

## NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

### NOTICE OF EXEMPT RULEMAKING

#### TITLE 9. HEALTH SERVICES

#### CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM CHILDREN'S HEALTH INSURANCE PROGRAM

#### PREAMBLE

#### 1. Sections Affected

#### Rulemaking Action

R9-31-301	Amend
R9-31-1401	Repeal
R9-31-1401	New Section
R9-31-1402	Amend
R9-31-1403	Repeal
R9-31-1404	Amend
R9-31-1405	Repeal
R9-31-1406	Repeal
R9-31-1407	Repeal
R9-31-1408	New Section
R9-31-1409	New Section
R9-31-1410	New Section
R9-31-1411	New Section
R9-31-1412	New Section
R9-31-1413	New Section
R9-31-1414	New Section
R9-31-1415	New Section
R9-31-1416	New Section
R9-31-1417	New Section
R9-31-1418	New Section
R9-31-1419	New Section
R9-31-1701	New Section
R9-31-1702	New Section
R9-31-1703	New Section
R9-31-1704	New Section
R9-31-1705	New Section
R9-31-1706	New Section
R9-31-1707	New Section
R9-31-1708	New Section
R9-31-1709	New Section
R9-31-1710	New Section
R9-31-1711	New Section
R9-31-1712	New Section
R9-31-1713	New Section
R9-31-1714	New Section
R9-31-1715	New Section
R9-31-1716	New Section
R9-31-1717	New Section
R9-31-1718	New Section
R9-31-1719	New Section
R9-31-1720	New Section
R9-31-1721	New Section
R9-31-1722	New Section
R9-31-1723	New Section
R9-31-1724	New Section

- 2. The specific 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(F)  
Implementing statutes: A.R.S. §§ 36-2981.01 and 36-2983
- 3. The effective date of the rules:**  
January 1, 2003
- 4. A list of all previous notices appearing in the Register addressing the exempt rule:**  
Notice of Rulemaking Docket Opening: 8 A.A.R. 4106, September 27, 2002  
Notice of Public Meeting on Open Rulemaking Docket: 8 A.A.R. 4113, September 27, 2002
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Barbara Ledder, Federal and State Policy Manager  
Address: AHCCCS  
Office of Policy Analysis and Coordination  
801 E. Jefferson, Mail Drop 4200  
Phoenix, AZ 85034  
Telephone: (602) 417-4580  
Fax: (602) 256-6756
- 6. An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from regular rulemaking procedures:**  
Beginning January 2003, and subject to the availability of monies, AHCCCS will provide health care to eligible parents of KidsCare and Medicaid children authorized under Arizona's Health Insurance Flexibility and Accountability (HIFA) 1115 Demonstration Waiver and Laws 2002, Ch. 329 (A.R.S. §§ 36-2981.01 and 36-2983). An exemption from the regular rulemaking procedures for this rulemaking is provided for by HB 2709, Section 35.
- 7. A reference to any study relevant to the rule that the agency reviewed and either proposes to rely on in its evaluation of or justification for the rule or proposes not to 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:**  
Not applicable
- 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:**  
Not applicable
- 10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**  
Not applicable
- 11. A summary of the principal comments and the agency response to them:**  
Not applicable
- 12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**  
Not applicable
- 13. Incorporations by reference and their location in the rules:**  
None
- 14. Was this rule previously adopted as an emergency rule?**  
No
- 15. The full text of the rules follows:**

**TITLE 9. HEALTH SERVICES**

**CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
CHILDREN'S HEALTH INSURANCE PROGRAM**

**ARTICLE 3. ELIGIBILITY AND ENROLLMENT**

Section

R9-31-301. General Requirements

**ARTICLE 14. PREMIUMS**

Section

R9-31-1401. ~~General Requirements Purpose~~

R9-31-1402. ~~Premium Responsibility Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter~~

R9-31-1403. ~~Administration Requirements for Premium Payment Repealed~~

R9-31-1404. ~~Hardship Exemption for a Member who is a Child Determined Eligible Under Article 3 of This Chapter~~

R9-31-1405. ~~Termination for Failure to Pay; Bad Debt Repealed~~

R9-31-1406. ~~Premiums during the Grievance and Request for Hearing Process Repealed~~

