

1 INCLUDING THOSE CASES THAT REMAIN UNDER SEAL. FOR THE PURPOSES OF THIS  
2 PARAGRAPH THE REPORT SHALL SPECIFY:

3 (a) THE STATE OR FEDERAL COURTS IN WHICH THOSE CASES WERE FILED.

4 (b) THE STATE PROGRAM OR AGENCY THAT IS INVOLVED IN EACH CASE.

5 (c) THE NUMBER OF CASES FILED BY ANY PRIVATE INDIVIDUAL WHO PREVIOUSLY  
6 HAD FILED AN ACTION BASED ON THE SAME OR SIMILAR TRANSACTIONS OR ALLEGATIONS  
7 UNDER THE FEDERAL FALSE CLAIMS ACT OR THE FALSE CLAIMS ACT OF ANOTHER STATE.

8 2. THE AMOUNT THAT WAS RECOVERED BY THE STATE IN SETTLEMENT, DAMAGES,  
9 PENALTIES AND LITIGATION COSTS, IF KNOWN. FOR THE PURPOSES OF THIS PARAGRAPH  
10 THE REPORT SHALL SPECIFY:

11 (a) THE CASE NUMBER AND PARTIES FOR EACH CASE IN WHICH THERE WAS A  
12 RECOVERY.

13 (b) THE SEPARATE AMOUNTS OF ANY MONIES RECOVERED FOR DAMAGES,  
14 PENALTIES AND LITIGATION COSTS.

15 (c) THE PERCENTAGE OF THE RECOVERY AND THE AMOUNT THAT THE STATE PAID  
16 TO ANY PRIVATE PERSON WHO BROUGHT THE ACTION.

17 3. THE AMOUNT THAT WAS EXPENDED BY THIS STATE PURSUANT TO THIS SECTION  
18 IN INVESTIGATION, LITIGATION AND PERSONNEL COSTS AND RESOURCES.

19 ARTICLE 2. PRIMACY DETERMINATIONS

20 12-3021. Primacy determinations; inquiry messages; centralized  
21 database; civil penalties; audits; use of data

22 A. ALL ENTITIES THAT PROVIDE HEALTH INSURANCE OR HEALTH CARE COVERAGE,  
23 WORKERS' COMPENSATION, AUTOMOBILE INSURANCE OR HOMEOWNER'S INSURANCE TO  
24 RESIDENTS OF THIS STATE MUST RESPOND TO ELIGIBILITY INQUIRY MESSAGES OR  
25 UPLOAD TO A CENTRALIZED DATABASE INFORMATION ON COVERAGE AND BENEFITS AS MAY  
26 BE REQUIRED BY ANY HEALTH CARE PROVIDER, HEALTH PLAN OR HEALTH PLAN SPONSOR,  
27 OR ITS AGENT, REGARDING THE COVERAGE PROVIDED BY THAT ENTITY TO ANY PATIENT  
28 OR BENEFICIARY OF THAT ENTITY.

29 B. TO RESOLVE THE PRIMACY OF THE STATE'S HEALTH PLANS BEFORE RECEIVING  
30 CLAIMS OR EXPENDING PUBLIC MONIES ON CLAIMS OR PREMIUMS, A PUBLICLY SPONSORED  
31 HEALTH PLAN, INCLUDING THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM, STATE  
32 EMPLOYEE OR RETIREE HEALTH PLANS AND THE HEALTH PLANS OF POLITICAL  
33 SUBDIVISIONS OF THIS STATE, SHALL PRESUME THAT COVERAGE MAY EXIST FOR THE  
34 PLAN'S INSURED PERSONS ON THE ENROLLMENT RECORD OF ANY OTHER HEALTH PLAN AND  
35 SHALL CAUSE ELIGIBILITY INQUIRIES TO BE TRANSMITTED TO EVERY HEALTH PLAN OR  
36 CASUALTY INSURER IN THE UNITED STATES, FOR THEIR RESPECTIVE CLASSES OF  
37 CLAIMS. BEGINNING OCTOBER 1, 2009, PUBLIC MONIES MAY NOT BE EXPENDED ON ANY

1 CLAIM OR PREMIUM IN THE ABSENCE OF A THIRD-PARTY CERTIFICATION THAT A  
2 COMPREHENSIVE, ELECTRONIC TEST OF PRIMACY HAS FIRST BEEN EXECUTED.

