

House Engrossed

health care; 2024-2025

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2903

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; AMENDING LAWS 2023,  
CHAPTER 139, SECTION 4; 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. Section 11-292, Arizona Revised Statutes, is amended to  
3 read:

4 11-292. Medical care; definition

5 A. The board of supervisors, subject to the applicable provisions  
6 of title 42, chapter 17, articles 2 and 3, shall include in its annual  
7 budget an amount equal to fifty percent of the amount budgeted by the  
8 county board of supervisors or the amount expended, whichever is less, for  
9 the hospitalization and medical care of the indigent sick pursuant to this  
10 article for fiscal year 1980-1981, except for Yuma and La Paz counties.  
11 The contribution amounts of those counties shall be equal to the amount  
12 Yuma county would have made pursuant to this subsection if a division had  
13 not occurred apportioned between the counties. The office of the auditor  
14 general shall determine the amount Yuma county would otherwise have  
15 included if a division had not occurred and shall then determine the  
16 contribution amounts of Yuma and La Paz counties based on the  
17 proportionate share of the estimated population in these counties as of  
18 July 1, 1982.

19 B. For fiscal year 1994-1995, and for each fiscal year thereafter,  
20 the state treasurer shall withhold an amount sufficient to meet the county  
21 portion of the nonfederal costs of providing long-term care system  
22 services, pursuant to title 36, chapter 29, article 2, excluding services  
23 to persons with developmental disabilities, from monies otherwise payable  
24 to the county under section 42-5029, subsection D, paragraph 2. This  
25 amount and the state portion of the nonfederal costs shall be specified in  
26 the annual appropriation for the maintenance and operation of the Arizona  
27 health care cost containment system. For fiscal years 1994-1995,  
28 1995-1996 and 1996-1997, monies shall be withheld from each county based  
29 on the following percentages derived from a state auditor general's  
30 certified audit of fiscal year 1987-1988 county long-term care and home  
31 health care expenditures, except that amounts withheld shall be adjusted  
32 to reflect amounts paid by counties pursuant to section 36-2952:

|    |                 |        |
|----|-----------------|--------|
| 33 | 1. Apache:      | 0.22%  |
| 34 | 2. Cochise:     | 2.49%  |
| 35 | 3. Coconino:    | 0.66%  |
| 36 | 4. Gila:        | 2.56%  |
| 37 | 5. Graham:      | 0.64%  |
| 38 | 6. Greenlee:    | 0.34%  |
| 39 | 7. La Paz:      | 0.34%  |
| 40 | 8. Maricopa:    | 56.55% |
| 41 | 9. Mohave:      | 2.73%  |
| 42 | 10. Navajo:     | 0.91%  |
| 43 | 11. Pima:       | 20.55% |
| 44 | 12. Pinal:      | 5.09%  |
| 45 | 13. Santa Cruz: | 1.05%  |



1           4. After making all of the adjustments in this subsection, a  
2 statewide per capita county contribution shall be calculated by summing  
3 the contributions for all counties and then dividing the resulting total  
4 by the total state population. If an individual county's contribution  
5 when expressed as a per capita contribution exceeds the statewide per  
6 capita county contribution, the county's contribution shall be reduced so  
7 that the county's contribution equals the statewide per capita  
8 contribution, and the difference shall be paid by the state. For the  
9 purposes of this paragraph, "population" means the population estimate  
10 approved by the office of economic opportunity for the most recent fiscal  
11 year.

12           D. The director of the Arizona health care cost containment system  
13 administration shall notify each county of the amount determined pursuant  
14 to subsection A of this section to be included in its annual budget ~~no~~ NOT  
15 later than May 1 of each year.

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

29           F. Each month payment of an amount equal to one-twelfth of the  
30 total amount determined pursuant to subsection A of this section shall be  
31 made to the state treasurer. Payment of this amount shall be made to the  
32 state treasurer on or before the fifth day of each month. ~~upon~~ ON request  
33 from the director of the Arizona health care cost containment system  
34 administration, the state treasurer shall require that up to three months'  
35 payments be made in advance, if necessary.

