



## 2015 Legislative Summary



## *2015 AHCCCS Legislative Summary*

<b>HB 2075</b>	<b>AHCCCS; waiver submittals (Rep. Petersen)</b>
Disposition	Enacted; Chapter 7 (see SB1092)
Effective Date	July 3, 2015
Summary	<p>By March 30th of each year, the AHCCCS Director is required to apply to CMS for waivers or amendments to the current 1115 Waiver to allow:</p> <ul style="list-style-type: none"> <li>• Arizona to institute a work requirement for all able-bodied adults;</li> <li>• Place a lifetime enrollment limit of five years on able-bodied adults except in specified conditions; and</li> <li>• Develop and impose meaningful cost-sharing requirements to deter the nonemergency use of emergency departments and the use of ambulance services for nonemergency transportation or when it is not medically necessary</li> </ul>
<b>HB 2088</b>	<b>mental health; veteran; homeless courts (Rep. Borrelli)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• The presiding judge of the Superior Court in each county may establish a Homeless Court, veterans' court, and mental health court to adjudicate cases filed in the Superior Court in the county.</li> </ul>
<b>HB 2102</b>	<b>children; chronic illness; physical disability (Rep. Brophy McGee)</b>
Disposition	Enacted; Chapter 204
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Updates Arizona Revised Statutes related to the transfer of the Children's Rehabilitative Services program from DHS to AHCCCS.</li> </ul>
<b>HB 2105</b>	<b>inmate medical services; rate structure (Rep. Borrelli)</b>
Disposition	Enacted; Chapter 70
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Requires all counties (previously only Maricopa County) to reimburse for county jail inmate medical services at an amount not to exceed AHCCCS reimbursement rates.</li> </ul>
<b>HB 2140</b>	<b>ambulance services; temporary authority (Rep. Carter)</b>
Disposition	Failed to pass out of the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• The Director of DHS may grant temporary authority to provide ambulance service for up to 180 days (previously 90 days) to avoid a service interruption.</li> </ul>
<b>HB 2176</b>	<b>Legislative appropriations; state; federal; monies (Rep. Thorpe)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015

Summary	<ul style="list-style-type: none"> <li>• Authorizes the Legislature to appropriate noncustodial federal monies and establishes guidelines for appropriation.</li> </ul>
<b>HB 2196</b>	<b>certified nursing assistants (Rep. Boyer)</b>
Disposition	Enacted; Chapter 262
Effective Date	July 1, 2016
Summary	<ul style="list-style-type: none"> <li>• The term “licensed nursing assistant” (LNA) replaces the term “nursing assistant” in statute;</li> <li>• Requires LNAs to be licensed instead of certified;</li> <li>• Excludes certified nursing assistants from the definition of LNA;</li> <li>• Existing regulations for nursing assistants are applied to LNAs;</li> <li>• The Board of Nursing is required to license and renew the licenses of LNAs;</li> <li>• Certified nursing assistant” (CNA) is defined as a person who is registered on the registry of nursing assistants as a certified nursing assistant;</li> <li>• LNAs are excluded from the definition of CAN;</li> <li>• The Executive Director of the Board is required to register CNAs and maintain a registry of CNAs; and</li> <li>• CNAs are required to renew the CNA registration every two years on the last day of the CNA’s birth month;</li> <li>• Session law provides for the transition to either licensure as an LNA or CNA registration for currently certified nursing assistants.</li> <li>• Effective July 1, 2016</li> </ul>
<b>HB 2238</b>	<b>health professionals; licensure requirements; prohibition (Rep. Boyer)</b>
Disposition	Enacted; Chapter 263
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• A health professional is not required to participate in any public or private third-party reimbursement program as a condition of licensure.</li> </ul>
<b>HB 2271</b>	<b>hospital information; unlawful concealment; falsification (Rep. Townsend)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Establishes as a class 1 (highest) misdemeanor the act of concealing or falsifying information that is collected for placement or contained in a hospital report or record that is related to the timing of when a patient receives care or the number of patients treated at the hospital.</li> </ul>
<b>HB 2297</b>	<b>state agency rulemaking; restrictions (Rep. E. Farnsworth)</b>
Disposition	Enacted; Chapter 240
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• State agencies are prohibited from adopting any new rule that would increase existing regulatory restraints or burdens on the free exercise of property rights or the freedom to engage in an otherwise lawful business or occupation, unless the rule is a component of a comprehensive effort to reduce regulatory restraints or burdens, or is necessary to implement statutes or required by a</li> </ul>

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final court order or decision.

