

## **Overview of AHCCCS Medical Assistance Programs in Arizona**

### **I. Arizona Health Care Cost Containment System (AHCCCS)**

AHCCCS is the state agency that administers the medical assistance programs in Arizona. Most AHCCCS programs are funded with federal Medicaid funds and matching state funds. AHCCCS also administers the KidsCare program, which is jointly funded with state and federal funds pursuant to the State Children's Health Insurance Program (CHIP) Act.

AHCCCS has an interagency agreement with the Arizona Department of Economic Security (DES) to process applications for most of the Medicaid programs administered by AHCCCS. A person can apply for medical assistance at any DES Family Assistance Administration (FAA) office. FAA offices are "out-stationed" in all major hospitals so that a medical assistance application can be immediately filed when an uninsured person is hospitalized. FAA also processes Food Stamps, General Assistance (GA) and Temporary Assistance to Needy Families (TANF) cash assistance applications.

AHCCCS determines eligibility for other medical assistance programs including the KidsCare, Health Insurance for Parents (HIFA Parents), Social Security Disability Insurance-Temporary Medical Assistance (SSDI-TMC), Supplemental Security Income-Medical Assistance Only (SSI-MAO), Medicare Cost Sharing for Qualified Medicare Beneficiary (QMB), Specified Low-Income Medicare Beneficiary (SLMB), and Qualified Individual-1 (QI-1), Freedom to Work, Breast and Cervical Cancer Treatment, and Long Term Care (ALTCS) programs.

Medical services are provided to AHCCCS recipients through contracted health plans. AHCCCS pays a monthly per capita fee to health plans to provide the medical services. In limited situations, AHCCCS pays fee-for-service payments directly to providers when medical services are provided to recipients without a health plan.

### **II. AHCCCS Medical Assistance Applications Processed by the FAA:**

1. The *AHCCCS Care* and the *AHCCCS for Families and Children (AFC)* programs are medical assistance programs for low-income individuals and families. These programs include eligibility under "Section 1931" and "Sixth Omnibus Budget Reconciliation Act" (S.O.B.R.A.), which are names for

Medicaid categories for pregnant women, children and caretaker relatives. Under these programs, AHCCCS recipients receive routine medical care for illnesses and other health conditions such as outpatient services, hospital care, and prescription medications. Depending on the eligibility category, the income limit is up to 150% of the Federal Poverty Level (FPL). (See chart entitled Income Limits for AHCCCS Eligibility – April 1, 2008) There are no resource limits. After FAA determines a person is eligible for medical assistance, AHCCCS is responsible for ensuring that medical services are provided to recipients by contracted health plans or other medical providers in compliance with Medicaid standards. A joint application for food stamps, cash and AHCCCS medical assistance is at [www.azdes.gov](http://www.azdes.gov).

Law/Rules: 42 U.S.C. § 1396 *et seq.*; 42 C.F.R. § 430 *et seq.*; A.R.S. § 36-2901 *et seq.*; Ariz. Admin. Code, R9-22-101 *et seq.*

**Other AHCCCS medical assistance programs processed by DES/FAA:**

2. The ***AHCCCS Medical Expense Deduction (MED or MD)*** program is for persons with large monthly medical expenses, whose income is greater than 100% of the FPL and who are not eligible for medical assistance in any other AHCCCS category. A person may become eligible for AHCCCS medical assistance by subtracting out-of-pocket medical expenses from his/her income (called “spend down”). To spend down income, a person may subtract paid or unpaid medical expenses incurred in the three-month period surrounding the period of application. The applicant’s income must be spent down to 40% of the FPL, which is currently \$347 a month for one person. The MED program has a total resource limit of \$100,000, which includes the equity value of the applicant’s home and cars, and \$5000 in liquid assets. Working individuals, who are hospitalized without insurance, often use this program because their income is too high for any other AHCCCS program. This category is also used to determine whether an immigrant is eligible for emergency services under the Federal Emergency Services (FES) program. Applications for the MED program are usually taken at the hospital; however, a person can also apply for the MED program at the FAA office anytime.

Law/Rules: A.R.S. § 36-2901.04; Ariz. Admin. Code, R9-22-1436 to 1440.

