

**NOTICE OF FINAL RULEMAKING**

**TITLE 9. HEALTH SERVICES**

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM - ADMINISTRATION**

**PREAMBLE**

**1. Permission to proceed with this final rulemaking was granted under A.R.S. § 41-1039 by the governor on:**

April 18, 2024

**2. Article, Part, or Section Affected (as applicable)                      Rulemaking Action**

R9-22-1413	Amend
R9-22-1421	Amend
R9-22-1432	Amend

**3. 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

**4. The effective date of the rule:**

This rule shall become effective 60 days after a certified original and preamble are filed in the Office of the Secretary of State. The effective date is (to be filled in by *Register* editor).

**a. If the agency selected a date earlier than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):**

Not applicable

**b. If the agency selected a date later than the 60-day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason the agency selected the later effective date as provided in A.R.S. § 41-1032(B):**

Not applicable

**5. Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the current record of the final rule:**

Notice of Rulemaking Docket Opening: 30 A.A.R. 2380, Issue Date: July 19, 2024, Issue Number: 29, File number: R24-130

Notice of Proposed Rulemaking: 30 A.A.R. 2357, Issue Date: July 19, 2024, Issue Number: 29, File number: R24-128

**6. The agency's contact person who can answer questions about the rulemaking:**

Name:            Sladjana Kuzmanovic  
Title:            Sr. Rules Analyst  
Division:        AHCCCS Office of the General Counsel  
Address:        801 E. Jefferson Street, MD 6200  
                         Phoenix, AZ 85034

Telephone: (602) 417-4232  
Fax: (602) 253-9115  
Email: AHCCCSRules@azahcccs.gov  
Website: www.azahcccs.gov

**7. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:**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.

**8. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not 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.

**9. 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

**10. A 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.

**11. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:**

There are no changes between the proposed rulemaking and the final rulemaking.

**12. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:**

There were no public or stakeholder comments made about the rulemaking.

**13. 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.

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

Not applicable

**15. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages:**

Not applicable

**16. The full text of the rules follows:**

**TITLE 9. HELTH SERVICES**

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINEMNT SYSTEM - ADMINISTRATION**

**ARTICLE 14. AHCCCS MEDICAL COVERAGE FOR HOUSEHOLDS**

**Section**

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

## ARTICLE 14. AHCCCS MEDICAL COVERAGE FOR HOUSEHOLDS

### R9-22-1413. TIMEFRAMES, 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 ~~the custody of the Department of Economic Security under A.R.S. Title 8, Chapter 5 or Chapter 10~~ foster care under the responsibility of the State or Tribe within the State 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).