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<b>HB 2310</b>	<b>mental health courts; establishment (Rep. E. Farnsworth)</b>
Disposition	Enacted; Chapter 54
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>Allows the presiding judge in counties with a population of less than 250,000 to enter into an agreement to establish a regional mental health court and provides the judge with the authority to refer and adjudicate cases.</li> <li>Requires the originating court to notify the prosecutor of any criminal case referral.</li> </ul>
<b>HB 2354</b>	<b>public records; attorney fees (Rep. Gonzales)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>The court is prohibited from awarding attorney fees to a public officer or public body in an action under public records law.</li> </ul>
<b>HB 2363</b>	<b>county contributions; hospitalization; medical; repeal (Rep. Thorpe)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>Repeals the county contributions for AHCCCS hospitalization and medical care for FY 2014-15.</li> <li>The state has no obligation to refund monies paid.</li> </ul>
<b>HB 2372</b>	<b>appropriation; mental health first aid (Rep. Steele)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>Appropriates \$500,000 from the General Fund in FY 2015-16 to DHS for providing additional and more frequent mental health first aid training for military personnel and veterans and their families.</li> </ul>
<b>HB 2373</b>	<b>AHCCCS; orthotics (Rep. Brophy McGee)</b>
Disposition	Enacted; Chapter 264
Effective Date	July 3, 2015
Summary	<p>The list of medically necessary health and medical services is expanded to include orthotics if the following conditions apply:</p> <ul style="list-style-type: none"> <li>The use of the orthotic is medically necessary as the preferred treatment option consistent with Medicare guidelines;</li> <li>The orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition; and</li> <li>The orthotic is ordered by a physician or primary care practitioner.</li> </ul>
<b>HB 2492</b>	<b>AHCCCS coverage; ALTCS; medical services (Rep. Carter)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015

Summary	<p>The list of medically necessary health and medical services is expanded to include the following:</p> <ul style="list-style-type: none"> <li>• Podiatrist Services;</li> <li>• Emergency Dental for Adults;</li> <li>• Orthotics;</li> <li>• Chiropractic; and</li> <li>• ALTCS Emergency and Preventative Dental Care</li> </ul>
<b>HB 2494</b>	<b>colorectal cancer; screening; treatment (Rep. Carter)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Establishes the Colorectal Cancer Screening and Treatment Program in DHS to promote colorectal cancer education, treatment, screening and diagnostic services.</li> <li>• Establishes the Colorectal Cancer Screening and Treatment Program Fund consisting of legislative appropriations, federal monies and any gifts, grants and donations.</li> <li>• The Program terminates on July 1, 2025.</li> </ul>
<b>HB 2545</b>	<b>s/e: direct care personnel; duties (Rep. J. Allen)</b>
Disposition	Enacted; Chapter 318
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• A direct care staff person is permitted to comply with a prehospital medical care directive if the physician of the person who has the directive has ordered a hospice plan of care.</li> <li>• The DES or the AHCCCS Administration is authorized to prescribe guidance for training and education of direct care staff persons.</li> </ul>
<b>HB 2556</b>	<b>s/e: healthcare entity quality assurance (Rep. Cobb)</b>
Disposition	Enacted; Chapter 319
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• State healthcare providers, hospitals and outpatient surgical centers and other health care entities are authorized to conduct quality assurance activities and to share quality assurance information with appropriate state licensing or certifying agencies, and with licensed health care providers who are the subject of quality assurance activities.</li> <li>• Regulations on the confidentiality of quality assurance information are modified, to specify that sharing information about quality assurance activities as permitted by this legislation does not waive or otherwise impair the confidentiality of the information, and that information that is otherwise discoverable does not become confidential based solely on its submission to or consideration by a health care entity conducting confidential quality assurance activities.</li> </ul>
<b>HB 2587</b>	<b>state agencies; credit cards (Rep. Finchem)</b>