3 C. TO ESTABLISH THE COVERAGE IN FORCE FOR A PATIENT PRESENTING OR  
4 ABOUT TO PRESENT A CLAIM, A HEALTH CARE PROVIDER, HEALTH PLAN OR HEALTH PLAN  
5 SPONSOR, OR ITS AGENT, MAY TRANSMIT THE MINIMUM HUMAN IDENTIFIERS IN THE ANSI  
6 X.12 270 STANDARD FOR ELIGIBILITY INQUIRIES, INCLUDING THE PATIENT'S NAME,  
7 SEX AND DATE OF BIRTH, TO ALL ENTITIES LICENSED OR REGISTERED TO PROVIDE  
8 HEALTH INSURANCE OR HEALTH CARE COVERAGE OR CASUALTY COVERAGE TO INDIVIDUALS  
9 WHO RESIDE IN THIS STATE. TO ENSURE RAPID RESPONSE AND ELIMINATE ANY DELAY  
10 IN THE PAYMENT OF LEGITIMATE CLAIMS BY PUBLIC ENTITIES, AN ENTITY RECEIVING  
11 SUCH INQUIRIES MUST RESPOND ACCURATELY TO THEM WITHIN TWENTY-FOUR HOURS.

12 D. A HEALTH CARE PROVIDER, HEALTH PLAN OR HEALTH PLAN SPONSOR HAS A  
13 CAUSE OF ACTION FOR INJUNCTIVE RELIEF AND COSTS, INCLUDING ATTORNEY FEES, FOR  
14 THE ENFORCEMENT OF THIS SECTION AGAINST ANY NONCOMPLIANT ENTITY. ON A SECOND  
15 OR SUCCESSIVE OCCURRENCE OF FAILURE OR REFUSAL TO REPLY TO THE MESSAGES  
16 REQUIRED UNDER THIS SECTION, THE COURT SHALL IMPOSE A CIVIL PENALTY PURSUANT  
17 TO SUBSECTION E.

18 E. ON A FINDING THAT AN ENTITY KNOWINGLY FAILED OR REFUSED TO COMPLY  
19 WITH THE DUTIES IMPOSED BY THIS SECTION, A COURT SHALL IMPOSE A CIVIL PENALTY  
20 OF ONE THOUSAND DOLLARS FOR EACH ELIGIBILITY MESSAGE THE ENTITY FAILED OR  
21 REFUSED TO REPLY TO AS REQUIRED BY THIS SECTION. AN ATTEMPT TO IMPOSE DATA  
22 ELEMENTS OR OTHER BURDENS NOT EXPRESSLY AUTHORIZED BY THIS SECTION ON THE  
23 CONTENT, TERMS OR EXECUTION OF MESSAGING IS A REFUSAL TO COMPLY WITH THE  
24 REQUIREMENTS OF THIS SECTION.

25 F. ON A SHOWING BY ANY HEALTH PLAN FUNDED IN WHOLE OR IN PART BY THIS  
26 STATE OR ITS AGENT THAT AN ENTITY HAS FAILED OR REFUSED TO RESPOND TO THE  
27 MESSAGING REQUIREMENTS OF THIS SECTION, THE ATTORNEY GENERAL SHALL:

28 1. SUBPOENA THE NONCOMPLIANT ENTITY'S ENROLLMENT DATA.

29 2. COMMENCE A COMPLAINT UNDER 42 UNITED STATES CODE SECTION 1320d-5  
30 FOR ADMINISTRATIVE SANCTIONS.

31 3. REQUEST THE FEDERAL GOVERNMENT TO COMMENCE A PROSECUTION UNDER 18  
32 UNITED STATES CODE SECTION 1035.

33 4. COMMENCE AN ACTION IN STATE COURT TO DEMAND SPECIFIC PERFORMANCE BY  
34 THE ENTITY OF ITS DUTY UNDER THIS SECTION.

35 G. ON NOTICE OF A SECOND FINDING OF AN ENTITY'S FAILURE OR REFUSAL TO  
36 COMPLY WITH THE MESSAGING REQUIREMENTS OF THIS SECTION, THE DEPARTMENT OF  
37 INSURANCE SHALL PERMANENTLY REVOKE THAT ENTITY'S LICENSE. THE DEPARTMENT  
38 SHALL INCLUDE ANY FINDING BY ANOTHER STATE'S HEALTH PLAN OR PROVIDER OR BY

1 THE FEDERAL GOVERNMENT OF A VIOLATION OF COMPARABLE LAW IN THE CALCULATION OF  
2 FIRST AND SECOND OFFENSES.

3 H. WITHIN ONE HUNDRED TWENTY DAYS AFTER THE EFFECTIVE DATE OF THIS  
4 SECTION, EACH STATE FUNDED HEALTH PLAN AND MEDICAL PROVIDER SHALL CONDUCT AN  
5 AUDIT OF THE PRIMACY OF ITS PAYMENTS BY MATCHING THE IDENTITIES OF ITS  
6 BENEFICIARIES ELECTRONICALLY USING THE TRANSACTIONS MANDATED PURSUANT TO 42  
7 UNITED STATES CODE SECTIONS 1320d THROUGH 1320d-8 AGAINST THE ENROLLMENT OF  
8 ALL OTHER HEALTH PLANS. EACH ORGANIZATION MUST FILE THE RESULTS OF ITS AUDIT  
9 WITH THE DEPARTMENT OF INSURANCE WHEN THE AUDIT IS COMPLETE.