36           G. The state treasurer shall deposit the amounts paid pursuant to  
37 subsection F of this section and amounts withheld pursuant to subsection E  
38 of this section in the Arizona health care cost containment system fund  
39 established by section 36-2913.

40           H. If payments made pursuant to subsection F of this section exceed  
41 the amount required to meet the costs incurred by the Arizona health care  
42 cost containment system for the hospitalization and medical care of a  
43 person who is defined as an eligible person pursuant to section 36-2901,  
44 paragraph 6, subdivision (a), the director of the Arizona health care cost

1 containment system administration may instruct the state treasurer TO  
2 either: ~~to~~

3 1. Reduce remaining payments to be paid pursuant to this section by  
4 a specified amount. ~~or to~~

5 2. Provide to the counties specified amounts from the Arizona  
6 health care cost containment system fund.

7 I. The amount of the county contribution to the Arizona health care  
8 cost containment system fund established by section 36-2913 shall not  
9 exceed thirty-three percent of the amount that the system administration  
10 expended in the county for fiscal year 1983-1984. For the purposes of  
11 this subsection, system administration expenditures in a county for fiscal  
12 year 1983-1984 are the total capitation and fee for service amounts paid  
13 by the system administration to providers in a county before February 1,  
14 1986 for services rendered during fiscal year 1983-1984 to persons  
15 eligible for the system.

16 J. The state treasurer shall deposit the monies withheld from the  
17 counties and contributed by the state pursuant to subsection B of this  
18 section in the long-term care system fund established by section 36-2913,  
19 in twelve equal monthly installments. The monthly installments shall be  
20 deposited in the fund by the state treasurer by the fourth working day of  
21 each month.

22 K. By July 1 or within sixty days after enactment of the annual  
23 appropriation for the maintenance and operation of the Arizona health care  
24 cost containment system, whichever is later, and after consulting with the  
25 joint legislative budget committee and the governor's office of strategic  
26 planning and budgeting, the state treasurer shall notify each county of  
27 the amount to be withheld pursuant to subsection B of this section.

28 L. If the monies deposited in the long-term care system fund  
29 pursuant to subsection J of this section are insufficient to meet the  
30 funding requirement as specified in the annual appropriation for the  
31 maintenance and operation of the Arizona health care cost containment  
32 system pursuant to subsection B of this section, the state treasurer shall  
33 withhold from any other monies payable to that county from any available  
34 state funding source, other than the highway user revenue fund, the amount  
35 required to fulfill fifty percent of the funding requirement and shall  
36 deposit the monies in the long-term care system fund. The state shall pay  
37 the remaining fifty percent of the funding requirement.

38 M. If any monies in the funds for the purpose of title 36, chapter  
39 29, article 2 remain unexpended at the end of the fiscal year, the  
40 director of the Arizona health care cost containment system administration  
41 shall ~~specify~~ REPORT to the state treasurer, THE JOINT LEGISLATIVE BUDGET  
42 COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON  
43 OR BEFORE DECEMBER 1 the amount to be withdrawn from the long-term care  
44 system fund. Of the amount ~~specified~~ REPORTED, the state treasurer shall  
45 distribute fifty percent to the counties pursuant to subsection B or C of

1 this section. The remaining fifty percent shall be distributed to ~~the~~  
2 THIS state. THE REPORT SHALL INCLUDE THE CALCULATIONS THE ADMINISTRATION  
3 USED TO COMPUTE THE TOTAL AMOUNT OF THE SURPLUS AND THE APPORTIONMENT OF  
4 THE SURPLUS BETWEEN EACH COUNTY AND THIS STATE.

5 N. The board of supervisors of a county that is a program  
6 contractor pursuant to section 36-2940 shall include in its annual budget,  
7 subject to title 42, chapter 17, articles 2 and 3, monies received from  
8 the Arizona health care cost containment system fund and long-term care  
9 system fund for the purposes of title 36, chapter 29, article 2.