Disposition	Vetoed
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• By January 1, 2017, the State Treasurer would have been required to issue a request for proposals for the electronic processing of transactions for all state agencies that accept credit cards for payment.</li> <li>• On expiration of any outstanding contract for the electronic processing of transactions, a state agency would have been prohibited from entering into a contract or renewing any contract for the electronic processing of transactions unless authorized by the State Treasurer.</li> </ul>
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<b>HB 2643</b>	<b>sovereign authority; affordable care act (Rep. Olson)</b>
Disposition	Enacted; Chapter 321
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• The state and all political subdivisions are prohibited from using any personnel or financial resources to enforce, administer or cooperate with the Affordable Care Act by funding or implementing a state-based health care exchange or marketplace; limiting the availability of self-funded health insurance programs; funding or aiding in the prosecution of any entity for a violation of the Act; funding or administering any program or provision of the Act other than those involved with AHCCCS, health insurance navigators and other specified programs.</li> </ul>
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<b>HB 2645</b>	<b>laboratory testing; without order (Rep. Carter)</b>
Disposition	Enacted; Chapter 222
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• A person is permitted to obtain any laboratory test from a licensed clinical laboratory on a direct access basis without a health care provider's request or written authorization, provided that the laboratory offers that test to the public on a direct access basis.</li> <li>• Does not require that a laboratory test be covered by a health insurance plan or product or by any AHCCCS program.</li> <li>• Prohibits billing a third party payor for a test performed with a physician's order.</li> </ul>
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<b>SB 1031</b>	<b>AHCCCS; controlled substances; monitoring (Sen. Ward)</b>
Disposition	Failed to pass out of the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Health care professionals who prescribe medications and licensed pharmacists who are AHCCCS providers are required to check the database developed under the Controlled Substances Prescription Monitoring Program before prescribing or filling a prescription for a controlled substance for an AHCCCS member.</li> </ul>
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<b>SB 1032</b>	<b>AHCCCS; contractors; prescription monitoring (Sen. Ward)</b>
Disposition	Enacted; Chapter 30
Effective Date	July 3, 2015

Summary	<ul style="list-style-type: none"> <li>AHCCCS contractors are required to intervene if an AHCCCS member has 10 or more prescriptions for controlled substances within a 3-month period, and are required to monitor prescriptions that are being filled by members and intervene with both the prescriber and the member when excessive amounts of controlled substances are used.</li> <li>AHCCCS contractors are required to direct cases involving excessive controlled substance use to the system medical director for review.</li> </ul>
<b>SB 1033</b>	<b>AHCCCS; controlled substance; pharmacist oversight (Sen. Ward)</b>
Disposition	Failed to pass out of the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>Licensed pharmacists who are AHCCCS providers are required to ensure that AHCCCS members are not using cash payments as a method to circumvent contractor oversight of controlled substance use.</li> </ul>
<b>SB 1034</b>	<b>AHCCCS; emergency services; case management (Sen. Ward)</b>
Disposition	Enacted; Chapter 31
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>AHCCCS contractors are required to intervene if an AHCCCS member inappropriately seeks care at a hospital emergency department four times or more in a six-month period and educate the member regarding the proper use of emergency services.</li> </ul>
<b>SB 1049</b>	<b>physician licensure; waiver (Sen. Kavanagh)</b>
Disposition	Failed to pass out of the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>A doctor of medicine who holds an active and unrestricted license to practice medicine in another jurisdiction in the U.S. may practice in Arizona without applying for a license until his/her license expires in the other jurisdiction if specified conditions are met, including notification of the Arizona Medical Board.</li> </ul>
<b>SB 1092</b>	<b>AHCCCS; annual waiver submittals (Sen. Barto)</b>
Disposition	Enacted; Chapter 7
Effective Date	July 3, 2015
Summary	<p>By March 30th of each year, the AHCCCS Director is required to apply to CMS for waivers or amendments to the current section 1115 waiver to allow Arizona to institute the following:</p> <ul style="list-style-type: none"> <li>A work requirement for all able-bodied adults</li> <li>Place a lifetime limit of five years of benefits on able-bodied adults except in specified conditions</li> <li>Develop and impose meaningful cost-sharing requirements to deter non-emergency use of the emergency room and the use of ambulance services for nonemergency transportation</li> <li>By April 1 of each year, submit a letter confirming submission of the waiver requests to the Governor and the Legislature</li> </ul>

