

REFERENCE TITLE: health care; 2023-2024.

State of Arizona
Senate
Fifty-sixth Legislature
First Regular Session
2023

SB 1527

Introduced by
Senators Kavanagh: Hoffman

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.