

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

[R05-415]

PREAMBLE

1. Sections Affected

Rulemaking Action

R9-22-1401	Amend
R9-22-1402	Amend
R9-22-1403	Amend
R9-22-1404	Repeal
R9-22-1404	New Section
R9-22-1405	Repeal
R9-22-1405	New Section
R9-22-1406	Repeal
R9-22-1406	New Section
R9-22-1407	Repeal
R9-22-1407	New Section
R9-22-1408	Repeal
R9-22-1408	New Section
R9-22-1409	Repeal
R9-22-1409	New Section
R9-22-1410	Repeal
R9-22-1410	New Section
R9-22-1411	Repeal
R9-22-1411	New Section
R9-22-1412	Repeal
R9-22-1412	New Section
R9-22-1413	Repeal
R9-22-1413	New Section
R9-22-1414	Repeal
R9-22-1414	New Section
R9-22-1415	Repeal
R9-22-1415	New Section
R9-22-1416	Repeal
R9-22-1416	New Section
R9-22-1417	Repeal
R9-22-1417	New Section
R9-22-1418	Repeal
R9-22-1418	New Section
R9-22-1419	Repeal
R9-22-1419	New Section
R9-22-1419.01	Repeal
R9-22-1419.02	Repeal
R9-22-1419.03	Repeal
R9-22-1419.04	Repeal
R9-22-1420	Repeal
R9-22-1420	New Section
R9-22-1421	Repeal
R9-22-1421	New Section

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R9-22-1422	Repeal
R9-22-1422	New Section
R9-22-1423	Repeal
R9-22-1423	New Section
R9-22-1424	Repeal
R9-22-1424	New Section
R9-22-1425	Repeal
R9-22-1425	New Section
R9-22-1426	Repeal
R9-22-1426	New Section
R9-22-1427	Repeal
R9-22-1427	New Section
R9-22-1428	Repeal
R9-22-1428	New Section
R9-22-1429	Repeal
R9-22-1429	New Section
R9-22-1430	Repeal
R9-22-1430	New Section
R9-22-1431	Repeal
R9-22-1431	New Section
R9-22-1432	Repeal
R9-22-1432	New Section
R9-22-1433	Repeal
R9-22-1433	New Section
R9-22-1435	New Section
R9-22-1436	New Section
R9-22-1437	New Section
R9-22-1438	New Section
R9-22-1439	New Section
R9-22-1440	New Section
R9-22-1441	New Section
R9-22-1501	Amend
R9-22-1502	Amend
R9-22-1503	Amend
R9-22-1504	Amend
R9-22-1505	Amend

2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. § 36-2903.01

Implementing statute: A.R.S. §§ 36-2903.01 and 36-2934

3. The effective date of the rules:

December 31, 2005

4. A list of all previous notices appearing in the Register addressing the final rule:

Notice of Rulemaking Docket Opening: 11 A.A.R. 1940, May 20, 2005

Notice of Proposed Rulemaking: 11 A.A.R. 2532, July 8, 2005

5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:

Name: Linda Barry
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4484
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

6. An explanation of the rule, including the agency's reason for initiating the rule:

The Administration is amending the rules to revise, reorganize, and clarify the eligibility criteria to determine if a family or individual is eligible for AHCCCS medical coverage. The Administration is updating the existing rules on eligibility to make them consistent with current practices and with changes to federal law as well as to make the rules clear, concise, and understandable.

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7. A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

The Administration did not review any study relevant to these rules.

8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

9. The summary of the economic, small business, and consumer impact:

It is anticipated that the contractors, members, providers, the Department, and the Administration will be minimally impacted by the changes to the rule language. The rules clarify the eligibility rules for the AHCCCS acute care program. The Administration is proposing amendments to the rules to revise, reorganize, and clarify the eligibility criteria to determine if a family or individual is eligible for AHCCCS medical coverage. The Administration is updating the existing rules on eligibility to make them consistent with current practices and federal law changes and to make them clear, concise, and understandable.

It is anticipated that the private sector, including small businesses or political subdivisions, will be nominally impacted since the proposed rule language changes are intended to clarify, revise, and reorganize the existing rules. The Administration, contractors, providers, and members will benefit due to the increased clarity of certain rules pertaining to the application processes and the methodologies for determining income eligibility.

10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):

Location	A description of the changes between the proposed rule and final rule.
General	The Administration made the rules more clear, concise, and understandable by making grammatical, verb tense, punctuation, and structural changes throughout the rules.
Sections R9-22-101, R9-22-114, and R9-22-115	The Administration agreed to remove R9-22-101, R9-22-114, and R9-22-115 due to a technical change and have placed those sections in another rule package.
General	Other technical and grammatical changes were made at the suggestion of G.R.R.C. staff.

11. A summary of the comments made regarding the rule and the agency response to them:

No comments were received by the agency.

12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

13. Incorporations by reference and their location in the rules:

42 CFR 433.147, January 19, 1993, R9-22-1408

42 CFR 435.608, November 21, 1990, R9-22-1408

42 CFR 435.403, November 21, 1990, R-22-1418

20 CFR Part 416 Appendix to Subpart K, June 6, 1997, R9-22-1420

20 CFR 416.1160, June 15, 1999, R9-22-1505

20 CFR 435.520, 20 CFR 435.530, and 20 CFR 435.540, October 1, 2004, R9-22-1505

14. Was this rule previously made as an emergency rule?

No.

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15. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

**CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
ADMINISTRATION**

ARTICLE 14. AHCCCS MEDICAL COVERAGE FOR FAMILIES AND INDIVIDUALS

Section

- R9-22-1401. General Information
- R9-22-1402. Ineligible Person
- R9-22-1403. Agency Responsible for Determining Eligibility
- R9-22-1404. ~~Confidentiality~~ Assignment of Rights Under Operation of Law
- R9-22-1405. ~~Application Process~~ Confidentiality and Safeguarding of Information
- R9-22-1406. ~~Applicant and Member Responsibility~~ Application Process
- R9-22-1407. ~~Withdrawal of Application~~ Deceased Applicants
- R9-22-1408. ~~Eligibility Interview or Home Visit~~ Applicant and Member Responsibility
- R9-22-1409. ~~Withdrawal from AHCCCS Medical Coverage~~ Withdrawal of Application
- R9-22-1410. ~~Verification of Eligibility Information~~ Eligibility Interview or Home Visit
- R9-22-1411. ~~Time-frames, Approval, or Denial of the Application~~ Withdrawal from AHCCCS Medical Coverage
- R9-22-1412. ~~Review of Eligibility~~ Verification of Eligibility Information
- R9-22-1413. ~~Notice of Discontinuance Action~~ Time-frames, Approval, Discontinuance, or Denial of an Application
- R9-22-1414. ~~Effective Date of Eligibility~~ Review of Eligibility
- R9-22-1415. ~~Operation of Law~~ Notice of Adverse Action
- R9-22-1416. ~~Social Security Number~~ Effective Date of Eligibility
- R9-22-1417. ~~State Residency~~ Social Security Number
- R9-22-1418. ~~Citizenship and Immigrant Status~~ State Residency
- R9-22-1419. ~~Income Eligibility Criteria~~ Citizenship and Immigrant Status
- R9-22-1419.01. ~~Income Eligibility~~ Repealed
- R9-22-1419.02. ~~Methods For Calculating Monthly Income~~ Repealed
- R9-22-1419.03. ~~Calculations and Use of Methods Listed In R9-22-1419.02 Based on Frequency of Income~~ Repealed
- R9-22-1419.04. ~~Exceptions To R9-22-1419.03~~ Repealed
- R9-22-1420. ~~Eligibility for a Family~~ Income Eligibility Criteria
- R9-22-1421. ~~Eligibility for a Person Not Eligible as a Family~~ Income Eligibility
- R9-22-1422. ~~Eligibility for a Newborn~~ Methods for Calculating Monthly Income
- R9-22-1423. ~~Extended Medical Coverage for a Pregnant Woman~~ Calculations and Use of Methods Listed in R9-22-1422 Based on Frequency of Income
- R9-22-1424. ~~Family Planning Services Extension Program~~ Use of Methods Listed in R9-22-1423 Based on Type of Income
- R9-22-1425. ~~Young Adult Transitional Insurancee~~ Sponsor Deemed Income
- R9-22-1426. ~~Special Groups for Children~~ Exemptions from Sponsor Deemed Income
- R9-22-1427. ~~Eligibility for a Person With Medical Bills Whose Income is Over 100 Percent FPL~~ Eligibility for a Family
- R9-22-1428. ~~MED Family Unit~~ Eligibility for a Person Not Eligible as a Family
- R9-22-1429. ~~MED Income Eligibility Requirements~~ Eligibility for a Newborn
- R9-22-1430. ~~MED Resource Eligibility Requirements~~ Extended Medical Coverage for a Pregnant Woman
- R9-22-1431. ~~MED Effective Date of Eligibility~~ Family Planning Services Extension Program
- R9-22-1432. ~~MED Eligibility Period~~ Young Adult Transitional Insurance
- R9-22-1433. ~~Eligibility Appeals~~ Special Groups for Children
- R9-22-1435. ~~Repealed Eligibility for a Person With Medical Expenses Whose Income is Over 100 Percent FPL~~
- R9-22-1436. ~~Repealed MED Family Unit~~
- R9-22-1437. ~~MED Income Eligibility Requirements~~
- R9-22-1438. ~~MED Resource Eligibility Requirements~~
- R9-22-1439. ~~MED Effective Date of Eligibility~~
- R9-22-1440. ~~MED Eligibility Period~~
- R9-22-1441. ~~Eligibility Appeals~~

ARTICLE 15. AHCCCS MEDICAL COVERAGE FOR PEOPLE WHO ARE AGED, BLIND, OR DISABLED

Section

- R9-22-1501. General Information
- R9-22-1502. General Eligibility Criteria
- R9-22-1503. Financial Eligibility Criteria
- R9-22-1504. Eligibility For A Person Who Is Aged, Blind, Or Disabled
- R9-22-1505. Eligibility for Special Groups

ARTICLE 14. AHCCCS MEDICAL COVERAGE FOR FAMILIES AND INDIVIDUALS

R9-22-1401. General Information

~~This Article contains eligibility criteria to determine if a family or individual is eligible for AHCCCS medical coverage.~~

- A. Scope. This Article contains eligibility criteria to determine whether a family or individual is eligible for AHCCCS medical coverage.
- B. Definitions. In addition to definitions contained in R9-22-101 and A.R.S. § 36-2901, the words and phrases in this Article and Article 15 have the following meanings unless the context explicitly requires another meaning:

“Baby Arizona” means the public or private partnership program that provides a pregnant woman an opportunity to apply for AHCCCS medical coverage at a Baby Arizona provider’s office through a streamlined eligibility process.

“BHS” means the division of Behavioral Health Services within the Arizona Department of Health Services.

“Burial plot” means a space reserved in a cemetery, crypt, vault, or mausoleum for the remains of a deceased person.

“Caretaker relative” means a parent who maintains a family setting for a dependent child and who exercises responsibility for the day-to-day physical care, guidance, and support of that child.

“Cash assistance” means a program administered by the Department that provides assistance to needy families with dependent children under 42 U.S.C. 601 et seq.

“CRS” means the program within ADHS that provides covered medical services and covered support services in accordance with A.R.S. 36-261.

“DCSE” means the Division of Child Support Enforcement, which is the division within the Department that administers the Title IV-D program and includes a contract agent operating a child support enforcement program on behalf of the Department.

“FAA” means the Family Assistance Administration, the administration within the Department’s Division of Benefits and Medical Eligibility with responsibility for providing cash and food stamp assistance to a member and for determining eligibility for AHCCCS medical coverage.

“Homebound” means a person who is confined to home because of physical or mental incapacity.

“Income” means combined earned and unearned income.

“Indigent” means an applicant’s total income, including sponsor deemed income actually received, is less than or equal to 100% of the federal poverty level for the size of the income group under R9-22-1425.

“Liquid assets” means those assets in the form of cash or other financial instruments, that are convertible to cash and include:

Savings accounts;

Checking accounts;

Stocks and bonds;

Mutual fund shares;

Promissory notes;

Cash value of insurance policies; and

Similar assets.

“Medical expense deduction” or “MED” means the cost of the following expenses if incurred in the United States:

A medical service or supply that would be covered if provided to an AHCCCS member of any age under Articles 2 and 12 of this Chapter;

A medical service or supply that would be covered if provided to an Arizona Long-term Care System member under 9 A.A.C. 28, Articles 2 and 11;

Other necessary medical services provided by a licensed practitioner or physician;

Assistance with daily living if the assistance is documented in an individual plan of care by a nurse, social ser-

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vice worker, registered therapist, or dietitian under the supervision of a physician except when provided by the spouse of an applicant or the parent of a minor child;

Medical services provided in a licensed nursing home or in an alternative HCBS setting under R9-28-101;

Purchasing and maintaining an animal guide or service animal for the assistance of a member of the MED family unit under R9-22-1436; and

Health insurance premiums, deductibles, and coinsurance, if the insured is a member of the MED family unit.

“Medical support” means to provide health care coverage in the form of health insurance or court-ordered payment for medical care.

“Nonparent caretaker relative” means a person, other than a parent, who is related by blood, marriage, or lawful adoption to a dependent child and who:

Maintains a family setting for the dependent child, and

Exercises responsibility for the day-to-day physical care, guidance, and support of the dependent child.

“Pre-enrollment process” means the process that provides an applicant the opportunity to choose an AHCCCS health plan before the determination of eligibility is completed.

“Resources” means real and personal property, including liquid assets.

“Spendthrift restriction” means a legal restriction on the use of a resource that prevents a payee or beneficiary from alienating the resource.

“Sponsor” means an individual who signs the USCIS I-864 Affidavit of Support agreeing to support a non-citizen as a condition of the non-citizen’s admission for permanent residence in the United States.

“Sponsor deemed income” means the unearned income for an applicant named on the USCIS I-864 Affidavit of Support who is applying for AHCCCS medical coverage.

“SVES” means the State Verification and Exchange System, a system through which the Department exchanges income and benefit information with the Internal Revenue Service, Social Security Administration, and State Wage and Unemployment Insurance Benefit data files.

“Title IV-D” means Title IV-D of the Social Security Act, 42 U.S.C. 651-669, the statutes establishing the child support enforcement and paternity program.

“Title IV-E” means Title IV-E of the Social Security Act 42 U.S.C. 670-679, the statutes establishing the foster care and adoption assistance programs.

“USCIS” means the United States Citizen and Immigration Services.

R9-22-1402. Ineligible Person

A person is not eligible for AHCCCS medical coverage if the person is:

1. An inmate of a public institution ~~if federal financial participation (FFP) is not available~~, or
2. Age 21 through age 64 and is residing in an Institution for Mental Disease under 42 CFR 435.1009 ~~except when~~ if allowed under the Administration’s Section 1115 ~~IMD~~ waiver ~~with CMS~~.

R9-22-1403. Agency Responsible for Determining Eligibility

The Department shall determine eligibility under the provisions of this Article. The Department shall not discriminate against an ~~eligible person applicant~~ or member because of race, color, creed, religion, ancestry, ~~marital status, sexual preference,~~ national origin, age, sex, or physical or mental disability, ~~in accordance with Title VI of the U.S. Civil Rights Act of 1964, 42 U.S.C. 2000d,~~ and rules and regulations promulgated according to, or as otherwise provided by law.

R9-22-1404. Confidentiality Assignment of Rights Under Operation of Law

~~The Administration and Department shall maintain the confidentiality of an applicant’s or member’s records and shall not disclose an applicant’s or member’s financial, medical, or other confidential information except as allowed under R9-22-512 and 6 A.A.C.12, Article 1.~~

By operation of law and under A.R.S. 36-2903, a person determined eligible assigns rights to the system and the county all types of medical benefits to which the person is entitled.

R9-22-1405. Application Process Confidentiality and Safeguarding of Information

~~**A.** Right to apply. A person identified in subsection (B) may apply for AHCCCS medical coverage by submitting a signed Department or Administration approved application to the Administration, an FAA office or an outstation location under 42 CFR 435.904 listed below:~~

1. A BHS site as provided in Laws 1991, Ch. 213, § 21;
2. A CRS site as provided in Laws 1991, Ch. 213, § 21;
3. A Baby Arizona approved provider’s office, if the applicant is a pregnant woman;
4. A FQHC or disproportionate share hospital under 42 U.S.C. 1396r-4, as required by 42 CFR 435.904, or;

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5. Any other site, including a hospital, approved by the Department or the Administration.
 - B.** Who may apply for a person. Any of the following may submit an application for an applicant:
 1. The applicant's legal representative;
 2. The applicant;
 3. The applicant's spouse;
 4. The applicant's parent;
 5. The applicant's authorized representative, designated by the applicant either verbally in the presence of an employee of the Administration or its designee, or in writing;
 6. An adult who lives with the applicant;
 7. The applicant's adult child; or
 8. Another party if the applicant is an adult who is incapacitated, a child less than 18 years old, or a child who is age 18 and a student. The Administration or its designee shall require incapacity to be verified by written documentation signed by a licensed physician or by one of the following:
 - a. A physician assistant;
 - b. A nurse practitioner; or
 - c. A registered nurse, under the direction of a licensed physician.
 - C.** Written application. To initiate the application process, a person listed in subsection (B) shall submit a written application under 42 CFR 435.907 to one of the sites listed in subsection (A).
 1. A written application is one that contains the legible name and address, or location where the applicant can be reached, of each person requesting AHCCCS medical coverage and the signature of the person under subsection (B) who is submitting the application. The Administration shall require that a third party witness the signing and co-sign the application if the individual signing the application signs with a mark.
 2. The Administration or its designee shall accept an application for a person who is incapacitated and whose name and address are not known.
 - D.** Date of application.