<b>SB 1136</b>	<b>nursing facility assessment; continuation (Sen. Barto)</b>
Disposition	Enacted; Chapter 39
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Extends the Nursing Facility Assessment for eight years to October 1, 2023.</li> <li>• If a nursing facility does not pay the full amount of the assessment when due, the AHCCCS Administration is authorized to suspend or revoke the facility's AHCCCS provider agreement registration and may notify ADHS to suspend or revoke the facility's licensure.</li> <li>• Subject to approval by the Centers for Medicare and Medicaid Services, a nursing facility located outside of Arizona cannot receive payments for quarterly nursing facility adjustments.</li> </ul>
<b>SB 1194</b>	<b>s/e: medically underserved areas; loan repayment (Sen. Griffin)</b>
Disposition	Enacted; Chapter 3
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• The Primary Care Provider Loan Repayment Program and the Rural Private Primary Care Provider Loan Repayment Program may be used to pay off portions of education loans taken out by pharmacists, "advance practice providers" and behavioral health providers who meet other Program or Rural Program qualifications, including service for at least two years in rural areas, high-need health professional-shortage areas or medically underserved areas.</li> </ul>
<b>SB 1212</b>	<b>behavioral health examiners board (Sen. Barto)</b>
Disposition	Enacted; Chapter 154
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>• Various changes relating to the Board of Behavioral Health Examiners, including requiring the Board to adopt rules regarding the use of "telepractice" beginning on November 1, 2015.</li> <li>• The Board Executive Director is authorized to dismiss a complaint if the investigative staff's review indicates that the complaint is without merit and that dismissal is appropriate.</li> <li>• The Board is required, instead of permitted, to establish an academic review committee for each professional area licensed, and committee duties are specified.</li> <li>• Committee members are required to receive at least five hours of training within one year after appointment, which must include ethics and open meeting requirements.</li> <li>• Beginning January 2, 2016, the Governor is required to appoint the academic review committee members. Board members are prohibited from serving on a committee.</li> </ul>
<b>SB 1241</b>	<b>AHCCCS; contractors; providers (Sen. Barto)</b>
Disposition	Failed to pass out of the House
Effective Date	July 3, 2015



Summary	<ul style="list-style-type: none"> <li>Prohibits the AHCCCS Director from terminating contracts or making contracting or payment decisions based on the types of employees used by contractors and providers.</li> <li>Removes the ability of the AHCCCS Director to mandate or prescribe the nature of the relationship between contractors, providers and their agents.</li> </ul>
<b>SB 1250</b>	<b>Native Americans (Sen. Dial)</b>
Disposition	Failed to pass out of the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>The term “Native American” replaces the term “Indian” in State Statute.</li> </ul>
<b>SB 1257</b>	<b>behavioral health; transfer (Sen. Ward)</b>
Disposition	Enacted; Chapter 195
Effective Date	July 1, 2016
Summary	<ul style="list-style-type: none"> <li>The Department of Health Services Division of Behavioral Health is repealed and the Division’s powers and duties for various mental and behavioral health services are transferred to the AHCCCS Administration, except for those relating to the State Hospital.</li> </ul>
<b>SB 1282</b>	<b>teledentistry; dental hygienists; dental assistants (Sen. Ward)</b>
Disposition	Enacted; Chapter 196
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>Dental assistants are authorized to perform “expanded functions” on successful completion of a Board-approved expanded function dental assistant training program at an accredited institution.</li> <li>Statutes defining unprofessional conduct for Board licensees and authorizing licensed dentists and licensed dental hygienists to enter into an affiliated practice relationship are repealed and replaced.</li> <li>Adds a new chapter to Title 36 regulating teledentistry</li> <li>The AHCCCS Administration is required to implement teledentistry services for enrolled members who are under 21 years of age.</li> </ul>
<b>SB 1283</b>	<b>outpatient treatment centers; colocation; respite (Sen. Barto)</b>
Disposition	Enacted; Chapter 158
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>One or more outpatient treatment centers that provide medical, nursing and health-related services are authorized to colocate with one or more licensees that provide behavioral health services or with one or more licensed counseling facilities, and are authorized to share common areas and nontreatment personnel.</li> </ul>
<b>SB 1297</b>	<b>Psychotropic drugs; foster children; report (Sen. Lesko)</b>
Disposition	Failed to pass the House
Effective Date	July 3, 2015

Summary	<ul style="list-style-type: none"> <li>By August 31st of every odd numbered year, DHS, DCS, and AHCCCS are required to prepare a report that compares the prescription rate of “psychotropic medication” prescribed to foster children who receive services from AHCCCS with the prescription rate of psychotropic medications prescribed to non-foster children who receive AHCCCS services.</li> </ul>
<b>SB 1328</b>	<b>eligibility verification; public programs (Sen. Ward)</b>
Disposition	Failed to pass the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>DES is required to contract with a third-party vendor or vendors to develop a system or systems to verify applicant income, asset and identity information to prevent fraud, misrepresentation and inadequate documentation when determining an applicant’s eligibility for assistance before the distribution of benefits, periodically between eligibility redeterminations and during eligibility redeterminations and reviews.</li> </ul>
<b>SB 1331</b>	<b>electronic data; metadata; prohibited collection (Sen. Ward)</b>
Disposition	Failed to pass the Senate
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>State agencies, political subdivisions and their employees and contractors are prohibited from providing assistance to any federal agency or complying with any federal law that purports to authorize the collection of electronic data or metadata of any person pursuant to any action that is not based on a warrant that particularly describes the person, place and thing to be searched or seized.</li> </ul>
<b>SB 1339</b>	<b>public records; unduly burdensome requests (Sen. Shooter)</b>
Disposition	Failed to pass the House
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>It is a defense to any action on denial of access to public records that the request for access is unduly burdensome or harassing.</li> </ul>
<b>SB 1370</b>	<b>controlled substances prescription monitoring program (Sen. Kavanagh)</b>
Disposition	Enacted; Chapter 46
Effective Date	July 3, 2015
Summary	<ul style="list-style-type: none"> <li>A “medical practitioner regulatory board” is required to monthly notify the State Board of Pharmacy of any initial licensures for medical practitioners who intend to apply for registration under the federal Controlled Substances Act and licensure renewals for medical practitioners.</li> <li>On receipt of this information, the Board is required to register each practitioner, provide the practitioner access to the Program’s central database tracking system and notify the practitioner of the registration and access.</li> </ul>
<b>SB 1400</b>	<b>human rights committees; members (Sen. Barto)</b>
Disposition	Enacted; Chapter 167
Effective Date	July 3, 2015

