

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

## **HB 2863**

Introduced by  
Representative Cobb (with permission of Committee on Rules)

### **AN ACT**

AMENDING TITLE 36, CHAPTER 21, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2175; AMENDING SECTIONS 36-2901 AND 36-2907, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 1, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-177; AMENDING TITLE 41, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-703.01; REPEALING SECTION 41-703.01, ARIZONA REVISED STATUTES; AMENDING LAWS 2020, CHAPTER 54, SECTION 2; AMENDING LAWS 2021, CHAPTER 390, SECTIONS 33, 37, 39, 42 AND 43; AMENDING LAWS 2021, CHAPTER 409, SECTION 23; APPROPRIATING MONIES; RELATING TO HEALTH CARE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 36, chapter 21, article 1, Arizona Revised  
3 Statutes, is amended by adding section 36-2175, to read:

4 36-2175. Behavioral health care provider loan repayment  
5 program; purpose; eligibility; default; use of  
6 monies

7 A. THE BEHAVIORAL HEALTH CARE PROVIDER LOAN REPAYMENT PROGRAM IS  
8 ESTABLISHED IN THE DEPARTMENT TO PAY OFF PORTIONS OF EDUCATIONAL LOANS  
9 TAKEN OUT BY BEHAVIORAL HEALTH CARE PROVIDERS AND NURSES, INCLUDING  
10 BEHAVIORAL HEALTH TECHNICIANS, BEHAVIORAL HEALTH NURSE PRACTITIONERS,  
11 PSYCHIATRIC NURSE PRACTITIONERS AND LICENSED PRACTICAL NURSES, PHYSICIANS,  
12 PSYCHIATRISTS, AND PSYCHOLOGISTS WHO SERVE IN BEHAVIORAL HEALTH  
13 FACILITIES, INCLUDING THE ARIZONA STATE HOSPITAL, BEHAVIORAL HEALTH  
14 RESIDENTIAL FACILITIES AND SECURE BEHAVIORAL HEALTH RESIDENTIAL  
15 FACILITIES.

16 B. THE DEPARTMENT SHALL PRESCRIBE APPLICATION AND ELIGIBILITY  
17 REQUIREMENTS. TO BE ELIGIBLE TO PARTICIPATE IN THE BEHAVIORAL HEALTH CARE  
18 PROVIDER LOAN REPAYMENT PROGRAM, AN APPLICANT SHALL MEET AT LEAST THE  
19 FOLLOWING REQUIREMENTS:

20 1. HAVE COMPLETED THE FINAL YEAR OF A COURSE OF STUDY OR PROGRAM  
21 APPROVED BY RECOGNIZED ACCREDITING AGENCIES FOR HIGHER EDUCATION IN A  
22 HEALTH PROFESSION LICENSED PURSUANT TO TITLE 32 OR HOLD AN ACTIVE LICENSE  
23 IN A HEALTH PROFESSION LICENSED PURSUANT TO TITLE 32.

24 2. DEMONSTRATE CURRENT EMPLOYMENT PROVIDING DIRECT PATIENT CARE  
25 WITH A PUBLIC OR NONPROFIT ENTITY LOCATED AND PROVIDING SERVICES IN A  
26 BEHAVIORAL HEALTH HOSPITAL, A BEHAVIORAL HEALTH RESIDENTIAL FACILITY OR A  
27 SECURE BEHAVIORAL HEALTH RESIDENTIAL FACILITY IN THIS STATE.

28 3. DEMONSTRATE THAT THE CURRENT EMPLOYER IS CONTRACTED WITH THE  
29 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM TO PROVIDE SERVICES.

30 4. NOT BE PARTICIPATING IN ANY OTHER LOAN REPAYMENT PROGRAM  
31 ESTABLISHED BY THIS ARTICLE.

32 C. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION B OF THIS SECTION,  
33 AN APPLICANT WHO IS A PHYSICIAN SHALL HAVE COMPLETED A PROFESSIONAL  
34 RESIDENCY OR CERTIFICATION PROGRAM IN BEHAVIORAL HEALTH CARE.

35 D. A BEHAVIORAL HEALTH CARE PROVIDER OR NURSE WHO PARTICIPATES IN  
36 THE BEHAVIORAL HEALTH CARE PROVIDER LOAN REPAYMENT PROGRAM SHALL INITIALLY  
37 CONTRACT WITH THE DEPARTMENT TO PROVIDE SERVICES PURSUANT TO THIS SECTION  
38 FOR AT LEAST TWO YEARS.

39 E. IN MAKING RECOMMENDATIONS FOR THE BEHAVIORAL HEALTH CARE  
40 PROVIDER LOAN REPAYMENT PROGRAM, THE DEPARTMENT SHALL GIVE PRIORITY TO  
41 APPLICANTS WHO INTEND TO PRACTICE IN THE ARIZONA STATE HOSPITAL, A  
42 BEHAVIORAL HEALTH RESIDENTIAL FACILITY OR A SECURE BEHAVIORAL HEALTH  
43 RESIDENTIAL FACILITY IN THIS STATE.

1 F. ALL LOAN REPAYMENT CONTRACT OBLIGATIONS ARE SUBJECT TO THE  
2 AVAILABILITY OF MONIES AND LEGISLATIVE APPROPRIATION. THE DEPARTMENT MAY  
3 CANCEL OR SUSPEND A LOAN REPAYMENT CONTRACT BASED ON UNAVAILABILITY OF  
4 MONIES FOR THE PROGRAM. THE DEPARTMENT IS NOT LIABLE FOR ANY CLAIMS,  
5 ACTUAL DAMAGES OR CONSEQUENTIAL DAMAGES ARISING OUT OF A CANCELLATION OR  
6 SUSPENSION OF A CONTRACT.

7 G. THIS SECTION DOES NOT PREVENT THE DEPARTMENT FROM ENCUMBERING AN  
8 AMOUNT THAT IS SUFFICIENT TO ENSURE PAYMENT OF EACH BEHAVIORAL HEALTH CARE  
9 PROVIDER LOAN FOR THE SERVICES RENDERED DURING A CONTRACT PERIOD.

10 H. THE DEPARTMENT SHALL ISSUE PROGRAM MONIES TO PAY BEHAVIORAL  
11 HEALTH CARE PROVIDER LOANS THAT ARE LIMITED TO THE AMOUNT OF PRINCIPAL,  
12 INTEREST AND RELATED EXPENSES OF EDUCATIONAL LOANS, NOT TO EXCEED THE  
13 BEHAVIORAL HEALTH CARE PROVIDER'S OR NURSE'S TOTAL STUDENT LOAN  
14 INDEBTEDNESS, ACCORDING TO THE FOLLOWING SCHEDULE:

- 15 1. FOR THE FIRST TWO YEARS OF SERVICE, A MAXIMUM OF \$50,000.
- 16 2. FOR SUBSEQUENT YEARS, A MAXIMUM OF \$25,000.

17 I. A PARTICIPANT IN THE BEHAVIORAL HEALTH CARE PROVIDER LOAN  
18 REPAYMENT PROGRAM WHO BREACHES THE LOAN REPAYMENT CONTRACT BY FAILING TO  
19 BEGIN OR TO COMPLETE THE OBLIGATED SERVICES IS LIABLE FOR LIQUIDATED  
20 DAMAGES IN AN AMOUNT EQUIVALENT TO THE AMOUNT THAT WOULD BE OWED FOR  
21 DEFAULT AS DETERMINED AND AUTHORIZED BY THE DEPARTMENT. THE DEPARTMENT MAY  
22 WAIVE THE LIQUIDATED DAMAGES PROVISIONS OF THIS SUBSECTION IF IT  
23 DETERMINES THAT DEATH OR PERMANENT PHYSICAL DISABILITY ACCOUNTED FOR THE  
24 FAILURE OF THE PARTICIPANT TO FULFILL THE CONTRACT. THE DEPARTMENT MAY  
25 PRESCRIBE ADDITIONAL CONDITIONS FOR DEFAULT, CANCELLATION, WAIVER OR  
26 SUSPENSION.