3. The ***Federal Emergency Services (FES)*** program pays for emergency services provided to undocumented immigrants and immigrants who are lawfully residing in the U.S. but who do not meet the “qualified immigrant” requirements for full-coverage AHCCCS medical assistance. (See document

entitled Qualified Immigrants' Eligibility for AHCCCS Medical Assistance) These individuals must meet all eligibility requirements under a Medicaid program, but for immigration status. Only certain persons are eligible for the FES program. To qualify for FES, a person must be aged (65+), blind, disabled, a pregnant woman, a child, or parents of a dependent child. AHCCCS only covers medical services defined as an "emergency medical service" pursuant to state and federal law. FES-eligible persons are not enrolled in a health plan. AHCCCS pays emergency service providers on a fee-for-service basis only. A person can apply for the FES program at the hospital during an emergency episode or anytime at the FAA office.

Law/Rules: A.R.S. §§ 36-2901.06, 36-2903.03; Ariz. Admin. Code, R9-22-217 and R9-22-1419(C).

### III. AHCCCS Medical Assistance Applications Processed by AHCCCS:

1. The ***KidsCare and HIFA for Parents*** programs are medical assistance programs for children and parents. These programs are funded with SCHIP Act funding. Children and parents are eligible for these programs only if they are not eligible for Medicaid. The income limit is 200% of the FPL. There is no resource limit. Recipients pay a monthly premium to maintain eligibility. The KidsCare office in Phoenix determines eligibility for these programs. They must determine Medicaid and KidsCare eligibility based on the same application. FAA is required to automatically refer Medicaid denials and terminations to the KidsCare office to determine if a child or parent is eligible for medical assistance under KidsCare. To get a KidsCare application, call 1-877-764-5437 or download an AHCCCS universal medical assistance application at [www.ahcccs.state.az.us](http://www.ahcccs.state.az.us)

Law/Rules: A.R.S. § 36-2981 through 2998; A.A.C. R9-31-101 *et seq.*

2. The ***Arizona Long Term Care System*** (ALTCS) is a division of AHCCCS. This division determines eligibility for nursing home care, home health care, and the Medicare Cost Sharing programs. Eligibility for nursing home and home health care depends on the applicant's income and resources. As of April 1, 2008, the income limit for one person is \$1,911 a month. The resource limit is \$2000 unless "community spouse" resource rules apply. Applicants who are determined income and resource eligible must also pass the Pre-Admission Screening or "PAS" test. Under the PAS test, a person must be determined medically, socially or functionally "at risk of institutionalization" to receive long term care or home health services. The

PAS test is administered by a nurse or social worker and the test results may be reviewed by a physician for a final determination. The ALTCS office also processes Medicare Cost Sharing applications, as discussed below.

Law/Rules: A.R.S. §§ 36-2931, 36-2959; Ariz. Admin. Code, R9-28-101 *et seq.*

3. The **Medicare Cost Sharing** programs are funded through the Medicaid program. Depending on income level, this program pays Medicare Part B premiums, co-payments and deductibles. In 2008, the Medicare Part B premium is \$96.40 a month. There are no resource limits. There are three Medicare Cost Sharing programs:
  - a. **Qualified Medicare Beneficiary (QMB):** The income limit for the QMB program is 100% of the FPL or \$867 for one person. It pays the Medicare Part B premium and Medicare co-payments and deductibles. A QMB-eligible person is also eligible for AHCCCS acute care medical services, which pays routine medical expenses except for prescription medications. (See further explanation below under “dual eligibles.”)
  - b. **Specified Low Income Medicare Beneficiary (SLMB):** The income limit for the SLMB program is 120% of the FPL or \$1,040 for one person. It pays the Medicare Part B premium only.
  - c. **Qualified Individual 1 (QI-1):** The income limit is 135% of the FPL or \$1,170 a month for one person. It pays the Medicare Part B premium only.

**DUAL ELIGIBLES:** Persons who receive Social Security Retirement or Disability Insurance benefits may be eligible for Medicare. If they receive Medicare and their total monthly income is under 100% of FPL, they are potentially eligible for:

- Medicare Part A (hospital coverage);
- Medicare Part B (outpatient coverage);
- Medicare Part D (prescription coverage);
- AHCCCS medical assistance (except for prescription coverage);
- QMB (pays Medicare premiums, co-payments and deductibles); and
- SSA Low-Income Subsidy (to reduce Medicare Part D costs).