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Summary • The qualifications for members of the DHS Human Rights Committees are modified to allow committee members' area of expertise to be mental health or housing for the mentally ill, and to allow current or former providers that have contracted with a RBHA and AHCCCS employees to serve on the committees.

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**SB 1401**     **home care services; disclosure (Sen. Barto)**  
Disposition     Enacted; Chapter 181  
Effective Date     July 3, 2015  
Summary     • Business entities that provide home care services are required to annually disclose to each home care services client a list of specified information on the home care services the entity provides and on the employees or contractors who provide the services.

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**SB 1440**     **ALTCS; developmental disabilities; rates; appropriation (Sen. Smith)**  
Disposition     Enacted; Chapter 169  
Effective Date     July 3, 2015  
Summary     • DES is required to annually determine the cost-effective study rate for persons receiving developmental disability services and provide that rate to the AHCCCS Administration.  
                     • Appropriates \$120,000 from the Special Administration Fund in FY2015-16 to DES to provide developmental disability services for persons whose services were reduced under the current cost-effective study rate as a result of the FY2014-15 legislatively mandated provider rate increases.

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## *Budget Legislation*

### SB1469 - general appropriations; 2015-2016 (Sen. Biggs)

Item	Page #	Appropriation
FTEs	6	2,214.3
Operating Lump Sum	6	\$77.9 M
DES Eligibility	6	\$54.9 M
Prop 204 Administration	6	\$6.9 M
Prop 204 DES Eligibility	6	\$38.4 M
Traditional Medicaid Services	6	\$3.7 B
Prop 204 Services	6	\$2.4 B
Adult Expansion	6	\$197 M
KidsCare	6	\$6.3 M
ALTCS	6	\$1.4 B
CRS	6	\$235 M
DSH	6	\$5.1 M
DSH Voluntary Match	7	\$18.8 M
Rural Hospitals	7	\$22.7 M
GME	7	\$157.3 M
SNCP	7	\$137 M
<b>TOTAL APPROPRIATION &amp; EXPENDITURE AUTHORITY</b>	7	<b>\$8.5 B</b>
<b>APPROPRIATED FUND SOURCES</b>		
State General Fund	7	\$1.2 B
Budget Neutrality Compliance Fund	7	\$3.5 M
Children’s Health Insurance Program Fund	7	\$7.6 M
Prescription Drug Rebate Fund - state	7	\$83.8 M
Tobacco Products Tax Fund- Emergency Health Services Account	7	\$17.3 M
Tobacco Tax & Healthcare Fund- Medically Needy Account	7	\$31.2 M
<b>EXPENDITURE AUTHORITY</b>	7	<b>\$7.1 B</b>

### Medical Services

- Provides that prior to making fee-for-service program changes that pertain to fee-for-service categories AHCCCS must report the expenditure plan for review by JLBC (Page 7, Section 13)
- Requires AHCCCS to annually report capitation rate changes for the following fiscal year (Page 7, Section 13)
  - Before implementation of any changes in capitation rates, the Administration shall report its expenditure plan for review by JLBC.

