

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop: S2-26-12  
Baltimore, Maryland 21244-1850



**Children and Adults Health Programs Group**

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**SEP 15 2014**

Melanie Norton, Assistant Director  
Arizona Health Care Cost Containment System (AHCCCS)  
801 E. Jefferson MD 2600  
Phoenix, AZ 85034

Dear Ms. Norton:

I am pleased to inform you that the Centers for Medicare & Medicaid Services has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number AZ-13-0005, submitted on June 18, 2014. This SPA relates to Modified Adjusted Gross Income (MAGI) Eligibility and has an effective date of January 1, 2014.

The SPA number AZ-13-0005 is approved to clarify the state's non-financial eligibility policies on residency, citizenship, social security numbers, substitution of coverage, non-payment of premiums, other eligibility standards and continuous eligibility. Copies of the approved state plan pages are attached and these approved pages supersede sections of Arizona's current state plan as detailed below:

New State Plan Page	Impact on Current State Plan Section
CS17: Non-Financial Eligibility – Residency	Section 4.1.5
CS18: Non-Financial Eligibility – Citizenship	Section 4.1.0; 4.1-LR; 4.1.1-LR
CS19: Non-Financial Eligibility – Social Security Number	Section 4.1.9.1
CS20: Non-Financial Eligibility – Substitution of Coverage	Section 4.4.4
CS21: Non-Financial Eligibility – Non-Payment of Premiums	Section 8.7
CS23: Non-Financial Eligibility – Other Eligibility Standards	Section 4.1.9
CS27: General Eligibility – Continuous Eligibility	Section 4.1.8

Your title XXI project officer is Ms. Joyce Jordan. She is available to answer questions concerning these amendments and other CHIP-related issues. Ms. Jordan's contact information is as follows:

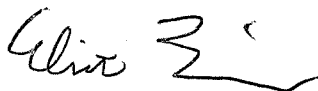
Centers for Medicare & Medicaid Services  
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Telephone: (410) 786-3413  
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E-mail: [Joyce.Jordan@cms.hhs.gov](mailto:Joyce.Jordan@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Jordan and to Ms. Hye Sun Lee, Acting Associate Regional Administrator (ARA) in our San Francisco Regional Office. Ms. Lee's address is:

Centers for Medicare & Medicaid Services  
90 7th Street, Suite 5-300 (5W)  
San Francisco, California 94103-6706

Congratulations on the approval. We look forward to continuing to work with you and your staff toward the approval of your remaining MAGI Eligibility SPA. If you have additional questions, please contact Ms. Kelly Whitener, Director, Division of State Coverage Programs at (410) 786-0719.

Sincerely,



Eliot Fishman  
Director

Enclosures

cc:

Ms. Hye Sun Lee, Acting ARA, CMS Region IX, San Francisco



# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

## Separate Child Health Insurance Program Non-Financial Eligibility - Residency

CS17

42 CFR 457.320

### Residency

- The CHIP Agency provides CHIP to otherwise eligible residents of the state, including residents who are absent from the state under certain conditions.

A child is considered to be a resident of the state under the following conditions:

- A non-institutionalized child, if capable of indicating intent and who is emancipated or married, if the child is living in the state and:
  1. Intends to reside in the state, including without a fixed address, or
  2. Has entered the state with a job commitment or seeking employment, whether or not currently employed.
- A non-institutionalized child not described above and a child who is not a ward of the state:
  1. Residing in the state, with or without a fixed address, or
  2. The state of residency of the parent or caretaker, in accordance with 42 CFR.435.403(h)(1), with whom the individual resides.
- An institutionalized child, who is not a ward of the state, if the state is the state of residence of the child's custodial parent or caretaker at the time of placement, or
- A child who is a ward of the state regardless of where the child lives, or
- A child physically located in the state when there is a dispute with one or more states as to the child's actual state of residence.

If the state covers pregnant women, a pregnant woman is considered to be a resident under the following conditions:

- A non-institutionalized pregnant woman who is living in the state and:
  1. Intends to reside in the state, including without a fixed address, or if incapable of indicating intent, is living in the state, or
  2. Entered with a job commitment or seeking employment, whether or not currently employed.
- An institutionalized pregnant woman placed in an out-of-state-institution, as defined in 42 CFR 435.1010, including foster care homes, by an agency of the state, or
- An institutionalized pregnant woman residing in an in-state-institution, as defined in 42 CFR 435.1010, whether or not the individual established residency in the state prior to entering the institution, or
- A pregnant woman physically located in the state when there is a dispute with one or more states as to the pregnant woman's actual state of residence.

