

NORD Rare Action Network®
Policy Explainer

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RARE AZ

Arizona Health Care Cost Containment System (AHCCCS) 1115 Waiver Renewal Proposal

Continuing KidsCare Expansion and Paid Caregivers Models, Limiting Retroactive Coverage, and Prohibiting Hospital Presumptive Eligibility and Residency Self-Attestation for Medicaid Members

SUMMARY

In this 1115 waiver renewal application, Arizona requests to continue, change, and discontinue several programs and benefits for Medicaid beneficiaries. These include continuation of its KidsCare eligibility expansion program and its Parents and Spouses as Paid Caregivers model, continuing to limit retroactive coverage to the month of application for some populations, and prohibiting both hospital presumptive eligibility and self-attestation of Arizona residency before Medicaid enrollment.

Educational Note: What is an 1115 demonstration waiver?

Section 1115 of the Social Security Act lets states ask the federal government for permission to run their Medicaid programs differently than standard federal rules require, usually to test new approaches. States must periodically renew, or "re-apply" for, these waivers to keep operating them.

Who Would Be Impacted?

Arizona runs its entire Medicaid program through managed care under this demonstration waiver so, generally, this waiver applies to all Arizona Medicaid beneficiaries.

What Is the Waiver Proposing?

Program/Rule	Proposed Action	What It Means
KidsCare Expansion	Continue	KidsCare expansion allows children to receive Medicaid coverage when their families earn up to 225% of the federal poverty level (instead of only up to 200%). Since Arizona first implemented KidsCare eligibility expansion in 2024, more than 22,000 children have enrolled due to the expansion.
Parents and Spouses as Paid Caregivers	Continue	Allows both parents of minor children and spouses to be reimbursed for providing extraordinary care when traditional caregiving resources are unavailable, insufficient, or pose a risk to members with chronic health conditions or those with compromised immune systems.
Retroactive Coverage	Change	- For most Medicaid populations: continues limiting retroactive coverage to the month of application. - For pregnant/postpartum individuals and children under 19: expands to 2 months of retroactive coverage.
Hospital Presumptive Eligibility	End	Hospitals would no longer be able to make temporary, immediate Medicaid eligibility determinations for patients who appear to qualify. Required by state law HB 4160 (2026).
Residency Self-Attestation	End	Applicants could no longer simply state their Arizona residency; independent verification would be required before Medicaid enrollment. Required by state law HB 4160 (2026).

Educational Note: Changes to Retroactive Coverage in HR1

To be fully in compliance with H.R.1., states need to provide retroactive coverage for the full month before application for Medicaid expansion members.

If Approved: The demonstration would run for 5 years.

Applicability: Arizona's Medicaid (AHCCCS) population.

Questions?

Contact action@rarediseases.org

About the National Organization for Rare Disorders

Founded in 1983, the National Organization for Rare Disorders (NORD®) is a leading independent, nonpartisan, nonprofit and patient advocacy organization dedicated to improving the health and lives of over 30 million Americans living with rare diseases. In partnership with more than 350 disease-specific member patient organizations, NORD drives progress in rare disease research, care, and policy.

About NORD's Rare Action Network®

The Rare Action Network® is (RAN) is the nation's leading advocacy network working to improve the health and well-being of the 30+ million Americans living with a rare disease. For over 10 years, NORD has educated and mobilized RAN members on key disease agnostic issues impacting our community.

Learn more at rarediseases.org