27 J. NOTWITHSTANDING SECTION 41-192, THE DEPARTMENT MAY RETAIN LEGAL  
28 COUNSEL AND COMMENCE ACTIONS THAT ARE NECESSARY TO COLLECT LOAN PAYMENTS  
29 AND CHARGES IF THERE IS A DEFAULT OR A BREACH OF A CONTRACT ENTERED INTO  
30 PURSUANT TO THIS SECTION.

31 K. THE DEPARTMENT MAY USE MONIES TO DEVELOP PROGRAMS SUCH AS  
32 RESIDENT-TO-SERVICE LOAN REPAYMENT AND EMPLOYER RECRUITMENT ASSISTANCE TO  
33 INCREASE PARTICIPATION IN THE BEHAVIORAL HEALTH CARE PROVIDER LOAN  
34 REPAYMENT PROGRAM. THE DEPARTMENT MAY USE PRIVATE DONATIONS, GRANTS AND  
35 FEDERAL MONIES TO IMPLEMENT, SUPPORT, PROMOTE OR MAINTAIN THE PROGRAM.

36 Sec. 2. Section 36-2901, Arizona Revised Statutes, is amended to  
37 read:

38 36-2901. Definitions

39 In this article, unless the context otherwise requires:

- 40 1. "Administration" means the Arizona health care cost containment  
41 system administration.
- 42 2. "Administrator" means the administrator of the Arizona health  
43 care cost containment system.

1           3. "Contractor" means a person or entity that has a prepaid  
2           capitated contract with the administration pursuant to section 36-2904 or  
3           chapter 34 of this title to provide health care to members under this  
4           article or persons under chapter 34 of this title either directly or  
5           through subcontracts with providers.

6           4. "Department" means the department of economic security.

7           5. "Director" means the director of the Arizona health care cost  
8           containment system administration.

9           6. "Eligible person" means any person who is:

10          (a) Any of the following:

11          (i) Defined as mandatorily or optionally eligible pursuant to title  
12          XIX of the social security act as authorized by the state plan.

13          (ii) Defined in title XIX of the social security act as an eligible  
14          pregnant woman **OR A WOMAN WHO IS LESS THAN ONE YEAR POSTPARTUM** with a  
15          family income that does not exceed one hundred fifty percent of the  
16          federal poverty guidelines, as a child under the age of six years and  
17          whose family income does not exceed one hundred thirty-three percent of  
18          the federal poverty guidelines or as children who have not attained  
19          nineteen years of age and whose family income does not exceed one hundred  
20          thirty-three percent of the federal poverty guidelines.

21          (iii) Under twenty-six years of age and who was in the custody of  
22          the department of child safety pursuant to title 8, chapter 4 when the  
23          person became eighteen years of age.

24          (iv) Defined as eligible pursuant to section 36-2901.01.

25          (v) Defined as eligible pursuant to section 36-2901.04.

26          (vi) Defined as eligible pursuant to section 36-2901.07.

27          (b) A full-time officer or employee of this state or of a city,  
28          town or school district of this state or other person who is eligible for  
29          hospitalization and medical care under title 38, chapter 4, article 4.

30          (c) A full-time officer or employee of any county in this state or  
31          other persons authorized by the county to participate in county medical  
32          care and hospitalization programs if the county in which such officer or  
33          employee is employed has authorized participation in the system by  
34          resolution of the county board of supervisors.

35          (d) An employee of a business within this state.

36          (e) A dependent of an officer or employee who is participating in  
37          the system.

38          (f) Not enrolled in the Arizona long-term care system pursuant to  
39          article 2 of this chapter.

40          (g) Defined as eligible pursuant to section 1902(a)(10)(A)(ii)(XV)  
41          and (XVI) of title XIX of the social security act and who meets the income  
42          requirements of section 36-2929.

43          7. "Graduate medical education" means a program, including an  
44          approved fellowship, that prepares a physician for the independent  
45          practice of medicine by providing didactic and clinical education in a

1 medical discipline to a medical student who has completed a recognized  
2 undergraduate medical education program.

3 8. "Malice" means evil intent and outrageous, oppressive or  
4 intolerable conduct that creates a substantial risk of tremendous harm to  
5 others.

6 9. "Member" means an eligible person who enrolls in the system.

7 10. "Modified adjusted gross income" has the same meaning  
8 prescribed in 42 United States Code section 1396a(e)(14).

9 11. "Noncontracting provider" means a person who provides health  
10 care to members pursuant to this article but not pursuant to a subcontract  
11 with a contractor.

12 12. "Physician" means a person WHO IS licensed pursuant to title  
13 32, chapter 13 or 17.

14 13. "Prepaid capitated" means a mode of payment by which a health  
15 care contractor directly delivers health care services for the duration of  
16 a contract to a maximum specified number of members based on a fixed rate  
17 per member notwithstanding:

18 (a) The actual number of members who receive care from the  
19 contractor.

20 (b) The amount of health care services provided to any member.

21 14. "Primary care physician" means a physician who is a family  
22 practitioner, general practitioner, pediatrician, general internist, or  
23 obstetrician or gynecologist.

24 15. "Primary care practitioner" means a nurse practitioner OR  
25 CERTIFIED NURSE MIDWIFE WHO IS certified pursuant to title 32, chapter 15  
26 or a physician assistant ~~certified~~ WHO IS LICENSED pursuant to title 32,  
27 chapter 25. This paragraph does not expand the scope of practice for  
28 nurse practitioners OR CERTIFIED NURSE MIDWIVES as defined pursuant to  
29 title 32, chapter 15, or for physician assistants as defined pursuant to  
30 title 32, chapter 25.

31 16. "Regional behavioral health authority" has the same meaning  
32 prescribed in section 36-3401.

33 17. "Section 1115 waiver" means the research and demonstration  
34 waiver granted by the United States department of health and human  
35 services.

36 18. "Special health care district" means a special health care  
37 district organized pursuant to title 48, chapter 31.

38 19. "State plan" has the same meaning prescribed in section  
39 36-2931.

40 20. "System" means the Arizona health care cost containment system  
41 established by this article.

1           Sec. 3. Section 36-2907, Arizona Revised Statutes, is amended to  
2 read:

3           36-2907. Covered health and medical services; modifications;  
4                                   rules; related delivery of service requirements;  
5                                   definition

6           A. Subject to the ~~limitations~~ LIMITS and exclusions specified in  
7 this section, contractors shall provide the following medically necessary  
8 health and medical services:

9           1. Inpatient hospital services that are ordinarily furnished by a  
10 hospital ~~for the TO~~ care and ~~treatment of~~ TREAT inpatients and that are  
11 provided under the direction of a physician or a primary care  
12 practitioner. For the purposes of this section, inpatient hospital  
13 services exclude services in an institution for tuberculosis or mental  
14 diseases unless authorized under an approved section 1115 waiver.

15           2. Outpatient health services that are ordinarily provided in  
16 hospitals, clinics, offices and other health care facilities by licensed  
17 health care providers. Outpatient health services include services  
18 provided by or under the direction of a physician or a primary care  
19 practitioner, including occupational therapy.

20           3. Other laboratory and X-ray services ordered by a physician or a  
21 primary care practitioner.

22           4. Medications that are ordered on prescription by a physician or a  
23 dentist WHO IS licensed pursuant to title 32, chapter 11. Persons who are  
24 dually eligible for title XVIII and title XIX services must obtain  
25 available medications through a medicare licensed or certified medicare  
26 advantage prescription drug plan, a medicare prescription drug plan or any  
27 other entity authorized by medicare to provide a medicare part D  
28 prescription drug benefit.