10 O. Notwithstanding any law to the contrary, beginning in fiscal  
11 year 2005-2006 and in each fiscal year thereafter, the state treasurer  
12 shall withhold a total of ~~two million three hundred ninety-five thousand~~  
13 ~~four hundred dollars~~ \$2,395,400 for the county contribution for the  
14 administrative costs of implementing sections 36-2901.01 and 36-2901.04  
15 beginning with the second monthly distribution of transaction privilege  
16 tax revenues otherwise distributable after subtracting any amounts  
17 withheld for the county long-term care contribution. ~~Beginning in fiscal~~  
18 ~~year 2006-2007,~~ The state treasurer shall adjust the amount withheld  
19 according to the annual changes in the GDP price deflator and as  
20 calculated by the joint legislative budget committee staff. ~~Beginning in~~  
21 ~~fiscal year 2006-2007,~~ The joint legislative budget committee shall  
22 calculate an additional adjustment of the allocation required by this  
23 subsection based on changes in the population as reported by the office of  
24 economic opportunity. For the purposes of this subsection, "GDP price  
25 deflator" has the same meaning prescribed in section 41-563. Each  
26 county's annual contribution is as follows:

- 27 1. Apache, 3.296 percent.
- 28 2. Cochise, 6.148 percent.
- 29 3. Coconino, 6.065 percent.
- 30 4. Gila, 2.491 percent.
- 31 5. Graham, 1.7710 percent.
- 32 6. Greenlee, 0.455 percent.
- 33 7. La Paz, 0.9430 percent.
- 34 8. Mohave, 7.079 percent.
- 35 9. Navajo, 4.640 percent.
- 36 10. Pima, 42.168 percent.
- 37 11. Pinal, 8.251 percent.
- 38 12. Santa Cruz, 1.950 percent.
- 39 13. Yavapai, 7.794 percent.
- 40 14. Yuma, 6.949 percent.

41 P. The state treasurer shall deposit the amounts paid pursuant to  
42 subsection O of this section in the budget neutrality compliance fund  
43 established by section 36-2928.

1 Q. Beginning in fiscal year 2006-2007 for a county that is subject  
2 to section 12-269, the county's contributions pursuant to this section  
3 shall be reduced by the amount of state aid for probation services that  
4 the county would have received in the first fiscal year in which the  
5 county does not receive state aid for probation services. Any increase in  
6 the county's contributions in subsequent years shall be reduced according  
7 to its proportionate share of the base contribution. County contributions  
8 shall be reduced in the following priority:

9 1. First as applied to the contribution provided for in subsection  
10 0 of this section.

11 2. Second as applied to the contribution provided for in subsection  
12 A of this section or any other contribution for acute care or for the  
13 provision of hospitalization and medical care that would otherwise be  
14 required.

15 3. Third as applied to the contribution provided for in subsection  
16 C of this section.

17 R. Beginning in fiscal year 2007-2008 for a county that is subject  
18 to section 22-117, subsection D, the county's contributions pursuant to  
19 this section shall be reduced by the amount of the state reimbursement  
20 that the county would have received in fiscal year 2007-2008 for the  
21 salaries of justices of the peace pursuant to section 22-117,  
22 subsection B. Any increase in the county's contributions in subsequent  
23 years shall be reduced according to its proportionate share of the base  
24 contribution. County contributions shall be reduced in the following  
25 priority:

26 1. First as applied to the contribution provided for in subsection  
27 0 of this section.

28 2. Second as applied to the contribution provided for in subsection  
29 A of this section or any other contribution for acute care or for the  
30 provision of hospitalization and medical care that would otherwise be  
31 required.

32 S. For the purposes of this section, "net assessed value" includes  
33 the values used to determine voluntary contributions collected pursuant to  
34 title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

35 Sec. 2. Laws 2023, chapter 139, section 4 is amended to read:

36 Sec. 4. Department of health services; collaborative care  
37 uptake fund; exemption; technical assistance  
38 grants; delayed repeal; transfer of monies;  
39 definitions

40 A. The collaborative care uptake fund is established in the  
41 department. The fund consists of monies appropriated by the legislature.  
42 Monies in the fund are continuously appropriated **AND ARE EXEMPT FROM THE**  
43 **PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO**  
44 **LAPSING OF APPROPRIATIONS**. The department may not use more than three  
45 percent of the monies deposited in the fund to administer the fund.

