REFERENCE TITLE: health security act.

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2188

Introduced by
Representative Lopes

AN ACT

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 31; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3019.01; RELATING TO THE HEALTH SECURITY PLAN.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 36, Arizona Revised Statutes, is amended by adding
3 chapter 31, to read:
4 CHAPTER 31
5 HEALTH SECURITY PLAN
6 ARTICLE 1. GENERAL PROVISIONS
7 36-3101. Definitions
8 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:
9 1. "BENEFICIARY" MEANS A PERSON WHO IS ELIGIBLE FOR HEALTH CARE AND
10 BENEFITS PURSUANT TO THE HEALTH SECURITY PLAN.
11 2. "BUDGET" MEANS THE TOTAL OF ALL CATEGORIES OF DOLLAR AMOUNTS OF
12 EXPENDITURES FOR A STATED PERIOD AUTHORIZED FOR AN ENTITY OR A PROGRAM.
13 3. "CAPITAL BUDGET" MEANS THAT PORTION OF A BUDGET THAT ESTABLISHES
14 EXPENDITURES FOR:
15 (a) THE ACQUISITION OR ADDITION OF SUBSTANTIAL IMPROVEMENT TO REAL
16 PROPERTY.
17 (b) THE ACQUISITION OF TANGIBLE PERSONAL PROPERTY.
18 4. "CASE MANAGEMENT" MEANS A COMPREHENSIVE PROGRAM DESIGNED TO MEET AN
19 INDIVIDUAL'S NEED FOR CARE BY COORDINATING AND LINKING THE COMPONENTS OF
20 HEALTH CARE.
21 5. "COMMISSION" MEANS THE HEALTH CARE COMMISSION ESTABLISHED BY THIS
22 CHAPTER.
23 6. "CONSUMER PRICE INDEX FOR MEDICAL CARE PRICES" MEANS THAT INDEX AS
24 PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT
25 OF LABOR.
26 7. "CONTROLLING INTEREST" MEANS A DIRECT OR INDIRECT:
27 (a) OWNERSHIP INTEREST OF AT LEAST FIVE PER CENT IN THE PERSON
28 CONTROLLED.
29 (b) FINANCIAL INTEREST THAT BECAUSE OF BUSINESS OR PERSONAL
30 RELATIONSHIPS HAS THE POWER TO INFLUENCE IMPORTANT DECISIONS OF THE PERSON
31 CONTROLLED.
32 8. "FINANCIAL INTEREST" MEANS AN OWNERSHIP INTEREST, WHETHER DIRECT OR
33 INDIRECT, OF ANY AMOUNT.
34 9. "GROUP PRACTICE" MEANS AN ASSOCIATION OF HEALTH CARE PRACTITIONERS
35 THAT PROVIDES ONE OR MORE SPECIALIZED HEALTH CARE SERVICES OR A TRIBAL OR
36 URBAN INDIAN COALITION IN PARTNERSHIP OR UNDER CONTRACT WITH THE FEDERAL
37 INDIAN HEALTH SERVICE THAT IS AUTHORIZED UNDER FEDERAL LAW TO PROVIDE HEALTH
38 CARE TO NATIVE AMERICAN POPULATIONS IN THIS STATE.
39 10. "HEALTH CARE" MEANS HEALTH CARE PRACTITIONER SERVICES AND HEALTH
40 FACILITY SERVICES.
41 11. "HEALTH CARE PRACTITIONER" MEANS:
42 (a) A PERSON WHO IS LICENSED OR CERTIFIED TO PROVIDE HEALTH CARE
43 PURSUANT TO TITLE 32.

(b) A PERSON WHO IS LICENSED OR CERTIFIED BY A NATIONALLY RECOGNIZED PROFESSIONAL ORGANIZATION AND DESIGNATED AS A HEALTH CARE PRACTITIONER BY THE COMMISSION.

(c) A PERSON WHO IS IN A GROUP PRACTICE OF LICENSED PRACTITIONERS.

(d) A TRANSPORTATION SERVICE.

12. "HEALTH FACILITY" MEANS:

(a) A SCHOOL-BASED CLINIC.

(b) AN INDIAN HEALTH SERVICE FACILITY.

(c) A TRIBALLY OPERATED HEALTH CARE FACILITY.

(d) A LICENSED GENERAL HOSPITAL.

(e) A SPECIAL HOSPITAL.

(f) AN OUTPATIENT FACILITY.

(g) A PSYCHIATRIC HOSPITAL.

(h) A LABORATORY.

(i) A SKILLED NURSING FACILITY.

(j) A NURSING FACILITY.

(k) A PRIMARY CARE CLINIC THAT IS AUTHORIZED TO RECEIVE STATE OR FEDERAL REIMBURSEMENT.

13. "HEALTH SECURITY PLAN" MEANS THE PROGRAM THAT IS ESTABLISHED AND ADMINISTERED BY THE COMMISSION PURSUANT TO THIS CHAPTER.

14. "MAJOR CAPITAL EXPENDITURE" MEANS CONSTRUCTION OR RENOVATION OF FACILITIES OR THE ACQUISITION OF DIAGNOSTIC, TREATMENT OR TRANSPORTATION EQUIPMENT BY A HEALTH CARE PRACTITIONER OR A HEALTH FACILITY THAT COSTS MORE THAN AN AMOUNT RECOMMENDED AND ESTABLISHED BY THE COMMISSION.

15. "OPERATING BUDGET" MEANS THE BUDGET OF A HEALTH FACILITY EXCLUSIVE OF THE FACILITY'S CAPITAL BUDGET.

16. "PERSON" MEANS AN INDIVIDUAL OR ANY OTHER LEGAL ENTITY.

17. "PRACTITIONER BUDGET" MEANS THE AUTHORIZED EXPENDITURES PURSUANT TO PAYMENT MECHANISMS ESTABLISHED BY THE COMMISSION TO PAY FOR HEALTH CARE FURNISHED BY HEALTH CARE PRACTITIONERS PARTICIPATING IN THE HEALTH SECURITY PLAN.

18. "PRIMARY CARE PRACTITIONER" MEANS AN ALLOPATHIC PHYSICIAN, OSTEOPATHIC PHYSICIAN, NURSE PRACTITIONER, PHYSICIAN ASSISTANT OR OTHER HEALTH CARE PRACTITIONER CERTIFIED BY THE COMMISSION.

19. "TRANSPORTATION SERVICE" MEANS A PERSON PROVIDING THE SERVICES OF AN AMBULANCE, HELICOPTER OR OTHER CONVEYANCE THAT IS EQUIPPED WITH HEALTH CARE SUPPLIES AND EQUIPMENT AND THAT IS USED TO TRANSPORT PATIENTS TO OTHER HEALTH CARE PRACTITIONERS OR HEALTH FACILITIES.

