

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
First Regular Session  
2023

# HOUSE BILL 2574

AN ACT

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. ALTCS; county contributions; fiscal year 2023-2024

3 A. Notwithstanding section 11-292, Arizona Revised Statutes, county  
4 contributions for the Arizona long-term care system for fiscal year  
5 2023-2024 are as follows:

6	1. Apache	\$ 692,800
7	2. Cochise	\$ 6,587,900
8	3. Coconino	\$ 2,080,000
9	4. Gila	\$ 2,852,300
10	5. Graham	\$ 1,540,200
11	6. Greenlee	\$ 0
12	7. La Paz	\$ 682,700
13	8. Maricopa	\$240,195,400
14	9. Mohave	\$ 10,847,500
15	10. Navajo	\$ 2,867,700
16	11. Pima	\$ 56,396,600
17	12. Pinal	\$ 18,011,700
18	13. Santa Cruz	\$ 2,582,800
19	14. Yavapai	\$ 9,820,100
20	15. Yuma	\$ 11,047,700

21 B. If the overall cost for the Arizona long-term care system  
22 exceeds the amount specified in the general appropriations act for fiscal  
23 year 2023-2024, the state treasurer shall collect from the counties the  
24 difference between the amount specified in subsection A of this section  
25 and the counties' share of the state's actual contribution. The counties'  
26 share of the state's contribution must comply with any federal maintenance  
27 of effort requirements. The director of the Arizona health care cost  
28 containment system administration shall notify the state treasurer of the  
29 counties' share of the state's contribution and report the amount to the  
30 director of the joint legislative budget committee. The state treasurer  
31 shall withhold from any other monies payable to a county from whatever  
32 state funding source is available an amount necessary to fulfill that  
33 county's requirement specified in this subsection. The state treasurer  
34 may not withhold distributions from the Arizona highway user revenue fund  
35 pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.  
36 The state treasurer shall deposit the amounts withheld pursuant to this  
37 subsection and amounts paid pursuant to subsection A of this section in  
38 the long-term care system fund established by section 36-2913, Arizona  
39 Revised Statutes.

40 Sec. 2. AHCCCS; disproportionate share payments; fiscal year  
41 2023-2024

42 A. Disproportionate share payments for fiscal year 2023-2024 made  
43 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
44 include:

1           1. \$113,818,500 for a qualifying nonstate operated public hospital.  
2 The Maricopa county special health care district shall provide a certified  
3 public expense form for the amount of qualifying disproportionate share  
4 hospital expenditures made on behalf of this state to the Arizona health  
5 care cost containment system administration on or before May 1, 2024 for  
6 all state plan years as required by the Arizona health care cost  
7 containment system state plan. The administration shall assist the  
8 district in determining the amount of qualifying disproportionate share  
9 hospital expenditures. Once the administration files a claim with the  
10 federal government and receives federal financial participation based on  
11 the amount certified by the Maricopa county special health care district,  
12 if the certification is equal to or less than \$113,818,500 and the  
13 administration determines that the revised amount is correct pursuant to  
14 the methodology used by the administration pursuant to section 36-2903.01,  
15 Arizona Revised Statutes, the administration shall notify the governor,  
16 the president of the senate and the speaker of the house of  
17 representatives, shall distribute \$4,202,300 to the Maricopa county  
18 special health care district and shall deposit the balance of the federal  
19 financial participation in the state general fund. If the certification  
20 provided is for an amount less than \$113,818,500 and the administration  
21 determines that the revised amount is not correct pursuant to the  
22 methodology used by the administration pursuant to section 36-2903.01,  
23 Arizona Revised Statutes, the administration shall notify the governor,  
24 the president of the senate and the speaker of the house of  
25 representatives and shall deposit the total amount of the federal  
26 financial participation in the state general fund. If the certification  
27 provided is for an amount greater than \$113,818,500, the administration  
28 shall distribute \$4,202,300 to the Maricopa county special health care  
29 district and shall deposit \$71,248,000 of the federal financial  
30 participation in the state general fund. The administration may make  
31 additional disproportionate share hospital payments to the Maricopa county  
32 special health care district pursuant to section 36-2903.01, subsection P,  
33 Arizona Revised Statutes, and subsection B of this section.

34           2. \$28,474,900 for the Arizona state hospital. The Arizona state  
35 hospital shall provide a certified public expense form for the amount of  
36 qualifying disproportionate share hospital expenditures made on behalf of  
37 this state to the administration on or before March 31, 2024. The  
38 administration shall assist the Arizona state hospital in determining the  
39 amount of qualifying disproportionate share hospital expenditures. Once  
40 the administration files a claim with the federal government and receives  
41 federal financial participation based on the amount certified by the  
42 Arizona state hospital, the administration shall deposit the entire amount  
43 of federal financial participation in the state general fund. If the  
44 certification provided is for an amount less than \$28,474,900, the  
45 administration shall notify the governor, the president of the senate and

1 the speaker of the house of representatives and shall deposit the entire  
2 amount of federal financial participation in the state general fund. The  
3 certified public expense form provided by the Arizona state hospital must  
4 contain both the total amount of qualifying disproportionate share  
5 hospital expenditures and the amount limited by section 1923(g) of the  
6 social security act.