10 I. BEGINNING OCTOBER 1, 2009, A HEALTH PLAN FUNDED DIRECTLY OR  
11 INDIRECTLY BY TAX MONIES MAY NOT PAY ANY CLAIM OR PREMIUM THAT LACKS A  
12 CERTIFICATE OF THE HEALTH PLAN'S PRIMACY DERIVED FROM A COMPREHENSIVE,  
13 ELECTRONIC, PREEMPTIVE TEST OF ALL OTHER COVERAGE OR A CERTIFICATE OF ITS NET  
14 LIABILITY AS A SECONDARY PAYOR.

15 J. ELIGIBILITY COVERAGE DATA THAT IS SHARED PURSUANT TO THIS SECTION  
16 BY HEALTH PLANS AND OTHER PARTIES IN THE PROCESS OF DETERMINING PRIMACY SHALL  
17 BE CONSTRUED AS AN ELEMENT OF DATA USED IN THE PROCESS OF BILLING FOR MEDICAL  
18 SERVICES RENDERED AND IS EXPRESSLY EXEMPT FROM THE PRIVACY AND  
19 CONFIDENTIALITY PROVISIONS OF THE HEALTH INSURANCE PORTABILITY AND  
20 ACCOUNTABILITY ACT OF 1996 AND THE REGULATIONS PROMULGATED THEREUNDER. A  
21 PERSON WHO RECEIVES THIS DATA FOR THAT PURPOSE MAY NOT CONVERT THE USE OF  
22 THAT DATA TO ANY OTHER PURPOSE.

23 Sec. 4. Section 23-722.01, Arizona Revised Statutes, is amended to  
24 read:

25 23-722.01. Employer reporting; exceptions; retention of  
26 records; unauthorized disclosure; civil penalty;  
27 new hire directory; definitions

28 A. Subject to the requirements of subsection E, the department of  
29 economic security shall implement a program to require all employers doing  
30 business in this state to report the following to the department of economic  
31 security:

32 1. The hiring of any employee who resides or works in this state.

33 2. The rehiring or returning to work of any employee who was laid off,  
34 furloughed, separated, granted a leave without pay or terminated from  
35 employment.

36 B. The department of economic security shall eliminate all unnecessary  
37 reporting in the information requested to reduce the burden of employers.

## Senate Strike Everything Changes to HB 2633 Budget Plan Summary

	FY 2010 <u>Senate Budget Plan</u> (\$2,984,297,100)	Savings as <u>% of GF</u> <u>Budget</u>	Savings as <u>% of Total 4/</u> <u>Spending</u>
<b>Estimated Shortfall</b>			
<b>General Fund Spending Reductions</b>			
<u>7 Large Agencies</u>			
Dept. of Education <u>2/</u>	(220,190,000)	-5.2%	-2.2%
AHCCCS <u>3/</u>	(66,218,100)	-4.0%	-3.7%
Universities	(40,000,000)	-4.3%	-2.8%
Dept. of Corrections	(34,946,300)	-3.5%	-3.3%
Dept. of Economic Security <u>3/</u>	(74,429,000)	-10.1%	-2.8%
Dept. of Health Services <u>3/</u>	(108,399,100)	-17.1%	-5.9%
Community Colleges <u>4/</u>	(11,315,800)	-7.8%	-0.7%
All Other Agencies	(51,828,000)	-6.9%	-8.0%
Property Tax Shifts	(53,915,700)		
Capital	(50,000)		
<b>Subtotal - General Fund Agencies</b>	(\$661,292,000)	-6.6%	-3.5%
<b>Rollovers</b>			
AHCCCS	(117,889,100)		
Dept. of Economic Security	(15,600,000)		
Dept. of Health Services	(20,000,000)		
<b>Subtotal - Rollovers</b>	(\$153,489,100)		
<b>Fund Transfers</b>			
Excess Balance Transfers (EBTs)	(119,181,300)		
Fund Reduction and Transfers (FRATs)	(185,233,300)		
All Other Fund Transfers	(88,803,100)		
<b>Subtotal - Fund Sweeps</b>	(\$393,217,700)		
<b>Shift K-12 to Local VLT</b>	(\$190,000,000)		
<b>Temporary Federal Assistance</b>			
Medicaid Match Rate	(\$737,195,100)		
Stabilization Fund	(\$324,116,200)		
<b>Prior Year Carryforward - Via Stabilization Fund</b>	(\$247,700,000)		
<b>Additional Revenue</b>	(\$240,547,300)		
<b>Non-Tax Revenue</b>			
Fraud Reduction	(\$50,000,000)		
<b>Subtotal - Non-Tax Revenue</b>	(\$50,000,000)		
<b>TOTAL - Budget Plans</b>	(\$2,997,557,400)		
<b>Remaining Balance/(Shortfall)</b>	\$13,260,300		