The date of application is the date a written application is received at a location listed in subsection (A).
 - E.** Complete application form.
 1. An applicant shall provide all information requested on the application form.
 2. The Administration or its designee shall not approve an application unless the applicant's legal representative, if one exists, signs the declarations on the application relating to the applicant's eligibility, under penalty of perjury. A legal representative is a custodial parent of a child under 18, a guardian, or a conservator.
 3. If there is no legal representative, or the legal representative is incapacitated, one of the following shall sign the declarations on the application relating to the applicant's eligibility, under penalty of perjury:
 - a. The applicant, if age 18 or older;
 - b. The applicant, if less than 18 years old and married or not living with a parent;
 - c. The applicant's spouse if not separated;
 - d. An adult who lives with a child who is less than 18 years old or age 18 if a student;
 - e. Unmarried partners if living together with a child in common, if the child is an applicant or a member; or
 - f. Another party, if the applicant is incapacitated and no one listed in subsections (E)(3)(a) through (e) is available to sign the application on the applicant's behalf. The Administration shall require incapacity to be verified by written documentation signed by a licensed physician or by one of the following:
 - i. A physician assistant;
 - ii. A nurse practitioner; or
 - iii. A registered nurse under the direction of a licensed physician.
 4. Unrelated adults not applying for a child in common shall each sign the application if using the same application form.
 5. A person in listed in subsection (E)(2) or (E)(3)(a) through (e) may authorize, verbally in the presence of an employee of the Administration or its designee or in writing, someone else to represent the applicant in the application process. The authorized representative may sign the declarations on the application relating to the applicant's eligibility, under penalty of perjury.
 6. The application shall be witnessed and signed by a third party if the individual signing the application signs with a mark.
 - F.** Assistance with application. The Administration or its designee shall allow a person of the applicant's choice to accompany, assist, and represent the applicant in the application process.
 - G.** Applicants who die. If an applicant dies while an application is pending, the Administration or its designee shall complete an eligibility determination for all applicants listed on the application, including the deceased applicant.
 - H.** Deceased applicants. The Administration or designee shall complete an eligibility determination on an application filed on behalf of a deceased applicant, if the application is filed in the month of the applicant's death.
- The Administration and Department shall maintain the confidentiality of an applicant or member's records and limit the

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release of safeguarded information under R9-22-512 and 6 A.A.C. 12, Article 1. In the event of a conflict between R9-22-512 and 6 A.A.C. 12, Article 1, R9-22-512 prevails.

R9-22-1406. Applicant and Member Responsibility Application Process

- A:** An applicant and member shall authorize the Department to obtain verification.
- B:** As a condition of eligibility, an applicant and member shall:
1. Give the Department complete and truthful information. The Department may deny an application or discontinue eligibility if:
 - a. The applicant or member fails to provide information necessary for initial or continuing eligibility;
 - b. The applicant or member fails to provide the Department with written authorization to permit the Department to obtain necessary verification;
 - c. The applicant or member fails to provide verification under R9-22-1410 after the Department had made an effort to obtain the necessary verification but has not obtained the necessary information; or
 - d. The applicant or member does not assist the Department in resolving incomplete, inconsistent, or unclear information that is necessary for initial or continuing eligibility.
 2. Comply with the DCSE under 42 CFR 433.148 in establishing paternity and enforcing medical support obligations when requested. The Department shall not deny AHCCCS eligibility to any applicant who would otherwise be eligible and who is a minor child and whose parent or legal representative does not cooperate with the medical support requirements under subsection (E) or first and third party liability under Article 10;
 3. Provide information concerning third party coverage for medical care.
- C:** The member shall:
1. Send to the Department any medical support payments received resulting from a medical support order while the member is eligible;
 2. Cooperate with the Administration regarding any issues arising under the Medicaid Eligibility Quality Control Program under Article 9; and
 3. Inform the Department of the following changes within 10 days from the date the applicant or member knows of a change:
 - a. In address;
 - b. In the household's composition;
 - c. In income;
 - d. In resources, when required for the Medical Expense Deduction (MED) program under R9-22-1430;
 - e. In Arizona state residency;
 - f. In citizenship or immigrant status;
 - g. In first or third party liability which may contribute to the payment of all or a portion of the person's medical costs; or
 - h. That may affect the person's eligibility including a change in a woman's pregnancy status.
- D:** As a condition of eligibility, an applicant or member shall apply for other benefits as required under 42 CFR 435.608.
- E:** As a condition of eligibility, an applicant or member shall cooperate with the Assignment of Rights and if the applicant or member receives first or third party care and services, the applicant or member shall:
1. Cooperate with the Department and the Administration in identifying and providing information to assist the state in pursuing any first or third party who may be liable to pay for medical care and services.
 2. Except as provided in subsections (3) and (4), a parent, legal representative, or other legal responsible adult who applies for AHCCCS medical coverage on behalf of a child shall cooperate with the Department to establish paternity and obtain medical support or other payments as provided in A.R.S. § 46-292(C).
 3. A pregnant woman under A.R.S. § 36-2901(6)(a)(ii) is not required to provide the Department with information regarding paternity or medical support from a father of a child born out of wedlock.
 4. A parent, who is not requesting AHCCCS medical coverage, is not required to provide the Department with information regarding paternity or medical support from an absent parent.
- F:** At an initial application interview and at any review, the Department shall explain to the applicant or member the following requirements:
1. To comply with DCSE in establishing paternity and enforcing medical support except in circumstances when good cause under 42 CFR 433.147 exists for not cooperating;
 2. To establish good cause for not complying with DCSE in establishing paternity and enforcing medical support;
 3. To report a change listed in subsection (C) no later than 10 days from the date the applicant or member knows of the change;
 4. To send to the Department any medical support received through a Title IV-D court order;
 5. To cooperate with assignment of rights and securing payments received from any liable party for a member's medical care.
- G:** The applicant or member shall provide the following health insurance information, if applicable, at the initial interview and at any review:

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1. Name of policyholder;
 2. Policyholder's relationship to the applicant;
 3. SSN of the policy holder;
 4. Name and address of the insurance company, and
 5. Policy number.
- A.** Right to apply. A person identified in subsection (B) may apply for AHCCCS medical coverage by submitting a signed Department-approved or Administration-approved application to the Administration, an FAA office, or one of the following outstation locations under 42 CFR 435.904:
1. A BHS site as provided in A.R.S. § 36-3431;
 2. A CRS site as provided in A.R.S. § 36-261;
 3. A Baby Arizona-approved provider's office, if the applicant is a pregnant woman;
 4. A Federally Qualified Health Center or disproportionate share hospital under 42 U.S.C. 1396r-4; or
 5. Any other site, including a hospital, approved by the Department or the Administration.
- B.** Who may apply for a person. Any of the following may submit an application for an applicant:
1. The applicant's legal representative;
 2. The applicant;
 3. The applicant's spouse;
 4. The applicant's parent;
 5. The applicant's authorized representative, designated by the applicant either in writing or verbally in the presence of an employee of the Administration or Administration's designee;
 6. An adult who lives with the applicant;
 7. The applicant's adult child; or
 8. Another party if the applicant is:
 - a. A child less than 18 years old;
 - b. A child who is age 18 and a student; or
 - c. An adult who is incapacitated. The Administration or Administration's designee shall require incapacity to be verified by written documentation signed by a licensed physician or by one of the following:
 - i. A physician assistant;
 - ii. A nurse practitioner; or
 - iii. A registered nurse, under the direction of a licensed physician.
- C.** Written application. To initiate the application process, a person listed in subsection (B) shall submit a written application under 42 CFR 435.907 to one of the sites listed in subsection (A).
1. A written application is one that contains the legible name and address, or location where the applicant can be reached, of each person requesting AHCCCS medical coverage and the signature of the person who is submitting the application.
 2. The Administration or Administration's designee shall require that a third party witness the signing and attest by signing the application if the individual signing the application signs with a mark.
 3. The Administration or Administration's designee shall accept an application for a person who is incapacitated and whose name and address are unknown.
- D.** Date of application. The date of application is the date a written application is received at a location listed in subsection (A).
- E.** Complete application form.
1. An applicant or a person applying on behalf of the applicant shall provide all information requested on the application form.
 2. The Administration or Administration's designee shall not approve an application unless the applicant's legal representative, if one exists, signs the declarations on the application relating to the applicant's eligibility, under penalty of perjury.
 3. If there is no legal representative, or the legal representative is incapacitated, one of the following shall sign the declarations on the application relating to the applicant's eligibility, under penalty of perjury:
 - a. The applicant, if age 18 or older;
 - b. The applicant, if less than 18 years old and married or not living with a parent;
 - c. The applicant's spouse if the applicant and spouse are not separated;
 - d. An adult who lives with an applicant who is less than 18 years old or age 18 and a student;
 - e. One of the unmarried partners if living together with a child in common, if the child is the applicant; or
 - f. Another party, if the applicant is incapacitated and no one listed in subsections (E)(3)(a) through (e) is available to sign the application on the applicant's behalf. The Administration shall require incapacity to be verified by written documentation signed by a licensed physician or by one of the following:
 - i. A physician assistant,
 - ii. A nurse practitioner, or

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- iii. A registered nurse under the direction of a licensed physician.
 - g. A person listed in subsection (E)(2) or (E)(3)(a) through (e) may authorize, verbally in the presence of an employee of the Administration or Administration's designee or in writing, someone else to represent the applicant in the application process. The authorized representative may sign the declarations on the application relating to the applicant's eligibility, under penalty of perjury.
 - 4. Unmarried adults not applying for a child in common shall each sign the application if using the same application form.
 - 5. The application shall be witnessed and signed by a third party if the individual signing the application signs with a mark.
- E.** Assistance with application. The Administration or Administration's designee shall allow a person of the applicant's choice to accompany, assist, and represent the applicant in the application process.

R9-22-1407. ~~Withdrawal of Application Deceased Applicants~~

- ~~**A.** An applicant may withdraw an application at any time before the Department completes an eligibility determination by making an oral or written request for withdrawal and stating the reason for withdrawal.~~
- ~~**B.** If an applicant orally requests to withdraw the application, the Department shall document the:
 - 1. Date of the request,
 - 2. Name of the applicant for whom the withdrawal applies,
 - 3. Reason for the withdrawal,~~
- ~~**C.** An applicant may withdraw an application in writing by:
 - 1. Completing a Department approved voluntary withdrawal form; or
 - 2. Submitting a written, signed, and dated request to withdraw the application.~~
- ~~**D.** The effective date of the withdrawal is the date of the application.~~
- ~~**E.** If an applicant requests to withdraw an application, the Department shall:
 - 1. Deny the application, and
 - 2. Notify the applicant of the denial following the notice requirements under R9-22-1411.~~
- A.** If an applicant dies while an application is pending, the Administration or Administration's designee shall complete an eligibility determination for all applicants listed on the application, including the deceased applicant.
- B.** The Administration or Administration's designee shall complete an eligibility determination on an application filed on behalf of a deceased applicant, if the application is filed in the same month as the applicant's death.

R9-22-1408. ~~Eligibility Interview or Home Visit Applicant and Member Responsibility~~

- ~~**A.** Scheduling an interview or home visit:
 - 1. Upon receipt of an application, the Department shall:
 - a. Schedule an initial eligibility interview or home visit at the request of a homebound applicant or if the Department believes that a home visit may avoid an eligibility error, and
 - b. Provide the applicant a written notice of the scheduled interview;
 - 2. The Department shall not require a separate interview unless the application received does not include sufficient information to determine eligibility under this Article for an applicant whose application is received from:
 - a. A Baby Arizona provider;
 - b. A KidsCare office;
 - c. A CRS office; or
 - d. Another agency or entity approved by the Administration;~~
- ~~**B.** Attend the interview. As a condition of eligibility, the applicant or the applicant's representative shall attend the interview.~~
- ~~**C.** Department's requirement at interview. During the initial interview or review, a Department representative shall:
 - 1. Offer to help the applicant or member to complete the application form and to obtain required verification;
 - 2. Provide the applicant or member with information explaining:
 - a. The eligibility and verification requirements of AHCCCS medical coverage;
 - b. The requirement that the applicant or member obtain and provide a SSN to the Department;
 - c. How the Department uses the SSN;
 - d. The Department's practice of exchanging eligibility and income information through the SVES;
 - e. The applicant and member's rights and responsibilities, including the right to appeal an adverse action;
 - f. The assignment of rights under operation of law as provided in A.R.S. § 36-2903;
 - g. That the Department will use information to complete data matches with potential liable parties;
 - h. The eligibility review process;
 - i. The program coverage and the types of services available under each program;
 - j. The family planning services available through AHCCCS health plans if appropriate;
 - k. The AHCCCS pre-enrollment process;
 - l. Availability of continued AHCCCS medical coverage under R9-22-1420, and
 - m. That the Department shall help the applicant or member obtain necessary verification if the applicant or member~~

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asks for help.

3. Review the penalties for perjury and fraud printed on the application;
4. Explain whose income is counted;
5. Review any verification information provided by the applicant or member and give a written list of additional verification items and time frames that the applicant or member shall provide to the Department;
6. Explain the applicant and member's responsibilities under R9-22-1406; and
7. Review all reporting requirements and explain that the applicant or member may lose the earned income disregards defined in R9-22-1419, if the applicant or member fails to report changes timely; and
8. Explain the MED program under R9-22-1427 through R9-22-1432.

A. An applicant and a member shall authorize the Department to obtain verification for initial eligibility or continuation of eligibility.

B. As a condition of eligibility, an applicant or a member shall:

1. Give the Department complete and truthful information. The Department may deny an application or discontinue eligibility if:
 - a. The applicant or member fails to provide information necessary for initial or continuing eligibility.
 - b. The applicant or member fails to provide the Department with written authorization to permit the Department to obtain necessary initial or continuing eligibility verification.
 - c. The applicant or member fails to provide verification under R9-22-1412 after the Department made an effort to obtain the necessary verification but has not obtained the necessary information, or
 - d. The applicant or member does not assist the Department in resolving incomplete, inconsistent, or unclear information that is necessary for initial or continuing eligibility;
2. Cooperate with the DCSE in establishing paternity and enforcing medical support obligations when requested unless good cause exists for not cooperating under 42 CFR 433.147 as of January 19, 1993, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments. The Department shall not deny AHCCCS eligibility to an applicant who would otherwise be eligible, is a minor child, and whose parent or legal representative does not cooperate with the medical support requirements under subsection (E) or first-and third-party liability requirements under Article 10 of this Chapter; and
3. Provide information concerning third-party coverage for medical care.

C. A member or an applicant shall:

1. Send to the Department any medical support payments received while the member is eligible resulting from a medical support order;
2. Cooperate with the Administration or Administration's designee regarding any issues arising as a result of the Medicaid Eligibility Quality Control Program under Article 9 of this Chapter; and
3. Inform the Department of the following changes within 10 days from the date the applicant or member knows of a change:
 - a. In address;
 - b. In the household's composition;
 - c. In income;
 - d. In resources, when required under R9-22-1438 for the Medical Expense Deduction (MED) program.
 - e. In Arizona state residency;
 - f. In citizenship or immigrant status;
 - g. In first- or third-party liability that may contribute to the payment of all or a portion of the person's medical costs; or
 - h. That may affect the member's or applicant's eligibility including a change in a woman's pregnancy status.

D. As a condition of eligibility, an applicant or a member shall apply for other benefits as required under 42 CFR 435.608 as of November 21, 1990, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments.

E. As a condition of eligibility, an applicant or a member shall cooperate with the Assignment of Rights under R9-22-1404. If the applicant or member receives care and services for which a first or third party is liable, the applicant or member shall:

1. Cooperate with the Department and the Administration in identifying and providing information to assist the Department and the Administration in pursuing any first- or third-party who may be liable to pay for medical care and services.
2. Except as provided in subsections (E)(3) and (E)(4), a parent, legal representative, or other legally responsible adult who applies for AHCCCS medical coverage on behalf of a child shall cooperate with the Department to establish paternity and obtain medical support or other payments as provided in A.R.S. § 46-292(C).
3. A pregnant woman under A.R.S. § 36-2901(6)(a)(ii) is not required to provide the Department with information

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regarding paternity or medical support from a father of a child born out of wedlock.

4. A parent who is not requesting AHCCCS medical coverage for himself or herself is not required to provide the Department with information regarding paternity or medical support from an absent parent under R9-22-1427 (E).

E. At an initial application interview and at any review, the Department shall explain to an applicant or member the following requirements:

1. To cooperate with DCSE in establishing paternity and enforcing medical support, except in circumstances when good cause under 42 CFR 433.147 exists for not cooperating;
2. To establish good cause for not cooperating with DCSE in establishing paternity and enforcing medical support;
3. To report a change listed in subsection (C)(3) no later than 10 days from the date the applicant or member knows of the change;
4. To send to the Department any medical support received through a Title IV-D court order; and
5. To cooperate with the Department and Administration's assignment of rights and securing payments received from any liable party for a member's medical care.

G. An applicant or member shall provide the following health insurance information, if applicable, at the initial interview, within 10 days of becoming aware of a new source of health insurance, and at any eligibility review:

1. Name of policyholder,
2. Policyholder's relationship to the applicant or member,
3. SSN of the policy holder,
4. Name and address of the insurance company, and
5. Policy number.

R9-22-1409. ~~Withdrawal from AHCCCS Medical Coverage~~ Withdrawal of Application

A. A member may withdraw from AHCCCS medical coverage at any time by making an oral or written request for withdrawal to the Department. The member or the member's legal or authorized representative shall provide the Department with:

1. The reason for the withdrawal,
2. The date the request is effective, and
3. The name of the member for whom AHCCCS medical coverage is being withdrawn.

