



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region IX

Division of Medicaid & Children's Health Operations

90 Seventh Street, Suite 5-300 (5W)

San Francisco, CA 94103-6706

FEB 15 2011

Thomas J. Betlach, Director
Arizona Health Care Cost Containment System
801 East Jefferson Street
Phoenix, AZ 85034

Dear Mr. Betlach:

On January 26, 2011, CMS approved Arizona State Plan Amendment (SPA) 10-007. This SPA allows for the collection of rebates for individuals enrolled with a Medicaid managed care organization (MCO). Additionally, this SPA allows for the collection of rebates for the fee for service (FFS) population. This SPA is effective March 23, 2010.

Enclosed are several items: the approved CMS Form 179 and the approved pages 74c and 74d, Attachment 3.1-A Limitations page 9, and Exhibit 12(a) to Attachment 3.1-A Limitations page 2 for incorporation into the Arizona State Plan.

If you have any questions, please contact Cheryl Young by phone at (415) 744-3598 or by email at Cheryl.Young@cms.hhs.gov.

Sincerely,

Gloria Nagle, Ph.D., MPA
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

cc: Michele Bowser, CMS Center for Medicaid and State Operations (two copies)
Jessica Schubel
HeeYoung Ansell