36-3102. Health care commission; compensation; removal from office; immunity

A. THE HEALTH CARE COMMISSION IS ESTABLISHED CONSISTING OF FIFTEEN MEMBERS APPOINTED BY THE GOVERNOR FROM A LIST OF NAMES SUBMITTED BY THE HEALTH CARE COMMISSION MEMBERSHIP NOMINATING COMMITTEE PURSUANT TO SECTION 36-3103.

B. COMMISSION MEMBERS SERVE STAGGERED FOUR YEAR TERMS THAT BEGIN AND END ON THE THIRD MONDAY IN JANUARY. COMMISSION MEMBERS SHALL NOT SERVE FOR MORE THAN TWO SUCCESSIVE FOUR YEAR TERMS OR FOR MORE THAN EIGHT CONSECUTIVE YEARS.

C. THE COMMISSION SHALL ESTABLISH STANDARDS FOR ATTENDANCE.

D. A COMMISSION MEMBER MAY BE REMOVED FROM THE COMMISSION BY A MAJORITY VOTE OF THE MEMBERS PRESENT AT A MEETING WHERE A QUORUM IS PRESENT FOR INCOMPETENCE, LACK OF ATTENDANCE, NEGLECT OF DUTY, MALFEASANCE IN OFFICE OR VIOLATION OF THE COMMISSION'S CODE OF CONDUCT. A COMMISSION MEMBER SHALL NOT BE REMOVED WITHOUT NOTICE AND AN OPPORTUNITY TO BE HEARD AT A COMMISSION MEETING AND PURSUANT TO PROCEDURES ADOPTED BY THE COMMISSION.

E. COMMISSION MEMBERS ARE ELIGIBLE TO RECEIVE COMPENSATION IN THE AMOUNT OF TWO HUNDRED DOLLARS PER DAY FOR EACH DAY OF ACTUAL SERVICE IN THE BUSINESS OF THE COMMISSION AND ALL EXPENSES NECESSARILY AND PROPERLY INCURRED IN ATTENDING COMMISSION MEETINGS.

F. COMMISSION MEMBERS MUST BE RESIDENTS OF THIS STATE AND MAY NOT HAVE ANY FINANCIAL INTEREST IN ANY HEALTH CARE PROFESSION.

G. A COMMISSION MEMBER WHO ACTS WITHIN THE SCOPE OF COMMISSION DUTIES, WITHOUT MALICE AND IN THE REASONABLE BELIEF THAT THE PERSON'S ACTION IS WARRANTED BY LAW IS NOT SUBJECT TO CIVIL LIABILITY.

H. THE COMMISSION SHALL ADOPT A CONFLICT-OF-INTEREST DISCLOSURE STATEMENT FOR USE BY ALL COMMISSION MEMBERS THAT REQUIRES DISCLOSURE OF FINANCIAL INTEREST OF ANY DEGREE OF THE COMMISSION MEMBER OR THE COMMISSION MEMBER'S HOUSEHOLD IN A PERSON WHO PROVIDES HEALTH CARE OR HEALTH INSURANCE.

I. A COMMISSION MEMBER WHO REPRESENTS HEALTH FACILITIES OR HEALTH CARE PRACTITIONERS MAY VOTE ON MATTERS THAT PERTAIN GENERALLY TO HEALTH FACILITIES OR HEALTH CARE PRACTITIONERS.

J. IF THERE IS A QUESTION ABOUT A CONFLICT OF INTEREST OF A COMMISSION MEMBER, THE OTHER COMMISSION MEMBERS SHALL VOTE ON WHETHER TO ALLOW THE MEMBER TO VOTE.

K. THE COMMISSION SHALL ADOPT A CODE OF CONDUCT FOR COMMISSION MEMBERS AND EMPLOYEES WHO ARE SUBJECT TO THE COMMISSION'S CONTROL. THE CODE OF CONDUCT SHALL BE CONSISTENT WITH STATE LAW.

36-3103. Health care commission membership nominating committee; qualifications; duties; compensation

A. THE HEALTH CARE COMMISSION MEMBERSHIP NOMINATING COMMITTEE IS ESTABLISHED CONSISTING OF THE FOLLOWING MEMBERS:

1. TWO MEMBERS WHO ARE APPOINTED BY THE GOVERNOR AND WHO ARE NOT RESIDENTS OF THE SAME COUNTY.

2. THREE MEMBERS WHO ARE APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES, NOT MORE THAN TWO OF WHOM ARE RESIDENTS OF THE SAME COUNTY.

3. THREE MEMBERS WHO ARE APPOINTED BY THE PRESIDENT OF THE SENATE, NOT MORE THAN TWO OF WHOM ARE RESIDENTS OF THE SAME COUNTY.

4. TWO MEMBERS WHO ARE APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES AND WHO ARE NOT RESIDENTS OF THE SAME COUNTY.

5. TWO MEMBERS WHO ARE APPOINTED BY THE MINORITY LEADER OF THE SENATE AND WHO ARE NOT RESIDENTS OF THE SAME COUNTY.

B. A PERSON WHO IS APPOINTED TO THE NOMINATING COMMITTEE MUST HAVE SUBSTANTIAL KNOWLEDGE OF THE HEALTH CARE SYSTEM AS DEMONSTRATED BY EDUCATION OR EXPERIENCE. A PERSON IS NOT ELIGIBLE FOR APPOINTMENT TO THE COMMITTEE IF:

1. THE PERSON IS A STATE EMPLOYEE.

2. THE PERSON HOLDS AN ELECTED PUBLIC OFFICE.

3. THE PERSON OR A MEMBER OF THE PERSON'S HOUSEHOLD IS CURRENTLY, OR WITHIN THE PREVIOUS THIRTY-SIX MONTHS HAS BEEN, AN OFFICER OR AN EMPLOYEE OF A HEALTH CARE PROVIDER OR A HEALTH INSURANCE PROVIDER OR HAS OR HAD A CONTROLLING INTEREST IN A PERSON PROVIDING HEALTH CARE OR HEALTH INSURANCE EITHER DIRECTLY OR AS AN AGENT OF A PERSON PROVIDING HEALTH CARE OR HEALTH INSURANCE.

C. MEMBERS OF THE NOMINATING COMMITTEE SERVE STAGGERED FOUR YEAR TERMS THAT BEGIN AND END ON THE THIRD MONDAY IN JANUARY. COMMITTEE MEMBERS MAY BE REAPPOINTED TO A SECOND FOUR YEAR TERM BY THE OFFICE THAT MADE THE INITIAL APPOINTMENT. IF A VACANCY OCCURS BEFORE THE EXPIRATION OF A FULL TERM, THAT VACANCY SHALL BE FILLED BY A PERSON SELECTED BY THE OFFICE THAT MADE THE INITIAL APPOINTMENT.