- Requires AHCCCS to report proposed changes in policy that would impact the amount, sufficiency, duration and scope of health care services and who may provide services (Page 8, Section 13)
  - AHCCCS must prepare a fiscal analysis on the impact of proposed changes on the following year's capitation rates
  - If the analysis suggests additional state costs equal to or greater than \$500K, AHCCCS shall submit the proposed policy changes to JLBC
- Any federal monies that pass through the Administration to DES for use in long-term administration care for persons with developmental disabilities does not count against ALTCS expenditure authority (Page 8, Section 13)
- The county portion of the FY 2015-2016 nonfederal portion of the costs of providing long-term care system services is \$249,234,600. This amount is included in the expenditure authority fund source (Page 8, Section 13)
- The nonappropriated portion of the prescription drug rebate fund is included in the federal portion of the expenditure authority fund source (Page 8, Section 13)
- Provides that any supplemental payments received in excess of \$74,906,000 for nursing facilities that serve Medicaid patients are appropriated in FY 2015-2016 (Page 8, Section 13)
  - Before the expenditure of these increased monies, AHCCCS shall report to JLBC and OSPB the amount of monies that will be expended.
- The Administration shall transfer up to \$1,200,000 from the traditional Medicaid services line item for FY 2015-2016 to the attorney general for costs associated with tobacco settlement litigation (Page 8, Section 13)
- The Administration shall transfer \$436,000 from the traditional Medicaid services line item for FY 2015-2016 to the Department of Revenue for enforcement costs associated with the March 13, 2013 master settlement agreement with tobacco companies (Page 8, Section 13)

### **Payments to Hospitals**

- Stipulates that the \$5,087,100 appropriation for disproportionate share payments for FY 2015-2016 includes \$4,202,300 for Maricopa County Healthcare District and \$884,800 for private qualifying disproportionate share hospitals (Page 9, Section 13).
- Provides that any monies received for DSH payments in excess of \$18,784,700 are appropriated in FY 2015-2016 (Page 9, Section 13):
  - Before the expenditure of these increased monies, AHCCCS shall report to JLBC and OSPB the amount of monies that will be expended.
- Provides that any monies for GME received in excess of \$157,312,000 are appropriated in FY 2015-2016 (Page 9, Section 13):
  - Before the expenditure of these increased monies, AHCCCS shall report to JLBC and OSPB the amount of monies that will be expended.
- Provides that any monies for SNCP received in excess of \$137,000,000 are appropriated in FY 2015-2016 (Page 9, Section 13):
  - Before the expenditure of these increased monies, AHCCCS shall report to JLBC and OSPB the amount of monies that will be expended.

**Other Provisions**

- The appropriation to the Administration is reduced by \$48,520,500 from the state general fund in FY 2014-2015 (Page 61, Section 113)
- In addition to any other appropriation made in FY 2014-2015, the sum of \$268,809,500 is increased from the Administration appropriation from the expenditure authority in FY 2014-2015 (Page, 61, Section 113).
- The Administration may transfer up to \$10,000,000 from the state general fund appropriations received in FY 2014-2015 to the Department of Health Services for expenditures associated with Title XIX Behavioral Health Services (Page 62, Section 114):
  - Before making any transfer, the Administration shall submit the proposed transfer for review by JLBC
- Stipulates legislative intent that all agencies continue to report actual, estimated, and requested expenditures (Page 73, Section 146)
- On or before October 1, 2015, each agency shall submit a report to the director of JLBC on the number of filled appropriated and non-appropriated FTE positions, by fund source, as of September 1, 2015. (Page 74, Section 148)

**Notes**

- Notwithstanding any other law, on or before June 30, 2016, \$7,252,800 will be transferred from the Healthcare Group Fund to the state general fund for the purposes of providing adequate support and maintenance for agencies of this state (Page 67, Section 133)

**SB1475 - health; budget reconciliation; 2015-2016 (Sen. Biggs)**

Item	Summary
<b>Ambulance Rates</b>	<ul style="list-style-type: none"> <li>- For each contract year, the Administration and its contractors and subcontractors shall provide remuneration for ambulance services for persons who are enrolled in or covered by AHCCCS in an amount equal to 68.59% of the amounts as prescribed by DHS as of July 1 of each year and 68.59% of the mileage charges as determined by DHS as of July 1 of each year.</li> </ul>
<b>Disproportionate Share Payments</b>	<ul style="list-style-type: none"> <li>- Subject to the approval of the Centers for Medicare and Medicaid Services, political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona Board of Regents may provide to the Administration monies in addition to any state general fund monies appropriated for critical access hospitals in order to qualify for additional federal monies. Any amount of federal monies received by this state pursuant to this subsection shall be distributed as supplemental payments to critical access hospitals.</li> <li>- Disproportionate Share Payments for FY 2014-2015 includes \$105,945,500. If the certification provided is for an amount greater than \$105,945,500, the administration shall distribute \$4,202,300 to the Maricopa county special healthcare district and shall deposit \$68,328,000 of the federal funds participation in the state general fund.</li> </ul>