R9-31-1407. ~~Newborns Repealed~~

R9-31-1408. ~~Premium Amount for a Member who is a Parent Determined Eligible Under Article 17 of This Chapter~~

R9-31-1409. ~~Payment Due Date~~

R9-31-1410. ~~Payment Received Date~~

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R9-31-1414. ~~Payment in Advance~~

R9-31-1415. ~~Payment Reimbursement~~

R9-31-1416. ~~Allocation of Payment for an Eligible Member~~

R9-31-1417. ~~Premium Change~~

R9-31-1418. ~~Discontinuance for Failure to Pay Premium~~

R9-31-1419. ~~Premium During the Grievance and Request for Hearing Process~~

**ARTICLE 17. ELIGIBILITY AND ENROLLMENT FOR A PARENT**

Section

R9-31-1701. ~~General~~

R9-31-1702. ~~Application~~

R9-31-1703. ~~Parent Eligibility Criteria~~

R9-31-1704. ~~Income~~

R9-31-1705. ~~Citizenship~~

R9-31-1706. ~~Residency~~

R9-31-1707. ~~Social Security Number (SSN)~~

R9-31-1708. ~~Age~~

R9-31-1709. ~~Ineligibility for Title XIX~~

R9-31-1710. ~~Institutionalized Person~~

R9-31-1711. ~~Other Health Coverage~~

R9-31-1712. ~~State Health Benefits~~

R9-31-1713. ~~Prior Health Insurance Coverage~~

R9-31-1714. ~~Premium~~

R9-31-1715. ~~Non-Payment of Premium~~

R9-31-1716. ~~Verification~~

R9-31-1717. ~~Assignment of Rights~~

R9-31-1718. ~~Approval and Effective Date of Eligibility~~

R9-31-1719. ~~Enrollment~~

R9-31-1720. ~~Change and Redetermination~~

R9-31-1721. ~~Denial of Eligibility~~

R9-31-1722. ~~Discontinuance of Eligibility~~

R9-31-1723. ~~Newborn Eligibility~~

R9-31-1724. ~~Grievance and Request for Hearing Process~~

**ARTICLE 3. ELIGIBILITY AND ENROLLMENT**

**R9-31-301. General Requirements**

- A. Administration. The Administration shall administer the program as specified in A.R.S. § 36-2982.
- B. Operational authority. The Director has full operational authority to adopt rules or to use the appropriate rules for the development and management of an eligibility and enrollment system as specified in A.R.S. § 36-2986.
- C. Expenditure limit and enrollment
  1. Title XXI will accept enrollees subject to the availability of funds. If the Director determines that monies may be insufficient for the program, the Administration shall stop processing applications for the program as specified in A.R.S. § 36-2985.
  2. After the Administration has verified that funding is sufficient, it will resume processing applications as specified in A.R.S. § 36-2985.
  3. The Administration shall immediately stop processing all applications and shall provide ~~30 days~~ advance notice to a member that the program will terminate ~~on the 1st day of the following month after notice is served, if the federal government~~ under A.R.S. § 36-2985.
    - a. ~~Eliminates federal funding for the program, or~~
    - b. ~~Significantly reduces the federal funding below the estimated federal expenditures according to A.R.S. § 36-2985.~~
  4. A child is not entitled to a hearing under Article 8 of this Chapter, if the program is suspended or terminated.

**ARTICLE 14. PREMIUMS**

**R9-31-1401. General Requirements Purpose**

- ~~A. Administration. The Administration shall administer the program as specified in A.R.S. § 36-2982.~~
  - ~~B. Operational authority. The Director has full operational authority to adopt rules or to use the appropriate rules adopted as specified in A.R.S. § 36-2986.~~
  - ~~C. Premium payment requirement. A member shall pay the required premium payment established by the Administration as specified in A.R.S. § 36-2982.~~
  - ~~D. Definitions. Household, for purposes of this Article, includes those members as specified in R9-31-304.~~
- This Article contains the requirements for the payment of a premium to the Administration by a member and the processing of a premium by the Administration.