D. THE NOMINATING COMMITTEE SHALL ELECT A CHAIRPERSON AND VICE-CHAIRPERSON AT ITS ANNUAL MEETINGS. THE NOMINATING COMMITTEE SHALL HOLD ITS FIRST ANNUAL MEETING ON OCTOBER 1, 2009.

E. THE NOMINATING COMMITTEE SHALL ACTIVELY SOLICIT, ACCEPT AND EVALUATE APPLICATIONS FROM QUALIFIED PERSONS FOR APPOINTMENT BY THE GOVERNOR. THE NOMINATING COMMITTEE SHALL SUBMIT TO THE GOVERNOR THE NAME OF EACH PERSON WHO, BY A MAJORITY VOTE OF THE COMMITTEE, IT RECOMMENDS FOR INITIAL AND SUBSEQUENT APPOINTMENT TO THE COMMISSION. THE GOVERNOR MAY MAKE ONE REQUEST FOR ADDITIONAL RECOMMENDATIONS. THE NOMINATING COMMITTEE SHALL THEN SUBMIT NOT MORE THAN THREE ADDITIONAL NAMES TO THE GOVERNOR FOR COMMISSION MEMBERSHIP. THE NOMINATING COMMITTEE SHALL SUBMIT ITS RECOMMENDATIONS FOR INITIAL COMMISSION MEMBERSHIP ON OR BEFORE DECEMBER 1, 2009. COMMISSION MEMBERSHIP SHALL INCLUDE FIVE PERSONS WHO REPRESENT EITHER HEALTH CARE PRACTITIONERS OR HEALTH CARE FACILITIES, AT LEAST FIVE PERSONS WHO REPRESENT CONSUMER INTERESTS AND AT LEAST THREE PERSONS WHO REPRESENT EMPLOYER INTERESTS. THE INITIAL RECOMMENDATIONS AND APPOINTMENTS SHALL INCLUDE INDIVIDUALS FROM EACH OF THE TRANSPORTATION DISTRICTS AS DESCRIBED IN SECTION 28-301 AS FOLLOWS:

1. FOUR NAMES FROM DISTRICT ONE.

2. THREE NAMES FROM DISTRICT TWO.

3. TWO NAMES FROM DISTRICT THREE.

4. TWO NAMES FROM DISTRICT FOUR.

5. TWO NAMES FROM DISTRICT FIVE.

6. TWO NAMES FROM DISTRICT SIX.

1 F. MEMBERS OF THE NOMINATING COMMITTEE ARE NOT ELIGIBLE FOR
2 COMPENSATION, BUT ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES PURSUANT TO
3 TITLE 38, CHAPTER 4, ARTICLE 2.
4 36-3104. Executive director
5 A. THE COMMISSION SHALL HIRE AN EXECUTIVE DIRECTOR AS AN EMPLOYEE OF
6 THE COMMISSION. THE EXECUTIVE DIRECTOR IS RESPONSIBLE FOR THE PERFORMANCE OF
7 THE REGULAR ADMINISTRATIVE FUNCTIONS OF THE COMMISSION AND THE ADMINISTRATION
8 OF THIS CHAPTER.
9 B. THE COMMISSION MAY HIRE OTHER EMPLOYEES NECESSARY TO CARRY OUT THIS
10 CHAPTER AND MAY CONTRACT WITH OTHER STATE AGENCIES TO CARRY OUT THIS CHAPTER.
11 C. IF THE EXECUTIVE DIRECTOR DETERMINES THAT THE COMMISSION STAFF OR A
12 STATE AGENCY DOES NOT HAVE THE RESOURCES OR EXPERTISE TO PERFORM A NECESSARY
13 TASK, THE EXECUTIVE DIRECTOR MAY CONTRACT FOR PERFORMANCE FROM A PERSON WHO
14 HAS A DEMONSTRATED CAPABILITY TO PERFORM THAT TASK.
15 D. THE COMMISSION SHALL ESTABLISH THE STANDARDS AND REQUIREMENTS BY
16 WHICH A CONTRACT IS EXECUTED BY THE COMMISSION OR THE EXECUTIVE DIRECTOR.
17 THE EXECUTIVE DIRECTOR OR THE COMMISSION SHALL REVIEW A CONTRACT TO ENSURE
18 THAT IT MEETS THE COMMISSION'S CRITERIA, PERFORMANCE STANDARDS, EXPECTATIONS
19 AND NEEDS. A CONTRACT FOR CLAIMS PROCESSING FUNCTIONS SHALL REQUIRE THAT ALL
20 WORK FOR CLAIMS PROCESSING, CUSTOMER SERVICE, MEDICAL AND UTILIZATION REVIEW,
21 FINANCIAL AUDIT AND REIMBURSEMENT AND RELATED CLAIMS ADJUDICATION FUNCTIONS
22 BE PERFORMED ENTIRELY IN THIS STATE.
23 E. THE EXECUTIVE DIRECTOR SHALL PREPARE AND SUBMIT AN ANNUAL BUDGET
24 REQUEST AND PLAN OF OPERATION TO THE COMMISSION FOR ITS APPROVAL. THE
25 EXECUTIVE DIRECTOR SHALL PROVIDE AT LEAST QUARTERLY STATUS REPORTS ON THE
26 BUDGET AND ADVISE THE COMMISSION REGARDING ANY POTENTIAL SHORTFALL AS SOON AS
27 PRACTICALLY POSSIBLE.
28 36-3105. Duties of the commission
29 THE COMMISSION SHALL:
30 1. ADOPT A FIVE YEAR PLAN FOR THE INITIAL IMPLEMENTATION OF THE HEALTH
31 SECURITY PLAN AS PRESCRIBED BY THIS CHAPTER, UPDATE THAT PLAN AND ADOPT OTHER
32 LONG-RANGE AND SHORT-RANGE PLANS TO PROVIDE CONTINUITY AND DEVELOPMENT OF THE
33 STATE'S HEALTH CARE SYSTEM.
34 2. DESIGN THE HEALTH SECURITY PLAN TO FULFILL THE PURPOSES OF AND
35 CONFORM TO THE REQUIREMENTS OF THE HEALTH SECURITY PLAN AS PRESCRIBED BY THIS
36 CHAPTER FOR IMPLEMENTATION BEGINNING JANUARY 1, 2012.
37 3. PROVIDE A PROGRAM TO EDUCATE THE PUBLIC, HEALTH CARE PRACTITIONERS
38 AND HEALTH FACILITIES ABOUT THE HEALTH SECURITY PLAN AND THE PERSONS ELIGIBLE
39 TO RECEIVE ITS BENEFITS.
40 4. STUDY AND ADOPT AS PROVISIONS OF THE HEALTH SECURITY PLAN
41 PRESCRIBED BY THIS CHAPTER COST-EFFECTIVE METHODS OF PROVIDING QUALITY HEALTH
42 CARE TO ALL BENEFICIARIES, GIVING HIGH PRIORITY TO INCREASED RELIANCE ON:
43 (a) PREVENTIVE AND PRIMARY CARE THAT INCLUDES IMMUNIZATION AND
44 SCREENING EXAMINATIONS.
45 (b) PROVIDING HEALTH CARE IN RURAL OR UNDERSERVED AREAS OF THIS STATE.