29           5. Medical supplies, durable medical equipment, insulin pumps and  
30 prosthetic devices ordered by a physician or a primary care practitioner.  
31 Suppliers of durable medical equipment shall provide the administration  
32 with complete information about the identity of each person who has an  
33 ownership or controlling interest in their business and shall comply with  
34 federal bonding requirements in a manner prescribed by the administration.

35           6. For persons who are at least twenty-one years of age, treatment  
36 of medical conditions of the eye, excluding eye examinations for  
37 prescriptive lenses and the provision of prescriptive lenses.

38           7. Early and periodic health screening and diagnostic services as  
39 required by section 1905(r) of title XIX of the social security act for  
40 members who are under twenty-one years of age.

41           8. Family planning services that do not include abortion or  
42 abortion counseling. If a contractor elects not to provide family  
43 planning services, this election does not disqualify the contractor from  
44 delivering all other covered health and medical services under this  
45 chapter. In that event, the administration may contract directly with

1 another contractor, including an outpatient surgical center or a  
2 noncontracting provider, to deliver family planning services to a member  
3 who is enrolled with the contractor that elects not to provide family  
4 planning services.

5 9. Podiatry services that are performed by a podiatrist who is  
6 licensed pursuant to title 32, chapter 7 and ordered by a primary care  
7 physician or primary care practitioner.

8 10. Nonexperimental transplants approved for title XIX  
9 reimbursement.

10 11. Dental services as follows:

11 (a) Except as provided in subdivision (b) of this paragraph, for  
12 persons who are at least twenty-one years of age, emergency dental care  
13 and extractions in an annual amount of not more than \$1,000 per member.

14 (b) Subject to approval by the centers for medicare and medicaid  
15 services, for persons treated at an Indian health service or tribal  
16 facility, adult dental services that are eligible for a federal medical  
17 assistance percentage of one hundred percent and that ~~are in excess of~~  
18 EXCEED the limit prescribed in subdivision (a) of this paragraph.

19 12. Ambulance and nonambulance transportation, except as provided  
20 in subsection G of this section.

21 13. Hospice care.

22 14. Orthotics, if all of the following apply:

23 (a) The use of the orthotic is medically necessary as the preferred  
24 treatment option consistent with medicare guidelines.

25 (b) The orthotic is less expensive than all other treatment options  
26 or surgical procedures to treat the same diagnosed condition.

27 (c) The orthotic is ordered by a physician or primary care  
28 practitioner.

29 15. SUBJECT TO APPROVAL BY THE CENTERS FOR MEDICARE AND MEDICAID  
30 SERVICES, MEDICALLY NECESSARY CHIROPRACTIC SERVICES THAT ARE PERFORMED BY  
31 A CHIROPRACTOR WHO IS LICENSED PURSUANT TO TITLE 32, CHAPTER 8 AND THAT  
32 ARE ORDERED BY A PRIMARY CARE PHYSICIAN OR PRIMARY CARE PRACTITIONER  
33 PURSUANT TO RULES ADOPTED BY THE ADMINISTRATION. THE PRIMARY CARE  
34 PHYSICIAN OR PRIMARY CARE PRACTITIONER MAY INITIALLY ORDER UP TO TWENTY  
35 VISITS ANNUALLY THAT INCLUDE TREATMENT AND MAY REQUEST AUTHORIZATION FOR  
36 ADDITIONAL CHIROPRACTIC SERVICES IN THAT SAME YEAR IF ADDITIONAL  
37 CHIROPRACTIC SERVICES ARE MEDICALLY NECESSARY.

38 B. The ~~limitations~~ LIMITS and exclusions for health and medical  
39 services provided under this section are as follows:

40 1. Circumcision of newborn males is not a covered health and  
41 medical service.

42 2. For eligible persons who are at least twenty-one years of age:

43 (a) Outpatient health services do not include speech therapy.

1 (b) Prosthetic devices do not include hearing aids, dentures,  
2 bone-anchored hearing aids or cochlear implants. Prosthetic devices,  
3 except prosthetic implants, may be limited to \$12,500 per contract year.

4 (c) Percussive vests are not covered health and medical services.

5 (d) Durable medical equipment is limited to items covered by  
6 medicare.

7 (e) Nonexperimental transplants do not include pancreas-only  
8 transplants.

9 (f) Bariatric surgery procedures, including laparoscopic and open  
10 gastric bypass and restrictive procedures, are not covered health and  
11 medical services.

12 C. The system shall pay noncontracting providers only for health  
13 and medical services as prescribed in subsection A of this section and as  
14 prescribed by rule.

15 D. The director shall adopt rules necessary to limit, to the extent  
16 possible, the scope, duration and amount of services, including maximum  
17 ~~limitations~~ LIMITS for inpatient services that are consistent with federal  
18 regulations under title XIX of the social security act (P.L. 89-97; 79  
19 Stat. 344; 42 United States Code section 1396 (1980)). To the extent  
20 possible and practicable, these rules shall provide for the prior approval  
21 of medically necessary services provided pursuant to this chapter.

22 E. The director shall make available home health services in lieu  
23 of hospitalization pursuant to contracts awarded under this article. For  
24 the purposes of this subsection, "home health services" means the  
25 provision of nursing services, home health aide services or medical  
26 supplies, equipment and appliances that are provided on a part-time or  
27 intermittent basis by a licensed home health agency within a member's  
28 residence based on the orders of a physician or a primary care  
29 practitioner. Home health agencies shall comply with the federal bonding  
30 requirements in a manner prescribed by the administration.

31 F. The director shall adopt rules for the coverage of behavioral  
32 health services for persons who are eligible under section 36-2901,  
33 paragraph 6, subdivision (a). The administration acting through the  
34 regional behavioral health authorities shall establish a diagnostic and  
35 evaluation program to which other state agencies shall refer children who  
36 are not already enrolled pursuant to this chapter and who may be in need  
37 of behavioral health services. In addition to an evaluation, the  
38 administration acting through regional behavioral health authorities shall  
39 also identify children who may be eligible under section 36-2901,  
40 paragraph 6, subdivision (a) or section 36-2931, paragraph 5 and shall  
41 refer the children to the appropriate agency responsible for making the  
42 final eligibility determination.

43 G. The director shall adopt rules providing for transportation  
44 services and rules providing for copayment by members for transportation  
45 for other than emergency purposes. Subject to approval by the centers for



1 medicare and medicaid services, nonemergency medical transportation shall  
2 not be provided except for stretcher vans and ambulance transportation.  
3 Prior authorization is required for transportation by stretcher van and  
4 for medically necessary ambulance transportation initiated pursuant to a  
5 physician's direction. Prior authorization is not required for medically  
6 necessary ambulance transportation services rendered to members or  
7 eligible persons initiated by dialing telephone number 911 or other  
8 designated emergency response systems.

9 H. The director may adopt rules to allow the administration, at the  
10 director's discretion, to use a second opinion procedure under which  
11 surgery may not be eligible for coverage pursuant to this chapter without  
12 documentation as to need by at least two physicians or primary care  
13 practitioners.

14 I. If the director does not receive bids within the amounts  
15 budgeted or if at any time the amount remaining in the Arizona health care  
16 cost containment system fund is insufficient to pay for full contract  
17 services for the remainder of the contract term, the administration, on  
18 notification to system contractors at least thirty days in advance, may  
19 modify the list of services required under subsection A of this section  
20 for persons defined as eligible other than those persons defined pursuant  
21 to section 36-2901, paragraph 6, subdivision (a). The director may also  
22 suspend services or may limit categories of expense for services defined  
23 as optional pursuant to title XIX of the social security act (P.L. 89-97;  
24 79 Stat. 344; 42 United States Code section 1396 (1980)) for persons  
25 defined pursuant to section 36-2901, paragraph 6, subdivision (a). Such  
26 reductions or suspensions do not apply to the continuity of care for  
27 persons already receiving these services.