**R9-31-1402. Premium ~~Responsibility~~ Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter**

- ~~A. Flat fee. Premiums will be based on a flat fee schedule with breaks based on income level and number of members in a household.~~
- ~~B. Monthly premium amount. A household shall pay a premium based on the number of KidsCare members in a household and the gross household income.~~
- ~~1. A. For a household with gross When household income ~~over is greater than~~ 150% percent of the FPL but not greater than and less than or equal to 175% percent of the FPL, the monthly premium payment ~~shall be~~ is \$10 for a household with ~~± one~~ member and \$15 for a household with more than ~~± one~~ member. ~~At no time shall the premium for a household with income over 150% FPL but not greater than 175% FPL exceed \$15 per month.~~~~
- ~~2. B. For a household with gross When household income ~~over is greater than~~ 175% percent of the FPL but not greater than and less than or equal to 200% percent of the FPL, the monthly premium ~~shall be~~ is \$15 for a household with ~~± one~~ members member and \$20 for a household with more than ~~± one~~ member. ~~At no time shall the premium for a household with income over 175% FPL but not greater than 200% FPL exceed \$20 per month.~~~~
- ~~3. C. In no instance shall a Δ household's premium payment when combined with a household's copayments as specified in R9-31-711, shall not exceed ~~5%~~ five percent of a household's gross income.~~
- D. A member's newborn is enrolled immediately upon the Administration receiving notification of the child's birth. Upon enrollment, the household's premium is redetermined.
- ~~C. Change in premium.~~
  1. ~~A change in premium may occur as the result of:~~
    - a. ~~A change in a household's gross income,~~
    - b. ~~A change in the number of people in the Title XXI household income group under R9-31-304, or~~
    - c. ~~A change in the number of KidsCare members in the household.~~
  2. ~~Premium changes will be effective the month following the month that the changed circumstances are verified, and the head of household is timely notified of the change.~~

**R9-31-1403. Administration Requirements for Premium Payment Repealed**

- ~~A. Administration requirements for premium paying members.~~
  1. ~~Prepayment of the initial premium is not required for initial enrollment in the program.~~
  2. ~~The monthly premium payment is due on the 15th day of the month of coverage.~~

3. A payment is considered received on the date that the Administration receives it, as evidenced by the Administration's date stamp.
4. If the Administration does not receive the payment by the 15th day of the month, it is considered late.
5. Except for payments made to continue benefits during a hearing, all payments shall first be applied to any debt owed. Any remaining amounts shall be applied to the next month's premium charge.
6. If payment for a month is not received in full by the last working day of the month in which the payment is due, the Administration shall include the following information with the premium billing statement:
  - a. Past and current due amounts;
  - b. Right to request a hardship exemption under R9-31-1404 including the required process for requesting the hardship exemption; and
  - e. Right to request review of payment record if the member believes the Administration to be in error.
7. The Administration shall send a 10-day adverse action notice proposing termination to the head of household as specified in R9-31-310(B) if one or both of the following occur:
  - a. The head of household does not pay the past and current due amounts by the 15th of the month in which the Administration sends the notice;
  - b. The head of household submits a request for exemption of disenrollment requirement which that is denied.
8. The Administration shall continue benefits and rescind the adverse action notice if one of the following occurs:
  - a. Approval of the hardship exemption under R9-31-1404 for both months;
  - b. Approval of the hardship exemption under R9-31-1404 for one month and receipt of payment for one month, or
  - e. Receipt of the late payment in full before the effective date of the termination.
9. The Administration shall terminate the benefits on the effective date if no action as described in subsection (A)(8) occurs.

**B. Premium submission by member.**

1. A member shall pay the premium in the form of a:
  - a. Cashier's check;
  - b. Personal check, or
  - e. Money order.
2. The Administration shall decline to accept a personal check when:
  - a. The member has previously paid with a personal check that was returned to the Administration because of insufficient funds, or
  - b. The check is to pay for continued services during the grievance and request for hearing process as specified in R9-31-1406.
3. A member may pay premiums in advance.
4. When a member pays for more than one month at a time and is subsequently determined ineligible for the program, the Administration shall reimburse the member for any months of coverage not used except as specified in R9-31-1406.