1/ "Savings as % of Total Spending" column includes reductions in federal and non-General Fund state funding

2/ The total spending reduction includes local funding for items such as "QTR" taxes, overrides and debt service.

3/ Does not include spending reductions backfilled with Temporary Federal Assistance displayed in separate list

4/ The total spending reduction includes local funding for items such as tuition and fees, property taxes and grants.

**General Fund**  
**Detailed List of Budget Changes by Agency**

	Revised GF FY 2009	FY 2010 GF Baseline 2/	FY 2010 GF SB 1188 S/E	FY 2010 GF SB 1188 S/E Subtotal
<b>OPERATING SPENDING CHANGES</b>				
<b>DOA - Arizona Department of Administration</b>	\$19,043,500			
DOA - Lump Sum Suspension/Reduction			(1,212,200)	
DOA - Salary Lump Sum			(619,400)	
				(1,831,600)
<b>OAH - Office of Administrative Hearings</b>	\$1,117,900			
OAH - Lump Sum Suspension/Reduction			(64,300)	
OAH - Salary Lump Sum			(53,900)	
				(118,200)
<b>AGR - Department of Agriculture</b>	\$10,167,800			
AGR - Lump Sum Suspension/Reduction			(116,000)	
AGR - Efficiency Reductions			(251,000)	
AGR - Fee Use Authority			(389,000)	
AGR - Rent Savings			(259,300)	
AGR - ACT Pari-mutuel Shift			128,500	
				(886,800)
<b>AXS - AHCCCS</b>	\$1,539,428,700			
AXS - Caseload Growth		183,202,100		
AXS - FY 09 Supplemental		(87,097,600)		
AXS - Lump Sum Suspension/Reduction			(903,100)	
AXS - Salary Lump Sum			(2,451,700)	
AXS - FY 09 Annualization			(907,700)	
AXS - Eliminate KidsCare Parents			(7,321,500)	
AXS - Reduce KidsCare Eligibility to 150% (grandfather current recipients)			(3,597,800)	
AXS - (5)% Rate Adjustments			(49,911,500)	
AXS - Implement DRA Copayments			(1,124,800)	
				(66,218,100)
<b>ART - Arizona Commission on the Arts</b>	\$1,507,600			
ART - Salary Lump Sum			(29,400)	
ART - FY 09 Annualization			(563,100)	
ART - Endowment Offset			300,000	
ART - Suspend General Fund Support			(915,100)	
				(1,207,600)
<b>ATT - Attorney General</b>	\$21,607,400			
ATT - Lump Sum Suspension/Reduction			(1,949,100)	
ATT - Salary Lump Sum			(221,600)	
				(2,170,700)
<b>CPD - State Capital Postconviction Public Defender Office</b>	\$759,000			
CPD - Lump Sum Suspension/Reduction			(43,600)	
CPD - Salary Lump Sum			(34,800)	
				(78,400)
<b>CHA - State Board for Charter Schools</b>	\$723,200			
CHA - Restore FY 09 Reductions			105,500	
CHA - Eliminate One-time Funding		(4,800)	0	
				105,500
<b>COM - Department of Commerce</b>	\$6,512,000			
COM - Reduce Commerce GF Support			(2,000,000)	
				(2,000,000)
<b>CCO - Arizona Community Colleges</b>	\$138,679,800			
CCO - Formula Growth		8,019,800		
CCO - Tribal Formula Adjustments		(220,000)		
CCO - Reduce One-time Spending		(500,000)		
CCO - Lump Sum Suspension/Reduction - Operating State Aid			(9,152,000)	
CCO - Fund Dual Enrollment at 50%			(2,163,800)	
				(11,315,800)