1 B. The department shall use the collaborative care uptake fund  
2 monies ~~in fiscal year 2023-2024~~ to award grants to primary care physicians  
3 who are in a medical practice with not more than fifty employees to meet  
4 the initial costs of establishing and delivering behavioral health  
5 integration services through the collaborative care model and for  
6 technical assistance grants pursuant to subsection D of this section.

7 C. A primary care physician who receives a grant under this section  
8 may use the grant monies:

9 1. To hire staff.

10 2. To identify and formalize contractual relationships with other  
11 health care practitioners, including health care practitioners who will  
12 function as psychiatric consultants and behavioral health care managers in  
13 providing behavioral health integration services through the collaborative  
14 care model.

15 3. To purchase or upgrade software and other resources needed to  
16 appropriately provide behavioral health integration services through the  
17 collaborative care model, including resources needed to establish a  
18 patient registry and implement measurement-based care.

19 4. For any other purposes the department prescribes as necessary to  
20 support the collaborative care model.

21 D. The department shall solicit proposals from and enter into grant  
22 agreements ~~for fiscal year 2023-2024~~ with eligible collaborative care  
23 technical assistance center applicants to provide technical assistance to  
24 primary care physicians on providing behavioral health integration  
25 services through the collaborative care model. Each collaborative care  
26 technical assistance center applicant must provide in the grant  
27 application information on how the collaborative care technical assistance  
28 center will meet the assistance requirements prescribed in subsection E of  
29 this section in order to be eligible for a grant.

30 E. A collaborative care technical assistance center that receives a  
31 grant under subsection D of this section shall provide technical  
32 assistance to primary care physicians and shall assist the primary care  
33 physicians with the following:

34 1. Developing financial models and budgets for program launch and  
35 sustainability based on practice size.

36 2. Developing staffing models for essential staff roles, including  
37 care managers and consulting psychiatrists.

38 3. Providing information technology expertise to assist with  
39 building the model requirements into electronic health records, including  
40 assistance with care manager tools, patient registry, ongoing patient  
41 monitoring and patient records.

42 4. Providing training support for all key staff and operational  
43 consultation to develop practice workflows.



1 5. Establishing methods to ensure the sharing of best practices and  
2 operational knowledge among primary care physicians who provide behavioral  
3 health integration services through the collaborative care model.

4 6. For any other purposes the department prescribes as necessary to  
5 support the collaborative care model.

6 F. FROM AND AFTER JUNE 30, 2025, THIS SECTION IS REPEALED AND ANY  
7 UNEXPENDED AND UNENCUMBERED MONIES REMAINING IN THE COLLABORATIVE CARE  
8 UPTAKE FUND ESTABLISHED BY THIS SECTION ARE TRANSFERRED TO THE STATE  
9 GENERAL FUND.

10 ~~F.~~ G. For the purposes of this section:

11 1. "Collaborative care model" means the evidence-based, integrated  
12 behavioral health service delivery method that is described as the  
13 psychiatric collaborative care model in 81 Federal Register 80230, that  
14 includes a formal collaborative arrangement among a primary care team  
15 consisting of a primary care physician, a care manager and a psychiatric  
16 consultant and that includes the following elements:

17 (a) Care directed by the primary care team.

18 (b) Structured care management.

19 (c) Regular assessments of clinical status using developmentally  
20 appropriate, validated tools.

21 (d) Modification of treatment as appropriate.

22 2. "Collaborative care technical assistance center":

23 (a) Means a health care organization that can provide educational  
24 support and technical assistance related to the collaborative care model.

25 (b) Includes an academic medical center.

26 3. "Department" means the department of health services.

27 4. "Primary care physician" has the same meaning prescribed in  
28 section 36-2901, Arizona Revised Statutes.