B. The Department shall discontinue eligibility for AHCCCS medical coverage for all family members if the request to withdraw does not identify a specific person.

A. An applicant may withdraw an application at any time before the Department completes an eligibility determination by making an oral or written request for withdrawal to the Department and stating the reason for withdrawal.

B. If an applicant orally requests withdrawal of the application, the Department shall document the:

1. Date of the request,
2. Name of the applicant for whom the withdrawal applies, and
3. Reason for the withdrawal.

C. An applicant may withdraw an application in writing by:

1. Completing a Department-approved voluntary withdrawal form; or
2. Submitting a written, signed, and dated request to withdraw the application.

D. The effective date of the withdrawal is the date of the application.

E. If an applicant requests to withdraw an application, the Department shall:

1. Deny the application, and
2. Notify the applicant of the denial following the notice requirements under R9-22-1413.

R9-22-1410. ~~Verification of Eligibility Information~~ Eligibility Interview or Home Visit

A. The applicant or member has the primary responsibility to provide the Department with information necessary to verify eligibility and complete the determination of eligibility at the time of initial application, at a time when change in circumstances occurs which may affect eligibility, or at the eligibility review. With the exception of subsection (B), verification of information shall be obtained using the following types of documents in the following order:

1. First, documented verification which is written evidence originating from an agency, organization, or an individual qualified to have knowledge of the required information;
2. Second, collateral contact which is a verbal statement from an agency, organization, or individual qualified to have knowledge of the required information, or
3. Third, applicant's statement which shall only be used if:
 - a. Documented;
 - b. Collateral verification is not available, and
 - c. The statement is not inconsistent or contradicted with other information.

B. Documented verification is the only acceptable form of verification which can be accepted for:

1. SSN;
2. Alien status;

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3. ~~Relationship when questionable, and~~
4. ~~Citizenship when questionable.~~
- C. ~~The Department shall provide an applicant or member no less than 10 days from the date of a written request for the information to provide required verification. The Department may deny the application or discontinue eligibility if an applicant or member does not provide the required information timely.~~
- A. Scheduling an interview or home visit.
 1. Upon receipt of an application, the Department shall:
 - a. Schedule an initial eligibility interview or a home visit if requested by a homebound applicant or if the Department believes that a home visit may avoid an eligibility error, and
 - b. Provide the applicant a written notice of the scheduled interview or home visit.
 2. The Department shall not require an initial interview or home visit under subsection (A)(1) unless the application received does not include sufficient information to determine eligibility under this Article for an applicant whose application is received from:
 - a. A Baby Arizona provider.
 - b. A KidsCare office under 9 A.A.C. 31.
 - c. A CRS site.
 - d. A BHS site, or
 - e. Another agency or entity approved by the Administration to conduct an interview.
- B. Attending the interview. As a condition of eligibility, the applicant or the applicant's representative shall attend any required interview.
- C. Good cause for failure to attend an interview.
 1. Upon request, the Department shall reschedule the initial interview if the applicant or member or the applicant's or member's representative had good cause for missing the interview and a request for a rescheduled interview is made by the 45th day from the date of application. Good cause includes:
 - a. Hospitalization.
 - b. Illness.
 - c. Serious injury or accident involving an applicant or member of the applicant's or member's household that made it impossible to contact the local FAA office, or
 - d. Any unanticipated occurrence that made it impossible to contact the local FAA office.
 2. Notwithstanding subsection (C)(1), the Department shall deny the applicant's or member's eligibility if the second interview is missed.
- D. Department's obligations at the eligibility interview. During the initial interview or eligibility review interview, a Department representative shall:
 1. Offer to help the applicant or member to complete the application form and to obtain required verification;
 2. Provide the applicant or member with information explaining:
 - a. The eligibility and verification requirements for AHCCCS medical coverage.
 - b. The requirement that the applicant or member obtain and provide a SSN to the Department.
 - c. How the Department uses the SSN.
 - d. The Department's practice of exchanging eligibility and income information through the SVES.
 - e. The applicant and member's right to appeal an adverse action under R9-22-1441.
 - f. The assignment of rights under operation of law as provided in A.R.S. § 36-2903.
 - g. That the Department will use information to complete data matches with potentially liable parties.
 - h. The eligibility review process.
 - i. The program coverage and the types of services available under each program.
 - j. The AHCCCS pre-enrollment process.
 - k. Availability of continued AHCCCS medical coverage under R9-22-1427.
 - l. That the Department shall use the Systematic Alien Verification for Entitlements (SAVE) process to verify eligible alien status, and
 - m. That the Department shall help the applicant or member obtain necessary verification if the applicant or member asks for help;
 3. Review the penalties for perjury and fraud printed on the application;
 4. Review any verification items provided by the applicant or member and give a written list of additional verification items and time-frames within which the applicant or member shall provide information to the Department;
 5. Explain the applicant and member's responsibilities under R9-22-1408;
 6. Review all reporting requirements and explain that the applicant or member may lose the earned income disregards defined in R9-22-1420 if the applicant or member fails to timely report earned income changes; and
 7. Explain the MED program under R9-22-1435 through R9-22-1440.

R9-22-1411. ~~Time-frames, Approval, or Denial of the Application~~ Withdrawal from AHCCCS Medical Coverage

- A.** ~~Application processing time. The Department shall complete an eligibility determination under 42 CFR 435.911 within 45~~

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days after the application date under R9-22-1405; unless:

1. The applicant is pregnant. The Department shall determine eligibility for a pregnant woman within 20 days after the application date unless additional information is required to determine eligibility; or
 2. The applicant is in a hospital as an inpatient at the time of application. Within seven days of the Department's receipt of a signed application the Department shall:
 - a. Complete an eligibility interview and ask all of the questions on the application; and
 - b. Complete an eligibility determination if the Department does not need additional information or verification.
- B.** Approval. If the applicant meets all the eligibility requirements and conditions of eligibility of this Article, the Department shall approve the application and provide the applicant an approval notice. The approval notice shall contain:
1. The name of each approved applicant;
 2. The effective date of eligibility defined in R9-22-1414 for each approved applicant;
 3. The supporting reason and the legal citations if a member is approved for only emergency medical services; and
 4. The applicant's or member's appeal rights.
- C.** Denial. If an applicant fails to meet the eligibility requirements or conditions of eligibility of this Article, the Department shall deny the application and provide the applicant a denial notice. The denial notice shall contain:
1. The name of each ineligible applicant;
 2. The specific reason why the applicant is ineligible;
 3. The income and the resource calculations compared to the income or resource standards when the reason for the denial is due to the applicant's income or resources exceeding the applicable standard;
 4. The legal citations supporting the reason for the ineligibility;
 5. The location where the applicant can review the legal citations;
 6. The month of ineligibility; and
 7. The applicant's right to appeal the decision and request a hearing.
- A.** A member may withdraw from AHCCCS medical coverage at any time by giving oral or written notice of withdrawal to the Department. The member or the member's legal or authorized representative shall provide the Department with:
1. The reason for the withdrawal.
 2. The date the notice is effective, and
 3. The name of the member for whom AHCCCS medical coverage is being withdrawn.
- B.** The Department shall discontinue eligibility for AHCCCS medical coverage for all family members if the notice of withdrawal does not identify a specific person.
- C.** The Department shall notify the member of the discontinuance as required by R9-22-1415.

R9-22-1412. Review of Eligibility Verification of Eligibility Information

- A.** Except as provided in subsection (B), the Department shall complete a review of each member's continued eligibility for AHCCCS medical coverage at least once every 12 months.
- B.** The Department shall complete a review of eligibility for a:
1. Pregnant woman determined eligible under R9-22-1421(1), following the termination of her pregnancy;
 2. Non-pregnant member approved only for emergency medical services at least once in a six-month period;
 3. Member approved for the MED program under R9-22-1427 through R9-22-1432 prior to the end of the six-month eligibility period;
 4. Any time there is a change in a member's circumstance which may affect eligibility.
- C.** If a member continues to meet all eligibility requirements and conditions of eligibility, the Department shall authorize continued eligibility and notify the member of continued eligibility.
- D.** The Department shall discontinue eligibility and shall notify the member of the discontinuance under R9-22-1413 if the member:
1. Fails to comply with the review of eligibility;
 2. Fails to comply with the requirements and conditions of eligibility under this Article without good cause under 42 CFR 433.148; or
 3. Does not meet the eligibility requirements.
- A.** An applicant or a member has the primary responsibility to provide the Department with information necessary to verify eligibility and complete the determination of eligibility at the time of initial application, when a change in circumstances occurs that may affect eligibility, or at the eligibility review under R9-22-1414. With the exception of subsection (B), the applicant or member shall use the following types of documents, in the following order, to verify information:
1. First, hard copy verification: written evidence originating from an agency, organization, or an individual with actual knowledge of the information;
 2. Second, a written record of a collateral contact: a verbal statement from a representative of an agency or organization, or an individual with actual knowledge of the information; and
 3. Third, the applicant's or member's written statement, to be used only if:
 - a. Verification under subsections (A)(1) and (A)(2) is not available, and
 - b. The statement is not inconsistent with other information.

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- B.** The Department shall not accept any form of verification other than hard copy verification for:
1. SSN;
 2. Legal alien status;
 3. Proof of alien sponsor under R9-22-1425, if applicable;
 4. Relationship, when questionable; and
 5. Citizenship, when questionable.
- C.** The Department shall only accept hard copy verification or a collateral contact for verification of pregnancy and amounts billed for the care of a dependent child or incapacitated adult.
- D.** The Department shall provide an applicant or member at least 10 days from the date of a written request for information to provide required verification. The Department may deny the application or discontinue eligibility if an applicant or a member does not provide the required information timely.
- R9-22-1413. ~~Notice of Discontinuance Action~~ Time-frames, Approval, Discontinuance, or Denial of an Application**
- A.** ~~Notice requirement. If a member fails to meet an eligibility requirement or condition of eligibility, the Department shall provide the member an advance Notice of Action for an adverse action no later than 10 days before the effective date of the discontinuance.~~
- B.** ~~The Department may mail an adverse Notice of Action no later than the effective date of the discontinuance if the Department:~~
- ~~1. Receives a request to withdraw under R9-22-1409;~~
 - ~~2. Receives verification that the member is ineligible under R9-22-1402;~~
 - ~~3. Has documented information confirming the death of a member;~~
 - ~~4. Receives returned mail with no forwarding address from the post office and the member's whereabouts are unknown;~~
~~or~~
 - ~~5. Verifies that the member has been approved for Medicaid by another state.~~
- C.** ~~The notice shall contain:~~
- ~~1. The name of each ineligible member;~~
 - ~~2. The specific reason why the member is ineligible;~~
 - ~~3. The income and the resource calculations compared to the income or resource standards when the reason for the discontinuance is due to the member's income or resources exceeding the applicable standard;~~
 - ~~4. The legal citations supporting the reason for the ineligibility;~~
 - ~~5. The location where the member can review the legal citations;~~
 - ~~6. The date the discontinuance is effective, and~~
 - ~~7. The member's appeal rights and right to continued medical coverage pending appeal.~~
- A.** Application processing time. The Department shall complete an eligibility determination under 42 CFR 435.911 within 45 days after the application date under R9-22-1406 unless:
1. The applicant is pregnant. The Department shall determine eligibility for a pregnant woman within 20 days after the application date unless additional information is required to determine eligibility; or
 2. The applicant is in a hospital as an inpatient at the time of application. Within seven days of the Department's receipt of a signed application the Department shall:
 - a. Complete an eligibility interview and ask all of the questions on the application, and
 - b. Complete an eligibility determination if the Department does not need additional information or verification to determine eligibility.
- B.** Approval. If the applicant meets all the eligibility requirements and conditions of eligibility of this Article, the Department shall approve the application and provide the applicant with an approval notice. The approval notice shall contain:
1. The name of each approved applicant.
 2. The effective date of eligibility as defined in R9-22-1416 for each approved applicant.
 3. The reason and the legal citations if a member is approved for only emergency medical services, and
 4. The applicant's right to appeal the decision under R9-22-1441 (A).
- C.** Denial. If an applicant fails to meet the eligibility requirements or conditions of eligibility of this Article, the Department shall deny the application and provide the applicant with a denial notice. The denial notice shall contain:
1. The name of each ineligible applicant;
 2. The specific reason why the applicant is ineligible;
 3. The income and resource calculations for the applicant compared to the income or resource standards for eligibility when the reason for the denial is due to the applicant's income or resources exceeding the applicable standard;
 4. The legal citations supporting the reason for the ineligibility;
 5. The location where the applicant can review the legal citations.
 6. The date of ineligibility; and
 7. The applicant's right to appeal the decision and request a hearing.
- D.** The Department shall reopen an application or reinstate eligibility of a member when any of the following conditions are met:

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1. The denial or discontinuance of eligibility was due to an administrative error.
2. The discontinuance of eligibility was due to noncompliance with a condition of eligibility and the applicant or member complies prior to the effective date of the discontinuance.
3. The member informs the Department of a change of circumstances prior to the effective date of the discontinuance, that would allow for continued eligibility, or
4. The member requests and is eligible for continuation of medical coverage under R9-22-1441.

R9-22-1414. ~~Effective Date of Eligibility~~ Review of Eligibility

Except for the MED program under R9-22-1427 through R9-22-1432 and eligibility for a newborn under R9-22-1422, the effective date of eligibility is the first day of the month that the applicant files an application if the applicant is eligible that month, or the first day of the first eligible month following the application month.

- A.** Except as provided in subsection (B), the Department shall complete a review of each member's continued eligibility for AHCCCS medical coverage at least once every 12 months.
- B.** The Department shall complete a review of eligibility for a:
 1. Pregnant woman determined eligible under R9-22-1428(2) following the termination of her pregnancy.
 2. Non-pregnant member approved only for Federal Emergency Services at least once in a six-month period.
 3. Member approved for the MED program under R9-22-1435 through R9-22-1440 before the end of the six-month eligibility period.
 4. Any time there is a change in a member's circumstance that may affect eligibility.
- C.** If a member continues to meet all eligibility requirements and conditions of eligibility, the Department shall authorize continued eligibility and notify the member of continued eligibility. If the member continues to be eligible for Federal Emergency Services, the notice shall state that the continued eligibility is for Federal Emergency Services only.
- D.** The Department shall discontinue eligibility and notify the member of the discontinuance under R9-22-1415 if the member:
 1. Fails to comply with the review of eligibility.
 2. Fails to comply with the requirements and conditions of eligibility under this Article without good cause under 42 CFR 433.148, or
 3. Does not meet the eligibility requirements.

R9-22-1415. ~~Operation of Law~~ Notice of Adverse Action

A person determined eligible assigns rights to all types of medical benefits to which the person is entitled under operation of law under A.R.S. § 36-2903.

- A.** Notice requirement. If a member fails to meet an eligibility requirement or condition of eligibility under this Chapter, the Department shall provide the member a Notice of Adverse Action no later than 10 days before the effective date of the suspension, reduction, or discontinuance.
- B.** The Department shall mail a Notice of Adverse Action to a member to discontinue eligibility no later than the effective date of action if the Department:
 1. Receives a request to withdraw under R9-22-1411.
 2. Receives verification that the member is ineligible under R9-22-1402.
 3. Has documented information confirming the death of a member.
 4. Receives returned mail with no forwarding address from the post office and the member's whereabouts are unknown,
or
 5. Verifies that the member has been approved for Medicaid by another state.
- C.** The Department shall ensure that the Notice of Adverse Action contains:
 1. The name of each ineligible member.
 2. The specific reason why the member is ineligible.
 3. The income and resource calculations compared to the income or resource standards when the reason for the discontinuance is due to the member's income or resources exceeding the applicable standard.
 4. The legal citations supporting the reason for ineligibility.
 5. The location where the member can review the legal citations.
 6. The date the discontinuance is effective, and
 7. The member's appeal rights and right to continued medical coverage pending appeal under R9-22-1441.

R9-22-1416. ~~Social Security Number~~ Effective Date of Eligibility

As a condition of eligibility, an applicant shall furnish a SSN, under 42 CFR 435.910 and 435.920. A person who cannot legally obtain a SSN is not required to furnish a SSN. An applicant has until the first review to provide a SSN as long as the applicant is cooperating with the Department to obtain a SSN. If an applicant cannot recall or has not been issued a SSN, the Department shall assist in obtaining or verifying the applicant's SSN under 42 CFR 435.910.

- A.** Except as provided in subsections (B) and (C), the effective date of eligibility is the first day of the month that the applicant files an application if the applicant is eligible that month, or the first day of the first eligible month following the application month except for:

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1. The MED program under R9-22-1439, and
 2. Eligibility for a newborn under R9-22-1429.
- B.** The effective date of eligibility for an applicant who moves into Arizona during the month of application is the date Arizona residency is established.
- C.** The effective date of eligibility for an inmate applying for medical coverage is the date the applicant no longer meets the definition of an inmate of a public institution.