These persons are called “dual eligibles” because they are eligible for both AHCCCS (Medicaid) and Medicare health care benefits. Covered medical services for dual eligible persons are paid first by Medicare, then by AHCCCS. Health plans are responsible for processing these payments.

AHCCCS is prohibited from paying for medications for persons who qualify for Medicare Part D prescription benefits. To get maximum coverage, dual-eligible persons can join a Medicare health plan or an AHCCCS health plan. If they select an AHCCCS health plan as their primary health plan or they do not otherwise have a Medicare Part D plan, they must join a “stand-alone” Medicare Part D plan to get prescription coverage. Some health plans are joint AHCCCS and Medicare health plans, which include Part D coverage. Persons can call 1-800-Medicare for help in selecting a Part D plan.

Also, under the QMB, SLMB and QI-1 programs, AHCCCS pays the Medicare Part B premium of \$96.40 a month. (See below for further explanation of Medicare benefits.) Applications for AHCCCS medical assistance and for the Medicare cost-sharing programs (QMB, SLMB, QI-1) can be obtained from the AHCCCS web site at [www.ahcccs.state.az.us](http://www.ahcccs.state.az.us).

SSA offers a “special needs” program called the Low-Income Subsidy (LIS) program to low-income persons eligible for Medicare Part D. Under the LIS program, the cost of Medicare Part D premiums and co-payments for prescription medications are significantly reduced. Dual eligible persons should be deemed eligible for the LIS program. The LIS program can be applied for at any SSA office, on-line at [www.ssa.gov](http://www.ssa.gov) or by calling SSA at 1-800-772-1213.

Law/Rules: A.R.S. §§ 36-2971 through 2976; Ariz. Admin. Code, R9-29-101 *et seq.*

4. Through the ***SSI-Medical Assistance Only*** (SSI-MAO) program, elderly or disabled persons may be eligible for AHCCCS medical assistance. The AHCCCS SSI-MAO office in Phoenix determines eligibility for this program. They determine whether an applicant, who qualifies for Supplemental Security Income (SSI) as a disabled or aged (65+) person, but who is not receiving a SSI cash payment due to an issue involving the SSI program, is eligible for AHCCCS medical assistance. The SSI-MAO office also processes AHCCCS medical assistance applications for persons who are not receiving disability payments, but meet the Medicaid definition of disability. The income level is

100% of the FPL and there is no resource limit. This category is also used to determine whether a “disabled” or elderly immigrant is eligible for emergency services under the FES program described above. SSI-MAO also processes applications for the Medicare Cost Sharing programs. Applications are at [www.ahcccs.state.az.us](http://www.ahcccs.state.az.us).

Law/Rules: A.R.S. § 36-2971 through 36-2974; Ariz. Admin. Code, R9-22-1501 *et seq.*

5. The ***SSDI-Temporary Medical Coverage (SSDI-TMC)*** program is a state-funded only AHCCCS program. It is available to persons who: (1) receive Social Security Disability Insurance (SSDI) benefits; (2) do not currently qualify for AHCCCS; (3) are not eligible for Medicare yet; (4) have no other health insurance; and (5) were eligible for AHCCCS medical assistance in the past 24 months. There is no income or resource limit. Persons pay a monthly premium of \$60-\$300 a month, which is based on monthly income. Persons can apply for this program through the AHCCCS SSI-MAO or ALTCS offices. (There may be a waiting list.)

Law/Rules: A.R.S. § 36-2930; Ariz. Admin. Code, R9-22-1601 *et seq.*

6. The ***Freedom to Work*** program is for disabled persons ages 16 to 65 who are working. The income limit is 250% of the FPL and there is no limit on resources. The applicant must be ineligible for any other AHCCCS program to qualify for this program. If the person is receiving Social Security disability benefits in addition to work wages, a portion of their income is not counted when determining their eligibility for this program. The Freedom to Work office is in Phoenix and the phone number is 1-866-304-9675.

