



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

AMENDED
FACT SHEET FOR H.B. 2624

AHCCCS; redeterminations

Purpose

An emergency measure that requires, by December 31, 2023, the Arizona Health Care Cost Containment System (AHCCCS) to issue decisions on determinations for all members who have not been redetermined since December 1, 2022, and who were identified as factually ineligible through AHCCCS's auto-renewal process.

Background

Generally, AHCCCS must redetermine the eligibility of its members each year. However, since the beginning of the COVID-19 pandemic, state Medicaid programs, such as AHCCCS, were required to adopt a policy of continued enrollment. As a condition of receiving enhanced federal funding, AHCCCS has been unable to take any negative actions during a member's annual eligibility renewal. As such, no one enrolled in Medicaid during this time has lost their coverage unless they moved out of state, voluntarily disenrolled, aged out of KidsCare or passed away. This triggered a 33 percent increase in Medicaid enrollment since the beginning of the pandemic. However, due to federal legislation passed in December 2022, the continuous enrollment requirement is no longer tied to the end date of the public health emergency. AHCCCS is now required to begin the disenrollment process on April 1, 2023 ([AHCCCS](#)).

The federal Families First Coronavirus Response Act authorized a temporary increase in federal funding to states through a higher than typical federal medical assistance percentage (FMAP), also known as the Medicaid matching rate. The increased FMAP percentage became available to states on January 1, 2020, and is slated to remain at 6.2 percent above a state's regular FMAP through March 31, 2023. After this date, the percent will be phased down in each subsequent fiscal quarter and end entirely on January 1, 2024 ([CRS](#)).

The Joint Legislative Budget Committee (JLBC) fiscal note estimates that H.B. 2624 could potentially result in three different fiscal impacts to state funds. First, by speeding up the redetermination process otherwise outlined in federal law, the state General Fund (state GF) could potentially see a one-time cost savings of up to \$93 million. Second, the bill may increase administrative workload of AHCCCS and the Department of Economic Security, resulting in an increased cost to the state GF. Finally, accelerating the redetermination process could potentially result in the loss of enhanced federal Medicaid match rates, as the match rates are conditioned on compliance with federal eligibility renewal requirements. Overall, JLBC is unable to forecast the net impact of the bill with any degree of confidence, due to these multiple factors.

Provisions

1. Requires, by December 31, 2023, AHCCCS to issue decisions on determinations for all members who have not been redetermined since December 1, 2022, and who were identified as factually ineligible through AHCCCS's auto-renewal process, based on information from federal and state databases that provide electronic financial and other eligibility information.
2. Prohibits AHCCCS from:
 - a) establishing procedural requirements to complete redeterminations or removals beyond the minimum procedures required to establish a good faith effort or any other minimum requirements under federal law;
 - b) following, conforming to or submitting to any federal guidance that is contrary to the accelerated redetermination process;
 - c) following any other timelines, deadlines or limits; and
 - d) dividing or disbursing the initiation or completion of redeterminations or removals, unless required to do so by federal law.
3. Requires, by May 15, 2023, and through May 15, 2024, AHCCCS to submit a monthly report to the Governor, President of the Senate, Speaker of the House of Representatives and the Secretary of State that contains the following information:
 - a) the total number of AHCCCS members who were due for renewal in the prior month;
 - b) the total number of AHCCCS members who a renewal was initiated for in the prior month;
 - c) of the AHCCCS members due for a renewal, the number of members who were determined ineligible for AHCCCS or the Children's Health Insurance Program that transferred to the federally facilitated marketplace;
 - d) of the AHCCCS members due for a renewal, the number of members whose eligibility was terminated for procedural reasons, such as a failure to respond to a request for information; and
 - e) of the AHCCCS members due for a renewal, the number of members whose renewal was not completed.
4. Repeals AHCCCS accelerated redetermination requirements on January 1, 2025.
5. Appropriates \$29,243,800 from the Children's Health Insurance Program Fund and \$1,653,957,950 from expenditure authority in FY 2023 to AHCCCS for adjustments in formula requirements.
6. Becomes effective on signature of the Governor, if the emergency clause is enacted.

Amendments Adopted by Committee

1. Appropriates \$58,487,600 from the Children's Health Insurance Program Fund and \$3,307,915,900 from expenditure authority to AHCCCS for adjustments in formula requirements.
2. Adds an emergency clause.

Amendments Adopted by Committee of the Whole

- Reduces the appropriations in FY 2023 from the Children's Health Insurance Program Fund and expenditure authority.

House Action

HHS 2/16/23 DP 5-4-0-0
3rd Read 3/1/23 31-28-1
(W/O emergency)

Senate Action

HHS 3/14/23 DPA 7-0-0

Prepared by Senate Research
March 15, 2023
LMM/MM/slp