R9-22-1417. ~~State Residency-Social Security Number~~

~~As a condition of eligibility, an applicant or member shall be a resident of Arizona under 42 CFR 435.403.~~

- A.** ~~As a condition of eligibility, an applicant or a member shall furnish a SSN under 42 CFR 435.910 and 435.920.~~
- B.** ~~A person who is not able to legally obtain a SSN is not required to furnish a SSN.~~
- C.** ~~The Department shall grant an applicant until the first review of eligibility to provide a SSN if the applicant is cooperating with the Department to obtain a SSN.~~
- D.** ~~If an applicant cannot recall the applicant's SSN or has not been issued a SSN, the Department shall assist in obtaining or verifying the applicant's SSN under 42 CFR 435.910.~~

R9-22-1418. ~~Citizenship and Immigrant Status State Residency~~

- A.** ~~As a condition of eligibility for full services under Article 2, an applicant or member shall be a citizen of the United States, or shall meet requirements for qualified alien under A.R.S. §§ 36-2903.03(A) and 36-2903.03(B), or A.R.S. § 36-2903.03(C).~~
- B.** ~~An applicant is eligible for emergency medical services defined in R9-22-217 when the applicant is either a qualified alien or noncitizen:~~
1. ~~Meets all other eligibility requirements, except those in subsection (A), and~~
 2. ~~Is eligible under A.R.S. § 36-2901(6)(a)(i), (ii), or (iii).~~

~~An applicant or a member is not eligible unless the applicant or member is a resident of Arizona under 42 CFR 435.403 as of November 21, 1990, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments. The Department shall not consider an alien who does not have immigrant status under 8 USC 1101(a)(15) to be a resident.~~

R9-22-1419. ~~Income Eligibility Criteria-Citizenship and Immigrant Status~~

- A.** ~~Evaluation of income. In determining eligibility, the Department shall evaluate the following types of income received by a person identified in subsection (B):~~
1. ~~Earned income, including in-kind income, before any deductions. For purposes of this Section, in-kind income means room, board, or provision for other needs in exchange for work performed. The provider of the in-kind income shall establish and verify the monetary value of the item provided. The provider may be, but is not limited to:~~
 - a. ~~A landlord who provides all or a portion of rent or utilities in exchange for services;~~
 - b. ~~A store owner who gives goods such as groceries, clothes, or furniture in exchange for services; or~~
 - c. ~~An individual who trades goods such as a car, tools, trailer, building material, or gasoline in exchange for services;~~
 2. ~~For self-employed applicants, gross business receipts minus business expenses; and~~
 3. ~~Unearned income.~~
- B.** ~~A person whose income is counted. The Department shall include the income of the following persons under Section 1902(a)(17) of the Act if living together unless the person is a SSI cash recipient:~~
1. ~~Applicant;~~
 2. ~~Applicant's parent, if the applicant is an unmarried dependent child, who is less than 18 years old;~~
 3. ~~Applicant's spouse;~~
 4. ~~The sponsor, under 8 CFR 213(a)(1), and sponsor's spouse of a person meeting the alien requirements under A.R.S. § 36-2903.03;~~
 5. ~~The non-parent caretaker relative and spouse, as allowed under R9-22-1420, and their unmarried minor children if applying as a family, which includes a dependent child living with a specified relative, under R9-22-1420;~~
- C.** ~~Income exclusions. The Department shall exclude the following income:~~
1. ~~Agent Orange settlement fund payments;~~
 2. ~~AmeriCorps Network Program benefits;~~
 3. ~~Burial benefits dispersed solely for burial expenses;~~
 4. ~~Cash contributions from other agencies or organizations so long as the contributions are not intended to cover the following items:~~
 - a. ~~Food;~~
 - b. ~~Rent or mortgage payments for shelter;~~
 - c. ~~Utilities;~~
 - d. ~~Household supplies, such as bedding, towels, laundry, cleaning, and paper supplies;~~

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- e. Public transportation fares for personal use;
 - f. Basic clothing or diapers; or
 - g. Personal care and hygiene items, such as soap, toothpaste, shaving cream, and deodorant;
 - 5. Disaster assistance provided under the Federal Disaster Relief Act, disaster assistance organizations, or comparable assistance provided by state or local governments;
 - 6. Educational grants or scholarships funded by the United States Department of Education or from a Veterans Education assistance program or the Bureau of Indian Affairs student assistance program;
 - 7. Energy assistance that is provided:
 - a. Either in cash or in kind by a government agency or municipal utility, or
 - b. In kind by a private nonprofit organization;
 - 8. Earnings from high school on-the-job training programs;
 - 9. Earned income of dependent children who are students enrolled and attending school at least half time as defined by the institution;
 - 10. Fair Labor Standard Act supplemental payment;
 - 11. Food stamp benefits;
 - 12. Foster care maintenance payments intended for children who are not included in the family or Medical Expense Deduction (MED) unit;
 - 13. Funds set aside in an Individual Development Account under A.A.C. R6-12-404;
 - 14. Governmental rent and housing subsidies;
 - 15. Income tax refunds, including any earned income tax credit;
 - 16. Loans from a private person, or a commercial or educational institution;
 - 17. Nonrecurring cash gifts that do not exceed \$30 per person in any calendar quarter;
 - 18. Payments made from a fund established by the Susan Walker v. Bayer Corporation class action lawsuit or the Ricky Ray Hemophilia Relief Fund Act of 1998;
 - 19. Radiation exposure compensation payments;
 - 20. Reimbursement for work-related expenses which do not exceed the actual expense amount;
 - 21. Reimbursement for Job Opportunities and Basic Skills (JOBS) Program training related expenses;
 - 22. Reparation and restitution payments under Section 1902(r) of the Act;
 - 23. SSI designated account and interest earned on that account;
 - 24. Temporary Assistance for Needy Families (TANF) or SSI cash assistance payment;
 - 25. Vendor payment to a third party to cover family expenses, if the payment is made by an organization or a person who is not a member of the family or MED unit;
 - 26. Volunteers In Service To America (VISTA) income that does not exceed the state or federal minimum wage;
 - 27. Vocational rehabilitation program payments made as reimbursement for training-related expenses, subsistence and maintenance allowances, and incentive payments that are not intended as wages;
 - 28. Women, Infants, and Children (WIC) benefits; or
 - 29. Any other income specifically excluded under 20 CFR Part 416 Appendix K.
- D.** Special income provision for child support. The Department shall consider child support to be income of the child for whom the support is intended and count the child support income received after deducting \$50 per child receiving child support income from the monthly amount.
- E.** Determining income for a month:
- 1. Calculating monthly income. The Administration or its designee shall calculate monthly income under R9-22-1419.01 through 1419.04.
 - 2. The Administration or its designee shall deduct the applicable disregards and deductions to which a person is entitled for the month.
- F.** Earned Income Disregards:
- 1. General. The Department shall apply the earned income disregards to each employed person's gross earnings.
 - 2. Disregards. The Department shall apply the following method to calculate the amount of the countable earned income:
 - a. Subtract a \$90 cost of employment (COE) allowance from the gross amount of earned income for each person whose earned income is counted;
 - b. Subtract an amount billed for the care of each dependent child or incapacitated adult member who is the responsibility of the person whose income is counted, if the care is for the purpose of allowing the person to work, not to exceed:
 - i. For a wage earner employed full time (86 hours or more a month), \$200 for each child less than age two, and \$175 for each other dependent; and
 - ii. For a wage earner employed part time (less than 86 hours a month), \$100 for each child less than age two, and \$88 for each other dependent.
 - 3. Loss of disregards. The Department shall not apply the earned income disregards if the member fails to report to the

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Department a change in income within 10 days from the date the change becomes known to the member. The change report to the Department shall be postmarked no later than the 10th day from the date the change becomes known.

- A.** An applicant or a member is not eligible for full services under Article 2 of this Chapter, unless the applicant or member is a citizen of the United States or is a qualified alien under A.R.S. § 36-2903.03(B) or meets the requirements of A.R.S. § 36-2903.03(C).
- B.** The Department shall use the Systematic Alien Verification for Entitlements (SAVE) process to verify legal alien status.
- C.** An applicant or member is eligible for emergency medical services under R9-22-217 if the applicant or member is either a qualified alien or noncitizen and:
 - 1. Meets all other eligibility requirements except those in subsection (A), and
 - 2. Is eligible under A.R.S. § 36-2901(6)(a)(i), (ii), or (iii).

R9-22-1419.01. ~~Income Eligibility Repealed~~

- A.** ~~A person is not eligible under this Article unless the person's monthly income is equal to or below the appropriate Federal Poverty Level (FPL) listed in R9-22-1420 and R9-22-1421. A person is not eligible under R9-22-1429 unless the person's income during the period defined in R9-22-1429(C) is equal to or below the FPL under R9-22-1429(B).~~
- B.** ~~Definitions:~~
 - 1. ~~"Monthly income" means the gross income received or projected to be received during the month or the monthly equivalent.~~
 - 2. ~~"Monthly equivalent" means a monthly income amount established by averaging, prorating, or converting a person's income.~~

R9-22-1419.02. ~~Methods for Calculating Monthly Income Repealed~~

- A.** ~~Projecting income:~~
 - 1. ~~Description. Projecting income is a method of determining the amount of income that a person will receive.~~
 - 2. ~~Calculation. The Administration or designee shall project income by:~~
 - a. ~~Converting income to a monthly equivalent,~~
 - b. ~~Using unconverted income, or~~
 - e. ~~Prorating income to determine a monthly equivalent.~~
 - 3. ~~Exclusion. When calculating projected monthly income, the Administration or designee shall exclude an unusual variation in income, except for a month in which the variation is anticipated to occur.~~
- B.** ~~Unconverted income:~~
 - 1. ~~Description. Unconverted income is the actual amount of income received or projected to be received during a month.~~
 - 2. ~~Calculation. The Administration or designee shall sum the actual amount of income received or projected to be received during a month.~~
- C.** ~~Converted income:~~
 - 1. ~~Description. Converted income is income received weekly or biweekly that is changed to a monthly equivalent.~~
 - 2. ~~Calculation:~~
 - a. ~~To convert income, the Administration or designee shall determine the average weekly or bi-weekly income amount before converting to the monthly equivalent if the person's past income fluctuates and the fluctuation is expected to recur.~~
 - b. ~~To convert income paid weekly to a monthly equivalent, the Administration or designee shall multiply the weekly average by 4.3 weeks.~~
 - e. ~~To convert income paid bi-weekly to a monthly equivalent, the Administration or designee shall multiply the bi-weekly average by 2.15 weeks.~~
- D.** ~~Averaged income:~~
 - 1. ~~Description. Averaging income proportionally distributes the person's income received on a regular basis.~~
 - 2. ~~Calculation. To average income, the Administration or designee shall add the amount of the income and divide by the total number of pay periods. If the amount of income received per pay period fluctuates, and the fluctuation is expected to continue, the Administration or designee shall:~~
 - a. ~~Use the averaged weekly or bi-weekly amounts to convert weekly or bi-weekly income to a monthly equivalent;~~
 - b. ~~Use the averaged monthly or semi-monthly amounts to project monthly income; and~~
 - e. ~~Use the averaged hours worked and multiply the average by the current rate of pay. If there is a change in the rate of pay; use the new rate of pay when calculating projected income under subsection (A).~~
- E.** ~~Prorated income:~~
 - 1. ~~Description. Prorated income evenly distributes a person's income over the period the income is intended to cover to calculate a monthly equivalent.~~
 - 2. ~~Calculation. To prorate income, the Administration or designee shall divide the total amount of the person's income received during the period by the number of months that the income is intended to cover.~~

R9-22-1419.03. ~~Calculations and Use of Methods Listed In R9-22-1419.02 Based on Frequency of Income Repealed~~

- A.** ~~Monthly income. If income is received monthly or in a lump sum, the Administration or designee shall use the uncon-~~

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verted method for calculating monthly income. Lump sum means a non-recurring payment that serves as a complete payment. Lump sum payments include but are not limited to: rebates or credits; inheritances; insurance settlements; and payments for prior months from such sources as Social Security, Veterans Administration, Railroad Retirement, child support arrearages, or other benefits. A lump sum payment may include a portion intended for the current month.

- ~~B.~~ Weekly income. If income is received weekly the Administration or designee shall convert the income to a monthly equivalent.
- ~~C.~~ Bi-weekly income. If income is received bi-weekly the Administration or designee shall convert the income to a monthly equivalent.
- ~~D.~~ Semi-monthly or daily income. If income is received semi-monthly or daily, the Administration or designee shall use the unconverted method for calculating monthly income.
- ~~E.~~ Bimonthly, quarterly, semi-annual, or annual income. If income is received bimonthly, quarterly, semi-annually or annually, the Administration or designee shall prorate the income received or projected to be received.

R9-22-1419.04. Exceptions to R9-22-1419.03 Repealed

~~A.~~ New income:

- ~~1.~~ Description. New income is income received from a new source during the first calendar month that the income is received from the source.
- ~~2.~~ Calculating monthly income:
 - ~~a.~~ If a full month's income is received, the Administration or its designee shall use the appropriate method described in R9-22-1419.03 to calculate the monthly income.
 - ~~b.~~ If less than a full month's income is received, the Administration or its designee shall use the unconverted method to calculate the monthly income.

~~B.~~ Terminated income:

- ~~1.~~ Description. Terminated income is income received during the last calendar month that income is received from a source when no more income is expected to be received.
- ~~2.~~ Calculating monthly income:
 - ~~a.~~ If a full month's income is received, the Administration or its designee shall use the appropriate method described in R9-22-1419.03 to calculate the monthly income.
 - ~~b.~~ If less than a full month's income is received, the Administration or its designee shall use the unconverted method to calculate the monthly income.

~~C.~~ Break in income:

- ~~1.~~ Description. A break in income is:
 - ~~a.~~ Income received from a previous source in the first calendar month following a break in established frequency of income from the source of one calendar month or more, or
 - ~~b.~~ Income received from a source in the last calendar month before a break in established frequency of income of one calendar month or more.
- ~~2.~~ Calculating monthly income:
 - ~~a.~~ If a full month's income is received, the Administration or its designee shall use the appropriate method described in R9-22-1419.03 to calculate the monthly income.
 - ~~b.~~ If less than a full month's income is received, the Administration or its designee shall use the unconverted method to calculate the monthly income.

~~D.~~ Contract income:

- ~~1.~~ Description. Contract income is income a person earns under a contract or other legal document that specifies a length of time the contract or legal document covers, the amount of income to be paid, and the frequency of payment.
- ~~2.~~ Calculating monthly income:
 - ~~a.~~ The Administration or designee shall calculate the monthly income based on the frequency of payment if income is paid more frequently than monthly.
 - ~~b.~~ The Administration or designee shall prorate over the period of time specified by the contract if income is paid monthly or less frequently.

~~E.~~ Unusual variation in the amount of income:

- ~~1.~~ Description. Unusual variation is an amount of income that is different from the established amount received and is not projected to continue or recur.
- ~~2.~~ Calculating monthly income:
 - ~~a.~~ When calculating income for the month in which an unusual variation in income occurs, the Administration or designee shall include the unusual variation in the income calculation.
 - ~~b.~~ When an unusual variation in income occurs during the month, the Administration or its designee shall use the converted method for calculating monthly income if income is received weekly or bi-weekly.
 - ~~e.~~ When projecting income for the months following the month in which the unusual variation occurs, the Administration or designee shall exclude the unusual variation in income from the income calculation.

R9-22-1420. Eligibility For a Family Income Eligibility Criteria

- A.** The Department shall determine eligibility for AHCCCS medical coverage for a family unit when the requirements under this Section are met.
- B.** The family unit shall include the following when living together:
1. A natural or adopted dependent child under age 18;
 2. A dependent child age 18, who is:
 - a. A full-time student at a secondary school; or
 - b. Attending a vocational or technical training school which includes shop practicum for at least 30 hours per week or does not include shop practicum and attendance is at least 25 hours per week; and
 - c. Reasonably expected to complete the education or training before age 19; and
 3. A natural or adoptive parent of a dependent child.
 4. An unborn child of a person in the family unit.
- C.** The Department shall include the spouse of the dependent child's parent if the spouse wants to apply for AHCCCS medical coverage.
- D.** The Department shall include the dependent child's non-parent caretaker relative and the spouse of the non-parent caretaker relative, if the non-parent caretaker relative wants to apply for AHCCCS medical coverage and:
1. Provides a dependent child with:
 - a. Physical care;
 - b. Support;
 - c. Guidance; and
 - d. Control; and
 2. The parent of a dependent child:
 - a. Does not live in the non-parent caretaker relative's home;
 - b. Lives with the non-parent caretaker relative but is also a dependent child; or
 - c. Lives with the non-parent caretaker relative but cannot function as a parent due to physical or mental impairment.
 3. The Department shall not include a SSI cash recipient in the family unit.
- E.** Income standard. The family unit's countable income shall not exceed 100 percent FPL adjusted annually based on the number of persons in the family unit.
- F.** Continued medical coverage. An eligible member of the family unit under this Section may be entitled to continued AHCCCS coverage for up to 24 months if eligible under subsection (F)(3)(a) and up to four months if eligible under subsection (F)(3)(b) if the family unit's income exceeds the 100 percent FPL and the following conditions are met:
1. The family continues to include a dependent child;
 2. The family received AHCCCS medical coverage for three calendar months out of the most recent six months, and
 3. The loss of AHCCCS coverage is due to:
 - a. Increased earned income of the caretaker relative and the person is a member of the family unit in accordance with 42 U.S.C.1396a(e)(1) and 42 U.S.C.1396r-6, or
 - b. Increased spousal or child support and the family unit member meets requirements under 42 CFR 435.115(f) and Section 1931(e) of the Act.
- A.** Evaluation of income. In determining eligibility, the Department shall evaluate the following types of income received by a person identified in subsection (B):
1. Earned income, including in-kind income, before any deductions. For purposes of this Section, in-kind income means room, board, or provision for other needs in exchange for work performed. The person identified in subsection (B) shall ensure that the provider of the in-kind income establishes and verifies the monetary value of the item provided. The provider may be, but is not limited to:
 - a. A landlord who provides all or a portion of rent or utilities in exchange for services;
 - b. A store owner who gives goods such as groceries, clothes, or furniture in exchange for services; or
 - c. An individual who trades goods such as a car, tools, trailer, building material, or gasoline in exchange for services;
 2. Self-employment income under R9-22-1424, including gross business receipts minus business expenses; and
 3. Unearned income, including deemed income under R9-22-1425 from the sponsor of a non-citizen applicant.
- B.** A person whose income is counted. The Department shall include the income of the following persons under Section 1902(a)(17) of the Act if living with the applicant unless the person is a SSI cash recipient:
1. Applicant;
 2. Applicant's parent if the applicant is an unmarried dependent child who is less than 18 years old;
 3. Applicant's spouse;
 4. A sponsor under 8 CFR 213a.1 of a person meeting the qualified alien requirements under A.R.S. § 36-2903.03 and the sponsor's spouse; and
 5. A non-parent caretaker relative and spouse, as allowed under R9-22-1427, and their unmarried minor children if