29 Sec. 3. ALTCs; county contributions; fiscal year 2024-2025

30 A. Notwithstanding section 11-292, Arizona Revised Statutes, as  
31 amended by this act, county contributions for the Arizona long-term care  
32 system for fiscal year 2024-2025 are as follows:

|    |                |               |
|----|----------------|---------------|
| 33 | 1. Apache      | \$ 975,500    |
| 34 | 2. Cochise     | \$ 973,400    |
| 35 | 3. Coconino    | \$ 2,928,200  |
| 36 | 4. Gila        | \$ 3,161,900  |
| 37 | 5. Graham      | \$ 1,596,200  |
| 38 | 6. Greenlee    | \$ 43,400     |
| 39 | 7. La Paz      | \$ 990,200    |
| 40 | 8. Maricopa    | \$269,359,200 |
| 41 | 9. Mohave      | \$ 11,389,600 |
| 42 | 10. Navajo     | \$ 4,037,000  |
| 43 | 11. Pima       | \$ 62,975,600 |
| 44 | 12. Pinal      | \$ 16,370,500 |
| 45 | 13. Santa Cruz | \$ 2,880,000  |



1 provided is for an amount less than \$113,818,500 and the administration  
2 determines that the revised amount is not correct pursuant to the  
3 methodology used by the administration pursuant to section 36-2903.01,  
4 Arizona Revised Statutes, the administration shall notify the governor,  
5 the president of the senate and the speaker of the house of  
6 representatives and shall deposit the total amount of the federal  
7 financial participation in the state general fund. If the certification  
8 provided is for an amount greater than \$113,818,500, the administration  
9 shall distribute \$4,202,300 to the Maricopa county special health care  
10 district and shall deposit \$69,654,500 of the federal financial  
11 participation in the state general fund. The administration may make  
12 additional disproportionate share hospital payments to the Maricopa county  
13 special health care district pursuant to section 36-2903.01, subsection P,  
14 Arizona Revised Statutes, and subsection B of this section.

15 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
16 hospital shall provide a certified public expense form for the amount of  
17 qualifying disproportionate share hospital expenditures made on behalf of  
18 this state to the administration on or before March 31, 2025. The  
19 administration shall assist the Arizona state hospital in determining the  
20 amount of qualifying disproportionate share hospital expenditures. Once  
21 the administration files a claim with the federal government and receives  
22 federal financial participation based on the amount certified by the  
23 Arizona state hospital, the administration shall deposit the entire amount  
24 of federal financial participation in the state general fund. If the  
25 certification provided is for an amount less than \$28,474,900, the  
26 administration shall notify the governor, the president of the senate and  
27 the speaker of the house of representatives and shall deposit the entire  
28 amount of federal financial participation in the state general fund. The  
29 certified public expense form provided by the Arizona state hospital must  
30 contain both the total amount of qualifying disproportionate share  
31 hospital expenditures and the amount limited by section 1923(g) of the  
32 social security act.

33 3. \$884,800 for private qualifying disproportionate share  
34 hospitals. The Arizona health care cost containment system administration  
35 shall make payments to hospitals consistent with this appropriation and  
36 the terms of the state plan, but payments are limited to those hospitals  
37 that either:

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

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

42 B. After the distributions made pursuant to subsection A of this  
43 section, the allocations of disproportionate share hospital payments made  
44 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,

1 shall be made available in the following order to qualifying private  
2 hospitals that are:

3 1. Located in a county with a population of fewer than four hundred  
4 thousand persons.

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

7 3. Located in a county with a population of at least nine hundred  
8 thousand persons.

9 Sec. 5. AHCCCS transfer; counties; federal monies; fiscal  
10 year 2024-2025

11 On or before December 31, 2025, notwithstanding any other law, for  
12 fiscal year 2024-2025 the Arizona health care cost containment system  
13 administration shall transfer to the counties the portion, if any, as may  
14 be necessary to comply with section 10201(c)(6) of the patient protection  
15 and affordable care act (P.L. 111-148), regarding the counties'  
16 proportional share of this state's contribution.