28 J. All health and medical services provided under this article  
29 shall be provided in the geographic service area of the member, except:

30 1. Emergency services and specialty services provided pursuant to  
31 section 36-2908.

32 2. That the director may allow the delivery of health and medical  
33 services in other than the geographic service area in this state or in an  
34 adjoining state if the director determines that medical practice patterns  
35 justify the delivery of services or a net reduction in transportation  
36 costs can reasonably be expected. Notwithstanding the definition of  
37 physician as prescribed in section 36-2901, if services are procured from  
38 a physician or primary care practitioner in an adjoining state, the  
39 physician or primary care practitioner shall be licensed to practice in  
40 that state pursuant to licensing statutes in that state that are similar  
41 to title 32, chapter 13, 15, 17 or 25 and shall complete a provider  
42 agreement for this state.

43 K. Covered outpatient services shall be subcontracted by a primary  
44 care physician or primary care practitioner to other licensed health care  
45 providers to the extent practicable for purposes including, but not

1 limited to, making health care services available to underserved areas,  
2 reducing costs of providing medical care and reducing transportation  
3 costs.

4 L. The director shall adopt rules that prescribe the coordination  
5 of medical care for persons who are eligible for system services. The  
6 rules shall include provisions for transferring patients and medical  
7 records and initiating medical care.

8 M. NOTWITHSTANDING SECTION 36-2901.08, MONIES FROM THE HOSPITAL  
9 ASSESSMENT FUND ESTABLISHED BY SECTION 36-2901.09 MAY NOT BE USED TO  
10 PROVIDE CHIROPRACTIC SERVICES AS PRESCRIBED IN SUBSECTION A, PARAGRAPH 15  
11 OF THIS SECTION.

12 ~~M.~~ N. For the purposes of this section, "ambulance" has the same  
13 meaning prescribed in section 36-2201.

14 Sec. 4. Title 41, chapter 1, article 4, Arizona Revised Statutes,  
15 is amended by adding section 41-177, to read:

16 41-177. Arizona health innovation trust fund; purpose; annual  
17 report

18 A. THE ARIZONA HEALTH INNOVATION TRUST FUND IS ESTABLISHED. THE  
19 STATE TREASURER SHALL ADMINISTER THE TRUST FUND AS TRUSTEE.

20 B. THE TRUST FUND IS A PERMANENT ENDOWMENT FUND THAT CONSISTS OF  
21 MONIES APPROPRIATED BY THE LEGISLATURE, EARNINGS FROM THE FUND AND GIFTS  
22 OR GRANTS DONATED OR GIVEN TO THE FUND.

23 C. MONIES IN THE TRUST FUND ARE CONTINUOUSLY APPROPRIATED AND ARE  
24 EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF  
25 APPROPRIATIONS.

26 D. THE STATE TREASURER SHALL ACCEPT, SEPARATELY ACCOUNT FOR AND  
27 HOLD IN TRUST ANY TRUST FUND MONIES DEPOSITED PURSUANT TO THIS SECTION IN  
28 THE STATE TREASURY, WHICH ARE CONSIDERED TO BE TRUST MONIES AS DEFINED IN  
29 SECTION 35-310 AND WHICH MAY NOT BE COMMINGLED WITH ANY OTHER MONIES IN  
30 THE STATE TREASURY EXCEPT FOR INVESTMENT PURPOSES. THE STATE TREASURER  
31 SHALL INVEST AND DIVEST, AS PROVIDED BY SECTIONS 35-313 AND 35-314.03, ANY  
32 TRUST FUND MONIES DEPOSITED IN THE STATE TREASURY, AND MONIES EARNED FROM  
33 INTEREST AND INVESTMENT INCOME SHALL BE CREDITED TO THE TRUST FUND.

34 E. THE STATE TREASURER SHALL ANNUALLY ALLOCATE FOUR PERCENT OF THE  
35 MONIES IN THE TRUST FUND TO AN ENTITY THAT SATISFIES ALL OF THE FOLLOWING  
36 REQUIREMENTS:

37 1. IS A CHARITABLE ORGANIZATION THAT IS QUALIFIED UNDER SECTION  
38 501(c)(3) OF THE UNITED STATES INTERNAL REVENUE CODE FOR FEDERAL INCOME  
39 TAX PURPOSES.

40 2. PROVIDES ENTREPRENEURIAL EDUCATION, MENTORING AND SUPPORT TO  
41 PERSONS IN THE HEALTH INNOVATION AND HEALTH CARE DELIVERY SECTORS IN THIS  
42 STATE.

43 3. PROVIDES WORKFORCE DEVELOPMENT PROGRAMS DESIGNED TO SUPPORT THE  
44 TALENT REQUIREMENTS OF EMPLOYERS IN THE HEALTH INNOVATION AND HEALTH CARE  
45 DELIVERY SECTORS IN THIS STATE.

1 4. PROVIDES PROGRAMS THAT SUPPORT THE DEVELOPMENT AND  
2 COMMERCIALIZATION OF HEALTH INNOVATION BY BUSINESSES THAT ARE BASED IN  
3 THIS STATE AND THAT EMPLOY NOT MORE THAN ONE HUNDRED EMPLOYEES.

4 5. HAS ENTERED INTO AN ENDOWMENT AGREEMENT WITH THE STATE TREASURER  
5 THAT INCLUDES INVESTMENT PROCEDURES, MATURITY TIMELINES AND OTHER  
6 REQUIREMENTS ESTABLISHED BY THE STATE TREASURER AND ENTITY REPORTING  
7 REQUIREMENTS, WHICH MUST INCLUDE HOW DISTRIBUTIONS FROM THE TRUST FUND ARE  
8 USED AND THE SOCIAL AND ECONOMIC IMPACT OF THE USE.

9 F. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE ENTITY SHALL SUBMIT  
10 THE REPORT AS PRESCRIBED BY THE TREASURER TO THE GOVERNOR, THE PRESIDENT  
11 OF THE SENATE, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES AND THE STATE  
12 TREASURER AND SHALL PROVIDE A COPY OF THIS REPORT TO THE SECRETARY OF  
13 STATE.

14 Sec. 5. Title 41, chapter 4, article 1, Arizona Revised Statutes,  
15 is amended by adding section 41-703.01, to read:

16 41-703.01. Competitive grant program; technology solution;  
17 patient continuity of care; hospital  
18 interconnectivity; annual report; definitions

19 A. THE DEPARTMENT SHALL ADMINISTER A THREE-YEAR COMPETITIVE GRANT  
20 PROGRAM THAT PROVIDES AN INTEROPERABILITY SOFTWARE TECHNOLOGY SOLUTION TO  
21 SUPPORT RURAL HOSPITALS, HEALTH CARE PROVIDERS AND URBAN TRAUMA CENTERS TO  
22 FURTHER TREATMENT CARE COORDINATION WITH A FOCUS ON REDUCING PUBLIC AND  
23 PRIVATE HEALTH CARE COSTS AND UNNECESSARY TRANSPORTATION COSTS. THE  
24 DEPARTMENT SHALL AWARD THE FIRST GRANT UNDER THIS PROGRAM NOT LATER THAN  
25 DECEMBER 31, 2022.

26 B. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM SHALL WORK WITH  
27 THE DEPARTMENT TO SUPPLEMENT THE GRANT MONIES BY IDENTIFYING AND APPLYING  
28 TO RECEIVE FEDERAL MATCHING MONIES.