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- applying as a family, including a dependent child living with a caretaker relative.
- C.** Income exclusions. The Department shall not count the following income:
1. Agent Orange settlement fund payments;
 2. AmeriCorps Network Program benefits;
 3. Burial benefits dispersed solely for burial expenses;
 4. Cash contributions from agencies or organizations other than the Department or the Administration if the contributions are not intended to cover the following items:
 - a. Food;
 - b. Rent or mortgage payments for shelter;
 - c. Utilities;
 - d. Household supplies such as bedding, towels, laundry, cleaning, and paper supplies;
 - e. Public transportation fares for personal use;
 - f. Basic clothing or diapers; or
 - g. Personal care and hygiene items, such as soap, toothpaste, shaving cream, and deodorant;
 5. Disaster assistance provided under the Federal Disaster Relief Act, disaster assistance organizations, or comparable assistance provided by state or local governments;
 6. Educational grants or scholarships funded by the United States Department of Education or from a Veterans Education assistance program or the Bureau of Indian Affairs student assistance program;
 7. Energy assistance that is provided:
 - a. Either in cash or in-kind by a government agency or municipal utility, or
 - b. In-kind by a private nonprofit organization;
 8. Earnings from high school on-the-job training programs;
 9. Earned income of a dependent child who is a student enrolled and attending school at least half-time as defined by the institution;
 10. Fair Labor Standard Act supplemental payment;
 11. Food stamp benefits;
 12. Foster care maintenance payments intended for a child who is not included in the family or Medical Expense Deduction (MED) unit;
 13. Funds set aside in an Individual Development Account under A.A.C. R6-12-404;
 14. Governmental rent and housing subsidies;
 15. Income tax refunds, including any earned income tax credit;
 16. Loans from a private person or a commercial or educational institution if there is a written agreement for repayment of the loan;
 17. Nonrecurring cash gifts that do not exceed \$30 per person in any calendar quarter;
 18. Payments made from a fund established by the Susan Walker v. Bayer Corporation class action lawsuit or the Ricky Ray Hemophilia Relief Fund Act of 1998;
 19. Radiation exposure compensation payments;
 20. Reimbursement for work-related expenses that do not exceed the actual expense amount;
 21. Reimbursement for Job Opportunities and Basic Skills (JOBS) Program training-related expenses;
 22. Reparation and restitution payments under Section 1902(r) of the Act;
 23. SSI designated account and interest earned on the account;
 24. Temporary Assistance for Needy Families (TANF) or SSI cash assistance payment;
 25. Vendor payment made by an organization or person who is not a member of the family or MED unit, to a third-party to cover family expenses;
 26. Volunteers In Service To America (VISTA) income that does not exceed the state or federal minimum wage;
 27. Vocational rehabilitation program payments made as reimbursement for training-related expenses, subsistence and maintenance allowances, and incentive payments that are not intended as wages;
 28. Women, Infants, and Children (WIC) benefits; or
 29. Any other income specifically excluded under 20 CFR Part 416 Appendix to Subpart K, as of June 6, 1997, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments.
- D.** Special income provision for child support. The Administration or Administration's designee shall consider child support to be income of the child for whom the support is intended and count the child support income received after deducting \$50 per child receiving child support income from the monthly amount.
- E.** Determining income for a month.
1. Calculating monthly income. The Administration or Administration's designee shall calculate monthly income under R9-22-1421 through R9-22-1426.
 2. The Administration or Administration's designee shall deduct the applicable disregards and deductions to which a

person is entitled for the month.

F. Earned income disregards.

1. General. The Department shall apply the earned income disregards to each employed person's gross earnings.
2. Disregards. The Department shall apply the following method to calculate the amount of the countable earned income under subsection (A):
 - a. Subtract a \$90 cost of employment (COE) allowance from the gross amount of earned income for each person whose earned income is counted;
 - b. Subtract an amount billed for the care of each dependent child or incapacitated adult member who is the responsibility of the person whose income is counted, if the care is for the purpose of allowing the person to work. If more than one person in the household is responsible for and billed for the care of a dependent child the disregard may be split between the wage earners to the benefit of the family, but shall not exceed the maximum disregards as follows:
 - i. A maximum of \$200 for each child under age two and \$175 for each other dependent for a wage-earner employed full-time (86 or more hours per month); and
 - ii. A maximum of \$100 for each child under age two, and \$88 for each other dependent for a wage earner employed part-time (less than 86 hours a month).
3. Loss of disregards. The Department shall not apply the earned income disregards if the member fails to report to the Department a change in earned income within 10 days from the date the change becomes known to the member. The change report to the Department shall be postmarked no later than the 10th day from the date the change becomes known.

R9-22-1421. Eligibility for a Person Not Eligible as a Family Income Eligibility

~~Income standards. A person who is not approved in a family unit under R9-22-1420 but meets all the eligibility requirements in the Article is eligible for AHCCCS medical coverage if income does not exceed the following FPL levels adjusted annually:~~

- ~~1. 140 percent for a pregnant woman or a child under one year of age,~~
- ~~2. 133 percent for a child age one through five years of age, or~~
- ~~3. 100 percent for all other persons.~~

A. A person is eligible under this Article unless the person's monthly income exceeds the appropriate Federal Poverty Level (FPL) listed in R9-22-1427 and R9-22-1428. A person is eligible under R9-22-1437 unless the person's income during the period defined in R9-22-1437(C) exceeds the FPL under R9-22-1437(B).

B. The Administration or Administration's designee shall consider the following factors when determining the income period to use to determine monthly income:

1. Type of income.
2. Frequency of income.
3. If source of income is new or terminated, or
4. Income fluctuation

C. Definitions.

1. "Monthly income" means the gross countable income received or projected to be received during the month or the monthly equivalent.
2. "Monthly equivalent" means a monthly countable income amount established by averaging, prorating, or converting a person's income.

R9-22-1422. Eligibility for a Newborn Methods for Calculating Monthly Income

~~A child born to a mother eligible and receiving medical coverage under this Article, Article 15, and 9 A.A.C. 22, is automatically eligible for AHCCCS medical coverage for a period not to exceed 12 months if the child continuously lives with the mother in the state of Arizona. Eligibility begins on the child's date of birth and ends with the last day of the month in which the child turns age one. The Department shall conduct an informal review at six months to ensure the child resides with the mother in Arizona.~~

A. Projecting income.

1. Description. Projecting income is a method of determining the amount of income that a person will receive.
2. Calculation. The Department shall project income by:
 - a. Converting income to a monthly equivalent.
 - b. Using unconverted income, or
 - c. Prorating income to determine a monthly equivalent.
3. Exclusion. When calculating projected monthly income, the Administration or Administration's designee shall exclude an unusual variation in income under R9-22-1424(E), except for a month in which the variation is anticipated to occur.

B. Averaged income.

1. Description. Averaging income proportionally distributes the person's income received on a regular basis.
2. Calculation. To average income, the Administration or Administration's designee shall add the amount of the income

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and divide by the total number of pay periods. If the amount of income received per pay period fluctuates, and the fluctuation is expected to continue, the Administration or designee shall:

- a. Use the averaged weekly or bi-weekly amounts to convert weekly or bi-weekly income to a monthly equivalent;
- b. Use the averaged monthly or semi-monthly amounts to project monthly income; and
- c. Use the averaged hours worked and multiply the average by the current rate of pay. If there is a change in the rate of pay, use the new rate of pay when calculating projected income under subsection (A).

C. Prorated income.

1. Description. Prorated income evenly distributes a person's income over the period the income is intended to cover to calculate a monthly equivalent.
2. Calculation. To prorate income, the Administration or designee shall divide the total amount of the person's income received during the period by the number of months that the income is intended to cover.

D. Converted income.

1. Description. Converted income is income received weekly or biweekly that is changed to a monthly equivalent.
2. Calculation.
 - a. The Administration or designee shall average the weekly or bi-weekly income amounts before converting to the monthly equivalent if the person's past income fluctuates and the fluctuation is expected to recur.
 - b. To convert income paid weekly to a monthly equivalent, the Administration or designee shall multiply the weekly average by 4.3 weeks.
 - c. To convert income paid bi-weekly to a monthly equivalent, the Administration or designee shall multiply the bi-weekly average by 2.15 weeks.

E. Unconverted income.

1. Description. Unconverted income is the actual amount of income received or projected to be received during a month.
2. Calculation. The Administration or designee shall sum the actual amount of income received or projected to be received during a month.

R9-22-1423. ~~Extended Medical Coverage for a Pregnant Woman~~ Calculations and Use of Methods Listed in R9-22-1422 Based on Frequency of Income

- A.** ~~A pregnant woman who applies for and is determined eligible for AHCCCS medical coverage during the pregnancy remains eligible throughout the 60-day postpartum period.~~
- B.** ~~The postpartum period begins the day the pregnancy terminates and ends the last day of the month in which the 60th day falls.~~
- A.** Monthly income. If income is received monthly or in a lump sum, the Administration or designee shall use the unconverted method for calculating monthly income.
1. Lump sum means a nonrecurring payment that serves as a complete payment.
 2. Lump sum payments include but are not limited to: rebates or credits; inheritances; insurance settlements; and payments for prior months from such sources as Social Security, Veterans Administration, Railroad Retirement, child support arrearages, or other benefits.
 3. A lump sum payment may include a portion intended for the current month.
- B.** Weekly income. If income is received weekly, the Administration or designee shall convert the income to a monthly equivalent under R9-22-1422(D).
- C.** Bi-weekly income. If income is received bi-weekly, the Administration or designee shall convert the income to a monthly equivalent under R9-22-1422(D).
- D.** Semi-monthly or daily income. If income is received semi-monthly or daily, the Administration or designee shall use the unconverted method for calculating monthly income under R9-22-1422(E).
- E.** Bimonthly, quarterly, semi-annual, or annual income. If income is received bimonthly, quarterly, semi-annually, or annually, the Administration or designee shall prorate the income received or projected to be received under R9-22-1422(C).

R9-22-1424. ~~Family Planning Services Extension Program~~ Use of Methods Listed in R9-22-1423 Based on Type of Income

- A.** ~~Except as under this Section, a person may receive family planning services as provided in A.R.S. § 36-2907.04.~~
- B.** ~~The Administration shall deny or terminate family planning services under this Section for any of the following reasons:~~
1. ~~Voluntary withdrawal;~~
 2. ~~Loss of contact;~~
 3. ~~Failure to provide information;~~
 4. ~~Incarceration;~~
 5. ~~Move out of state~~
 6. ~~Sterility, or~~
 7. ~~Death.~~
- A.** New income.
1. Description. New income is income received from a new source during the first calendar month that the income is

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received from the source.

2. Calculating monthly income.

- a. If a full month's income is received, the Administration or Administration's designee shall use the appropriate method described in R9-22-1423 to calculate the monthly income.
- b. If less than a full month's income is received, the Administration or Administration's designee shall use the unconverted method to calculate the monthly income.

B. Terminated income.

1. Description. Terminated income is income received during the last calendar month that income is received from a source when no more income is expected to be received from the source.

2. Calculating monthly income.

- a. If a full month's income is received, the Administration or Administration's designee shall use the appropriate method described in R9-22-1423 to calculate the monthly income.
- b. If less than a full month's income is received, the Administration or Administration's designee shall use the unconverted method to calculate the monthly income.

C. Break in income.

1. Description. A break in income is a break in established frequency of income of one calendar month or more.

2. Calculating monthly income.

- a. If a full month's income is received, the Administration or Administration's designee shall use the appropriate method described in R9-22-1423 to calculate the monthly income.
- b. If less than a full month's income is received, the Administration or Administration's designee shall use the unconverted method to calculate the monthly income.

D. Contract income.

1. Description. Contract income is income a person earns under a contract or other legal document that specifies a length of time the contract or legal document covers, the amount of income to be paid, and the frequency of payment.

2. Calculating monthly income.

- a. The Administration or designee shall calculate the monthly income based on the frequency of payment if income is paid more frequently than monthly.
- b. The Administration or designee shall prorate over the period of time specified by the contract if income is paid monthly or less frequently.

E. Unusual variation in the amount of income.

1. Description. Unusual variation is an amount of income that is different from the established amount received and is not projected to continue or recur.

2. Calculating monthly income.

- a. When calculating income for the month in which an unusual variation in income occurs, the Administration or designee shall include the unusual variation in the income calculation.
- b. When an unusual variation in income occurs during the month, the Administration or Administration's designee shall use the converted method for calculating monthly income if income is received weekly or bi-weekly.
- c. When projecting income for the months following the month in which the unusual variation occurs, the Administration or designee shall exclude the unusual variation in income from the income calculation.

E. Self-employment income.

1. Description. Self-employment income is income a person earns from the person's own trade or business less allowable expenses.

2. Calculating monthly income. The Administration or Administration's designee shall use the following methods in the following order:

- a. When the self-employed person filed a tax return for the prior year and the person states that the current income is the same, the Administration or Administration's designee shall prorate the income under R9-22-1422.
- b. When the self-employed person did not file a tax return for the prior year or states that the current income is not the same, the Administration or Administration's designee shall:
 - i. Use the person's business ledger or other records to verify the current income received, less allowable expenses; and
 - ii. Use the appropriate method described in R9-22-1423 to calculate the monthly income.
- c. When the self-employed person did not file a tax return or keep business records of the income received and expense incurred during the income period, the Administration or Administration's designee:
 - i. Shall use the person's written statement to verify income received.
 - ii. Shall not deduct incurred expenses from the income without hard-copy verification of the expense, and
 - iii. Shall use the appropriate method described in R9-22-1423 to calculate the monthly income.

R9-22-1425. Young Adult Transitional Insurance Sponsor Deemed Income

A person under the age of 21 who was in foster care under the responsibility of the state on their 18th birthday is eligible for AHCCCS medical coverage under § 36-2901.6(a)(iii).

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- A. The Administration or Administration's designee shall use income of a USCIS sponsor to determine eligibility for a non-citizen applicant, whether or not the income is available, to the non-citizen applicant unless exempt under R9-22-1426.
- B. Counting the income from a sponsor.
 - 1. This Section applies to non-citizens applicants who:
 - a. Are Lawful Permanent Residents under 8 CFR 101.3;
 - b. Applied for Lawful Permanent Resident Status on or after December 19, 1997;
 - c. Are sponsored by an individual who signed a USCIS I-864 Affidavit of Support; and
 - d. Are eligible for full AHCCCS medical coverage.
 - 2. Sponsor deemed income shall be considered the income of the non-citizen applicant only.
 - 3. The Administration shall not use the provisions of this Section and R9-22-1426 when:
 - a. The applicant becomes a naturalized U.S. citizen;
 - b. The applicant qualifies for an exemption listed in R9-22-1426; or
 - c. The sponsor dies.
- C. Determining income from a sponsor.
 - 1. For an applicant who is exempt under R9-22-1426(C) and (D), only cash contributions actually received from the sponsor are countable income to the applicant.
 - 2. For an applicant to whom the sponsor's income is deemed, the Department shall exclude any cash contributions received from the sponsor.
- D. Calculation of income from a sponsor.
 - 1. The Department shall include the total gross income of the sponsor and the following individuals who live in the sponsor's household:
 - a. The sponsor's spouse,
 - b. The sponsor's dependent children, and
 - c. The sponsor's spouse's dependent children;
 - 2. The Department shall subtract the total gross income from 100% of the FPL for the sponsor's family size; and
 - 3. The amount calculated under subsections (D)(1) and (D)(2) represents the remaining amount deemed to the applicant from the sponsor.

R9-22-1426. Special Groups For Children-Exemptions from Sponsor Deemed Income

The Administration shall provide AHCCCS medical coverage to children eligible for Title IV-E adoption subsidy or Title IV-E foster care under 42 CFR 435.145 and children eligible for state adoption subsidy under 42 CFR 435.227.