The state has in place related to the residency of children and pregnant women (if covered by the state):

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# CHIP Eligibility

One or more interstate agreement(s).  No

A policy related to individuals in the state only for educational purposes.  No

## PRA Disclosure Statement

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# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

## Separate Child Health Insurance Program Non-Financial Eligibility - Citizenship

CS18

Sections 2105(c)(9) and 2107(e)(1)(J) of the SSA and 42 CFR 457.320(b)(6), (c) and (d)

### Citizenship

The CHIP Agency provides CHIP eligibility to otherwise eligible citizens and nationals of the United States and certain non-citizens,  including the time period during which they are provided with reasonable opportunity to submit verification of their citizenship, national status or satisfactory immigration status.

The CHIP Agency provides eligibility under the Plan to otherwise eligible individuals:

Who are citizens or nationals of the United States; or

Who are qualified non-citizens as defined in section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (8 U.S.C. §1641), or whose eligibility is required by section 402(b) of PRWORA (8 U.S.C. §1612(b)) and is not prohibited by section 403 of PRWORA (8 U.S.C. §1613); or

Who have declared themselves to be citizens or nationals of the United States, or an individual having satisfactory immigration status, during a reasonable opportunity period pending verification of their citizenship, nationality, or satisfactory immigration status consistent with requirements of 1903(x), 1137(d), and 1902(ee) of the Act, and 42 CFR 435.406, 407, 956 and 457.380.

The reasonable opportunity period begins on and extends 90 days from the date the notice of reasonable opportunity is received by the individual.

The agency provides for an extension of the reasonable opportunity period if the individual is making a good faith effort to resolve any inconsistencies or obtain any necessary documentation, or the agency needs more time to complete the verification process.

No

The agency begins to furnish benefits to otherwise eligible individuals during the reasonable opportunity period on a date earlier than the date the notice is received by the individual.

No

The CHIP Agency elects the option to provide CHIP coverage to otherwise eligible children up to age 19, lawfully residing in the United States, as provided in Section 2107(e)(1)(J) of the SSA (Section 214 of CHIPRA 2009, P.L. 111-3).

No

The CHIP Agency elects the option to provide CHIP coverage to otherwise eligible pregnant women, lawfully residing in the United States, as provided in Section 214 of CHIPRA 2009, P.L. 111-3. The state may not select this option unless the state also elects to cover lawfully residing children. A state may not select this option unless the state also covers Targeted Low-Income Pregnant Women.

No

### PRA Disclosure Statement

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# CHIP Eligibility

OMB Control Number: 0938-1148

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## Separate Child Health Insurance Program Non-Financial Eligibility - Social Security Number CS19

42 CFR 457.340(b)

### Social Security Number

As a condition of eligibility, the CHIP Agency must require individuals who have a social security number or are eligible for one as determined by the Social Security Administration, to furnish their social security number, or numbers if they have more than one number.

- The CHIP Agency requires individuals, as a condition of eligibility, to furnish their social security number(s), with the following exceptions:

Individuals refusing to obtain a social security number (SSN) because of well established religious objections, or

Individuals who are not eligible for an SSN, or

Individuals who are issued an SSN only for a valid non-work purpose.

- The CHIP Agency assists individuals, who are required to provide their SSN, to apply for or obtain an SSN from the Social Security Administration if the individual does not have or forgot their SSN.

- The CHIP Agency informs individuals required to provide their SSN:

By what statutory authority the number is solicited; and

How the state will use the SSN.

- The CHIP Agency provides assurance that it will verify each SSN furnished by an applicant or beneficiary with the Social Security Administration, not deny or delay services to an otherwise eligible applicant pending issuance or verification of the individual's SSN by the Social Security Administration and that the state's utilization of the SSNs is consistent with sections 205 and 1137 of the Social Security Act and the Privacy Act of 1974.

The state may request non-applicant household members to voluntarily provide their SSN, if the state meets the requirements below.

The state requests non-applicant household members to voluntarily provide their SSN.

Yes

- When requesting an SSN for non-applicant household members, the state assures that:

- At the time such SSN is requested, the state informs the non-applicant that this information is voluntary and provides information regarding how the SSN will be used; and

- The state only uses the SSN for determination of eligibility for CHIP or other insurance affordability programs, or for a purpose directly connected with the administration of the state plan.