29 C. THE GRANT PROGRAM SHALL ENABLE THE IMPLEMENTATION OF AN  
30 INTEROPERABILITY SOFTWARE TECHNOLOGY SOLUTION THAT IS SHARED BY HOSPITALS  
31 AND HEALTH CARE PROVIDERS TO BENEFIT PATIENTS BEFORE AND AFTER A PATIENT  
32 IS DISCHARGED FROM THE PROVIDER'S CARE.

33 D. THE SOFTWARE SHALL BE MADE AVAILABLE TO RURAL HOSPITALS, HEALTH  
34 CARE PROVIDERS AND URBAN TRAUMA CENTERS THAT WISH TO PARTICIPATE BY  
35 ENABLING A HOSPITAL'S ELECTRONIC MEDICAL RECORDS SYSTEM TO INTERFACE WITH  
36 OTHER ELECTRONIC MEDICAL RECORDS SYSTEMS AND PROVIDERS TO PROMOTE  
37 CONNECTIVITY BETWEEN HOSPITAL SYSTEMS AND FACILITATE INCREASED  
38 COMMUNICATION BETWEEN HOSPITAL STAFF AND PROVIDERS THAT USE DIFFERENT OR  
39 DISTINCTIVE ONLINE PLATFORMS AND INFORMATION SYSTEMS WHEN TREATING  
40 PATIENTS. THE DEPARTMENT SHALL AWARD GRANTS FOR AN INTEROPERABILITY  
41 SOFTWARE TECHNOLOGY SOLUTION THAT, AT A MINIMUM:

42 1. COMPLIES WITH THE HEALTH INSURANCE PORTABILITY AND  
43 ACCOUNTABILITY ACT PRIVACY STANDARDS (45 CODE OF FEDERAL REGULATIONS PART  
44 160 AND PART 164, SUBPART E).

1           2. CAPTURES AND FORWARDS CLINICAL DATA, INCLUDING LABORATORY  
2 RESULTS AND IMAGES, AND PROVIDES SYNCHRONOUS PATIENT CLINICAL DATA TO  
3 HEALTH CARE PROVIDERS REGARDLESS OF GEOGRAPHIC LOCATION.

4           3. PROVIDES A SYNCHRONOUS DATA EXCHANGE THAT IS NOT BATCHED OR  
5 DELAYED, AT THE POINT THE CLINICAL DATA IS CAPTURED AND AVAILABLE IN THE  
6 HOSPITAL'S ELECTRONIC RECORD SYSTEM.

7           4. IS CAPABLE OF PROVIDING PROACTIVE ALERTS TO HEALTH CARE  
8 PROVIDERS.

9           5. ALLOWS BOTH SYNCHRONOUS AND ASYNCHRONOUS COMMUNICATION.

10          6. HAS PATIENT-CENTRIC COMMUNICATION AND IS TRACKED WITH DATE AND  
11 TIME STAMPING.

12          7. IS CONNECTED TO THE APPROPRIATE PHYSICIAN RESOURCES.

13          8. PROVIDES DATA TO UPDATE COST REPORTS TO ENHANCE EMERGENCY TRIAGE  
14 AND TO TREAT AND TRANSPORT PATIENTS.

15          E. EACH GRANT RECIPIENT SHALL DEMONSTRATE PROOF OF VETERAN  
16 EMPLOYMENT.

17          F. FOR EACH YEAR OF THE GRANT PROGRAM, EACH GRANT RECIPIENT SHALL  
18 PROVIDE TO THE DEPARTMENT OF ADMINISTRATION A REPORT THAT PROVIDES METRICS  
19 AND QUANTIFIES COST AND TIME SAVINGS FOR USING AN INTEROPERABLE SOFTWARE  
20 SOLUTION IN HEALTH CARE THAT COMPLIES WITH THE HEALTH INSURANCE  
21 PORTABILITY AND ACCOUNTABILITY ACT PRIVACY STANDARDS (45 CODE OF FEDERAL  
22 REGULATIONS PART 160 AND PART 164, SUBPART E). ON OR BEFORE JULY 1 OF  
23 EACH FISCAL YEAR OF THE GRANT PROGRAM, THE DEPARTMENT OF ADMINISTRATION IN  
24 COORDINATION WITH THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM SHALL  
25 PROVIDE TO THE PRESIDENT OF THE SENATE, THE SPEAKER OF THE HOUSE OF  
26 REPRESENTATIVES, THE CHAIRPERSONS OF THE HEALTH AND HUMAN SERVICES  
27 COMMITTEES OF THE SENATE AND THE HOUSE OF REPRESENTATIVES AND THE  
28 DIRECTORS OF THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S  
29 OFFICE OF STRATEGIC PLANNING AND BUDGETING A REPORT ON THE ALLOCATION OF  
30 GRANT FUNDING AND A COMPILES ANALYSIS OF THE REPORTS PROVIDED BY THE GRANT  
31 RECIPIENTS.

32          G. FOR THE PURPOSES OF THIS SECTION:

33           1. "RURAL" MEAN A COUNTY WITH A POPULATION OF LESS THAN NINE  
34 HUNDRED THOUSAND PERSONS.

35           2. "VETERAN EMPLOYMENT" MEANS A BUSINESS ORGANIZATION THAT EMPLOYS  
36 AN INDIVIDUAL OR HAS A COMPANY OFFICER WHO SERVED AND WHO WAS HONORABLY  
37 DISCHARGED FROM OR RELEASED UNDER HONORABLE CONDITIONS FROM SERVICE IN THE  
38 ARMED FORCES.

39          Sec. 6. Delayed repeal

40          Section 41-703.01, Arizona Revised Statutes, as added by this act,  
41 is repealed from and after June 30, 2026.

1 Sec. 7. Laws 2020, chapter 54, section 2 is amended to read:

2 Sec. 2. AHCCCS; disproportionate share payments; fiscal year  
3 2020-2021

4 A. Disproportionate share payments for fiscal year 2020-2021 made  
5 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
6 include:

7 1. \$113,818,500 for a qualifying nonstate operated public hospital.  
8 The Maricopa county special health care district shall provide a certified  
9 public expense form for the amount of qualifying disproportionate share  
10 hospital expenditures made on behalf of this state to the Arizona health  
11 care cost containment system administration on or before May 1, 2021 for  
12 all state plan years as required by the Arizona health care cost  
13 containment system ~~section 1115 waiver standard terms and conditions~~ STATE  
14 PLAN. The administration shall assist the district in determining the  
15 amount of qualifying disproportionate share hospital expenditures. Once  
16 the administration files a claim with the federal government and receives  
17 federal financial participation based on the amount certified by the  
18 Maricopa county special health care district, if the certification is  
19 equal to or less than \$113,818,500 and the administration determines that  
20 the revised amount is correct pursuant to the methodology used by the  
21 administration pursuant to section 36-2903.01, Arizona Revised Statutes,  
22 the administration shall notify the governor, the president of the senate  
23 and the speaker of the house of representatives, shall distribute  
24 \$4,202,300 to the Maricopa county special health care district and shall  
25 deposit the balance of the federal financial participation in the state  
26 general fund. If the certification provided is for an amount less than  
27 \$113,818,500 and the administration determines that the revised amount is  
28 not correct pursuant to the methodology used by the administration  
29 pursuant to section 36-2903.01, Arizona Revised Statutes, the  
30 administration shall notify the governor, the president of the senate and  
31 the speaker of the house of representatives and shall deposit the total  
32 amount of the federal financial participation in the state general fund.  
33 If the certification provided is for an amount greater than \$113,818,500,  
34 the administration shall distribute \$4,202,300 to the Maricopa county  
35 special health care district and shall deposit \$75,812,100 of the federal  
36 financial participation in the state general fund. The administration may  
37 make additional disproportionate share hospital payments to the Maricopa  
38 county special health care district pursuant to section 36-2903.01,  
39 subsection P, Arizona Revised Statutes, and subsection B of this section.