**R9-31-1404. Hardship Exemption for a Member who is a Child Determined Eligible Under Article 3 of This Chapter**

- A. Definitions. The following definitions apply to this Section:
  1. "Major expense" means the expense is more than 10 percent of the household's countable income under R9-31-304.
  2. "Medically necessary" has the same meaning as defined in A.A.C. R9-22-101.
- B. Hardship exemption. The Administration shall provide information to the head of household regarding the request for a hardship exemption. The Administration shall grant a hardship exemption from the disenrollment requirements under A.R.S. § 36-2982 ~~and R9-31-1403~~ for a household who:
  1. Is no longer able to pay the premium due to one of the hardship criteria in subsection (C), and
  2. Submits a written request for a hardship exemption and provides all necessary written information at the time of request.
- C. Hardship criteria. Hardship criteria are To be eligible for a hardship exemption, a household shall have:
  1. Medically necessary expenses or health insurance premiums that:
    - a. Are not covered under Medicaid or other insurance, and
    - b. Exceed 10 percent of the household's countable income under R9-31-304;
  2. Unanticipated major expense, related to ~~the~~ maintaining a residence for the household or transportation for work;
  3. A combination of medically necessary expenses under subsection (C)(1) and unanticipated major expenses under subsection (C)(2) that exceed 10 percent of the household's countable income under R9-31-304; or
  4. ~~Death~~ Experienced the death of a household member during the month the premium was not paid.
- D. Written hardship exemption request. The Administration shall not consider a hardship exemption unless the Administration receives the written request and information under ~~R-31-1404(C)~~ subsection (C) by the ~~10th day of the month in which the household receives date specified on the billing statement containing the current and past due premium notice.~~ due date specified in the Administration's notice that explains the undue hardship exemption requirements.

- E. Notification. The Administration shall notify the head of household of the approval or denial of the request for exemption and discontinuance under R9-31-310, no later than 10 days from the date the Administration received the request.
- F. Request for hearing. The head of household may request a hearing concerning the termination and denial of exemption under ~~R9-31-802~~ R9-31-803.

**R9-31-1405. Termination for Failure to Pay, Bad Debt Repealed**

- ~~A. Missed payments. If a member's coverage is terminated because of two consecutive months with unpaid premiums, the member shall not be reenrolled until all premiums are paid.~~
- ~~B. Termination and reenrollment. A member who is terminated from the program for failure to pay may reapply and be reenrolled as soon as full payment is made regardless of the number of times a member is terminated from the program for failure to pay and is reenrolled based on full payment.~~
- ~~C. Debt. When the member is terminated from the program for failure to pay the required premiums, payment of the unpaid amount is the responsibility of the head of the household. If the household separates at a later time, the debt remains the responsibility of the original head of the household. The Administration shall not reenroll any member in the household until all premiums are paid in full.~~

**R9-31-1406. Premiums during the Grievance and Request for Hearing Process Repealed**

- ~~A. Process. Except as otherwise specified in this Chapter, all Title XXI grievances and requests for hearing relating to an adverse action shall be processed according to the standards set by the Administration in 9 A.A.C. 31, Article 8, and as specified in contract with contractors and provider agreements.~~
- ~~B. Continuance Benefits. A member filing a request for hearing because of a discontinuance of eligibility before the effective date of the discontinuance who pays a one month premium in advance to the Administration no later than the effective date of the adverse action shall continue to receive benefits. A member shall continue to pay the premium by the 15th of each month during the request for hearing process in order to continue benefits.~~
- ~~C. Non-Continuance of Benefits. A member who fails to pay the premiums may still request a hearing as specified in 9 A.A.C. 31, Article 8, but benefits are not continued pending the hearing process.~~
- ~~D. Payment for continued benefits pending hearing. A member paying a premium to continue benefits during a hearing process shall pay each month by:
  - 1. Certified check, or
  - 2. Money order.~~
- ~~E. Non-refundable premium. The Administration shall not refund any portion of the premiums paid:
  - 1. If a member's appeal is denied, any remaining premium paid shall be applied toward the administrative cost to the system.
  - 2. If a member's appeal is upheld, any remaining premium paid shall be applied to the next month's premium charge.~~

**R9-31-1407. Newborns Repealed**

~~Newborns. A member's newborn is enrolled immediately upon the Administration's receiving notification of the child's birth. Upon enrollment, the household's premium is redetermined.~~

