



**ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM**  
*Committed to Excellence in Health Care*

Jane Dee Hull  
Governor

Phyllis Biedess  
Director

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October 30, 2000

Rick Fenton  
Deputy Director of Family and Children's Health Program Group  
7500 Security Boulevard  
Health Care Financing Administration  
Baltimore, MD 21244

Linda Minamoto  
Associate Regional Administrator  
Health Care Financing Administration  
Medicaid State Operations Branch  
75 Hawthorne Street, 5<sup>th</sup> Floor  
San Francisco, CA 94105

Dear Mr. Fenton and Ms. Minamoto:

Enclosed is State Plan Amendment (SPA) 00-02 which permits Arizona to accept the parental declaration of income for the KidsCare program. The SPA also revises Attachment G of the State Children's Health Insurance Program State Plan.

If you have any questions about the enclosed SPA, please contact me at (602) 417-4447.

Sincerely,

Lynn Dunton  
Assistant Director  
Office of Policy Analysis and Coordination

Enclosure

## **ATTACHMENT G FAMILY & INCOME OVERVIEW**

Total gross monthly income will be determined at the time of application and redetermination. Family includes the following categories of persons when residing together:

- A married couple and children of either one or both
- An unmarried couple with a common child and other children of either one or both
- A single parent and his or her children
- A child under age 19 who does not live with a parent
- A child and an unborn of the child is included in its parent's household
- Grandparent or other non-parent relatives of a child are not considered part of the household. A child living with a grandparent or other relative instead of a parent will be its own household.

### **INCOME**

- The families' total gross monthly income after excluding any payments and grants, as specified in 20 CFR Part 416, the Appendix to Subpart K, will be counted. No other income deductions or disregards will be applied when determining gross income.
- In determining the eligibility for a qualified alien, income of any person who executed an affidavit of support on behalf of the qualified alien and the income of the spouse, of the sponsoring individual, shall be counted as family household income.
- ~~The agency will require verification of earned income by the employer, and of unearned income by the payer. Income from self employment will be verified using the self employed person's tax records accompanied by the person's statement that current income is consistent with income indicated in those records. If tax records are unavailable or income is not consistent, self employment income will be verified using other records of proceeds and verification of expenses provided by vendors or other creditors.~~
- The agency accepts the declaration of income provided on the application. The agency will not perform additional verification, unless there are inconsistencies with information already available to the agency or obtained through data matching or the income is from self-employment.

- For income from self-employment, the agency accepts the self-employed person's income tax records accompanied by the person's statement that current income is consistent with the tax records, the agency accepts the self-employed person's itemized accounts. When itemized accounts are not available the agency accepts the self-employed person's declaration of proceeds and subtracts expenses that are verified by vendors or other creditors.