

# In Focus:

# Streamlining Medicare Savings Program Enrollment in Arizona

Medicare Savings Programs (MSPs) are a lifeline for many low-income older adults. They add value for Medicare beneficiaries by helping cover Medicare Parts A and B premiums, cost sharing, and other out-of-pocket costs, making essential healthcare more affordable. However, millions of eligible individuals are not enrolled. Many states have taken actions to improve enrollment—such as using Part D Low-Income Subsidy (LIS) application data from the Social Security Administration (Leads data) to facilitate MSP enrollment, removing asset limits, or aligning LIS and MSP eligibility criteria. Aligned with their commitment to disseminating best practices and cost-effective strategies for benefits outreach and enrollment for older adults, through partnership with L&M Policy Research, the National Council on Aging (NCOA) developed case studies highlighting states' approaches to streamlining MSP enrollment. This case study draws on insights from interviews and publicly available resources to showcase Arizona's experience with streamlining MSP enrollment and describes milestones achieved, challenges experienced, and lessons learned.

# Executive Summary



Arizona has made significant progress in streamlining MSP eligibility and enrollment processes to reduce barriers for older adults and alleviate state burden of administering the benefits.

## Key takeaways from Arizona's streamlining efforts:

- **Arizona has been using Leads data to automatically determine MSP eligibility since 2010.** If the eligibility system cannot complete an eligibility determination due to missing or conflicting information, then it will try to verify eligibility using other data sources. If the eligibility system cannot verify the information, a Benefits and Eligibility Specialist will mail a request for information (RFI) to the applicant.
- **The eligibility system electronically and automatically cross-references multiple other data sources**—the Federal Data Services Hub, Department of Motor Vehicles (DMV), and state employment and income data—to verify applicants' missing or conflicting information (e.g., income or citizenship). This allows the state to auto-approve many MSP applications that are initiated from the Leads data.
- **Arizona removed asset limits from MSP eligibility determinations in the early 2000s because the limits were burdensome for older adults and state Medicaid staff.** Asset tests were a barrier to efficient MSP enrollment because the requirements were stringent and prescriptive, and there weren't enough applicants over the limit to justify the resources required to verify their assets.

The detail found in the subsequent sections in this case study contextualizes these key takeaways and provides additional insights into Arizona's efforts to streamline and coordinate enrollment between MSP and LIS.



# State Context and Background

**Arizona**, a Medicaid expansion state, has an estimated MSP participation rate of 38% among all potentially eligible individuals.<sup>1</sup> Among LIS recipients in the state, many of whom also qualify for MSP, approximately 6.5% are not enrolled in an MSP.<sup>2</sup> Arizona has implemented key changes to its MSP eligibility and enrollment processes to increase enrollment, including removing asset limits from its eligibility criteria in the early 2000s. Since 2010, Arizona has also used LIS Leads data to automatically determine eligibility for MSPs. Arizona has seen a 6% population increase over the past 5 years and a coinciding increase in public benefits applications across all programs.<sup>3</sup> Specifically, the number of long-term care program applications has increased, which—given the overlap between long-term care applicants and Medicare beneficiaries—has led to increased screenings for MSPs.

## Public Benefit Agency Structure

In Arizona, the responsibility for Medicaid oversight and eligibility determinations is shared between two agencies: the **Department of Economic Security (DES)** and the **Arizona Health Care Cost Containment System (AHCCCS)**. DES is Arizona’s human services agency that oversees over 60 different programs and services, including the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF), and distributes benefits to Arizona residents.<sup>4</sup> AHCCCS is the state Medicaid agency that offers health care programs to Arizona residents; AHCCCS also refers to Arizona’s Medicaid program, which operates under an integrated managed care model through a Section 1115 Research and Demonstration Waiver.<sup>5</sup>

Within the AHCCCS agency, the **Division of Member and Provider Services (DMPS)** processes non-MAGI Medicaid eligibility determinations and enrollment, manages provider enrollment into the AHCCCS network, and oversees MAGI Medicaid eligibility completed by DES.<sup>6</sup> Several different teams within DMPS are responsible for updating