### PRA Disclosure Statement

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# CHIP Eligibility

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# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

## Separate Child Health Insurance Program Non-Financial Eligibility - Substitution of Coverage

CS20

Section 2102(b)(3)(C) of the SSA and 42 CFR 457.340(d)(3), 457.350(i), and 457.805

### Substitution of Coverage

- The CHIP Agency provides assurance that it has methods and policies in place to prevent the substitution of group health coverage or other commercial health insurance with public funded coverage. These policies include:

- Substitution of coverage prevention strategy:

	Name of policy	Description	
<b>+</b>	Terminated Coverage	The application requests information about health insurance coverage within the past three months. If a child is covered by group health insurance or was covered and the coverage was discontinued, the child is not eligible for KidsCare for a period of 90 days unless the child meets one of the exceptions below.	<b>X</b>
<b>+</b>	Current Insurance Coverage	Arizona contracts with Health Management System (HMS) to identify and verify health insurance coverage. If HMS verifies a child has health insurance coverage, staff are notified and coverage is discontinued.	<b>X</b>
<b>+</b>	Current Insurance Coverage	The application requests information about health insurance coverage. If the application indicates the child has health insurance coverage, staff verify the type of coverage. If the child has creditable coverage, the application is denied.	<b>X</b>

A waiting period during which an individual is ineligible due to having dropped group health coverage.  Yes

How long is the waiting period?

- One month  
 Two months  
 90 days  
 Other

- The state allows exemptions from the waiting period for the following reasons:

- The premium paid by the family for coverage of the child under the group health plan exceeded 5 percent of household income.

- The child's parent is determined eligible for advance payment of the premium tax credit for enrollment in a QHP through the Marketplace because the ESI in which the family was enrolled is determined unaffordable in accordance with 26 CFR 1.36B-2(c)(3)(v).

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# CHIP Eligibility

- The cost of family coverage that includes the child exceeded 9.5 percent of the household income.
- The employer stopped offering coverage of dependents (or any coverage) under an employer-sponsored health insurance plan.
- A change in employment, including involuntary separation, resulted in the child's loss of employer-sponsored insurance (other than through full payment of the premium by the parent under COBRA).
- The child has special health care needs.
- The child lost coverage due to the death or divorce of a parent.

Does the state allow other exemptions in addition to those listed above?

- Describe the processes the state employs to facilitate enrollment of CHIP-eligible children who have satisfied the waiting period.

When the child meets all other conditions of eligibility, eligibility is approved prospective effective the first of the month following the 90 day waiting period.

- Describe the processes the state employs to coordinate coverage of children subject to a waiting period with other insurance affordability programs, including safeguards to prevent gaps in coverage for children transitioning from another insurance affordability program to CHIP after satisfying the waiting period.

Children in the 90 day waiting period are referred to the FFM for a determination of APTC eligibility. As stated above, eligibility for CHIP is approved prospective so there is no transition from another IAP to CHIP after satisfying the waiting period.

The state provides assurance that:

- It does not require a new application or the submission of information already provided by the family immediately preceding the waiting period for the purpose of enrolling CHIP-eligible children who have satisfied a waiting period.
- For children subject to the waiting period, it will promptly transfer each individual's electronic account to the applicable insurance affordability program and notify such program of the date on which the waiting period ends for each individual.

If the state covers pregnant women, the waiting period does not apply to pregnant women.

If the state elects to offer dental only supplemental coverage, the following assurances apply:

- The other coverage exclusion does not apply to children who are otherwise eligible for dental only supplemental coverage as provided in section 2110(b)(5) of the SSA.
- The waiting period does not apply to children eligible for dental only supplemental coverage.

## PRA Disclosure Statement

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# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

## Separate Child Health Insurance Program Non-Financial Eligibility - Non-Payment of Premiums

CS21

42 CFR 457.570

### Non-Payment of Premiums

Does the state impose premiums or enrollment fees?

Yes

Can non-payment of premiums or enrollment fees result in loss of CHIP eligibility?

Yes

Does the state have a premium lock out period?

Yes

Please describe the lock-out period:

The State imposes a lock-out period consistent with the time periods in federal regulation.

What is the length of the time premium lock-out period?

Select a length of time:

- One month
- Two months
- 90 days
- Other (not to exceed 90 days)

Are there exceptions to the required lock-out period?

No

The state assures that:

It does not require the collection of past due premiums or enrollment fees as a condition of eligibility for enrollment once the lock-out period has expired; and

It provides enrollees with an opportunity for an impartial review to address disenrollment from the program in accordance with section 457.1130(a)(3); and

The child will be reenrolled in CHIP during the lock-out period upon payment of past due premiums or enrollment fees.

### PRA Disclosure Statement

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# CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

## Separate Child Health Insurance Program Non-Financial Requirements - Other Eligibility Standards CS23

Other eligibility standards:

Name of eligibility standard:

To which covered group(s) does this standard apply?

- Targeted Low-Income Children
- Targeted Low-Income Pregnant Women
- Coverage from Conception to Birth
- Children with Access to Public Employee Coverage
- Pregnant Women with Access to Public Employee Coverage
- Children Eligible for Dental Only Supplemental Coverage
- Deemed Newborns

Describe how this standard affects eligibility:

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