- A. An applicant shall provide proof to the Administration or designee when claiming an exemption from sponsor deemed income.
- B. The Administration or designee shall grant an exemption from using a sponsor's income for a Lawful Permanent Resident applicant if the applicant:
 - 1. Entered the U.S. or applied for a visa or adjustment of status before December 19, 1997;
 - 2. Adjusted immigration status to Lawful Permanent Resident from status as a refugee or asylee;
 - 3. Qualifies only for Federal Emergency Services;
 - 4. Has a sponsor who signed an Affidavit of Support other than the USCIS Form I-864;
 - 5. Is the spouse or child of the sponsor and lives with the sponsor;
 - 6. Is indigent as specified in subsection (C);
 - 7. Is a victim of domestic violence or extreme cruelty as specified in subsection (D); or
 - 8. Has acquired 40 qualified quarters of work credit based on earnings as specified in subsection (E).
- C. The Administration or designee shall grant an exemption from sponsor deemed income for indigent applicants for a period of 12 months beginning with the application month. The Administration or designee shall redetermine indigent status at each eligibility renewal.
 - 1. An applicant is indigent if all of the following are met:
 - a. The applicant does not reside with the applicant's sponsor;
 - b. The applicant does not receive free room and board; and
 - c. The applicant's total gross income including monies received from the sponsor and the value of any vendor payments received for food, utilities, or shelter does not exceed 100% of the FPL.
 - 2. The Administration shall send a notice to the Department of Homeland Security when approving an applicant who is exempt from sponsor deemed income due to indigency.
- D. The Administration shall grant an exemption from sponsor deemed income for an applicant who is a victim of domestic violence or extreme cruelty under 8 CFR 204.2 for a period of 12 months beginning with the application month. The Administration shall redetermine the exemption status at each renewal.
 - 1. The Administration considers an applicant to be a victim of domestic violence or extreme cruelty when all of the following are met:
 - a. The applicant is the victim, the parent of a child victim, or the child of a parent victim;
 - b. The perpetrator of the domestic violence or extreme cruelty was the spouse or parent of the victim or other fam-

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- ily member related by blood, marriage or adoption to the victim;
 - c. The perpetrator was residing in the same household as the victim when the abuse occurred;
 - d. The abuse occurred in the United States;
 - e. The applicant did not participate in the domestic violence or cruelty; and
 - f. The victim does not currently live with the perpetrator.
- 2. The applicant shall provide proof that the applicant or the applicant's child is a victim of domestic violence or extreme cruelty by presenting one of the following:
 - a. USCIS form I-360 Petition for Ameriasian, Widow, or Special Immigrant;
 - b. USCIS form I-797 USCIS approval of the I-360 petition;
 - c. Reports or affidavits concerning the domestic violence or cruelty from police, judges, or other court officials, medical personnel, school officials, clergy, social workers, counseling or mental health personnel, or other social service agency personnel;
 - d. Legal documentation, such as an order of protection against the perpetrator or an order convicting the perpetrator of committing an act of domestic violence or extreme cruelty that chronicles the existence of domestic violence or extreme cruelty;
 - e. Evidence that indicates that the applicant sought safe haven in a battered women's shelter or similar refuge because of the domestic violence or extreme cruelty against the applicant or the applicant's child; or
 - f. Photographs of the applicant or applicant's child showing visible injury.
- E. The Administration shall grant an exemption from sponsor deemed income for an applicant who has reached 40 qualifying quarters of work credit.
 - 1. The Administration or Administration's designee shall not count quarters credited after January 1, 1997 that were earned while the applicant was receiving any federal means-tested benefits.
 - 2. The Administration shall not count the 40 qualifying quarters of work credit unless the credited quarters are:
 - a. Quarters that the applicant worked;
 - b. Quarters worked by the applicant's spouse or deceased spouse during their marriage; or
 - c. Quarters worked by the applicant's parents when the applicant was under age 18.

R9-22-1427. ~~Eligibility for a Person With Medical Bills Whose Income is Over 100 Percent FPL~~ Eligibility for a Family

An applicant who is not eligible for AHCCCS medical coverage due to excess income may become AHCCCS eligible by deducting medical expenses from their income. This coverage is called Medical Expense Deduction (MED).

- A. A family unit with an eligible deprived dependent child is eligible for AHCCCS medical coverage when the requirements of this Section are met. A woman in her third trimester of pregnancy with no other dependent children is considered a family unit with a dependent child.
- B. A family unit includes the following when living together:
 - 1. A natural or adopted dependent child under age 18.
 - 2. A dependent child who is age 18 and:
 - a. A full-time student at a secondary school or attending a vocational or technical training school that includes shop practicum for at least 30 hours per week or does not include shop practicum and attendance is at least 25 hours per week, and
 - b. Reasonably expected to complete the education or training before age 19; and
 - 3. A natural or adoptive parent of a dependent child.
- C. The Department shall include in the family unit, the spouse of the dependent child's parent if the spouse wants to apply for AHCCCS medical coverage. The Department shall include the spouse of the non-parent caretaker relative if:
 - 1. The non-parent caretaker relative applies and is eligible, and
 - 2. The non-parent caretaker relative applies for the spouse.
- D. The Department shall include in the family unit, a dependent child's non-parent caretaker relative if the non-parent caretaker relative wants to apply for AHCCCS medical coverage and:
 - 1. Provides the dependent child with:
 - a. Physical care,
 - b. Support,
 - c. Guidance, and
 - d. Control; and
 - 2. The parent of a dependent child:
 - a. Does not live in the non-parent caretaker relative's home;
 - b. Lives with the non-parent caretaker relative but is also a dependent child; or
 - c. Lives with the non-parent caretaker relative but cannot function as a parent due to physical or mental impairment.
- E. The Department shall not include a SSI-cash recipient in the family unit.
- F. A child is considered a deprived dependent if deprived of parental support and care by:

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1. Continued absence of a parent:
 2. Death of a parent:
 3. Disability of a parent, as determined by a healthcare practitioner:
 4. Unemployment or under-employment of a parent in a two-parent assistance unit under subsection (I).
- G.** Continued absence of a parent.
1. Continued absence under subsection (F) is established:
 - a. When absence of the parent from the home either interrupts or terminates the parent's functioning as a provider of support, physical care, or guidance for the child;
 - b. When absence of the parent from the house for a known or indefinite duration precludes relying on the parent for the present support or care of the child; or
 - c. When the parent's absence from the home is for a period of 30 days or more and for any reason other than those listed in subsection (G)(2).
 2. The Department shall not consider the following to be continued absence:
 - a. The parent is voluntarily absent to visit friends or relatives, to seek employment or maintain a job, or to attend school or training if the parent in the home and the absent parent are not separated;
 - b. The parent is absent due to active military duty;
 - c. The parents live in separate dwellings and the dwellings are considered part of a single home; or
 - d. One parent is absent from the home in order to allow the remaining family members to qualify for medical assistance.
- H.** Disability of a parent, as determined by a healthcare practitioner.
1. Disability is established if the parent or applicant provides a medical statement from a healthcare practitioner that includes:
 - a. A diagnosis of the parent's medical condition,
 - b. A finding that the parent has a physical or mental condition that prevents the parent from working, and
 - c. An opinion concerning the duration of unemployability or a date for re-evaluation of unemployability.
 2. Disability is established without further medical verification if the parent or applicant provides evidence that:
 - a. The Social Security Administration (SSA) has determined that the parent is eligible for Retirement, Survivors, Disability Insurance (RSDI) benefits due to blindness or disability;
 - b. The SSA has determined that the parent is eligible for Supplemental Security Income (SSI) due to blindness or disability;
 - c. The Veteran's Administration has determined that the parent has a 100% disability;
 - d. The parent's healthcare practitioner has released the parent from the hospital and imposed work restrictions for a specified recuperation period;
 - e. The parent's employer or physician has required the parent to terminate employment due to the onset of a disability and the healthcare practitioner has specified a recuperation period;
 - f. The parent's healthcare practitioner has determined that the parent is capable of employment only in a sheltered workshop under 26 U.S.C. 151(c)(5)(B), for a specified period of time, and the parent is so employed; or
 - g. A prior certification of the parent's disability by a healthcare practitioner is in the applicant's case record as maintained by the Department and is still valid to cover the period in which assistance is requested and will be received.
- I.** Unemployment or under-employment of a parent in a two-parent assistance unit.
1. A child is deprived if the primary wage earning parent is unemployed or underemployed and the two-parent assistance unit meets the following requirements:
 - a. The child's natural or adoptive mother and father both reside with the child, and
 - b. Neither parent meets the provisions of subsection (F)(3).
 2. "Underemployment" means the parent's earned income combined with the assistance unit's other countable income does not exceed the income standards provided in subsection (J).
 3. "Primary wage earner" means the parent in a two-parent assistance unit who earned the greater amount of income in the 24-month period immediately preceding the month in which an application for assistance is submitted.
- J.** Income standard. A family unit is not eligible if the family unit's countable income exceeds 100 percent of the FPL adjusted annually for the family unit.
- K.** Continued medical coverage. An eligible member of the family unit under this Section is entitled to continued AHCCCS coverage for up to 12 months if eligible under subsection (K)(3)(a) and up to four months if eligible under subsection (K)(3)(b) if the family unit's income exceeds 100 percent of the FPL and the following conditions are met:
1. The family continues to include a dependent child;
 2. The family received AHCCCS medical coverage under this Section for three calendar months out of the most recent six months; and
 3. The loss of AHCCCS coverage under this Section is due to:
 - a. Increased earned income of the caretaker relative and the person is a member of the family unit in accordance

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with 42 U.S.C.1396a(e)(1) and 42 U.S.C.1396r-6, or

b. Increased spousal or child support and the family unit member meets requirements under 42 CFR 435.115(f).

L. An applicant may be added to the continued medical coverage of a family unit, under subsection (K)(3)(a), if the applicant did not reside with the family unit at the time continued medical coverage under this Section was determined and the applicant is:

1. The spouse or dependent child of the family unit receiving continued medical coverage, or
2. The parent of a dependent child who is a member of the family unit receiving continued medical coverage.

R9-22-1428. ~~MED Family Unit Eligibility for a Person Not Eligible as a Family~~

A. ~~For the purpose of this subsection, a child is an unmarried person under age 18.~~

B. ~~The Department shall consider each of the following to be a family when living together:~~

- ~~1. A parent and that parent's minor children;~~
- ~~2. A married couple without minor children;~~
- ~~3. A married couple and the minor children of either or both spouses;~~
- ~~4. Unmarried parents who live with minor children in common, and their minor children, whether in common or not; or~~
- ~~5. A person without children.~~

C. ~~If an applicant is pregnant, the family unit shall be increased by the number of unborn.~~

D. ~~When a child in the MED family unit is a parent of children, who live with that child, the Department shall include the child's children in the family.~~

E. ~~The Department shall not include a SSI cash recipient in the MED family unit even if a SSI cash recipient is a parent, spouse or child.~~

Income standards. A person who is not approved in a family unit under R9-22-1427 but meets all the eligibility requirements in the Article is eligible for AHCCCS medical coverage if countable income does not exceed the following percentage of the FPL:

1. 140 percent for a child under one year of age.
2. 133 percent for a pregnant woman or a child age one through five years of age, or
3. 100 percent for all other persons.

R9-22-1429. ~~MED Income Eligibility Requirements Eligibility for a Newborn~~

A. ~~Income exclusions. The exclusions in R9-22-1419(C) apply to the MED family unit.~~

B. ~~Income standard:~~

- ~~1. The Department shall divide the annual FPL for the MED family unit that is in effect during each month of the income period by 12 to determine the monthly FPL.~~
- ~~2. The Department shall add the monthly FPLs for the income period and multiply the resulting amount by 40 percent.~~
- ~~3. Changes made to the annual FPL will be made effective in April each year.~~

C. ~~Income period. The income period is the month of application and the next two months. The Department shall add together the three months' income to establish the MED family unit's income amount.~~

D. ~~Medical expense deduction period. The medical expense deduction period is a three month period consisting of the month before the application month, the month of application, and month following the application month.~~

E. ~~The Department shall calculate the amount of countable monthly income as follows:~~

- ~~1. Subtract a \$90 cost of employment allowance from the gross amount of earned income for each person whose earned income is counted;~~
- ~~2. Subtract from the remaining earned income an amount billed by the child care provider for the care of each dependent child under age 18 or incapacitated adult member of the MED family unit for the purposes to allow the person to work, not to exceed:
 - ~~a. \$200 for a child under age two and \$175 for the other dependents for a wage earner employed full-time (86 or more hours per month); and~~
 - ~~b. \$100 for a child under age two, and \$88 for the other dependents for a wage earner employed part-time (less than 86 hours a month);~~~~
- ~~3. Add the remaining earned income for each MED family member to the unearned income of all MED family members;~~
- ~~4. Compare the MED family's unit countable income amount to the income standard in subsection (B). The difference is the amount of medical expenses the family shall incur during the medical expense deduction period to become eligible;~~
- ~~5. Subtract allowable medical expense deductions which were incurred by:
 - ~~a. A member of the MED family unit;~~
 - ~~b. A deceased spouse or minor child of a MED family unit if this person would have been a member of the MED unit during the MED expense deduction period;~~
 - ~~e. A person who was a minor child of a MED family unit member when the expense was incurred but who is no longer a minor child; or~~~~

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d. A minor child who left home prior to the date of application to live with someone other than a parent. This includes a child who is a runaway;

6. Compare the net MED family income to the income standard listed in subsection (B); and

7. Family is eligible if the net income in subsection (6) does not exceed the income standard in subsection (B).

A child born to a mother eligible for and receiving medical coverage under this Article, Article 15 of the Chapter, or 9 A.A.C. 28, is automatically eligible for AHCCCS medical coverage for a period not to exceed 12 months if the child continuously lives with the mother in the state of Arizona. Automatic eligibility begins on the child's date of birth and ends with the last day of the month in which the child turns age one. The Department shall conduct an informal review when the child is six months old to ensure the child resides with the mother in Arizona.

R9-22-1430. MED Resource Eligibility Requirements-Extended Medical Coverage for a Pregnant Woman

A. Include countable resources. The Department shall include the countable resources belonging to and available to members of the family, and sponsor and sponsor's spouse of a person who is a qualified alien under A.R.S. § 36-2903-03.

B. Ownership and availability. The Department shall evaluate the ownership of resources to determine the availability of resources to a person listed in subsection (A):

1. Jointly owned resources, with ownership records containing the words "and" or "and/or" between the owners' names, are available to each owner except if one of the owners refuses to sell. A consent to sale is not required if all owners are members of the MED family unit.

2. Jointly owned resources, with ownership records containing the word "or" between the owners' names, are presumed to be available in full to each owner. The applicant or member may rebut the presumption by providing clear and convincing evidence of intent to establish a different type of ownership. If the presumption is rebutted, the resource is available to the owners:

a. Consistent with the intent of the owners, or

b. Based on each owner's proportionate net contribution if there is not clear and convincing evidence of a different allocation.

3. The availability of a trust shall be established under 42 U.S.C. 1396p(d)(4)(A) or (C).

C. Unavailability. The Department shall consider the following resources unavailable:

1. Property subject to spendthrift restriction which may include:

a. Accounts established by the SSA, Veteran's Administration, or similar sources which mandate that the funds in the account be used for the benefit of a person not residing with the MED family unit; or

b. Trusts established by a will or funded solely by the income and resources of someone other than a member of the MED family unit.

2. A resource being disputed in divorce proceedings or in probate matters;

3. Real property located on a Native American reservation;

4. A resource held by a conservator are unavailable to the extent court imposed restrictions make the resource unavailable to the applicant, member, or member of the family unit for:

a. Medical care;

b. Food;

c. Clothing; or

d. Shelter.

D. Resource exclusion. The Department shall exclude the following resources:

1. One burial plot for each person listed in R9-22-1428;

2. Household furnishings and personal items which are necessary for day to day living;

3. Up to \$1500 of the value of one prepaid funeral plan, for each person listed in R9-22-1428, that specifically covers only funeral-related expenses as evidenced by a written contract;

4. The value of one motor vehicle regularly used for transportation. If the MED family unit owns more than one vehicle, the exclusion is applied to the vehicle with the highest equity value. The equity value of all remaining vehicles is counted toward the resource standard in subsection (F), subject to the limitations described in this Section;

5. A vehicle used to earn income and not simply transportation to and from employment;

6. The value of any vehicle in which the SSI cash recipient has an ownership interest;

7. The value of any vehicle used for medical treatment, employment, or transportation of a SSI cash disabled child, and which is excluded by SSI for that reason;

8. Funds set aside in an Individual Development Account under 6 A.A.C.12 Article 4; and

9. Any other resource specifically excluded by federal law.

E. Calculation of resources. The Department shall determine the value of all household resources as follows:

1. Calculate the total amount of the liquid resources;

2. Calculate the equity value of each non-liquid resource. The Department shall determine the equity value of a non-liquid resource by subtracting the amount of valid encumbrances on that resource from:

a. The market value of real property if the assessor's value of real property does not include the value of permanent structures on that property, or there is no assessor's evaluation of the property;

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- b. The assessor's full cash value as the value of all other real property;
- e. The market value of all other nonliquid resources; and
- d. The equity value of a resource shall not be less than zero.

3. Determine the MED family unit's resources by adding the totals determined in subsections (1) and (2).

F. Resource standard. The resources determined in subsection (E) shall not exceed \$100,000 of which no more than \$5,000 shall be liquid assets.

A. A pregnant woman who applies for and is determined eligible for AHCCCS medical coverage during the pregnancy remains eligible throughout the postpartum period.

B. The postpartum period begins the day the pregnancy terminates and ends the last day of the month in which the 60th day following pregnancy termination.

R9-22-1431. ~~MED Effective Date of Eligibility Family Planning Services Extension Program~~

A. ~~The MED family unit is eligible on the day the income and resource eligibility requirements are met but no earlier than the first day of the month of application. If the family unit meets the income criteria in the application month but does not meet the resource limit until the following month, the family unit's effective date of eligibility is the first day of the month following the month of application.~~

B. ~~The Department shall adjust the effective date of eligibility to an earlier date if:~~

1. ~~A member presents verification of additional allowable medical expenses incurred on an earlier date during the medical expense deduction period, and~~

2. ~~A member presents the verification within 60 days of the approval of eligibility under this Section.~~

C. ~~The Department shall not adjust an effective date of eligibility more than one time per application.~~

D. ~~The Department shall adjust the effective date no later than 30 days after the end of the 60 day period.~~

E. ~~The Department shall deny the application and provide the applicant a denial notice when an applicant does not meet the MED requirements under this Article during the month of application or the month following the month of application.~~

A. Except if excluded under subsection (B), a person may receive family planning services as provided in A.R.S. § 36-2907.04.