17 Sec. 6. AHCCCS; hospital assessment; behavioral health costs;  
18 delayed repeal

19 A. Notwithstanding section 36-2901.08, Arizona Revised Statutes, in  
20 fiscal years 2024-2025 and 2025-2026, the Arizona health care cost  
21 containment system administration may use the hospital assessment  
22 established by section 36-2901.08, Arizona Revised Statutes, to fund a  
23 portion of the nonfederal share of the costs of the services described in  
24 section 36-2907, subsection F, Arizona Revised Statutes, that are not  
25 covered by the proposition 204 protection account established by section  
26 36-778, Arizona Revised Statutes, and the Arizona tobacco litigation  
27 settlement fund established by section 36-2901.02, Arizona Revised  
28 Statutes, or any other monies appropriated to cover these costs, for all  
29 of the following individuals:

30 1. Persons who are defined as eligible pursuant to section  
31 36-2901.07, Arizona Revised Statutes.

32 2. Persons who do not meet the eligibility standards described in  
33 the state plan or the section 1115 waiver that was in effect immediately  
34 before November 27, 2000, but who meet the eligibility standards described  
35 in the state plan effective as of October 1, 2001.

36 3. Persons who are defined as eligible pursuant to section  
37 36-2901.01, Arizona Revised Statutes, but who do not meet the eligibility  
38 criteria in either section 36-2934, Arizona Revised Statutes, or the state  
39 plan in effect as of January 1, 2013.

40 B. This section is repealed from and after June 30, 2026.

41 Sec. 7. AHCCCS; rulemaking exemption; hospital assessment;  
42 retroactivity

43 A. Notwithstanding any other law, for the purposes of implementing  
44 the hospital assessment pursuant to section 36-2999.72, Arizona Revised  
45 Statutes, the Arizona health care cost containment system administration

1 is exempt from the rulemaking requirements in title 41, chapter 6, Arizona  
2 Revised Statutes, for two years after the effective date of this section,  
3 except that the administration must provide notice and an opportunity for  
4 public comment at least thirty days before establishing or implementing  
5 the administration of the hospital assessment.

6 B. This section applies retroactively to from and after June 30,  
7 2024.

8 Sec. 8. County acute care contributions; fiscal year  
9 2024-2025; intent

10 A. Notwithstanding section 11-292, Arizona Revised Statutes, as  
11 amended by this act, for fiscal year 2024-2025 for the provision of  
12 hospitalization and medical care, the counties shall contribute the  
13 following amounts:

|    |                |              |
|----|----------------|--------------|
| 14 | 1. Apache      | \$ 268,800   |
| 15 | 2. Cochise     | \$ 2,214,800 |
| 16 | 3. Coconino    | \$ 742,900   |
| 17 | 4. Gila        | \$ 1,413,200 |
| 18 | 5. Graham      | \$ 536,200   |
| 19 | 6. Greenlee    | \$ 190,700   |
| 20 | 7. La Paz      | \$ 212,100   |
| 21 | 8. Maricopa    | \$15,145,900 |
| 22 | 9. Mohave      | \$ 1,237,700 |
| 23 | 10. Navajo     | \$ 310,800   |
| 24 | 11. Pima       | \$14,951,800 |
| 25 | 12. Pinal      | \$ 2,715,600 |
| 26 | 13. Santa Cruz | \$ 482,800   |
| 27 | 14. Yavapai    | \$ 1,427,800 |
| 28 | 15. Yuma       | \$ 1,325,100 |

29 B. If a county does not provide funding as specified in subsection  
30 A of this section, the state treasurer shall subtract the amount owed by  
31 the county to the Arizona health care cost containment system fund and the  
32 long-term care system fund established by section 36-2913, Arizona Revised  
33 Statutes, from any payments required to be made by the state treasurer to  
34 that county pursuant to section 42-5029, subsection D, paragraph 2,  
35 Arizona Revised Statutes, plus interest on that amount pursuant to section  
36 44-1201, Arizona Revised Statutes, retroactive to the first day the  
37 funding was due. If the monies the state treasurer withholds are  
38 insufficient to meet that county's funding requirements as specified in  
39 subsection A of this section, the state treasurer shall withhold from any  
40 other monies payable to that county from whatever state funding source is  
41 available an amount necessary to fulfill that county's requirement. The  
42 state treasurer may not withhold distributions from the Arizona highway  
43 user revenue fund pursuant to title 28, chapter 18, article 2, Arizona  
44 Revised Statutes.