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<sup>1</sup> <https://www.ncoa.org/benefits-participation-map?program=msp>

<sup>2</sup> <https://www.cms.gov/files/document/lisenrollmentjune2021.pdf>

<sup>3</sup> <https://nchstats.com/arizona-population/>

<sup>4</sup> [https://des.az.gov/sites/default/files/dl/five\\_year\\_strategic\\_plan\\_2025-2029.pdf?time=1751398895583](https://des.az.gov/sites/default/files/dl/five_year_strategic_plan_2025-2029.pdf?time=1751398895583)

<sup>5</sup> <https://www.azahcccs.gov/AHCCCS/AboutUs/>

<sup>6</sup> Modified Adjusted Gross Income (MAGI) populations include individuals under the age of 65 who are not eligible for Medicare. Eligibility for health benefits are determined on an income-basis. Non-MAGI populations include disabled individuals under the age of 65, or individuals aged 65 and over; eligibility for health benefits is dependent on more restrictive income and resource tests than for MAGI applicants.

the eligibility determinations system and the provider enrollment system, as well as reconciling these two systems within the Medicaid Management Information System (MMIS), to reflect policy requirements.

DMPS has a Medical Assistance and Specialty Programs (MASP) unit that processes medical assistance and MSP applications for aged, blind, and disabled individuals. The **Benefits and Eligibility Specialists** within this unit manage MSP applications that require Request for Information (RFI) letters (details on RFIs are provided in the Streamlining Enrollment Efforts section below).

## Data Systems and Infrastructure

In Arizona, individuals can apply for health and non-health program benefits, including Medicaid, SNAP, and TANF, through an online application portal, **Health-e-Arizona Plus (HEAplus)**. Individuals can also upload verification documents on this platform.<sup>7</sup> Although the benefits applications are integrated across programs, health and non-health program eligibility determinations are handled by different eligibility systems and agencies. DES and AHCCCS use their eligibility system, which is also called HEAplus, to make eligibility determinations for MAGI Medicaid and non-MAGI Medicaid, respectively. AHCCCS uses an application programming interface (API) to send the non-health program applications to DES’s legacy mainframe system, Arizona Technical Eligibility Computer System (AZTECS), for processing and eligibility determinations.<sup>8</sup> These processes are summarized below.

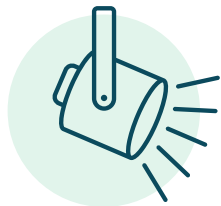
Department/Agency	Program	System used to process applications and determine eligibility
DES	MAGI Medicaid	HEAplus
AHCCCS	Non-MAGI Medicaid	HEAplus
DES	SNAP and TANF	AZTECS

<sup>7</sup> <https://des.az.gov/services/basic-needs/food-assistance/nutrition-assistance/health-e-arizona-plus-application>

<sup>8</sup> <https://www.macpac.gov/publication/eligibility-enrollment-and-renewal-arizona-case-study-findings/>

# State Efforts to Streamline Enrollment

## Use of Leads Data for MSP Applications



### Policy Spotlight

Federal law requires the Social Security Administration (SSA) to send states Leads data for the purposes of initiating MSP applications, but many states still do not use the data to facilitate MSP enrollment. For states that use the data, there is variation in how they use it for MSP enrollment (e.g., sending out blank MSP applications vs. automatically enrolling identified individuals into MSPs). Utilizing application information from public benefits programs with overlapping eligibility criteria could help reduce barriers to enrollment for older adults and expedite the review and approval process of applications for states.

Since 2010, Arizona has used Leads data to automatically initiate applications and assess eligibility for multiple public benefits programs, such as MSPs, SNAP, and TANF. The state's motivation for automating these processes was to improve efficiency by simultaneously streamlining the eligibility determination and enrollment processes for both AHCCCS staff and consumers.