1 (c) IN-HOME AND COMMUNITY-BASED ALTERNATIVES TO INSTITUTIONAL HEALTH
2 CARE.
3 (d) CASE MANAGEMENT SERVICES, IF APPROPRIATE.
4 5. ESTABLISH COMPENSATION METHODS FOR HEALTH CARE PRACTITIONERS AND
5 HEALTH FACILITIES AND ADOPT STANDARDS AND PROCEDURES FOR NEGOTIATING AND
6 ENTERING INTO CONTRACTS WITH PARTICIPATING HEALTH CARE PRACTITIONERS AND
7 HEALTH FACILITIES.
8 6. ANNUALLY, AND FOR THOSE PROJECTED FUTURE PERIODS THE COMMISSION
9 BELIEVES APPROPRIATE, ESTABLISH HEALTH SECURITY PLAN BUDGETS.
10 7. ESTABLISH CAPITAL BUDGETS FOR HEALTH FACILITIES, LIMITED TO CAPITAL
11 EXPENDITURES SUBJECT TO THE REQUIREMENTS OF THIS CHAPTER, AND INCLUDE IN
12 THOSE BUDGETS:
13 (a) STANDARDS AND PROCEDURES FOR DETERMINING THE BUDGETS.
14 (b) A REQUIREMENT FOR PRIOR APPROVAL BY THE COMMISSION FOR MAJOR
15 CAPITAL EXPENDITURES BY A HEALTH FACILITY.
16 8. NEGOTIATE AND ENTER INTO HEALTH CARE RECIPROCITY AGREEMENTS WITH
17 OTHER STATES AND COUNTRIES AND NEGOTIATE AND ENTER INTO HEALTH CARE
18 AGREEMENTS WITH OUT-OF-STATE HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES.
19 9. DEVELOP CLAIMS AND PAYMENT PROCEDURES FOR HEALTH CARE
20 PRACTITIONERS, HEALTH FACILITIES AND CLAIMS ADMINISTRATORS AND INCLUDE
21 PROVISIONS TO ENSURE TIMELY PAYMENTS AND PROVIDE FOR PAYMENT OF INTEREST IF
22 REIMBURSABLE CLAIMS ARE NOT PAID WITHIN A REASONABLE TIME.
23 10. IN CONJUNCTION WITH OTHER STATE AGENCIES SIMILARLY CHARGED,
24 ESTABLISH A SYSTEM TO COLLECT AND ANALYZE STANDARD HEALTH DATA AND OTHER DATA
25 NECESSARY TO IMPROVE THE QUALITY, EFFICIENCY AND EFFECTIVENESS OF HEALTH CARE
26 AND TO CONTROL COSTS OF HEALTH CARE IN THIS STATE. THE SYSTEM SHALL INCLUDE
27 DATA ON THE FOLLOWING:
28 (a) MORTALITY, INCLUDING ACCIDENTAL CAUSES OF DEATH.
29 (b) NATALITY.
30 (c) MORBIDITY.
31 (d) HEALTH BEHAVIOR.
32 (e) PHYSICAL AND PSYCHOLOGICAL IMPAIRMENT AND DISABILITY.
33 (f) HEALTH CARE SYSTEM COSTS AND HEALTH CARE AVAILABILITY, UTILIZATION
34 AND REVENUES.
35 (g) ENVIRONMENTAL FACTORS.
36 (h) AVAILABILITY, ADEQUACY AND TRAINING OF HEALTH CARE PERSONNEL.
37 (i) DEMOGRAPHIC FACTORS.
38 (j) SOCIAL AND ECONOMIC CONDITIONS AFFECTING HEALTH.
39 (k) HEALTH OUTCOMES.
40 (l) OTHER FACTORS AS DETERMINED BY THE COMMISSION.
41 11. STANDARDIZE DATA COLLECTION AND SPECIFIC METHODS OF MEASUREMENT
42 ACROSS DATABASES AND USE SCIENTIFIC SAMPLING OR COMPLETE ENUMERATION FOR
43 REPORTING HEALTH INFORMATION.
44 12. ESTABLISH A HEALTH CARE DELIVERY SYSTEM THAT IS EFFICIENT TO
45 ADMINISTER AND THAT ELIMINATES UNNECESSARY ADMINISTRATIVE COSTS.

