

## **Table of Contents**

**State/Territory Name: AZ**

**State Plan Amendment (SPA) #: 24-0005**

This file contains the following documents in the order

- listed:
- 1) Approval Letter
  - 2) CMS 179 Form/Summary Form (with 179-like data)
  - 3) Approved SPA Pages

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
230 South Dearborn  
Chicago, Illinois 60604



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**Financial Management Group**

August 13, 2024

Carmen Heredia, Director  
Arizona Health Care Cost Containment System  
801 East Jefferson Street  
Phoenix, AZ 85034

RE: TN AZ-24-0005

Dear Director Heredia:

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed Arizona (AZ) State Plan Amendment (SPA) to Attachment 4.19-B AZ-24-0005, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 26, 2024. This plan amendment authorizes supplemental payments as described in the state's American Rescue Plan (ARP) 9817 spend plan.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of May 1, 2024. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Blake Holt at 303-844-6218 or via email at [blake.holt@cms.hhs.gov](mailto:blake.holt@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER <b>24 — 0005</b>	2. STATE <b>AZ</b>
3. PROGRAM IDENTIFICATION: TITLE <u>19</u> OF THE SOCIAL SECURITY ACT	

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

4. PROPOSED EFFECTIVE DATE  
**May 1, 2024**

5. FEDERAL STATUTE/REGULATION CITATION  
**Title XIX of the Social Security Act**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY: **2024** \$ **33,340,000**  
b. FFY: **2025** \$ **0**

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
  
**Supplement 3 to Attachment 4.19-B, page 1**


8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
  
**N/A, NEW PAGE**

9. SUBJECT OF AMENDMENT  
This SPA updates the State Plan to allow the state to issue an American Rescue Plan (ARP) supplemental payment to select providers.

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  


12. TYPED NAME  
Kyle Sawyer

13. TITLE  
Assistant Director, Public Policy and Strategic Planning


14. DATE SUBMITTED: June 26, 2024

15. RETURN TO  
Kyle Sawyer  
801 E. Jefferson St., MD #4200  
Phoenix, AZ 85034

**FOR CMS USE ONLY**

16. DATE RECEIVED June 26, 2024	17. DATE APPROVED August 13, 2024
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL May 1, 2024	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. REMARKS

STATE OF ARIZONA  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
OTHER TYPES OF CARE

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**Supplemental Payment for Providers Who Provide Qualifying American Rescue Plan (ARP) Services**

The Administration shall make a lump sum payment to registered network providers who provide qualifying American Rescue Plan (ARP) services with Arizona Fee for Service (FFS) Medicaid utilization for service periods during the PHE, and will use October 1, 2022 - March 31, 2023, as proxy utilization data for the lump sum payment. **This payment is intended to supplement services provided from May 1, 2024 - December 31, 2024.** Registered network providers that qualify for these increases are outlined in the following link:

<https://www.azahcccs.gov/AHCCCS/Initiatives/ARPA/providerPayment.html>

The purpose of the lump sum payment is to compensate providers for the costs of covered services furnished to Arizona Medicaid beneficiaries to improve the member's experience of care. Each registered network provider's lump sum payment shall be determined as follows:

1. Determine each provider's actual paid amounts for Medicaid state plan FFS utilization of qualifying services from October 1, 2022, to March 31, 2023.
2. Multiply the actual amounts paid for utilization determined in item 1 by two.
3. The uniform percentage increase for providers will be 15.27%.
4. The Administration will multiply the appropriate uniform percentage increase listed in item three by the total utilization determined in item two to calculate the lump sum payment for each provider.

AHCCCS will not make any payments to providers that have a total lump sum payment of less than \$1,000. Supplemental Payments will be made by May 30, 2024.