B. The Administration shall deny or terminate family planning services under this Section if a member:

1. Voluntarily withdraws from the program,

2. Has whereabouts that are unknown,

3. Fails to provide information to the Administration or Department,

4. Becomes an inmate of a public institution,

5. Moves out-of-state,

6. Becomes sterile, or

7. Dies.

R9-22-1432. ~~MED Eligibility Period-Young Adult Transitional Insurance~~

~~Eligibility shall be approved for six months with changes in circumstances not affecting eligibility for the first three months.~~

A person under the age of 21 who was in the custody of the Department of Economic Security under A.R.S. Title 8, Chapter 5 or Chapter 10 on the person's 18th birthday is eligible for AHCCCS medical coverage under A.R.S. § 36-2901(6)(a)(iii).

R9-22-1433. ~~Eligibility Appeals-Special Groups for Children~~

A. ~~Adverse actions. An applicant or member may appeal and request a hearing concerning any of the following adverse actions:~~

1. ~~Complete or partial denial of eligibility;~~

2. ~~Suspension, termination, or reduction of AHCCCS medical coverage; or~~

3. ~~Delay in the eligibility determination beyond the time frames under this Article.~~

B. ~~Notice of Action. The Department shall personally deliver or mail, by regular mail, a Notice of Action to the person affected by the action. For the purpose of this Section, the date of the Notice of Action shall be the date of personal delivery to the applicant or the postmark date, if mailed.~~

C. ~~Automatic adjustments. An applicant or a member is not entitled to a hearing to challenge changes made automatically as a result of changes in federal or state law, unless the Department has incorrectly applied the law to the person seeking the hearing.~~

D. ~~Hearings to the Department of Economic Security. An applicant or member may request a hearing from the Department. The Department shall conduct the hearing in accordance with the Department's appeal procedures under A.A.C. R6-12-1002, R6-12-1003, and R6-12-1005 through R6-12-1013. For purposes of this Section, any references in the Department's rules to the word "benefits" shall refer to AHCCCS medical coverage, any reference to the cash assistance program shall refer to the AHCCCS medical coverage, and references to cash overpayments are not applicable.~~

E. ~~Stay of adverse action pending appeal and exceptions.~~

1. ~~If an appellant files a request for appeal within 10 days after the date of the Notice of Action, the Department shall not impose the adverse action and shall continue AHCCCS medical coverage at the current level unless:~~

a. ~~The appellant specifically waives continuation of current benefits, or~~

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- b. The appeal results from a change in federal or state law which mandates an automatic adjustment for all classes of recipients and does not involve a misapplication of the law;
- 2. The Department shall not impose the adverse action until receipt of an official written decision from the hearing officer except in the following circumstances:
 - a. If the agency mails the notice as required under R9-22-1411 and R9-22-1413 and the member does not request a hearing before the date of action;
 - b. At the hearing and on the record, the hearing officer finds that:
 - i. The sole issue involves application of law;
 - ii. The Department properly applied the law; and
 - iii. The Department determined the correct level of assistance for the appellant;
 - e. A change in eligibility occurs for a reason other than the issue on appeal, and the member receives and fails to timely appeal a Notice of Action concerning the change;
 - d. Federal or state law mandates an automatic adjustment for classes of recipients;
 - e. The appellant withdraws the request for hearing; or
 - f. The appellant fails to appear for a scheduled hearing without prior notice to the Department's Office of Appeals, and the hearing officer does not rule in favor of the appellant based upon the record.
- 3. An appellant whose AHCCCS medical coverage has been continued may be financially liable for all AHCCCS medical coverage received during a period of ineligibility if the Department finds in favor of a discontinuance decision.
- 4. If the appellant files a request for appeal more than 10 days after, but within 20 days of the date of the Notice of Action, the Department may impose the adverse action while the appeal is pending.
- F. **Retroactive eligibility.** If the Department's Office of Appeals hearing decision finds in favor of the appellant, eligibility is retroactive to the date of discontinuance or the first day the person would have otherwise been eligible under this Article.
- G. **Further Appeal and Review of Hearing Decisions:**
 - 1. An appellant may appeal the hearing decision to the Department's Appeals Board under A.A.C. R6-12-1014.
 - 2. The Appeals Board shall issue a final written decision to the appellant under A.A.C. R6-12-1015.
 - 3. The parties may seek judicial review of the final written decision of the Appeals Board under Title 41, Chapter 14, Article 3, Arizona Revised Statutes. The Appeals Board's final decision shall identify the appellant's right to seek judicial review.

The Administration shall provide AHCCCS medical coverage to children eligible for Title IV-E adoption subsidy or Title IV-E foster care under 42 CFR 435.145 and children eligible for state adoption subsidy under 42 CFR 435.227.

R9-22-1435. ~~Repealed~~ Eligibility for a Person With Medical Expenses Whose Income is Over 100 Percent FPL

An applicant who is not eligible for AHCCCS medical coverage due to excess income may become AHCCCS eligible by deducting medical expenses from the applicant's income. This coverage is called Medical Expense Deduction (MED).

R9-22-1436. ~~Repealed~~ MED Family Unit

- A.** For the purpose of this Section, a child is an unmarried person under age 18.
- B.** The Department shall consider each of the following to be a family when living together:
 - 1. A parent and the parent's children;
 - 2. A married couple without children;
 - 3. A married couple and the children of either or both spouses;
 - 4. Unmarried parents who live with at least one child in common, and the parents' other children, whether in common or not; and
 - 5. A person without children.
- C.** If an applicant is pregnant, the family unit includes the number of unborn children.
- D.** A child of the children included in subsections (B)(1), (B)(3), or (B)(4) is considered part of the family unit when living together.
- E.** The Department shall not include a SSI-cash recipient in the MED family unit even if the SSI-cash recipient is a parent, spouse, or child.

R9-22-1437. MED Income Eligibility Requirements

- A.** Income exclusions. The exclusions in R9-22-1420 (C) apply to the MED family unit.
- B.** Income standard.
 - 1. The Department shall divide the annual FPL for the MED family unit that is in effect during each month of the income period by 12 to determine the monthly FPL.
 - 2. The Department shall add the monthly FPLs for the income period and multiply the resulting amount by 40 percent.
 - 3. Changes to the annual FPL are implemented in April of each year.
- C.** Income period. The income period is the month of application and the next two months. The Department shall add together the three months' income to establish the MED family unit's income amount.
- D.** Medical expense deduction period. The medical expense deduction period is a three-month period consisting of:
 - 1. For a new application, the month before the application month, the month of application, and month following the

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- application month; or
2. For a MED eligibility review, the last month of the prior MED eligibility period and the following two months.
- E.** The Department shall calculate the amount of countable monthly income as follows:
1. Subtract a \$90 cost of employment allowance from the gross amount of earned income for each person whose earned income is counted;
 2. Disregard from the remaining earned income an amount billed by the provider for the care of each dependent child under age 18 or incapacitated adult member of the MED family unit if the care is for the purpose of allowing the person to work. If more than one person in the household is responsible for and billed for the care of a dependent child, the disregard may be split between the wage earners if splitting the disregard is to the benefit of the family, but shall not exceed the maximum disregards as follows:
 - a. A maximum of \$200 for a child under age two and \$175 for other dependents for a wage-earner employed full-time (86 or more hours per month); and
 - b. A maximum of \$100 for a child under age two, and \$88 for other dependents for a wage earner employed part-time (less than 86 hours a month);
 3. Add the remaining earned income for each MED family member to the unearned income of all MED family members;
 4. Compare the MED family's unit countable income amount to the income standard in subsection (B). The difference is the amount of medical expenses the family shall incur during the medical expense deduction period to become eligible;
 5. Subtract allowable medical expense deductions that were incurred by:
 - a. A member of the MED family unit;
 - b. A deceased spouse or minor child of a MED family unit if this person would have been a member of the MED unit during the MED expense deduction period;
 - c. A person who was a minor child of a MED family unit member when the expense was incurred but who is no longer a minor child; or
 - d. A minor child, including a child who is a runaway, who left home before the date of application to live with someone other than a parent; and
 6. Compare the net MED family income to the income standard listed in subsection (B).
- F.** The family is eligible if the net income in subsection (E)(6) does not exceed the income standard in subsection (B).

R9-22-1438. MED Resource Eligibility Requirements

- A.** Including countable resources. The Department shall include the resources not excluded that belong to and are available to members of the family of a qualified alien under A.R.S. § 36-2903.03 and the sponsor and sponsor's spouse of a person who is a qualified alien.
- B.** Ownership and availability. The Department shall evaluate the ownership of resources to determine the availability of resources to a person listed in subsection (A).
1. Jointly owned resources with ownership records containing the words "and" or "and/or" between the owners' names are available to each owner except if one of the owners refuses to sell. A consent to sale is not required if all owners are members of the MED family unit.
 2. Jointly owned resources with ownership records containing the word "or" between the owners' names are presumed to be available in full to each owner. The applicant or member may rebut the presumption by providing clear and convincing evidence of intent to establish a different type of ownership. If the presumption is rebutted, the resource is available to the owners:
 - a. Consistent with the intent of the owners, or
 - b. Based on each owner's proportionate net contribution if there is not clear and convincing evidence of a different allocation.
 3. The Department shall establish availability of a trust under 42 U.S.C. 1396p(d)(4)(A) or (C).
- C.** Unavailability. The Department shall consider the following resources unavailable:
1. Property subject to spendthrift restriction, such as:
 - a. Accounts established by the SSA, Veteran's Administration, or similar sources that mandate that the funds in the account be used for the benefit of a person not residing with the MED family unit; or
 - b. Trusts established by a will or funded solely by the income and resources of someone other than a member of the MED family unit.
 2. A resource being disputed in a divorce proceeding or probate matter;
 3. Real property located on a Native American reservation;
 4. A resource held by a conservator to the extent court-imposed restrictions make the resource unavailable to the applicant, member, or member of the family unit for:
 - a. Medical care,
 - b. Food,
 - c. Clothing, or

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d. Shelter.

D. Resource exclusion. The Department shall exclude the following resources from the calculation of resources under subsection (E):

1. One burial plot for each person listed in R9-22-1436;
2. Household furnishings and personal items that are necessary for day-to-day living;
3. Up to \$1500 of the value of one prepaid funeral plan for each person listed in R9-22-1436 that specifically covers only funeral-related expenses as evidenced by a written contract;
4. The value of one motor vehicle regularly used for transportation. If the MED family unit owns more than one vehicle, the exclusion is applied to the vehicle with the highest equity value;
5. The value of a vehicle used to earn income and not used simply for transportation to and from employment;
6. The value of a vehicle in which a SSI-cash recipient has an ownership interest; and
7. The value of any vehicle used for medical treatment, employment, or transportation of a SSI-cash disabled child, and that is excluded by SSI for that reason.
8. Funds set aside in an Individual Development Account under 6 A.A.C.12, Article 4; and
9. Any other resource specifically excluded by federal law.

E. Calculation of resources. The Department shall determine the value of all household resources as follows:

1. Calculate the total amount of countable liquid resources;
2. Calculate the equity value of each countable non-liquid resource. The Department shall determine the equity value of a countable non-liquid resource by subtracting the amount of valid encumbrances on that resource from:
 - a. The market value of real property if there is no assessor's evaluation of the property;
 - b. The market value of real property if the assessor's value of the real property does not include the value of permanent structures on that property;
 - c. The assessor's full cash value if subsections (E)(2)(a) and (E)(2)(b) do not apply; and
 - d. The market value of a non-liquid resource that is not real property;
3. Not assign an equity value to a resource that is less than zero; and
4. Determine the MED family unit's resources by adding the totals determined in subsections (1) and (2).

F. Resource standard to be eligible for MED. A person is not eligible for MED if the resources determined in subsection (E) exceed \$100,000 or if more than \$5,000 are liquid resources.

R9-22-1439. MED Effective Date of Eligibility

A. A MED family unit is eligible on the day the income and resource eligibility requirements are met but no earlier than the first day of the month of application. If the family unit meets the income requirements in the application month but does not meet the resource limit until the following month, the family unit's effective date of eligibility is the first day of the month following the month of application.

B. The Department shall adjust the effective date of eligibility under subsection (A) to an earlier date if:

1. A member presents verification of additional allowable medical expenses incurred on an earlier date during the medical expense deduction period that allow the member to meet the income requirements, and
2. The member presents the verification within 60 days of approval of eligibility under this Section.

C. The Department shall not adjust an effective date of eligibility more than one time per application.

D. The Department shall adjust the effective date no later than 30 days after the end of the 60 day period under subsection (B)(2).

E. The Department shall deny an application and provide the applicant a denial notice when the applicant does not meet the MED requirements under this Article during the month of application or the month following the month of application.

R9-22-1440. MED Eligibility Period

The Department shall approve eligibility for six months. Changes in circumstances do not affect eligibility for the first three months.

R9-22-1441. Eligibility Appeals

A. Adverse actions. An applicant or member may appeal by requesting a hearing from the Department concerning any of the following adverse actions:

1. Complete or partial denial of eligibility under R9-22-1413;
2. Suspension, termination, or reduction of AHCCCS medical coverage under R9-22-1415;
3. Delay in the eligibility determination beyond the time-frames under this Article;
4. The imposition of or increase in a premium or copayment; or
5. The effective date of eligibility.

B. Notice of Adverse Action. The Department shall personally deliver or send, by regular mail, a Notice of Adverse Action to the person affected by the action. For the purpose of this Section, the date of the Notice of Adverse Action shall be the date of personal delivery to the applicant or the postmark date, if mailed.

C. Automatic change and hearing rights.

1. An applicant or a member is not entitled to a hearing if the sole issue is a federal or state law requiring an automatic

- change adversely affecting some or all recipients.
- An applicant or a member is entitled to a hearing if a federal or state law requires an automatic change and the applicant or member timely files an appeal that alleges a misapplication of the facts to the law.

ARTICLE 15. AHCCCS MEDICAL COVERAGE FOR PEOPLE WHO ARE AGED, BLIND, OR DISABLED

R9-22-1501. General Information

A. General. The Administration shall determine eligibility for AHCCCS medical coverage for the following applicants or members using the eligibility criteria and requirements in this Article:

- A person who is aged, blind, or disabled and does not receive SSI cash ~~under 42 CFR 435.210~~; and
- A person terminated from the SSI cash program under R9-22-1505.

B. Definitions. In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

“Aged” means a person who is 65 years of age or older as specified in 42 U.S.C. 1382c(a)(1)(A).

“Blind” means a person who has been determined blind by the Department of Economic Security, Disability Determination Services Administration, under 42 U.S.C. 1382c(a)(2).

“Disabled” means a person who has been determined disabled by the Department of Economic Security, Disability Determination Services Administration, under 42 U.S.C. 1382c(a)(3)(A) through (E).

~~**C.** Confidentiality. The Administration shall maintain the confidentiality of the person’s records and shall not disclose the person’s financial, medical, or other confidential information except under Article 5 of this Chapter. The Administration shall maintain the confidentiality of an applicant’s or member’s records and limit the release of safeguarded information under R9-22-512.~~

~~**D.** Application process.~~

- A person may apply for AHCCCS medical coverage by submitting a signed application to any Administration office or outstation location under ~~R9-22-1405~~ R9-22-1406.
- The provisions in ~~R9-22-1405~~ R9-22-1406 (B), (C), and (E) apply to this Section.
- The application date is the date a signed application is received at any Administration office or outstation location approved by the Director.
- An applicant who files an application may withdraw the application, either orally or in writing. If an applicant withdraws an application, the Administration shall send the applicant a denial notice under subsection ~~(F)~~ (G).
- Except as provided in 42 CFR 435.911, the Administration shall determine eligibility within 90 days for an applicant applying on the basis of disability and 45 days for all other applicants.
- If an applicant dies while an application is pending, the Administration shall complete an eligibility determination for the deceased applicant.
- The Administration shall complete an eligibility determination on an application filed on behalf of a deceased applicant, if the application is filed in the month of the applicant’s death.

~~**E.** Redetermination of eligibility for a person terminated from the SSI cash program.~~

- Continuation of AHCCCS medical coverage. The Administration shall continue AHCCCS medical coverage for a person terminated from the SSI cash program until a redetermination of eligibility under subsection ~~(D)(2)~~ (E)(2) is completed.
- Coverage group screening. The Administration shall screen a person for eligibility under any coverage group under A.R.S. §§ 36-2901(6)(a)(i), ~~and (ii), (iii), (iv), and (v)~~ and 36-2934.
 - ~~If an applicant~~ person files an application for Arizona Long-Term Care System (ALTCS) coverage, the Administration shall determine eligibility under 9 A.A.C. 28, Article 4.
 - If an applicant or member is aged, blind, or disabled, but not in need of long-term care services, the Administration shall determine eligibility under this Article.
 - For all other persons, the Administration shall refer the applicant’s case to the Department for an eligibility decision under Article 14.
- Eligibility decision.
 - ~~If an applicant~~ a person is eligible under this Article or 9 A.A.C. 28, Article 4, the Administration shall send a notice as under subsection ~~(F)~~ (G) informing the applicant that AHCCCS medical coverage ~~shall continue~~ is approved.
 - ~~If an applicant~~ a person is ineligible, the Administration shall send a notice as under subsection ~~(F)~~ (G) to ~~discontinue~~ deny AHCCCS medical coverage.