40 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
41 hospital shall provide a certified public expense form for the amount of  
42 qualifying disproportionate share hospital expenditures made on behalf of  
43 this state to the administration on or before March 31, 2021. The  
44 administration shall assist the Arizona state hospital in determining the  
45 amount of qualifying disproportionate share hospital expenditures. Once

1 the administration files a claim with the federal government and receives  
2 federal financial participation based on the amount certified by the  
3 Arizona state hospital, the administration shall deposit the entire amount  
4 of federal financial participation in the state general fund. If the  
5 certification provided is for an amount less than \$28,474,900, the  
6 administration shall notify the governor, the president of the senate and  
7 the speaker of the house of representatives and shall deposit the entire  
8 amount of federal financial participation in the state general fund. The  
9 certified public expense form provided by the Arizona state hospital must  
10 contain both the total amount of qualifying disproportionate share  
11 hospital expenditures and the amount limited by section 1923(g) of the  
12 social security act.

13 3. \$884,800 for private qualifying disproportionate share  
14 hospitals. The Arizona health care cost containment system administration  
15 shall make payments to hospitals consistent with this appropriation and  
16 the terms of the ~~section 1115 waiver~~ STATE PLAN, but payments are limited  
17 to those hospitals that either:

18 (a) Meet the mandatory definition of disproportionate share  
19 qualifying hospitals under section 1923 of the social security act.

20 (b) Are located in Yuma county and contain at least three hundred  
21 beds.

22 B. After the distributions made pursuant to subsection A of this  
23 section, the allocations of disproportionate share hospital payments made  
24 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
25 shall be made available ~~first~~ IN THE FOLLOWING ORDER to qualifying private  
26 hospitals ~~located outside the Phoenix metropolitan statistical area and~~  
27 ~~the Tucson metropolitan statistical area before being made available to~~  
28 ~~qualifying hospitals within the Phoenix metropolitan statistical area and~~  
29 ~~the Tucson metropolitan statistical area.~~ THAT ARE:

30 1. LOCATED IN A COUNTY WITH A POPULATION OF FEWER THAN FOUR HUNDRED  
31 THOUSAND PERSONS.

32 2. LOCATED IN A COUNTY WITH A POPULATION OF AT LEAST FOUR HUNDRED  
33 THOUSAND PERSONS BUT FEWER THAN NINE HUNDRED THOUSAND PERSONS.

34 3. LOCATED IN A COUNTY WITH A POPULATION OF AT LEAST NINE HUNDRED  
35 THOUSAND PERSONS.

36 Sec. 8. Laws 2021, chapter 390, section 33 is amended to read:

37 Sec. 33. Delayed repeal

38 Title 31, chapter 4, Arizona Revised Statutes, is repealed from and  
39 after ~~June 30, 2023~~ DECEMBER 31, 2022.

40 Sec. 9. Laws 2021, chapter 390, section 37 is amended to read:

41 Sec. 37. Delayed repeal

42 Section 36-220, Arizona Revised Statutes, ~~as added by this act,~~ is  
43 repealed from and after ~~June 30, 2023~~ DECEMBER 31, 2022.

1           Sec. 10. Laws 2021, chapter 390, section 39 is amended to read:  
2           Sec. 39. Delayed repeal  
3           Section ~~41-3028.11~~, Arizona Revised Statutes, is repealed from and  
4 after ~~June 30, 2023~~ DECEMBER 31, 2022.  
5           Sec. 11. Laws 2021, chapter 390, section 42 is amended to read:  
6           Sec. 42. Transfer of jurisdiction of psychiatric security  
7                                   review board powers and duties  
8           A. Beginning from and after ~~June 30, 2023~~ DECEMBER 31, 2022, the  
9 superior court shall have exclusive supervisory jurisdiction over all  
10 persons who are under the supervision of the psychiatric security review  
11 board on ~~July~~ JANUARY 1, 2023.  
12           B. The superior court is vested with the powers and duties of the  
13 psychiatric security review board as they existed before ~~July~~ JANUARY 1,  
14 2023 to carry out the provisions of title 13, chapter 38, article 14.  
15           Sec. 12. Laws 2021, chapter 390, section 43 is amended to read:  
16           Sec. 43. Effective date  
17           The following sections are effective from and after ~~June 30, 2023~~  
18 DECEMBER 31, 2022:  
19           1. Section 12-820.02, Arizona Revised Statutes, as amended by ~~this~~  
20 ~~act~~ LAWS 2021, CHAPTER 390.  
21           2. Section 13-502, Arizona Revised Statutes, as amended by ~~section~~  
22 ~~5 of this act~~ LAWS 2021, CHAPTER 390.  
23           3. Section 13-3991, Arizona Revised Statutes, as amended by ~~section~~  
24 ~~10 of this act~~ LAWS 2021, CHAPTER 390.  
25           4. Section 13-3992, Arizona Revised Statutes, as amended by ~~section~~  
26 ~~12 of this act~~ LAWS 2021, CHAPTER 390.  
27           5. Section 13-3994, Arizona Revised Statutes, as amended by ~~section~~  
28 ~~15 of this act~~ LAWS 2021, CHAPTER 390.  
29           6. Section 13-3995, Arizona Revised Statutes, as amended by ~~section~~  
30 ~~17 of this act~~ LAWS 2021, CHAPTER 390.  
31           7. Section 13-3996, Arizona Revised Statutes, as amended by ~~section~~  
32 ~~19 of this act~~ LAWS 2021, CHAPTER 390.  
33           8. Section 13-3997, Arizona Revised Statutes, as amended by ~~section~~  
34 ~~21 of this act~~ LAWS 2021, CHAPTER 390.  
35           9. Section 13-3998, Arizona Revised Statutes, as amended by ~~section~~  
36 ~~23 of this act~~ LAWS 2021, CHAPTER 390.  
37           10. Section 13-3999, Arizona Revised Statutes, as amended by  
38 ~~section 25 of this act~~ LAWS 2021, CHAPTER 390.  
39           11. Section 13-4000, Arizona Revised Statutes, as amended by  
40 ~~section 27 of this act~~ LAWS 2021, CHAPTER 390.

1 Sec. 13. Laws 2021, chapter 409, section 23 is amended to read:

2 Sec. 23. AHCCCS; disproportionate share payments; fiscal year  
3 2021-2022

4 A. Disproportionate share payments for fiscal year 2021-2022 made  
5 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
6 include:

7 1. \$113,818,500 for a qualifying nonstate operated public hospital.  
8 The Maricopa county special health care district shall provide a certified  
9 public expense form for the amount of qualifying disproportionate share  
10 hospital expenditures made on behalf of this state to the Arizona health  
11 care cost containment system administration on or before May 1, 2022 for  
12 all state plan years as required by the Arizona health care cost  
13 containment system state plan ~~standard terms and conditions~~. The  
14 administration shall assist the district in determining the amount of  
15 qualifying disproportionate share hospital expenditures. Once the  
16 administration files a claim with the federal government and receives  
17 federal financial participation based on the amount certified by the  
18 Maricopa county special health care district, if the certification is  
19 equal to or less than \$113,818,500 and the administration determines that  
20 the revised amount is correct pursuant to the methodology used by the  
21 administration pursuant to section 36-2903.01, Arizona Revised Statutes,  
22 the administration shall notify the governor, the president of the senate  
23 and the speaker of the house of representatives, shall distribute  
24 \$4,202,300 to the Maricopa county special health care district and shall  
25 deposit the balance of the federal financial participation in the state  
26 general fund. If the certification provided is for an amount less than  
27 \$113,818,500 and the administration determines that the revised amount is  
28 not correct pursuant to the methodology used by the administration  
29 pursuant to section 36-2903.01, Arizona Revised Statutes, the  
30 administration shall notify the governor, the president of the senate and  
31 the speaker of the house of representatives and shall deposit the total  
32 amount of the federal financial participation in the state general fund.  
33 If the certification provided is for an amount greater than \$113,818,500,  
34 the administration shall distribute \$4,202,300 to the Maricopa county  
35 special health care district and shall deposit \$75,482,000 of the federal  
36 financial participation in the state general fund. The administration may  
37 make additional disproportionate share hospital payments to the Maricopa  
38 county special health care district pursuant to section 36-2903.01,  
39 subsection P, Arizona Revised Statutes, and subsection B of this section.