	<p>- After distributions, the allocations of DSH payments shall be made available first to qualifying private hospitals located outside of the Phoenix and Tucson metropolitan statistical area before being made available to qualifying hospitals within the Phoenix and Tucson metropolitan statistical area.</p>
<b>FY 2015-2016 ALTCS County Contributions</b>	<p>Establishes the ALTCS County Contributions for FY2015-2016 as follows:</p> <ul style="list-style-type: none"> <li>• Apache: \$618,900</li> <li>• Cochise: \$5,165,500</li> <li>• Coconino: \$1,858,500</li> <li>• Gila: \$2,117,900</li> <li>• Graham: \$1,336,700</li> <li>• Greenlee: \$79,700</li> <li>• LaPaz: \$696,300</li> <li>• Maricopa: \$153,303,200</li> <li>• Mohave: \$8,033,700</li> <li>• Navajo: \$2,562,200</li> <li>• Pima: \$39,303,600</li> <li>• Pinal: \$15,539,700</li> <li>• Santa Cruz: \$1,942,200</li> <li>• Yavapai: \$8,416,600</li> <li>• Yuma: \$8,259,900</li> </ul> <p>If ALTCS costs exceed the amount specified in the General Appropriations Act, authorizes the State Treasurer to collect the difference between the amount collected and the county share of the actual costs from the counties</p>
<b>Disproportionate Share</b>	<p>Establishes FY 2015-2016 DSH distributions as follows:</p> <ul style="list-style-type: none"> <li>• \$113,818,500 for qualifying non-state operated public hospitals</li> <li>• \$28,474,900 for ASH</li> <li>• \$884,800 for private qualifying DSH hospitals:             <ul style="list-style-type: none"> <li>○ Limits payments to mandatory DSH qualifying hospitals; or Hospitals in Yuma County with at least 300 beds</li> </ul> </li> </ul>
<b>County Proportional Share Contributions</b>	<p>Requires AHCCCS to transfer funds to the counties as necessary to comply with the proportional share requirements in PPACA by December 31, 2016</p>
<b>County Acute Care Contributions</b>	<p>Establishes the Acute Care County Contributions for FY2015-2016 as follows:</p> <ul style="list-style-type: none"> <li>• Apache: \$268,800</li> <li>• Cochise: \$2,214,800</li> <li>• Coconino: \$742,900</li> <li>• Gila: \$1,413,200</li> <li>• Graham: \$536,200</li> <li>• Greenlee: \$190,700</li> </ul>

	<ul style="list-style-type: none"> <li>• LaPaz: \$212,100</li> <li>• Maricopa: \$19,203,200</li> <li>• Mohave: \$1,237,700</li> <li>• Navajo: \$310,800</li> <li>• Pima: \$14,951,800</li> <li>• Pinal: \$2,715,600</li> <li>• Santa Cruz: \$482,800</li> <li>• Yavapai: \$1,427,800</li> <li>• Yuma: \$1,325,100</li> </ul> <ul style="list-style-type: none"> <li>- Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section.</li> <li>- Establishes payment procedures to comply with the requirements of this section and stipulates legislative intent that Maricopa County’s contribution shall be reduced each year in accordance with changes in the GDP price deflator.</li> </ul>
<b>Hospitalization &amp; Medical Care Contributions</b>	<p>Establishes county withholding for Hospitalization &amp; Medical Care for FY2013-2014 as follows:</p> <ul style="list-style-type: none"> <li>• Apache: \$87,300</li> <li>• Cochise: \$162,700</li> <li>• Coconino: \$160,500</li> <li>• Gila: \$65,900</li> <li>• Graham: \$46,800</li> <li>• Greenlee: \$12,000</li> <li>• LaPaz: \$24,900</li> <li>• Mohave: \$187,400</li> <li>• Navajo: \$122,800</li> <li>• Pima: \$1,115,900</li> <li>• Pinal: \$218,300</li> <li>• Santa Cruz: \$51,600</li> <li>• Yavapai: \$206,200</li> <li>• Yuma: \$183,900</li> </ul> <ul style="list-style-type: none"> <li>- Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section</li> <li>- Establishes payment procedures to comply with the requirements of this section</li> <li>- Allocates \$2,646,200 of amounts withheld for the county Acute Care contribution for Hospitalization &amp; Medicare Care Services administered by AHCCCS</li> </ul>
<b>County Expenditure Limitation: Prop 204 Administration</b>	<ul style="list-style-type: none"> <li>- Stipulates that county contributions for the administration of Prop 204 are excluded from county expenditure limitations</li> </ul>
<b>Risk</b>	<ul style="list-style-type: none"> <li>- For the contract year beginning October 1, 2015 through September</li> </ul>