**R9-31-1408. Premium Amount for a Member who is a Parent Determined Eligible Under Article 17 of This Chapter**

- ~~A. When countable income is less than or equal to 150 percent of the FPL, the monthly premium for each eligible parent is \$15 per month.~~
- ~~B. When countable income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL, the monthly premium for each eligible parent is \$20 per month.~~
- ~~C. When countable income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL, the monthly premium for each eligible parent is \$25 per month.~~

**R9-31-1409. Payment Due Date**

~~The monthly premium payment is due on the 15th day for the month of coverage.~~

**R9-31-1410. Payment Received Date**

~~A payment is considered received on the date that the Administration receives and credits the payment to the member's account.~~

**R9-31-1411. Late Payment**

- ~~A. Late payment date. A payment is considered late if the Administration does not receive the payment by the 15th day of the month.~~
- ~~B. Payment not received. If payment for a month is not received in full by the last working day of the month in which the payment is due, the Administration shall include the past and current due amounts in the next billing statement.~~

**R9-31-1412. Payment Type**

~~A premium shall be paid to the Administration by a:~~

- ~~1. Cashier's check,~~

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2. Personal check,
3. Money order, or
4. Form approved by the Administration.

**R9-31-1413. Returned Check**

The Administration shall not accept a personal check when the premium has been previously paid with a personal check that was returned to the Administration because of insufficient funds.

**R9-31-1414. Payment in Advance**

A premium may be paid in advance.

**R9-31-1415. Payment Reimbursement**

When a premium is paid for more than one month at a time, and a member is subsequently determined ineligible for the program, the Administration shall reimburse the member for any months of coverage not used except as specified in R9-31-1419 of this Article.

**R9-31-1416. Allocation of Payment for an Eligible Member**

Except for payments specified in R9-31-1419 of this Article, all payments received for eligible members shall first be applied to any debt owed to the Administration for a child determined eligible under Article 3 of this Chapter, and then to the debt of a parent determined eligible under Article 17 of this Chapter. Any remaining amounts shall first be applied to the next month's premium charge for the child eligible under Article 3 of this Chapter and then to the parent, eligible under Article 17 of this Chapter.

**R9-31-1417. Premium Change**

A premium change is effective the month following the month that the change is verified and the member is timely notified of the change in the premium amount.

**R9-31-1418. Discontinuance for Failure to Pay Premium**

- A.** Discontinuance notice. The Administration shall discontinue eligibility if the Administration does not receive the past and current due amounts by the 15th day of the month in which the Administration sends the adverse action notice. The Administration shall follow the discontinuance notice requirements under R9-31-310(B).
- B.** Discontinuance rescinded. The Administration shall continue eligibility if the past and current due amounts are received by the Administration in full, before the effective date of the discontinuance.
- C.** Discontinuance of eligibility. The Administration shall discontinue eligibility on the effective date of the discontinuance if the past and current due amounts are not received by the Administration in full, before the effective date of the discontinuance.
- D.** Payment of premium. A member who was discontinued for an unpaid premium shall pay the past due premium amounts to the Administration before eligibility under this Article can be reestablished.

**R9-31-1419. Premium During the Grievance and Request for Hearing Process**

- A.** Continued coverage. To receive continued coverage from the time a request for hearing is filed for a discontinuance of eligibility, and a final decision is made, a member shall:
  1. Pay a one month premium to the Administration before the effective date of the discontinuance, and
  2. Continue to pay the premium by the 15th day of each month during the hearing process.
- B.** Method of payment. To continue coverage in subsection (A) a member shall pay the premium by:
  1. Cashier's check,
  2. Money order, or
  3. Form approved by the Administration.
- C.** Decision upheld. If the decision to discontinue is upheld, the Administration shall apply any remaining premium amount to the administrative cost of the hearing process.
- D.** Decision overturned. If the decision to discontinue is overturned, the Administration shall apply any remaining premium amount to the next month's premium charge.

**ARTICLE 17. ELIGIBILITY AND ENROLLMENT FOR A PARENT**

**R9-31-1701. General**

- A.** Purpose. This Article contains the criteria to determine the eligibility and enrollment of a parent under A.R.S. §§ 36-2981.01, 36-2982, and 36-2983. Unless otherwise noted in this Chapter, the provisions of this Chapter apply to a parent eligible under this Article.
- B.** Expenditure limit and enrollment
  1. Eligibility of a parent shall be based on the FPL established in A.R.S. § 36-2981.01, subject to the availability of monies. If the Director determines that monies are insufficient for the program, the eligibility agency shall suspend accepting new applications and shall deny all pending applications.