~~**F.** Eligibility effective date. Eligibility is effective on the first day of the month that all eligibility requirements are met, but no earlier than the month of application.~~

~~**G.** Notice for approval or denial. The Administration shall send an applicant a written notice of the decision regarding the application. This notice shall include a statement of the intended action and:~~

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1. If approved, the notice shall contain the effective date of eligibility.
2. If approved under FESP, the notice shall also contain:
 - a. The emergency services certification end date,
 - b. A statement detailing the reason for the denial of full services,
 - c. The legal authority supporting the decision,
 - d. Where the legal authority supporting the decision can be found,
 - e. An explanation of the right to request a hearing, and
 - f. The date by which a request for hearing shall be received by the Administration.
3. If denied, the notice shall contain:
 - a. The effective date of the denial;
 - b. The reason for the denial, including specific financial calculations and the financial eligibility standard, if applicable;
 - c. Legal authority supporting the decision;
 - d. Where the legal authority supporting the decision can be found;
 - e. An explanation of the right to request a hearing; and
 - f. The date by which a request for hearing shall be received by the Administration.

G.H. Reporting and verifying changes.

1. ~~A~~ An applicant or a member shall report to the Administration the following changes for ~~an~~ the applicant or a member, ~~an~~ the applicant's or member's spouse, and ~~an~~ the applicant or member's dependent children:
 - a. Change of address;
 - b. Change in the household's members;
 - c. Change in income;
 - ~~d. Change in resources, when applicable;~~
 - ~~e. Determination of eligibility for other coverage;~~
 - ~~f. d.~~ Death;
 - ~~g. e.~~ Change in marital status;
 - ~~h. f.~~ Change in school attendance;
 - ~~i. g.~~ Change in Arizona state residency; and
 - ~~j. h.~~ Any other change that may affect the member's or applicant's eligibility.
2. A member shall report to the Administration the following changes; ~~for an applicant or a member:~~
 - a. Admission to a penal institution,
 - b. Change in U.S. citizenship or immigrant status,
 - c. Receipt of a Social Security number, and
 - d. Change in first- or third-party liability ~~which that~~ may contribute to the payment of all or a portion of the person's medical costs.
3. A person ~~other than a member or an applicant who reports~~ shall report a change to the Administration either orally or in writing ~~and~~ shall include the:
 - a. Name of the affected applicant or member;
 - b. Description of the change;
 - c. Date the change occurred;
 - d. Name of the person reporting the change; and
 - e. Social Security or case number of the applicant or member, if known.
4. ~~A person~~ An applicant or a member shall provide verification of changes if requested by the Administration.
5. ~~A person~~ An applicant or a member shall report anticipated changes in eligibility to the Administration as soon as the person knows that the change will occur.
6. ~~A person~~ An applicant or a member shall report an unanticipated change to the Administration within 10 days following the date the change occurred.

H.I. Processing of changes and redeterminations. If a member receives AHCCCS medical coverage under subsection (A), the Administration shall redetermine the member's eligibility at least once every 12 months or more frequently when changes occur that may affect eligibility.

H.J. Actions that may result from a redetermination or change. ~~The~~ In processing of a redetermination or change, the Administration shall result in one of the following actions determine whether there should be:

1. No change in eligibility,
2. Discontinuance of eligibility if a condition of eligibility is no longer met, or
3. A change in the program under which a person receives AHCCCS medical coverage.

J.K. Notice of discontinuance.

1. Contents of notice. The Administration shall issue a notice ~~whenever~~ when it takes ~~an adverse~~ action to discontinue a member's eligibility. The notice shall contain the following information:
 - a. A statement of the action that is being taken;

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- b. The effective date of the action;
 - c. The reason for the discontinuance, including specific financial calculations and the financial eligibility standard if applicable;
 - d. The legal authority that supports the action proposed by the Administration;
 - e. Where the legal authority supporting the decision can be found;
 - f. An explanation of the right to request a hearing; and
 - g. The date by which a hearing request shall be received by the Administration and the right to continue medical coverage pending appeal.
2. Advance notice of changes in eligibility. Advance notice means a notice of proposed action that is issued to the member at least 10 days before the effective date of the proposed action. Except under subsection ~~(J)(3)-(K)(3)~~, the Administration shall issue an advance notice shall be issued whenever when an adverse action is taken to suspend, reduce or discontinue eligibility.
3. Exceptions from advance notice. The Administration shall issue A a notice shall be issued to a member to discontinue eligibility no later than the effective date of the action if:
- a. The member provides to the Administration a clearly written statement, signed by that member, that:
 - i. Services are no longer wanted; or
 - ii. Gives information that requires ~~termination a discontinuance~~ or reduction of services and indicates that the member understands that this is the result of supplying ~~that the~~ information;
 - b. The member provides information to the Administration that requires ~~termination a discontinuance~~ of eligibility and a member signs a written statement waiving advance notice;
 - c. The member cannot be located and mail sent to the member's last known address has been returned as undeliverable under 42 CFR 431.213(d) subject to reinstatement of discontinued eligibility; services under 42 CFR 231(d);
 - d. The member has been admitted to a public institution where ~~a person a member~~ is ineligible for coverage;
 - e. The member has been approved for Medicaid in another state; or
 - f. The Administration receives information confirming the death of the member.

- ~~K.L.~~ Request for hearing. An applicant or member may request a hearing under ~~Article 8 of this Chapter 34~~ for any of the following adverse actions:
- 1. Complete or partial denial of eligibility;
 - 2. ~~Termination Discontinuance~~ or reduction of AHCCCS medical coverage; or
 - 3. Delay in the eligibility determination beyond the time-frames listed in R9-22-1501~~(C)~~ (D).

- ~~L.M.~~ Assignment of rights. A person determined eligible assigns rights to all types of medical benefits to which the person is entitled under operation of law under A.R.S. § 36-2903.

R9-22-1502. General Eligibility Criteria

- A. Social Security Number.**
- 1. An applicant applying under R9-22-1501(A)(1); or (A)(2), and or R9-22-1505(A) shall furnish a SSN or apply for one, as required under 42 CFR 435.910 and 435.920.
 - 2. An applicant who meets all other eligibility criteria except ~~those the criteria~~ in subsection (C) shall provide a SSN unless the applicant cannot legally obtain one.
 - 3. If an applicant cannot recall or has not been issued a SSN, the Administration shall assist in obtaining or verifying the applicant's SSN under 42 CFR 435.910.
- B. State Residency-residency.** ~~As a condition of eligibility, a person shall be~~ A person is not eligible unless the person is a resident of Arizona under 42 CFR 435.403.
- C. Citizenship and Immigrant Status immigrant status.**
- 1. ~~As a condition of eligibility for full services under Article 2, an applicant or member shall be a citizen of the United States, or shall meet requirements for qualified alien under A.R.S. §§ 36-2903.03(A) and 36-2903.03(B), or A.R.S. § 36-2903.03(C).~~
 - 1. An applicant or a member is not eligible for full services under Article 2 of this Chapter unless the applicant or member is a citizen of the United States or is a qualified alien under A.R.S. § 36-2903.03(B) or meets the requirements of A.R.S. § 36-2903.03(C).
 - 2. An applicant is eligible for emergency medical services defined in R9-22-217 when the applicant is either a qualified alien or noncitizen:
 - a. Meets all other eligibility requirements, except those in subsection (1), and
 - b. Is eligible under A.R.S. §§ 36-2901(6)(a)(i), 36-2901(6)(a)(ii), or 36-2901(6)(a)(iii).
 - 2. An applicant or member is eligible for emergency medical services under R9-22-217 if the applicant or member is either a qualified alien or noncitizen and:
 - a. Meets all other eligibility requirements except those in subsection (A); and
 - b. Is eligible under A.R.S. § 36-2901(6)(a)(i), (ii), or (iii).

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- D. Applicant and Member Responsibility—~~member responsibility~~. As a condition of eligibility, an applicant and a member shall:
1. ~~An applicant and member shall authorize~~ Authorize the Administration to obtain verification of information for initial or continued eligibility;
 2. ~~As a condition of eligibility, an applicant and member shall:~~
 - 3-2. Give the Administration complete and truthful information. The Administration may deny an application or discontinue eligibility if:
 - a. The applicant or member fails to provide information necessary for initial or continuing eligibility;
 - b. The applicant or member fails to provide the Administration with written authorization to permit the Administration to obtain necessary verification;
 - c. The applicant or member fails to provide verification after the Administration had made an effort to obtain the necessary verification but has not obtained the necessary information; or
 - d. The applicant or member does not assist the Administration in resolving incomplete, inconsistent, or unclear information that is necessary for initial or continuing eligibility;
 - 4-3. Comply with the DCSE under 42 CFR 433.148 in establishing paternity and enforcing medical support obligations when requested. The Administration shall not deny AHCCCS eligibility to any applicant who would otherwise be eligible, ~~and who~~ is a minor child, and whose parent or legal representative does not cooperate with the medical support requirements or first-and third-party liability under Article 10;
 - 5-4. Provide information concerning third-party coverage for medical care; and
 - 6-5. Take all necessary steps to obtain annuity, pension, retirement, and disability benefits for which ~~an~~ the applicant or member may be entitled.
- E. Inmate of a public institution. An inmate of a public institution is not eligible ~~for~~ to AHCCCS coverage if federal financial participation (FFP) is not available.
- F. Verification of eligibility information.
1. The applicant or member has the primary responsibility to provide the Administration with verification ~~for~~ of all information necessary to complete the determination of eligibility.
 2. The Administration shall provide an applicant or a member no less than 10 days following the date of written request for the information to provide required verification. If an applicant or member does not provide the required information timely, the Administration may deny the application or discontinue eligibility.

R9-22-1503. Financial Eligibility Criteria

- A. General income eligibility. The Administration shall count the identified income under 42 U.S.C. 1382a and 20 CFR 416 Subpart K with the ~~following~~ exceptions in subsection (B).
- B. Exceptions.
1. In-kind support and maintenance under 42 U.S.C. 1382a(a)(2)(A) is excluded. ~~In-kind support and maintenance is explained in 42 U.S.C. 1382a(a)(2)(A).~~
 2. For a person living with a spouse, the Administration calculates net income computation rules for an eligible couple under 42 CFR 416.1160 as of June 15, 1999, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments. for an eligible couple are followed for the net income calculation, even if even if the spouse is not eligible for or applying for SSI or coverage under this Article.
 3. In determining the net income of a married couple living with a child or the net income of a person who is not living with a spouse but living with a child, a child allocation is allowed as a deduction from the combined net income of the couple for each child regardless of whether the child is ineligible or eligible. For the purposes of this Section, a child means a person who is unmarried, natural or adopted, and under age 18 or under age 22 if a full-time student. Each child's allocation deduction is reduced by that child's income, including public income maintenance payments, using the methodology under 20 CFR 416.1163(b)(1) and (2) as of June 15, 1999, which is incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments.
 4. In determining the income deemed available to an applicant who is a child; from an ineligible parent or parents, ~~to an applicant who is a child~~, an allocation for each eligible or ineligible child of the parent is allowed as a deduction from the parent's income ~~using the methodology~~ under 20 CFR 416.1165(b), and each. The child's allocation is reduced by that child's income, including public income maintenance payments.
 5. In determining the income of a person who receives an annual Title II Cost of Living Allowance (COLA) increase, the COLA amount is disregarded for the months of January through March, but is countable income effective in April to correspond with the FPL implementation date.
 6. Sponsor deemed income. The Administration shall use income of a USCIS sponsor to determine eligibility for a non-citizen applicant under R9-22-1425, whether or not the income is available, unless exempt under R9-22-1426.

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R9-22-1504. Eligibility For A Person Who Is Aged, Blind, Or Disabled

- ~~A. To be eligible for AHCCCS medical coverage an applicant shall meet the conditions of eligibility and requirements in this Article and meet one of the income tests described in subsections (B), (C), or the special requirements in R9-22-1505.~~
- A. To be eligible for AHCCCS medical coverage, an applicant shall meet the conditions of eligibility and requirements in this Article and:
1. Meet one of the income tests described in subsection (B) or (C), or
 2. The special requirements in R9-22-1505.
- B. The Administration shall determine ~~if whether~~ the applicant's countable income, as described in ~~Section~~ R9-22-1503, is less than or equal to 100 percent of the SSI FBR, as adjusted annually.
- C. The Administration shall determine ~~if whether~~ the applicant's countable income, as described in ~~Section~~ R9-22-1503, without deducting the amount from earned income under 42 U.S.C. 1382a(b)(4)(B)(iii), is less than or equal to 100 percent FPL as adjusted annually.

R9-22-1505. Eligibility for Special Groups

- ~~A. Special Groups. The following are considered special groups:~~
1. A person, meeting the requirements in A.R.S. § 36-2903.03 who:
 - a. Is aged, blind, or disabled under 42 CFR 435.520, 42 CFR 435.530, or 42 CFR 435.540, as of October 1, 2004, which are incorporated by reference and on file with the Administration, and available from the U.S. Government Printing Office, Mail Stop: IDCC, 732 N. Capitol Street, NW, Washington, DC, 20401. This incorporation by reference contains no future editions or amendments.
 - b. Received SSI cash or AHCCCS medical coverage ~~under subsections (A)(1) through (A)(4) under this subsection, or subsections (A)(2), (A)(3), or (A)(4) on or before August 21, 1996;~~
 - c. Was residing in the United States under color of law on or before August 21, 1996; and
 - d. Meets the requirements under this Article;
 2. A disabled child (DC); under 42 U.S.C. 1396a(a)(10)(A)(i)(II). A disabled child is a child who:
 - a. Was receiving SSI cash benefits as a disabled child on August 22, 1996;
 - b. Lost SSI cash benefits effective July 1, 1997, or later, due to a disability determination under Section 211(d)(2)(B) of Subtitle B of P.L. 104-193;
 - c. Continues to meet the disability requirements for a child ~~which that~~ were in effect on August 21, 1996; and
 - d. Meets the requirements under this Article;
 3. A disabled adult child (DAC); under 42 U.S.C. 1383c(c); who:
 - a. Was determined disabled by the Social Security Administration before attaining the age of 22 years,
 - b. Became entitled to or received an increase in child's insurance benefits under Title II of the ~~Social Security Act~~ on the basis of blindness or disability,
 - c. Was terminated from SSI cash benefits due to entitlement to or an increase in income under Title II of the ~~Social Security Act (DAC) income,~~
 - d. Meets the requirements under this Article, and
 - e. Is 18 years of age or older;
 4. A disabled widow or widower (DWW); under 42 U.S.C. 1383c(d) who:
 - a. Is blind or disabled,
 - b. Is ineligible for Medicare Part A benefits,
 - c. Received SSI cash benefits the month before Title II of the ~~Social Security Act (DWW)~~ benefit payments began, and
 - d. Meets the requirements under this Article; and
 5. ~~A person, under 42 CFR 435.135 who:~~ Under 42 CFR 435.135, a person who:
 - a. Is aged, blind, or disabled;
 - b. Receives benefits under Title II of the ~~Social Security Act~~;
 - c. Received SSI cash benefits in the past;
 - d. Received SSI cash benefits and Title II of the Social Security Act benefits concurrently for at least one month anytime after April 1977;
 - e. Became ineligible for SSI cash benefits while receiving SSI and benefits under Title II of the ~~Social Security Act~~ concurrently; and
 - f. Meets the requirements under this Article.
- ~~B. Resource Criteria for Special Groups~~
1. ~~Except as provided in subsection (2), resource eligibility is determined using the resource criteria in 42 U.S.C. 1382a(3), U.S.C. 1382b, and 20 CFR 416 Subpart L.~~
 2. ~~Exceptions. The value of the following resources is excluded from eligibility determination:~~
 - a. ~~Household goods and personal effects;~~
 - b. ~~Burial Insurance;~~
 - e. ~~Assets that an applicant has irrevocably assigned to fund the expenses of a burial;~~

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- d. ~~The value of all life insurance if the face value does not exceed \$1,500 total per insured applicant and the policy has not been assigned to fund a burial plan or declaratively designated as a burial fund;~~
 - e. ~~The equity value up to \$1,500 of an asset to be used as a burial fund or a revocable burial arrangement if there is no irrevocable burial arrangement, and if an applicant remains continuously eligible, all appreciation in the value of such assets; and~~
 - f. ~~The value of oil, mineral, and timber rights.~~
3. ~~Resource limits. A person is not eligible if countable resources owned by the person exceed \$2,000 for a person or \$3,000 for a couple under 42 U.S.C. 1382(a)(3)(A) and (B).~~

~~C.B.~~ Income for Special Groups ~~special groups.~~

1. Except as provided in subsection ~~(B)(2)~~, income eligibility is determined using the income criteria in R9-22-1503(A).
2. Exceptions to income for special groups.
 - a. For a person in the DAC coverage group, ~~defined by under R9-22-1505 subsection (A)(3)~~, the applicant's Title II of the ~~Social Security~~ Act benefits are disregarded in determining income eligibility under 42 U.S.C. 1383c(c).
 - b. For a person in the DWW coverage group, ~~defined by under R9-22-1505 subsection (A)(4)~~, the applicant's Title II of the ~~Social Security~~ Act benefits are disregarded in determining income eligibility under 42 U.S.C. 1383c(b) and (d).
 - c. For an applicant or member in the coverage group ~~defined by under R9-22-1505 subsection (A)(5)~~, the portion of the applicant's or member's Title II of the ~~Social Security~~ Act benefits attributed to cost-of-living adjustments received by the applicant since the effective date of SSI ineligibility is disregarded in determining income eligibility under 42 CFR 435.135.

~~D.C.~~ 100 percent FBR. As a condition of eligibility for all special groups, countable income shall be equal to or less than 100 percent of the SSI FBR, as adjusted annually.