AHCCCS medical coverage when the individual meets all of the following eligibility requirements:

- 1. Is 18 through 25 years of age;
- 2. Was in foster care under the responsibility of the State or Tribe within the State ~~the custody of the Department of Economic Security under A.R.S. Title 8, Chapter 5 or Chapter 10~~ on the individual's 18th birthday;

3. Was eligible for and receiving AHCCCS Medical Coverage on the individual's 18th birthday; and
4. Is not eligible for AHCCCS Medical Coverage under 42 U.S.C. 1396a(a)(10)(A)(i)(I) - (VII).