1 13. ADOPT RULES NECESSARY TO IMPLEMENT AND MONITOR A PREFERRED DRUG
2 LIST, BULK PURCHASING OR OTHER MECHANISM TO PROVIDE PRESCRIPTION DRUGS AND A
3 PRICING PROCEDURE FOR NONPRESCRIPTION DRUGS, DURABLE MEDICAL EQUIPMENT AND
4 SUPPLIES, EYEGLASSES, HEARING AIDS AND OXYGEN.
5 14. ESTABLISH A PHARMACY AND THERAPEUTICS COMMITTEE TO:
6 (a) CONDUCT CONCURRENT, PROSPECTIVE AND RETROSPECTIVE DRUG UTILIZATION
7 REVIEW.
8 (b) CONDUCT PHARMACO-ECONOMIC RESEARCH AND ANALYSIS OF CLINICAL
9 SAFETY, EFFICACY AND EFFECTIVENESS OF DRUGS.
10 (c) CONSULT WITH SPECIALISTS IN APPROPRIATE FIELDS OF MEDICINE FOR
11 THERAPEUTIC CLASSES OF DRUGS.
12 (d) RECOMMEND THERAPEUTIC CLASSES OF DRUGS, INCLUDING SPECIFIC DRUGS
13 WITHIN EACH CLASS TO BE INCLUDED ON THE PREFERRED DRUG LIST.
14 (e) IDENTIFY APPROPRIATE EXCLUSIONS FROM THE PREFERRED DRUG LIST.
15 (f) CONDUCT PERIODIC CLINICAL REVIEWS OF PREFERRED, NONPREFERRED AND
16 NEW DRUGS.
17 15. STUDY AND EVALUATE THE ADEQUACY AND QUALITY OF HEALTH CARE
18 FURNISHED PURSUANT TO THIS CHAPTER, THE COST OF EACH TYPE OF SERVICE AND THE
19 EFFECTIVENESS OF COST CONTAINMENT MEASURES IN THE HEALTH SECURITY PLAN.
20 16. STUDY AND MONITOR THE MIGRATION OF PERSONS TO THIS STATE TO
21 DETERMINE IF PERSONS WITH COSTLY HEALTH CARE NEEDS ARE MOVING TO THIS STATE
22 TO RECEIVE HEALTH CARE, AND IF MIGRATION APPEARS TO THREATEN THE FINANCIAL
23 STABILITY OF THE HEALTH SECURITY PLAN, RECOMMEND TO THE LEGISLATURE CHANGES
24 IN ELIGIBILITY REQUIREMENTS OR PREMIUMS OR OTHER CHANGES THAT MAY BE
25 NECESSARY TO MAINTAIN THE FINANCIAL INTEGRITY OF THE HEALTH SECURITY PLAN.
26 17. ESTABLISH AND APPROVE CHANGES IN COVERAGE BENEFITS AND BENEFIT
27 STANDARDS IN THE HEALTH SECURITY PLAN.
28 18. CONDUCT NECESSARY INVESTIGATIONS AND INQUIRIES.
29 19. ADOPT RULES NECESSARY TO IMPLEMENT, ADMINISTER AND MONITOR THE
30 OPERATION OF THE HEALTH SECURITY PLAN.
31 20. ADOPT RULES TO ESTABLISH A PROCUREMENT PROCESS FOR SERVICES AND
32 PROPERTY.
33 21. MEET AS NEEDED, BUT AT LEAST ONCE EVERY MONTH.
34 22. STUDY AND EVALUATE THE COST OF HEALTH CARE PRACTITIONER
35 PROFESSIONAL LIABILITY INSURANCE AND ITS IMPACT ON THE PRICE OF HEALTH CARE
36 SERVICES AND RECOMMEND CHANGES TO THE LEGISLATURE AS NECESSARY.
37 23. PROVIDE ANNUAL TRAINING FOR COMMISSION MEMBERS ON HEALTH CARE
38 COVERAGE, POLICY AND FINANCING.
39 24. SUBMIT AN ANNUAL REPORT TO THE GOVERNOR, THE SPEAKER OF THE HOUSE
40 OF REPRESENTATIVES AND THE PRESIDENT OF THE SENATE AND PROVIDE A COPY OF THIS
41 REPORT TO THE SECRETARY OF STATE AND THE DIRECTOR OF THE ARIZONA STATE
42 LIBRARY, ARCHIVES AND PUBLIC RECORDS. THE REPORT SHALL INCLUDE THE
43 FOLLOWING:
44 (a) A SUMMARY OF INFORMATION ABOUT HEALTH CARE NEEDS, HEALTH OUTCOMES,
45 HEALTH CARE SERVICES, HEALTH CARE EXPENDITURES, REVENUES RECEIVED AND

1 PROJECTED REVENUES AND OTHER RELEVANT ISSUES RELATING TO THE HEALTH SECURITY
2 PLAN, THE INITIAL FIVE YEAR PLAN AND FUTURE UPDATES OF THAT PLAN AND OTHER
3 LONG-RANGE AND SHORT-RANGE PLANS.
4 (b) RECOMMENDATIONS ON METHODS TO CONTROL HEALTH CARE COSTS AND
5 IMPROVE ACCESS TO AND THE QUALITY OF HEALTH CARE FOR STATE RESIDENTS, AS WELL
6 AS RECOMMENDATIONS FOR LEGISLATIVE ACTION.
7 36-3106. Commission authority; rules
8 A. THE COMMISSION HAS THE AUTHORITY NECESSARY TO CARRY OUT THE POWERS
9 AND DUTIES PURSUANT TO THIS CHAPTER. THE COMMISSION RETAINS RESPONSIBILITY
10 FOR ITS DUTIES BUT MAY DELEGATE AUTHORITY TO THE EXECUTIVE DIRECTOR, EXCEPT
11 THAT THE AUTHORITY TO TAKE THE FOLLOWING ACTIONS IS EXPRESSLY RESERVED TO THE
12 COMMISSION:
13 1. APPROVE THE COMMISSION'S BUDGET AND PLAN OF OPERATION.
14 2. APPROVE THE HEALTH SECURITY PLAN AND MAKE CHANGES IN THE HEALTH
15 SECURITY PLAN, BUT ONLY AFTER LEGISLATIVE APPROVAL OF THOSE CHANGES PURSUANT
16 TO SECTION 36-3122.
17 3. ADOPT RULES AND CONDUCT BOTH RULE MAKING AND ADJUDICATORY HEARINGS
18 IN PERSON OR BY USE OF AN ADMINISTRATIVE LAW JUDGE.
19 4. ISSUE SUBPOENAS TO PERSONS TO APPEAR AND TESTIFY BEFORE THE
20 COMMISSION AND TO PRODUCE DOCUMENTS AND OTHER INFORMATION RELEVANT TO THE
21 COMMISSION'S INQUIRY AND ENFORCE THIS SUBPOENA POWER THROUGH AN ACTION IN THE
22 SUPERIOR COURT.
23 5. MAKE REPORTS AND RECOMMENDATIONS TO THE LEGISLATURE.
24 6. SUBJECT TO THE REQUIREMENTS OF SECTION 36-3133, APPLY FOR PROGRAM
25 WAIVERS FROM ANY GOVERNMENTAL ENTITY IF THE COMMISSION DETERMINES THAT THE
26 WAIVERS ARE NECESSARY TO ENSURE THE PARTICIPATION BY THE GREATEST POSSIBLE
27 NUMBER OF BENEFICIARIES.
28 7. APPLY FOR AND ACCEPT GRANTS, LOANS AND DONATIONS.
29 8. ACQUIRE OR LEASE REAL PROPERTY AND MAKE IMPROVEMENTS ON IT AND
30 ACQUIRE BY LEASE OR PURCHASE TANGIBLE AND INTANGIBLE PERSONAL PROPERTY.
31 9. DISPOSE OF AND TRANSFER PERSONAL PROPERTY, BUT ONLY AT PUBLIC SALE
32 AFTER ADEQUATE NOTICE.
33 10. APPOINT AND PRESCRIBE THE DUTIES OF EMPLOYEES, FIX THEIR
34 COMPENSATION, PAY THEIR EXPENSES AND PROVIDE AN EMPLOYEE BENEFIT PROGRAM.
35 11. ESTABLISH AND MAINTAIN BANKING RELATIONSHIPS, INCLUDING
36 ESTABLISHMENT OF CHECKING AND SAVINGS ACCOUNTS.
37 12. ENTER INTO AGREEMENTS WITH EMPLOYERS TO PROVIDE HEALTH CARE
38 SERVICES FOR THE EMPLOYERS' EMPLOYEES OR RETIREES. THIS CHAPTER DOES NOT
39 REDUCE OR ELIMINATE BENEFITS TO WHICH THE EMPLOYEE OR RETIREE IS ENTITLED.
40 B. THE COMMISSION SHALL NOT ADOPT, AMEND OR REPEAL ANY RULES THAT
41 AFFECT A PERSON OUTSIDE THE COMMISSION WITHOUT COMPLYING WITH THE PUBLIC
42 HEARING REQUIREMENTS OF TITLE 41. THE COMMISSION SHALL HOLD RULE MAKING
43 HEARINGS IN A COUNTY THAT THE COMMISSION DETERMINES WOULD BE IN THE INTEREST
44 OF THOSE AFFECTED.