AHCCCS receives the Leads data from SSA which automatically feeds into the state's eligibility system, HEAplus, and generates an "application event" for individuals who do not already have an active case in the system. An application event is also created if an individual directly applies for benefits via the HEAplus online application portal. In both instances (generating an application event from the Leads data or submitting an online application), AHCCCS uses an API to transmit the data to DES's legacy mainframe system, AZTECS, which DES uses to determine eligibility for non-health programs.

If the eligibility system has the information required from the Leads data to determine that an individual qualifies for MSPs, then the system will approve eligibility. If there is a phone number or email in the individual's HEAplus online account, and if they have opted in to receive texts or emails, AHCCCS's automated tool, AHCCCS Connect, will text, call, or email the individual to inform them that there has been a decision on their application. Otherwise, the state will mail a paper letter. After the individual reviews the decision, the system will automatically enroll them into their qualifying MSP. Most of the MSP applications can be auto-approved using only the Leads data.

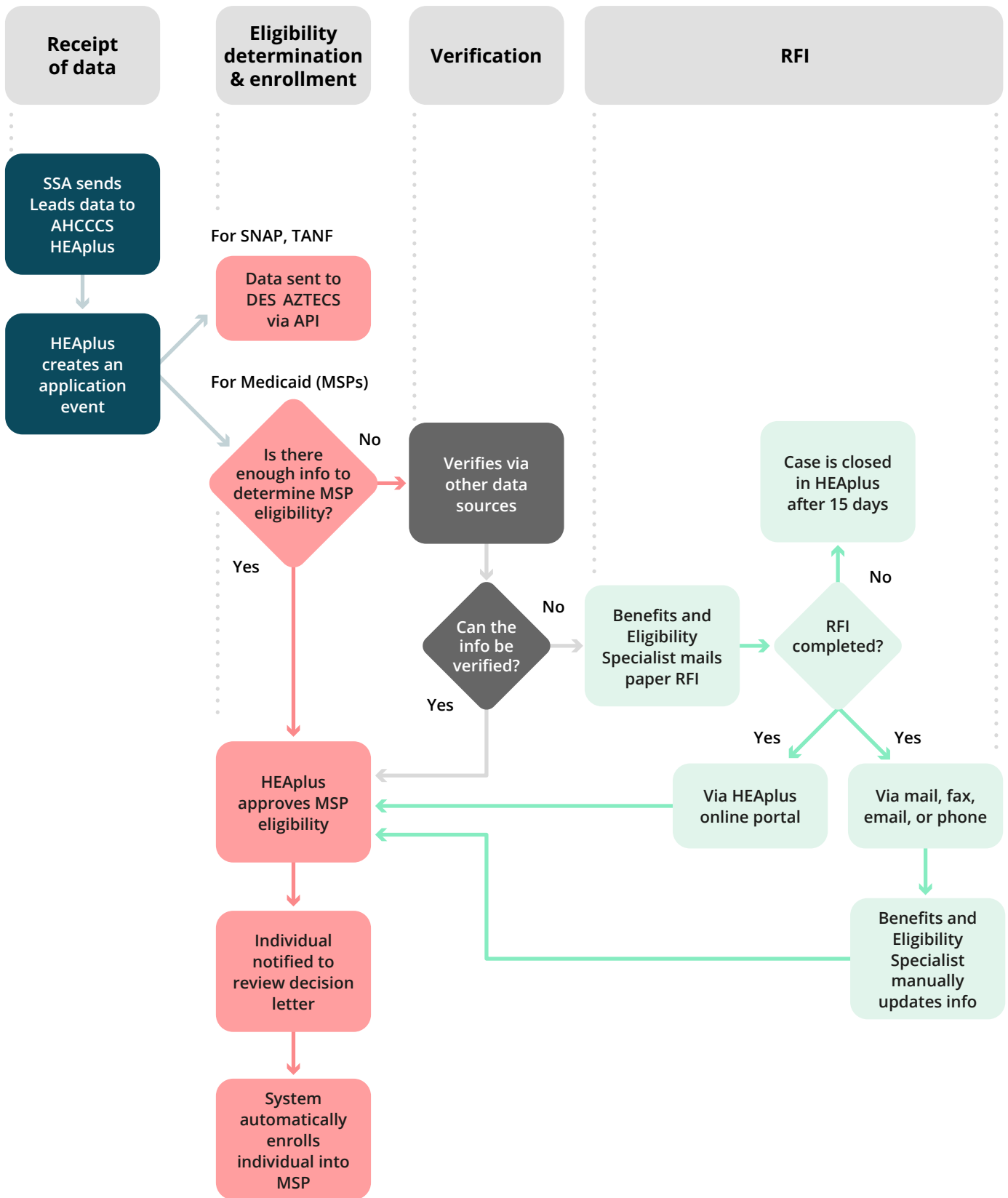
However, if there is not enough information to approve the individual for MSPs, the system will first attempt to verify any discrepancies or missing information using other data sources. Examples of where the Leads data may be incomplete or insufficient for the purpose of determining MSP eligibility include citizenship and sources of income (e.g., self-employment data is often missing). The eligibility system electronically and automatically cross-references with:

