

December 19, 2023

VIA ELECTRONIC SUBMISSION

Secretary Xavier Becerra
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: Arizona Section 1115 Demonstration Amendment re KidsCare Expansion

Dear Secretary Becerra,

The undersigned organizations appreciate the opportunity to comment on Arizona's proposed amendment to its Arizona Health Care Cost Containment System (AHCCCS) Section 1115 Demonstration. We urge CMS to approve this amendment quickly, which will allow the state to extend Children's Health Insurance Program (CHIP) coverage to children with incomes between 200 and 225 percent of the federal poverty line. The state estimates that an additional 9,700 children will become eligible for insurance coverage with this expansion.

Expanding coverage to children through the CHIP program is not something that should require demonstration authority as coverage is indeed the express purpose of CHIP and its value is well established; however, we recognize that most states are unable to simply amend their CHIP state plan until Congress takes action to amend Section 2110 (b)(1)(B)(ii) of the Social Security Act, which limits CHIP income eligibility expansions. This limitation inadvertently became more restrictive after the adoption of the Modified Adjusted Gross Income (MAGI) standard.

Since this is an unusual circumstance, and Arizona has already taken public comment on the proposal very recently (from August 17th to September 30th, 2023) when it was contemplated as a state plan amendment, we do not object to the decision to allow Arizona to run its public comment period simultaneously with the federal comment period. This will enable Arizona to implement its CHIP expansion in a timely manner, which is in the best interest of children in Arizona.

We note that Arizona is planning to extend premiums to families in the new income group. As you know, CMS's October 27th [FAQ](#) prohibits states from disenrolling children for non-payment of premiums after the first month of enrollment because this would violate the statutory guarantee of 12 months continuous eligibility for children enrolled in Medicaid or CHIP afforded by the Consolidated Appropriations Act, 2023 P.L. 117-328. This is an important protection that ensures that children do not become uninsured for some period of time. The state's premium structure will, of course, need to be reconsidered in light of this very new guidance.

Thank you for the consideration of our comments. If you would like any additional information, please contact Joan Alker (jca25@georgetown.edu) at Georgetown University Center for Children and Families.

Arizona Academy of Family Physicians
Arizona Bleeding Disorders

Arizona Chapter of the American Academy of Pediatrics
Center on Budget and Policy Priorities
Child Neurology Foundation
Family Voices
First Focus on Children
Georgetown University Center for Children and Families
Hemophilia Federation of America
March of Dimes
National Association of Pediatric Nurse Practitioners
National Multiple Sclerosis Society
Primary Care Development Corporation
Pulmonary Hypertension Association
The Leukemia & Lymphoma Society