40 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
41 hospital shall provide a certified public expense form for the amount of  
42 qualifying disproportionate share hospital expenditures made on behalf of  
43 this state to the administration on or before March 31, 2022. The  
44 administration shall assist the Arizona state hospital in determining the  
45 amount of qualifying disproportionate share hospital expenditures. Once



1 the administration files a claim with the federal government and receives  
2 federal financial participation based on the amount certified by the  
3 Arizona state hospital, the administration shall deposit the entire amount  
4 of federal financial participation in the state general fund. If the  
5 certification provided is for an amount less than \$28,474,900, the  
6 administration shall notify the governor, the president of the senate and  
7 the speaker of the house of representatives and shall deposit the entire  
8 amount of federal financial participation in the state general fund. The  
9 certified public expense form provided by the Arizona state hospital must  
10 contain both the total amount of qualifying disproportionate share  
11 hospital expenditures and the amount limited by section 1923(g) of the  
12 social security act.

13 3. \$884,800 for private qualifying disproportionate share  
14 hospitals. The Arizona health care cost containment system administration  
15 shall make payments to hospitals consistent with this appropriation and  
16 the terms of the state plan, but payments are limited to those hospitals  
17 that either:

18 (a) Meet the mandatory definition of disproportionate share  
19 qualifying hospitals under section 1923 of the social security act.

20 (b) Are located in Yuma county and contain at least three hundred  
21 beds.

22 B. After the distributions made pursuant to subsection A of this  
23 section, the allocations of disproportionate share hospital payments made  
24 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
25 shall be made available ~~located outside the Phoenix metropolitan statistical area and~~  
26 ~~the Tucson metropolitan statistical area before being made available to~~  
27 ~~qualifying hospitals within the Phoenix metropolitan statistical area and~~  
28 ~~the Tucson metropolitan statistical area.~~ THAT ARE:

29 1. LOCATED IN A COUNTY WITH A POPULATION OF FEWER THAN FOUR HUNDRED  
30 THOUSAND PERSONS.

31 2. LOCATED IN A COUNTY WITH A POPULATION OF AT LEAST FOUR HUNDRED  
32 THOUSAND PERSONS BUT FEWER THAN NINE HUNDRED THOUSAND PERSONS.

33 3. LOCATED IN A COUNTY WITH A POPULATION OF AT LEAST NINE HUNDRED  
34 THOUSAND PERSONS.

35 Sec. 14. ALTCS: county contributions: fiscal year 2022-2023

36 A. Notwithstanding section 11-292, Arizona Revised Statutes, county  
37 contributions for the Arizona long-term care system for fiscal year  
38 2022-2023 are as follows:

39	1. Apache	\$ 860,500
40	2. Cochise	\$ 6,320,300
41	3. Coconino	\$ 2,583,200
42	4. Gila	\$ 2,855,600
43	5. Graham	\$ 1,258,800
44	6. Greenlee	\$ 0
45		

1	7. La Paz	\$ 653,700
2	8. Maricopa	\$229,265,800
3	9. Mohave	\$ 10,473,800
4	10. Navajo	\$ 3,561,400
5	11. Pima	\$ 54,350,500
6	12. Pinal	\$ 17,427,100
7	13. Santa Cruz	\$ 2,775,000
8	14. Yavapai	\$ 9,429,000
9	15. Yuma	\$ 10,883,000

10 B. If the overall cost for the Arizona long-term care system  
 11 exceeds the amount specified in the general appropriations act for fiscal  
 12 year 2022-2023, the state treasurer shall collect from the counties the  
 13 difference between the amount specified in subsection A of this section  
 14 and the counties' share of the state's actual contribution. The counties'  
 15 share of the state's contribution must comply with any federal maintenance  
 16 of effort requirements. The director of the Arizona health care cost  
 17 containment system administration shall notify the state treasurer of the  
 18 counties' share of the state's contribution and report the amount to the  
 19 director of the joint legislative budget committee. The state treasurer  
 20 shall withhold from any other monies payable to a county from whatever  
 21 state funding source is available an amount necessary to fulfill that  
 22 county's requirement specified in this subsection. The state treasurer  
 23 may not withhold distributions from the Arizona highway user revenue fund  
 24 pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.  
 25 The state treasurer shall deposit the amounts withheld pursuant to this  
 26 subsection and amounts paid pursuant to subsection A of this section in  
 27 the long-term care system fund established by section 36-2913, Arizona  
 28 Revised Statutes.

29 Sec. 15. AHCCCS; disproportionate share payments; fiscal year  
 30 2022-2023

31 A. Disproportionate share payments for fiscal year 2022-2023 made  
 32 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
 33 include:

34 1. \$113,818,500 for a qualifying nonstate operated public hospital.  
 35 The Maricopa county special health care district shall provide a certified  
 36 public expense form for the amount of qualifying disproportionate share  
 37 hospital expenditures made on behalf of this state to the Arizona health  
 38 care cost containment system administration on or before May 1, 2023 for  
 39 all state plan years as required by the Arizona health care cost  
 40 containment system state plan. The administration shall assist the  
 41 district in determining the amount of qualifying disproportionate share  
 42 hospital expenditures. Once the administration files a claim with the  
 43 federal government and receives federal financial participation based on  
 44 the amount certified by the Maricopa county special health care district,  
 45 if the certification is equal to or less than \$113,818,500 and the

1 administration determines that the revised amount is correct pursuant to  
 2 the methodology used by the administration pursuant to section 36-2903.01,  
 3 Arizona Revised Statutes, the administration shall notify the governor,  
 4 the president of the senate and the speaker of the house of  
 5 representatives, shall distribute \$4,202,300 to the Maricopa county  
 6 special health care district and shall deposit the balance of the federal  
 7 financial participation in the state general fund. If the certification  
 8 provided is for an amount less than \$113,818,500 and the administration  
 9 determines that the revised amount is not correct pursuant to the  
 10 methodology used by the administration pursuant to section 36-2903.01,  
 11 Arizona Revised Statutes, the administration shall notify the governor,  
 12 the president of the senate and the speaker of the house of  
 13 representatives and shall deposit the total amount of the federal  
 14 financial participation in the state general fund. If the certification  
 15 provided is for an amount greater than \$113,818,500, the administration  
 16 shall distribute \$4,202,300 to the Maricopa county special health care  
 17 district and shall deposit \$74,696,800 of the federal financial  
 18 participation in the state general fund. The administration may make  
 19 additional disproportionate share hospital payments to the Maricopa county  
 20 special health care district pursuant to section 36-2903.01, subsection P,  
 21 Arizona Revised Statutes, and subsection B of this section.