- 1** The **Federal Data Services Hub (“Hub”)**, which provides access to multiple data sources through a single connection, including data from the SSA, Department of Homeland Security, Department of Veterans Affairs, Equifax’s The Work Number, and Internal Revenue Service (IRS).<sup>9</sup> States can use the Hub to verify citizenship or income.
- 2** The **Department of Motor Vehicles (DMV)** to verify residency.
- 3** The state’s **base wage file**, which includes data on employment and income.

If the eligibility system can verify the missing information using these data sources, it will automatically approve MSP eligibility. If the system cannot verify the information, a Benefits and Eligibility Specialist will send out a paper RFI. The Benefits and Eligibility Specialists receive weekly lists of MSP applications for which information cannot be verified and mail an RFI to the individuals. The RFI includes a copy of the application information that the eligibility system has on file, so the individual only needs to add missing information and send the completed RFI back to AHCCCS. Individuals have 15 days to respond and can mail, fax, or email the RFI to AHCCCS, call AHCCCS to complete their RFI, or upload it through the HEAplus online portal. The system will automatically pull information from the HEAplus eligibility system and complete the process, but if the individual completes their RFI via mail, fax, phone, or email, then the Benefits and Eligibility Specialist must manually input the requested information into the eligibility system. Benefits and Eligibility Specialists indicated that most RFIs for MSPs are returned via mail or fax. If the individual does not complete the RFI, then the system will close out the case. The overall process is illustrated on the next page.

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<sup>9</sup> The Hub was built to allow Medicaid agencies to access multiple data sources to verify eligibility; states would have required multiple data sharing agreements to access these sources before the Hub. Some information from the Hub can only be used for Medicaid or health insurance affordability programs and cannot be used for SNAP. More information can be found here: <https://www.cbpp.org/research/health/how-to-streamline-verification-of-eligibility-for-medicaid-and-snap#section-b-federal-data-sources-cbpp-anchor>; <https://ccf.georgetown.edu/wp-content/uploads/2012/10/Eligibility-and-Enrollment-Systems-FAQs.pdf>



## Removing Asset Tests

Arizona removed asset limits from MSP eligibility determinations between 2000 and 2001. The state reasoned that asset tests were a barrier to efficient MSP enrollment because the requirements were stringent and prescriptive (e.g., income documentation must include all pages of the latest bank statement, even ones without relevant content), and there weren't enough applicants over the asset limit to justify the amount of time, effort, and resources required to verify their assets. Staff indicated that removing asset limits made the process more efficient for both the consumer and eligibility workers.

## Wrap Up and Next Steps

Arizona has made significant strides toward further streamlining MSP eligibility determinations. The state's process of automating eligibility determinations using Leads data and the removal of asset tests have greatly reduced burden on both state workers and MSP applicants. The insights highlighted in this case study provide an overview of the barriers and facilitators that Arizona has encountered in their streamlining efforts and could inform other states as they undertake strategies to improve their processes. Additionally, federal partners can leverage these insights to guide program improvements, enhance support for states, and ensure policies are responsive to the diverse operational environments and challenges faced at the state level.





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