2. If the federal government eliminates federal funding for the program, the eligibility agency shall deny all pending applications and shall discontinue an eligible parent after providing advance notice that the program shall terminate under A.R.S. § 36-2985.
3. A parent is not entitled to a hearing under R9-31-1724 of this Article, if the program is suspended or terminated.

**C. Definition**

1. For the purposes of this Article, a child is:
  - a. A child, except for a deemed newborn, under A.R.S. § 36-2901(6)(a)(ii), who is determined eligible under 9 A.A.C. 22, Article 14, or
  - b. A child, except for a deemed newborn, under A.R.S. § 36-2981(6) who is determined eligible under Article 3 of this Chapter. A child in the guaranteed enrollment period under R9-31-307 or a newborn under R9-31-309, is not considered a child under this Article.
2. For the purposes of this Article, a parent is defined under A.R.S. § 36-2981.01 and also includes a stepparent. A parent of an 18 year old child under subsection (C)(1)(a) is not eligible under this Article.
3. For the purposes of this Article, eligibility agency means either DES or the Administration, whichever agency made the eligibility determination for the child.

**D. Services.** A parent eligible under this Article shall receive medically necessary services under 9 A.A.C. 22, Article 2.

**R9-31-1702. Application**

- A.** Application form. A parent who wants to apply for eligibility under this Article shall apply using an application approved by the Administration.
- B.** Application process. For a parent of a child under R9-31-1701(C)(1)(a) an application shall be processed under A.A.C. R9-22-1405(A) through (C)(2), (D) and (E), A.A.C. R9-22-1411(A) and (C), and A.A.C. R9-22-1407. For a parent of a child under R9-31-1701(C)(1)(b), an application shall be processed under R9-31-302(A) through (E).

**R9-31-1703. Parent Eligibility Criteria**

To be eligible, a parent shall be a parent of, and living with, a child as defined in R9-31-1701(C).

**R9-31-1704. Income**

To be eligible, the countable income shall be determined under R9-31-304 and shall not exceed the percentage of FPL established in A.R.S. § 36-2981.01. For a parent of a child under R9-31-1701(C)(1)(a), the countable income shall include a stepparent's income if the stepparent is applying.

**R9-31-1705. Citizenship**

To be eligible, a parent shall be a United States citizen or a qualified alien as specified in A.R.S. § 36-2903.03(B).

**R9-31-1706. Residency**

To be eligible, a parent shall be a current resident of the state of Arizona.

**R9-31-1707. Social Security Number (SSN)**

To be eligible, a parent shall provide a SSN or apply for a SSN within 30 days after submitting an application.

**R9-31-1708. Age**

To be eligible, a parent shall be age 19 or older.

**R9-31-1709. Ineligibility for Title XIX**

To be eligible, a parent shall not be eligible for Title XIX under A.R.S. § 36-2901(6). A parent is not eligible under this Article if ineligibility for Title XIX is due to the parent's refusal to apply for Title XIX or the parent's noncompliance with a Title XIX eligibility requirement.

**R9-31-1710. Institutionalized Person**

To be eligible, a parent shall not be an inmate of a public institution or a patient in an IMD under A.R.S. § 36-2983(G), unless federal financial participation is available.

**R9-31-1711. Other Health Coverage**

To be eligible, a parent shall not be covered under an employer's group health insurance plan, family or individual health insurance, or other health insurance, including Medicare. Eligibility for the Indian Health Service is not considered other health coverage.

**R9-31-1712. State Health Benefits**

To be eligible, a parent shall not be eligible for health coverage under a state health benefit plan based on a family member's employment with a public agency in the state of Arizona.

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**R9-31-1713. Prior Health Insurance Coverage**

To be eligible, a parent shall not have been covered by health insurance as defined in R9-31-1711 or R9-31-1712 of this Article, during the previous three months, unless that health insurance was discontinued due to the involuntary loss of employment or other involuntary reason.

**R9-31-1714. Premium**

To be eligible, a parent shall pay the premium amount under Article 14 of this Chapter. A Native American parent is exempt from paying a premium.