1 36-3107. Advisory boards
2 A. THE COMMISSION SHALL ESTABLISH A HEALTH CARE PRACTITIONER ADVISORY
3 BOARD AND A HEALTH CARE FACILITY ADVISORY BOARD. THE COMMISSION MAY
4 ESTABLISH ADDITIONAL ADVISORY BOARDS TO ASSIST IT IN PERFORMING ITS DUTIES.
5 ADVISORY BOARDS SHALL ASSIST THE COMMISSION IN MATTERS REQUIRING THE
6 EXPERTISE AND KNOWLEDGE OF THE ADVISORY BOARDS' MEMBERS.
7 B. THE COMMISSION MAY APPOINT NOT MORE THAN TWO COMMISSION MEMBERS AND
8 NOT MORE THAN FIVE ADDITIONAL PERSONS TO SERVE ON AN ADVISORY BOARD IT
9 ESTABLISHES.
10 C. ADVISORY BOARD MEMBERS ARE ELIGIBLE FOR REIMBURSEMENT OF EXPENSES
11 PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.
12 D. EXCEPT FOR THE HEALTH CARE PRACTITIONER ADVISORY BOARD AND THE
13 HEALTH CARE FACILITY ADVISORY BOARD, NOT MORE THAN TWO ADVISORY BOARD MEMBERS
14 MAY HAVE A CONTROLLING INTEREST IN A PERSON WHO PROVIDES HEALTH CARE OR
15 HEALTH INSURANCE.
16 E. THE COMMISSION SHALL PROVIDE STAFF AND TECHNICAL ASSISTANCE TO
17 ADVISORY BOARDS.
18 36-3108. Health care delivery regions
19 THE COMMISSION SHALL ESTABLISH HEALTH CARE DELIVERY REGIONS IN THIS
20 STATE BASED ON GEOGRAPHY AND HEALTH CARE RESOURCES. THE REGIONS MAY HAVE
21 DIFFERENTIAL FEE SCHEDULES, BUDGETS, CAPITAL EXPENDITURE ALLOCATIONS OR OTHER
22 FEATURES TO ENCOURAGE THE PROVISION OF HEALTH CARE IN RURAL AND OTHER
23 UNDERSERVED AREAS OR TO OTHERWISE TAILOR THE DELIVERY OF HEALTH CARE TO FIT
24 THE NEEDS OF A REGION OR A PART OF A REGION. THE COMMISSION SHALL ESTABLISH
25 COUNCILS FOR EACH REGION.
26 36-3109. Health security plan
27 A. AFTER NOTICE AND A PUBLIC HEARING, THE COMMISSION, IN CONJUNCTION
28 WITH OTHER APPROPRIATE STATE AGENCIES, SHALL ADOPT A FIVE YEAR HEALTH
29 SECURITY PLAN AND REVIEW IT AT REGULAR INTERVALS FOR POSSIBLE REVISION.
30 B. THE HEALTH SECURITY PLAN SHALL BE DESIGNED TO PROVIDE
31 COMPREHENSIVE, NECESSARY AND APPROPRIATE HEALTH CARE BENEFITS, INCLUDING
32 PREVENTIVE HEALTH CARE AND PRIMARY, SECONDARY AND TERTIARY HEALTH CARE FOR
33 ACUTE AND CHRONIC CONDITIONS. THE HEALTH SECURITY PLAN MAY PROVIDE FOR
34 CERTAIN HEALTH CARE SERVICES TO BE PHASED IN AS THE HEALTH SECURITY PLAN
35 BUDGET ALLOWS.
36 C. PURSUANT TO THE PHASE-IN REQUIREMENTS OF SUBSECTION B OF THIS
37 SECTION, THE COMMISSION SHALL PROVIDE FOR COVERAGE OF THE FOLLOWING HEALTH
38 CARE SERVICES:
39 1. PREVENTIVE HEALTH SERVICES.
40 2. HEALTH CARE PRACTITIONER SERVICES.
41 3. HEALTH FACILITY INPATIENT AND OUTPATIENT SERVICES.
42 4. LABORATORY TESTS AND RADIOLOGY PROCEDURES.
43 5. HOSPICE CARE.
44 6. IN-HOME, COMMUNITY-BASED AND INSTITUTIONAL LONG-TERM CARE SERVICES.
45 7. PRESCRIPTION DRUGS.

8. INPATIENT AND OUTPATIENT MENTAL AND BEHAVIORAL HEALTH SERVICES.
9. DRUG AND OTHER SUBSTANCE ABUSE SERVICES.
10. PREVENTIVE AND PROPHYLACTIC DENTAL SERVICES, INCLUDING AN ANNUAL DENTAL EXAMINATION AND CLEANING.
11. VISION APPLIANCES, INCLUDING MEDICALLY NECESSARY CONTACT LENSES.
12. MEDICAL SUPPLIES, DURABLE MEDICAL EQUIPMENT AND SELECTED ASSISTIVE DEVICES, INCLUDING HEARING AND SPEECH ASSISTIVE DEVICES.
13. EXPERIMENTAL OR INVESTIGATIONAL PROCEDURES OR TREATMENTS AS SPECIFIED BY THE COMMISSION.

D. COVERED HEALTH CARE DOES NOT INCLUDE:
1. SURGERY FOR COSMETIC PURPOSES OTHER THAN FOR RECONSTRUCTIVE PURPOSES.
2. MEDICAL EXAMINATIONS AND MEDICAL REPORTS PREPARED FOR PURCHASING OR RENEWING LIFE INSURANCE OR PARTICIPATING AS A PLAINTIFF OR DEFENDANT IN A CIVIL ACTION FOR THE RECOVERY OR SETTLEMENT OF DAMAGES.
3. ORTHODONTIC SERVICES AND COSMETIC DENTAL SERVICES EXCEPT THOSE COSMETIC DENTAL SERVICES NECESSARY FOR RECONSTRUCTIVE PURPOSES.

E. THE HEALTH SECURITY PLAN SHALL SPECIFY THE HEALTH CARE SERVICES TO BE COVERED AND THE AMOUNT, SCOPE AND DURATION OF BENEFITS.

F. THE HEALTH SECURITY PLAN SHALL CONTAIN PROVISIONS TO CONTROL HEALTH CARE COSTS SO THAT BENEFICIARIES RECEIVE COMPREHENSIVE, HIGH-QUALITY HEALTH CARE CONSISTENT WITH AVAILABLE REVENUE AND BUDGET CONSTRAINTS.

