

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

CHAPTER 314
HOUSE BILL 2863

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

8 D. This section is repealed from and after December 31, 2030.

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

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

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

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

19 Sec. 21. AHCCCS; risk contingency rate setting

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

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

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

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

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

- 1 B. The director of the Arizona health care cost containment system
2 shall notify the director of the Arizona legislative council in writing on
3 or before July 1, 2023 either:
4 1. Of the date on which the condition was met.
5 2. That the condition was not met.

APPROVED BY THE GOVERNOR JUNE 28, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 28, 2022.