7 3. \$884,800 for private qualifying disproportionate share  
8 hospitals. The Arizona health care cost containment system administration  
9 shall make payments to hospitals consistent with this appropriation and  
10 the terms of the state plan, but payments are limited to those hospitals  
11 that either:

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

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

16 B. After the distributions made pursuant to subsection A of this  
17 section, the allocations of disproportionate share hospital payments made  
18 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
19 shall be made available in the following order to qualifying private  
20 hospitals that are:

21 1. Located in a county with a population of fewer than four hundred  
22 thousand persons.

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

25 3. Located in a county with a population of at least nine hundred  
26 thousand persons.

27 Sec. 3. AHCCCS transfer; counties; federal monies; fiscal  
28 year 2023-2024

29 On or before December 31, 2024, notwithstanding any other law, for  
30 fiscal year 2023-2024 the Arizona health care cost containment system  
31 administration shall transfer to the counties the portion, if any, as may  
32 be necessary to comply with section 10201(c)(6) of the patient protection  
33 and affordable care act (P.L. 111-148), regarding the counties'  
34 proportional share of this state's contribution.

35 Sec. 4. County acute care contributions; fiscal year  
36 2023-2024; intent

37 A. Notwithstanding section 11-292, Arizona Revised Statutes, for  
38 fiscal year 2023-2024 for the provision of hospitalization and medical  
39 care, the counties shall contribute the following amounts:

40	1. Apache	\$ 268,800
41	2. Cochise	\$ 2,214,800
42	3. Coconino	\$ 742,900
43	4. Gila	\$ 1,413,200
44	5. Graham	\$ 536,200
45	6. Greenlee	\$ 190,700

1	7. La Paz	\$ 212,100
2	8. Maricopa	\$15,703,400
3	9. Mohave	\$ 1,237,700
4	10. Navajo	\$ 310,800
5	11. Pima	\$14,951,800
6	12. Pinal	\$ 2,715,600
7	13. Santa Cruz	\$ 482,800
8	14. Yavapai	\$ 1,427,800
9	15. Yuma	\$ 1,325,100

10 B. If a county does not provide funding as specified in subsection  
11 A of this section, the state treasurer shall subtract the amount owed by  
12 the county to the Arizona health care cost containment system fund and the  
13 long-term care system fund established by section 36-2913, Arizona Revised  
14 Statutes, from any payments required to be made by the state treasurer to  
15 that county pursuant to section 42-5029, subsection D, paragraph 2,  
16 Arizona Revised Statutes, plus interest on that amount pursuant to section  
17 44-1201, Arizona Revised Statutes, retroactive to the first day the  
18 funding was due. If the monies the state treasurer withholds are  
19 insufficient to meet that county's funding requirements as specified in  
20 subsection A of this section, the state treasurer shall withhold from any  
21 other monies payable to that county from whatever state funding source is  
22 available an amount necessary to fulfill that county's requirement. The  
23 state treasurer may not withhold distributions from the Arizona highway  
24 user revenue fund pursuant to title 28, chapter 18, article 2, Arizona  
25 Revised Statutes.

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

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

37 E. If payments made pursuant to subsection C of this section exceed  
38 the amount required to meet the costs incurred by the Arizona health care  
39 cost containment system for the hospitalization and medical care of those  
40 persons defined as an eligible person pursuant to section 36-2901,  
41 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the  
42 director of the Arizona health care cost containment system administration  
43 may instruct the state treasurer either to reduce remaining payments to be  
44 paid pursuant to this section by a specified amount or to provide to the  
45 counties specified amounts from the Arizona health care cost containment

1 system fund and the long-term care system fund established by section  
2 36-2913, Arizona Revised Statutes.

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

8 Sec. 5. 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. 6. Competency restoration; exclusion; county expenditure  
15 limitations

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

18 Sec. 7. AHCCCS; risk contingency rate setting

19 Notwithstanding any other law, for the contract year beginning  
20 October 1, 2023 and ending September 30, 2024, 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. 8. Health services lottery monies fund; use; fiscal year  
27 2023-2024

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 2023-2024 general appropriations act.

32 Sec. 9. Legislative intent; implementation of program

33 The legislature intends that for fiscal year 2023-2024 the Arizona  
34 health care cost containment system administration implement a program  
35 within the available appropriation.