**R9-31-1715. Non-Payment of Premium**

To be eligible, a parent shall not have an unpaid premium and shall not be a parent of a child with an unpaid premium as defined in Article 14 of this Chapter.

**R9-31-1716. Verification**

To be eligible, a parent shall provide verification or authorize the release of verification for all information necessary to complete the determination of eligibility.

**R9-31-1717. Assignment of Rights**

To be eligible, a parent shall assign rights to any first- or third-party coverage of medical care as specified in Article 10 of this Chapter.

**R9-31-1718. Approval and Effective Date of Eligibility**

**A.** Approval. An eligibility approval under this Article shall be determined by the Administration. The Administration shall follow the approval notice requirements in R9-31-310(A).

**B.** Effective date of eligibility. The effective date of eligibility is the later of one of the following:

1. The first day of the month following the eligibility determination for a determination made on or before the 25th day of the month,
2. The first day of the second month following the eligibility determination for a determination made after the 25th day of the month, or
3. The first day of the month in which the parent meets all eligibility requirements in this Article.

**R9-31-1719. Enrollment**

Enrollment for a parent eligible under this Article shall comply with R9-31-1701, R9-31-1702, and R9-31-1703 of this Article. There is no guaranteed enrollment period for a parent eligible under this Article.

**R9-31-1720. Change and Redetermination**

**A.** Reporting a change. A parent eligible under this Article shall report the following changes to the eligibility agency:

1. An increase or decrease in income,
2. A change of address,
3. A move out of state,
4. An addition or departure of a household member,
5. Any health coverage under private or group health insurance,
6. Eligibility for health coverage under a state health benefit plan based on a family member's employment with a public agency in the state of Arizona,
7. Incarceration of a member,
8. Becoming an inpatient in an IMD, and
9. Receipt of a SSN.

**B.** Verification. If required verification is needed and requested by the eligibility agency as a result of a change specified in subsection (A), to determine the impact on eligibility, and is not received within 10 days, the Administration shall send a notice to discontinue eligibility.

**C.** Redetermination. The eligibility agency shall complete a redetermination of each parent's eligibility at least once every 12 months.

**R9-31-1721. Denial of Eligibility**

**A.** For a parent of a child under R9-31-1701(C)(1)(a):

1. DES shall deny eligibility under this Article if the parent does not meet a requirement under this Article except for R9-31-1715 of this Article. DES shall follow the denial notice requirements in A.A.C. R9-22-1411(C); and
2. The Administration shall deny eligibility under this Article if the parent does not meet the requirement under R9-31-1715 of this Article. The Administration shall follow the denial notice requirements under R9-31-310(A)(2).

**B.** For a parent of a child under R9-31-1701(C)(1)(b), the Administration shall deny eligibility under this Article if any one of the conditions of eligibility listed in this Article is not met. The Administration shall follow the denial notice requirements under R9-31-310(A)(2).

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**R9-31-1722. Discontinuance of Eligibility**

The Administration shall discontinue eligibility under this Article if any one of the conditions of eligibility listed in this Article is not met. The Administration shall follow the discontinuance notice requirements under R9-31-310(B).

**R9-31-1723. Newborn Eligibility**

A child born to a mother eligible under R9-31-1701(C)(1)(a) shall follow the newborn eligibility under R9-22-1422. A child born to a mother eligible under R9-31-1701(C)(1)(b) shall follow the newborn eligibility under R9-31-309.

**R9-31-1724. Grievance and Request for Hearing Process**

- A. Denial.** If DES denies a parent under R9-31-1721 of this Article, the grievance and request for hearing process shall be conducted under A.A.C. R9-22-1433. If the Administration denies a parent under R9-31-1721 of this Article, the request or hearing process shall be conducted under 9 A.A.C. 22, Article 8.
- B. Discontinuance.** If the Administration discontinues a parent under R9-31-1722 of this Article, the grievance and request for hearing process shall be conducted under 9 A.A.C. 22, Article 8.
- C. Failure to pay premium.** If the Administration denies a parent under R9-31-1715 of this Article, or discontinues a parent under R9-31-1418, the grievance and request for hearing process shall be conducted under 9 A.A.C. 22, Article 8.