Law/Rules: Ariz. Admin. Code, R9-22-1901 *et seq.*

7. The ***Breast and Cervical Cancer Treatment Program*** provides full coverage AHCCCS to uninsured women who have been screened by the Department of Health Services, Well Woman Healthcheck Program or one of three Native

American early detection programs and have been diagnosed as needing active treatment for breast or cervical cancer.

Law/Rules: Ariz. Admin. Code, R9-22-2001 *et seq.*

#### IV. AHCCCS Medical Assistance Programs Associated with Social Security (SSA):

1. ***SSI-Related Medicaid:*** If a person is receiving at least \$1 in SSI monthly cash payments, he or she is categorically eligible for Medicaid coverage. This AHCCCS coverage is automatic so a SSI recipient is not required to independently apply for medical assistance if he or she is receiving a SSI payment. SSA is responsible for regularly informing AHCCCS about SSI cash recipients.
2. ***Medicare:*** SSA administers the Medicare program. Disabled and retired persons who receive Social Security (Title II) benefits, not Supplemental Security Income (Title XVI) benefits, are eligible for Medicare. A disabled person is eligible for Medicare after he or she has received 24 months of SSDI disability payments. Also, persons age 65 or older are eligible for Medicare.
  - Medicare Part A is hospital coverage. It is provided to Medicare recipients, without a premium, who are eligible for Title II benefits. It covers services associated with a hospitalization. There are co-payments and deductibles for these services, which are paid by AHCCCS for dual eligible persons.
  - Medicare Part B is outpatient coverage for services such as doctor visits, x-rays, lab work, etc. Persons must pay a premium for Medicare Part B, unless eligible for an AHCCCS Medicare Cost Sharing program. There are co-payments and deductibles for these services, which are paid by AHCCCS for dual eligible persons.
  - Medicare Part D is prescription medication coverage. There are numerous Part D prescription plans with various monthly premiums and prescription co-payments. These costs can be reduced for persons who qualify for the LIS program through SSA. Medicare recipients must join a Medicare health plan that includes Part D benefits or an independent Medicare Part D prescription plan to receive prescription coverage.

These persons may be eligible for AHCCCS and the Medicare Cost Sharing

programs in addition to Medicare coverage. (See Dual Eligibles above)

## **V. Appeals**

1. ***Eligibility Appeals:*** A person whose eligibility for an AHCCCS medical assistance program is denied should request a fair hearing with the agency that denied the application. Each program has its own appeal process.
  - DES conducts its appeal hearings through the DES Office of Appeals. *See* Ariz. Admin. Code, R9-22-1441(A) and R6-12-1001 *et seq.*
  - AHCCCS conducts its appeal hearings through the Office of Administrative Hearings, another state agency. *See* Ariz. Admin. Code, R9-34-101 to 114.
2. ***Medical Service Appeals.*** All AHCCCS recipients with problems obtaining appropriate medical services from an AHCCCS health plan may file an initial appeal with their health plan and if denied, a further appeal with AHCCCS. Persons receiving health care directly from AHCCCS may file an appeal with AHCCCS. The Office of Administrative Hearings conducts these hearings.

Law/Rules: Ariz. Admin. Code, R9-34-201 to 225 and R9-22-34-301 to 322.
3. ***AHCCCS Medical Eligibility Verification and Problem Medical Bills line:*** The AHCCCS Member Services Eligibility Verification Line at 1-800-654-8713 verifies current and past AHCCCS eligibility and helps AHCCCS recipients resolve billing problems.

## **VI. Medical Discount Programs and Community Health Centers for Persons Who Do Not Qualify for AHCCCS:**

**Pima County Access Program (PCAP),** Pima and Santa Cruz County

Phone: 520-694-0418 or [www.pcap.cc](http://www.pcap.cc)

**Health Care Connect,** Maricopa County

Phone: 602-288-7564 or [www.healthcareconnect.org](http://www.healthcareconnect.org)

**Community Access Programs of Arizona and Mexico (CAPAZ-MEX)**

Yuma County, Phone: 928-627-1120 or [www.rcfbh.com](http://www.rcfbh.com)



**Community Health Centers**

Phone: 602-253-0090 or [www.aachc.org](http://www.aachc.org)

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