G. THE HEALTH SECURITY PLAN SHALL PHASE IN BENEFICIARIES AS THEIR PARTICIPATION BECOMES POSSIBLE THROUGH CONTRACTS, WAIVERS OR FEDERAL LEGISLATION. THE HEALTH SECURITY PLAN MAY PROVIDE FOR CERTAIN PREVENTIVE HEALTH CARE SERVICES TO BE OFFERED TO RESIDENTS OF THIS STATE REGARDLESS OF A PERSON'S ELIGIBILITY TO PARTICIPATE AS A BENEFICIARY.

H. THE FIVE YEAR PLAN AS WELL AS OTHER LONG-RANGE AND SHORT-RANGE PLANS ADOPTED BY THE COMMISSION SHALL BE REVIEWED BY THE COMMISSION ANNUALLY AND REVISED AS NECESSARY. REVISIONS SHALL BE ADOPTED BY THE COMMISSION PURSUANT TO SECTION 36-3105. IN PROJECTING SERVICES UNDER THE HEALTH SECURITY PLAN, THE COMMISSION SHALL TAKE ALL REASONABLE STEPS TO ENSURE THAT LONG-TERM CARE AND DENTAL CARE ARE PROVIDED AT THE EARLIEST PRACTICABLE TIMES CONSISTENT WITH BUDGET CONSTRAINTS.

36-3110. Long-term care; committee

A. NOT LATER THAN ONE YEAR AFTER THE EFFECTIVE DATE OF THIS CHAPTER, THE COMMISSION SHALL APPOINT AN ADVISORY LONG-TERM CARE COMMITTEE MADE UP OF REPRESENTATIVES OF HEALTH CARE CONSUMERS, PRACTITIONERS AND ADMINISTRATORS TO DEVELOP A PLAN FOR INTEGRATING LONG-TERM CARE INTO THE HEALTH SECURITY PLAN. THE COMMITTEE SHALL REPORT ITS PLAN TO THE COMMISSION NOT LATER THAN ONE YEAR AFTER ITS APPOINTMENT. COMMITTEE MEMBERS ARE ELIGIBLE TO RECEIVE REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

B. THE LONG-TERM CARE COMPONENT OF THE HEALTH SECURITY PLAN SHALL PROVIDE FOR CASE MANAGEMENT AND NONINSTITUTIONAL SERVICES IF APPROPRIATE.

C. SUBJECT TO THE REQUIREMENTS OF SECTIONS 36-3132 AND 36-3133, THIS SECTION DOES NOT AFFECT LONG-TERM CARE SERVICES PAID THROUGH PRIVATE INSURANCE OR STATE OR FEDERAL PROGRAMS.

D. THIS SECTION DOES NOT PREVENT THE COMMISSION FROM INCLUDING LONG-TERM CARE SERVICES FROM THE INCEPTION OF THE HEALTH SECURITY PLAN.

36-3111. Mental and behavioral health services; committee

A. NOT LATER THAN ONE YEAR AFTER APPOINTMENT OF THE EXECUTIVE DIRECTOR, THE COMMISSION SHALL APPOINT AN ADVISORY MENTAL AND BEHAVIORAL HEALTH SERVICES COMMITTEE MADE UP OF REPRESENTATIVES OF MENTAL AND BEHAVIORAL HEALTH CARE CONSUMERS, PRACTITIONERS AND ADMINISTRATORS TO DEVELOP A PLAN FOR COORDINATING MENTAL AND BEHAVIORAL HEALTH SERVICES WITHIN THE HEALTH SECURITY PLAN. THE COMMITTEE SHALL REPORT ITS PLAN TO THE COMMISSION NOT LATER THAN ONE YEAR AFTER ITS APPOINTMENT. COMMITTEE MEMBERS ARE ELIGIBLE TO RECEIVE REIMBURSEMENT OF EXPENSES PURSUANT TO TITLE 38, CHAPTER 4, ARTICLE 2.

B. THE MENTAL AND BEHAVIORAL HEALTH SERVICES COMPONENT OF THE HEALTH SECURITY PLAN SHALL PROVIDE FOR CASE MANAGEMENT AND NONINSTITUTIONAL SERVICES IF APPROPRIATE.

C. THE HEALTH SECURITY PLAN SHALL NOT IMPOSE TREATMENT LIMITATIONS OR FINANCIAL REQUIREMENTS ON THE PROVISION OF MENTAL AND BEHAVIORAL HEALTH BENEFITS IF IDENTICAL LIMITATIONS OR REQUIREMENTS ARE NOT IMPOSED ON COVERAGE OF BENEFITS FOR OTHER CONDITIONS.

D. SUBJECT TO THE REQUIREMENTS OF SECTIONS 36-3132 AND 36-3133, THIS SECTION DOES NOT LIMIT MENTAL AND BEHAVIORAL HEALTH SERVICES PAID THROUGH PRIVATE INSURANCE OR STATE OR FEDERAL PROGRAMS.

36-3112. Medicaid coverage; agreements

THE COMMISSION MAY ENTER INTO APPROPRIATE AGREEMENTS WITH OTHER STATE AGENCIES FOR THE PURPOSE OF FURTHERING THE GOALS OF THIS CHAPTER. THESE AGREEMENTS MAY PROVIDE FOR CERTAIN SERVICES PROVIDED PURSUANT TO TITLE XIX AND TITLE XXI OF THE SOCIAL SECURITY ACT TO BE ADMINISTERED BY THE COMMISSION TO IMPLEMENT THE HEALTH SECURITY PLAN.

36-3113. Health security plan coverage; conditions of eligibility for beneficiaries; exclusions

A. AN INDIVIDUAL IS ELIGIBLE AS A BENEFICIARY OF THE HEALTH SECURITY PLAN IF THE INDIVIDUAL PHYSICALLY RESIDES IN THIS STATE AS OF THE DATE OF APPLICATION FOR ENROLLMENT IN THE HEALTH SECURITY PLAN AND INTENDS TO REMAIN IN THIS STATE AND NOT TO RESIDE ELSEWHERE. A DEPENDENT OF AN ELIGIBLE INDIVIDUAL IS INCLUDED AS A BENEFICIARY.

B. IF AN INDIVIDUAL IS INELIGIBLE FOR COVERAGE DUE TO THE RESIDENCY REQUIREMENTS OF THIS SECTION, THE INDIVIDUAL MAY BECOME ELIGIBLE BY PAYING THE PREMIUM REQUIRED BY THE HEALTH SECURITY PLAN FOR COVERAGE FOR THE PERIOD OF TIME UP TO THE DATE THE INDIVIDUAL FULFILLS THE RESIDENCY REQUIREMENTS.