22 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
 23 hospital shall provide a certified public expense form for the amount of  
 24 qualifying disproportionate share hospital expenditures made on behalf of  
 25 this state to the administration on or before March 31, 2023. The  
 26 administration shall assist the Arizona state hospital in determining the  
 27 amount of qualifying disproportionate share hospital expenditures. Once  
 28 the administration files a claim with the federal government and receives  
 29 federal financial participation based on the amount certified by the  
 30 Arizona state hospital, the administration shall deposit the entire amount  
 31 of federal financial participation in the state general fund. If the  
 32 certification provided is for an amount less than \$28,474,900, the  
 33 administration shall notify the governor, the president of the senate and  
 34 the speaker of the house of representatives and shall deposit the entire  
 35 amount of federal financial participation in the state general fund. The  
 36 certified public expense form provided by the Arizona state hospital must  
 37 contain both the total amount of qualifying disproportionate share  
 38 hospital expenditures and the amount limited by section 1923(g) of the  
 39 social security act.

40 3. \$884,800 for private qualifying disproportionate share  
 41 hospitals. The Arizona health care cost containment system administration  
 42 shall make payments to hospitals consistent with this appropriation and  
 43 the terms of the state plan, but payments are limited to those hospitals  
 44 that either:

1 (a) Meet the mandatory definition of disproportionate share  
2 qualifying hospitals under section 1923 of the social security act.

3 (b) Are located in Yuma county and contain at least three hundred  
4 beds.

5 B. After the distributions made pursuant to subsection A of this  
6 section, the allocations of disproportionate share hospital payments made  
7 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
8 shall be made available in the following order to qualifying private  
9 hospitals that are:

10 1. Located in a county with a population of fewer than four hundred  
11 thousand persons.

12 2. Located in a county with a population of at least four hundred  
13 thousand persons but fewer than nine hundred thousand persons.

14 3. Located in a county with a population of at least nine hundred  
15 thousand persons.

16 Sec. 16. AHCCCS transfer; counties; federal monies; fiscal  
17 year 2022-2023

18 On or before December 31, 2023, notwithstanding any other law, for  
19 fiscal year 2022-2023 the Arizona health care cost containment system  
20 administration shall transfer to the counties the portion, if any, as may  
21 be necessary to comply with section 10201(c)(6) of the patient protection  
22 and affordable care act (P.L. 111-148), regarding the counties'  
23 proportional share of this state's contribution.

24 Sec. 17. County acute care contributions; fiscal year  
25 2022-2023; intent

26 A. Notwithstanding section 11-292, Arizona Revised Statutes, for  
27 fiscal year 2022-2023 for the provision of hospitalization and medical  
28 care, the counties shall contribute the following amounts:

29	1. Apache	\$ 268,800
30	2. Cochise	\$ 2,214,800
31	3. Coconino	\$ 742,900
32	4. Gila	\$ 1,413,200
33	5. Graham	\$ 536,200
34	6. Greenlee	\$ 190,700
35	7. La Paz	\$ 212,100
36	8. Maricopa	\$16,887,200
37	9. Mohave	\$ 1,237,700
38	10. Navajo	\$ 310,800
39	11. Pima	\$14,951,800
40	12. Pinal	\$ 2,715,600
41	13. Santa Cruz	\$ 482,800
42	14. Yavapai	\$ 1,427,800
43	15. Yuma	\$ 1,325,100

1           B. If a county does not provide funding as specified in subsection  
2 A of this section, the state treasurer shall subtract the amount owed by  
3 the county to the Arizona health care cost containment system fund and the  
4 long-term care system fund established by section 36-2913, Arizona Revised  
5 Statutes, from any payments required to be made by the state treasurer to  
6 that county pursuant to section 42-5029, subsection D, paragraph 2,  
7 Arizona Revised Statutes, plus interest on that amount pursuant to section  
8 44-1201, Arizona Revised Statutes, retroactive to the first day the  
9 funding was due. If the monies the state treasurer withholds are  
10 insufficient to meet that county's funding requirements as specified in  
11 subsection A of this section, the state treasurer shall withhold from any  
12 other monies payable to that county from whatever state funding source is  
13 available an amount necessary to fulfill that county's requirement. The  
14 state treasurer may not withhold distributions from the Arizona highway  
15 user revenue fund pursuant to title 28, chapter 18, article 2, Arizona  
16 Revised Statutes.

17           C. Payment of an amount equal to one-twelfth of the total amount  
18 determined pursuant to subsection A of this section shall be made to the  
19 state treasurer on or before the fifth day of each month. On request from  
20 the director of the Arizona health care cost containment system  
21 administration, the state treasurer shall require that up to three months'  
22 payments be made in advance, if necessary.

23           D. The state treasurer shall deposit the amounts paid pursuant to  
24 subsection C of this section and amounts withheld pursuant to subsection B  
25 of this section in the Arizona health care cost containment system fund  
26 and the long-term care system fund established by section 36-2913, Arizona  
27 Revised Statutes.

28           E. If payments made pursuant to subsection C of this section exceed  
29 the amount required to meet the costs incurred by the Arizona health care  
30 cost containment system for the hospitalization and medical care of those  
31 persons defined as an eligible person pursuant to section 36-2901,  
32 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, as  
33 amended by this act, the director of the Arizona health care cost  
34 containment system administration may instruct the state treasurer either  
35 to reduce remaining payments to be paid pursuant to this section by a  
36 specified amount or to provide to the counties specified amounts from the  
37 Arizona health care cost containment system fund and the long-term care  
38 system fund established by section 36-2913, Arizona Revised Statutes.

39           F. The legislature intends that the Maricopa county contribution  
40 pursuant to subsection A of this section be reduced in each subsequent  
41 year according to the changes in the GDP price deflator. For the purposes  
42 of this subsection, "GDP price deflator" has the same meaning prescribed  
43 in section 41-563, Arizona Revised Statutes.



1 commitment and the number of students who have reimbursed the university  
2 to the department of health services. On or before October 1 of each  
3 year, the department of health services shall compile the information and  
4 transmit a report to the joint legislative budget committee and the  
5 governor's office of strategic planning and budgeting that includes the  
6 total funding distributions by each university.

7 D. This section is repealed from and after December 31, 2030.

8 Sec. 19. Proposition 204 administration; exclusion; county  
9 expenditure limitations

10 County contributions for the administrative costs of implementing  
11 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are  
12 made pursuant to section 11-292, subsection 0, Arizona Revised Statutes,  
13 are excluded from the county expenditure limitations.

14 Sec. 20. Competency restoration; exclusion; county  
15 expenditure limitations

16 County contributions made pursuant to section 13-4512, Arizona  
17 Revised Statutes, are excluded from the county expenditure limitations.

18 Sec. 21. AHCCCS; risk contingency rate setting

19 Notwithstanding any other law, for the contract year beginning  
20 October 1, 2022 and ending September 30, 2023, the Arizona health care  
21 cost containment system administration may continue the risk contingency  
22 rate setting for all managed care organizations and the funding for all  
23 managed care organizations administrative funding levels that were imposed  
24 for the contract year beginning October 1, 2010 and ending  
25 September 30, 2011.

26 Sec. 22. Health services lottery monies fund; use; fiscal  
27 year 2022-2023

28 Notwithstanding sections 5-572 and 36-108.01, Arizona Revised  
29 Statutes, monies in the health services lottery monies fund established by  
30 section 36-108.01, Arizona Revised Statutes, may be used for the purposes  
31 specified in the fiscal year 2022-2023 general appropriations act.

32 Sec. 23. Arizona health care cost containment system  
33 administration; rulemaking exemption; hospital  
34 assessment

35 Notwithstanding any other law, for the purposes of implementing the  
36 hospital assessment pursuant to section 36-2999.72, Arizona Revised  
37 Statutes, the Arizona health care cost containment system administration  
38 is exempt from the rulemaking requirements in title 41, chapter 6, Arizona  
39 Revised Statutes, for one year after the effective date of this section,  
40 except that the administration must provide notice and an opportunity for  
41 public comment at least thirty days before establishing or implementing  
42 the administration of the hospital assessment.