<b>Contingency</b>	30, 2016, AHCCCS may continue the risk contingency rate setting and funding for all managed care organizations that was in place from October 1, 2010 through September 30, 2011
<b>Provider Rate Reductions</b>	- For rates effective October 1, 2015, through September 30, 2016, AHCCCS may reduce payments up to an aggregate of five percent for all health care providers, excluding nursing facilities, developmental disability, and home and community based healthcare providers.
<b>Critical Access Hospital Payments</b>	<ul style="list-style-type: none"> <li>- Any monies received for critical access hospital payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, that are received in FY 2015-2016 by AHCCCS are appropriated to the Administration in FY 2015-2016.</li> <li>- Before the expenditure of these monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this section</li> </ul>
<b>Cost Sharing Requirements</b>	<ul style="list-style-type: none"> <li>- The Administration shall pursue cost sharing requirements for members to the maximum extent allowed under federal law.</li> <li>- Subject to approval by CMS, beginning January 1, 2016, the Administration shall charge and collect from each person who is enrolled pursuant to section 36-2901.01: <ul style="list-style-type: none"> <li>• A premium of 2% of the person’s household income</li> <li>• A copayment of \$8 for non-emergency use of the emergency room for the first incident and \$25 for each subsequent incident if the person is not admitted to the hospital. The Administration may not impose a copayment on a person who is admitted to the hospital by the emergency department.</li> <li>• A copayment for \$25 for nonemergency use of an emergency room for the first incident and \$25 for each subsequent incident if there is a community health center, rural health center or urgent care center within twenty miles of the hospital.</li> </ul> </li> <li>- Subject to approval by CMS, beginning January 1, 2016, the Administration shall charge and collect from each person who is enrolled pursuant to section 36-2901.07: <ul style="list-style-type: none"> <li>• A premium of 2% of the person’s household income</li> <li>• A copayment of \$25 for nonemergency use of an emergency room if the person is not admitted to the hospital. The Administration may not impose a copayment on a person who is admitted to the hospital by the emergency department.</li> <li>• A copayment for \$25 for nonemergency use of an emergency room if there is a community health center, rural health center or urgent care center within twenty miles of</li> </ul> </li> </ul>

	<p>the hospital.</p> <ul style="list-style-type: none"> <li>• An exemption from providing nonemergency medical transportation services from October 1, 2015 to September 30, 2016.</li> </ul> <p>- For the purposes of implementing cost sharing pursuant to this section, the Administration is exempt from the rulemaking requirements of Title 41, Chapter 6, for one year after the effective date of this act.</p>
<b>Third-party liability payments report</b>	- On or before December 31, 2016, the department of health services, or the state agency that administers behavioral health services for this state, shall report to the directors of JLBC and OSPB on the efforts to increase third-party liability payments for behavioral health services.
<b>Legislative intent &amp; capitation rate increases</b>	<p>- It is the intent of the legislature that for fiscal year 2015-2016 AHCCCS implement a program within available appropriation.</p> <p>- AHCCCS capitation rate increases may not exceed one and one-half percent in FY 2016-2017 and 2017-2018.</p>

**SB1480 - agency consolidation; budget reconciliation; 2015-2016 (Sen. Biggs)**

<b>Item</b>	<b>Summary</b>
<b>Behavioral health services transfer &amp; succession to AHCCCS</b>	<ul style="list-style-type: none"> <li>- From and after June 30, 2016, the provisions of behavioral health services under the division of behavioral health services in the department of health services is transferred to and shall be administered by AHCCCS.</li> <li>- This transfer does not include the Arizona State Hospital.</li> <li>- The act does not alter the effect of any actions or impair the valid obligations of the division of behavioral health services taken before July 1, 2016.</li> <li>- Administrative rules and orders that were adopted by the division of behavioral health services continue in effect until superseded by administrative action by AHCCCS.</li> <li>- All administrative matters, contracts, and judicial and quasi-judicial actions, whether completed, pending, or in process, of the division of behavioral health services on July 1, 2016 are transferred to and retain the same status with AHCCCS.</li> <li>- All certificates, licenses, registrations, permits and other indicia of qualification and authority that were issued by the division of behavioral health services retain their validity for the duration of their terms of validity as provided by law.</li> <li>- All tangible and intangible property and assets, all data and investigative findings and all appropriated monies that remain unexpended and unencumbered on July 1, 2016 of the division of behavioral health services are transferred to AHCCCS.</li> </ul>