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

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

12 E. If payments made pursuant to subsection C of this section exceed  
13 the amount required to meet the costs incurred by the Arizona health care  
14 cost containment system for the hospitalization and medical care of those  
15 persons defined as an eligible person pursuant to section 36-2901,  
16 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the  
17 director of the Arizona health care cost containment system administration  
18 may instruct the state treasurer either to reduce remaining payments to be  
19 paid pursuant to this section by a specified amount or to provide to the  
20 counties specified amounts from the Arizona health care cost containment  
21 system fund and the long-term care system fund established by section  
22 36-2913, Arizona Revised Statutes.

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

28 Sec. 9. Proposition 204 administration; exclusion; county  
29 expenditure limitations

30 County contributions for the administrative costs of implementing  
31 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are  
32 made pursuant to section 11-292, subsection 0, Arizona Revised Statutes,  
33 as amended by this act, are excluded from the county expenditure  
34 limitations.

35 Sec. 10. Competency restoration; exclusion; county  
36 expenditure limitations

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

39 Sec. 11. AHCCCS; risk contingency rate setting

40 Notwithstanding any other law, for the contract year beginning  
41 October 1, 2024 and ending September 30, 2025, the Arizona health care  
42 cost containment system administration may continue the risk contingency  
43 rate setting for all managed care organizations and the funding for all  
44 managed care organizations administrative funding levels that were imposed

1 for the contract year beginning October 1, 2010 and ending  
2 September 30, 2011.

3 Sec. 12. AHCCCS; mental health medication utilization;  
4 report; definition

5 A. Not later than January 31, 2025, the Arizona health care cost  
6 containment system administration shall prepare and issue a report to the  
7 governor, the chairpersons of the house of representatives and senate  
8 health and human services committees, or their successor committees, the  
9 director of the joint legislative budget committee and the director of the  
10 governor's office of strategic planning and budgeting that includes  
11 information about the costs and aggregate spending on and aggregate  
12 utilization of mental health medications during contract years 2020-2023.  
13 The administration shall provide a copy of the report to the secretary of  
14 state.

15 B. The report required by subsection A of this section shall  
16 include the annual aggregate gross amount spent for each mental health  
17 medication class and the annual aggregate net amount spent by this state  
18 for each mental health medication class after rebates without disclosing  
19 any information about manufacturer-negotiated supplemental rebate  
20 agreements for any specific drug. The report shall also include the  
21 average annual cost by class for generic and nongeneric mental health  
22 medications. Without disclosing any information about  
23 manufacturer-negotiated supplemental rebate agreements that could  
24 compromise the competitive or proprietary nature of these agreements, for  
25 antipsychotic and antidepressant medications, the report shall include the  
26 total number of prior authorizations submitted for nonpreferred  
27 antipsychotic and nonpreferred antidepressant medications, the percentage  
28 of prior authorization approvals and denials, the generic antipsychotic  
29 and generic antidepressant medication utilization percentages and the  
30 total amount of antipsychotic and antidepressant medication claims.

31 C. For purposes of this section, "mental health medication" means  
32 the following medications:

- 33 1. Antipsychotics.
- 34 2. Antidepressants.
- 35 3. Anxiolytics.
- 36 4. Stimulants.
- 37 5. Sedative hypnotics.

38 Sec. 13. Legislative intent; implementation of program

39 The legislature intends that for fiscal year 2024-2025 the Arizona  
40 health care cost containment system administration implement a program  
41 within the available appropriation.