C. INDIVIDUALS COVERED UNDER THE FOLLOWING GOVERNMENTAL PROGRAMS SHALL NOT BE BROUGHT INTO COVERAGE:

1. FEDERAL RETIREE HEALTH SECURITY PLAN BENEFICIARIES.

2. ACTIVE DUTY AND RETIRED MILITARY PERSONNEL.

1 3. INDIVIDUALS COVERED BY THE FEDERAL ACTIVE AND RETIRED MILITARY
2 HEALTH PROGRAMS.
3 D. FEDERAL INDIAN HEALTH SERVICE OR TRIBALLY OPERATED HEALTH CARE
4 PROGRAM BENEFICIARIES SHALL NOT BE BROUGHT INTO COVERAGE EXCEPT THROUGH
5 AGREEMENTS WITH:
6 1. INDIAN COMMUNITIES.
7 2. CONSORTIA OF INDIAN COMMUNITIES.
8 3. A FEDERAL INDIAN HEALTH SERVICE AGENCY SUBJECT TO THE APPROVAL OF
9 THE INDIAN COMMUNITIES LOCATED IN THAT AGENCY.
10 E. AN EMPLOYER THAT PROVIDES HEALTH CARE BENEFITS FOR ITS EMPLOYEES
11 AFTER RETIREMENT, INCLUDING COVERAGE FOR PAYMENT OF HEALTH CARE SUPPLEMENTARY
12 COVERAGE IF THE RETIREE IS ELIGIBLE FOR MEDICARE, MAY AGREE TO PARTICIPATE IN
13 THE HEALTH SECURITY PLAN IF THERE IS NO LOSS OF BENEFITS UNDER THE RETIREE
14 HEALTH BENEFIT COVERAGE. AN EMPLOYER THAT PARTICIPATES IN THE HEALTH
15 SECURITY PLAN SHALL CONTRIBUTE TO THE HEALTH SECURITY PLAN FOR THE BENEFIT OF
16 THE RETIREE, AND THE AGREEMENT SHALL ENSURE THAT THE HEALTH BENEFIT COVERAGE
17 FOR THE RETIREE IS RESTORED IF THE RETIREE BECOMES INELIGIBLE FOR HEALTH
18 SECURITY PLAN COVERAGE.
19 F. THE COMMISSION SHALL PRESCRIBE BY RULE CONDITIONS UNDER WHICH OTHER
20 PERSONS IN THIS STATE MAY BE ELIGIBLE FOR COVERAGE PURSUANT TO THE HEALTH
21 SECURITY PLAN.
22 36-3114. Health security plan coverage of nonresident students
23 A. EXCEPT AS PROVIDED IN SUBSECTION B, AN EDUCATIONAL INSTITUTION
24 SHALL PURCHASE COVERAGE UNDER THE HEALTH SECURITY PLAN FOR ITS NONRESIDENT
25 STUDENTS THROUGH FEES ASSESSED TO THOSE STUDENTS. THE GOVERNING BODY OF AN
26 EDUCATIONAL INSTITUTION SHALL SET THE FEES AT THE AMOUNT DETERMINED BY THE
27 COMMISSION.
28 B. A NONRESIDENT STUDENT AT AN EDUCATIONAL INSTITUTION MAY SATISFY THE
29 REQUIREMENT FOR HEALTH CARE COVERAGE BY PROOF OF COVERAGE UNDER A POLICY OR
30 PLAN IN ANOTHER STATE THAT IS ACCEPTABLE TO THE COMMISSION. THE STUDENT
31 SHALL NOT BE ASSESSED A FEE IN THAT CASE.
32 C. THE COMMISSION SHALL ADOPT RULES TO DETERMINE PROOF OF AN
33 INDIVIDUAL'S ELIGIBILITY FOR THE HEALTH SECURITY PLAN OR PROOF OF A
34 NONRESIDENT STUDENT'S HEALTH CARE COVERAGE.
35 36-3115. Removing ineligible persons
36 THE COMMISSION SHALL ADOPT RULES TO PROVIDE PROCEDURES FOR REMOVING
37 PERSONS WHO ARE NO LONGER ELIGIBLE FOR COVERAGE.
38 36-3116. Eligibility card; use; misuse of card; violation;
39 classification
40 A. A BENEFICIARY SHALL RECEIVE A CARD AS PROOF OF ELIGIBILITY. THE
41 CARD SHALL BE ELECTRONICALLY READABLE AND SHALL CONTAIN A PICTURE OR
42 ELECTRONIC IMAGE OF THE BENEFICIARY, INFORMATION THAT IDENTIFIES THE
43 BENEFICIARY FOR TREATMENT, BILLING AND PAYMENT AND OTHER INFORMATION THE
44 COMMISSION DEEMS NECESSARY. THE USE OF A BENEFICIARY'S SOCIAL SECURITY
45 NUMBER AS AN IDENTIFICATION NUMBER IS NOT PERMITTED.

1 B. THE ELIGIBILITY CARD IS NOT TRANSFERABLE. A BENEFICIARY WHO LENDS
2 THE BENEFICIARY'S CARD TO ANOTHER AND AN INDIVIDUAL WHO USES ANOTHER'S CARD
3 ARE JOINTLY AND SEVERALLY LIABLE TO THE COMMISSION FOR THE FULL COST OF THE
4 HEALTH CARE PROVIDED TO THE USER. THE LIABILITY SHALL BE PAID IN FULL WITHIN
5 ONE YEAR AFTER FINAL DETERMINATION OF LIABILITY. LIABILITIES ESTABLISHED
6 PURSUANT TO THIS SECTION SHALL BE COLLECTED IN A MANNER SIMILAR TO THAT USED
7 FOR COLLECTION OF DELINQUENT TAXES.
8 C. A BENEFICIARY WHO LENDS THE BENEFICIARY'S CARD TO ANOTHER OR AN
9 INDIVIDUAL WHO USES ANOTHER'S CARD AFTER BEING DETERMINED LIABLE PURSUANT TO
10 SUBSECTION B OF A PREVIOUS MISUSE IS GUILTY OF A CLASS 2 MISDEMEANOR. A
11 BENEFICIARY WHO IS CONVICTED OF A THIRD OR SUBSEQUENT CONVICTION IS GUILTY OF
12 A CLASS 6 FELONY.
13 36-3117. Primary care practitioner; right to choose; access to
14 specialist services
15 A. EXCEPT AS OTHERWISE PRESCRIBED BY LAW, A BENEFICIARY MAY CHOOSE A
16 PRIMARY CARE PRACTITIONER.
17 B. THE PRIMARY CARE PRACTITIONER SHALL PROVIDE HEALTH CARE
18 PRACTITIONER SERVICES TO THE PATIENT EXCEPT FOR:
19 1. SERVICES IN MEDICAL EMERGENCIES.
20 2. SERVICES FOR WHICH THE PRIMARY CARE PRACTITIONER DETERMINES THAT
21 SPECIALIST SERVICES ARE REQUIRED, IN WHICH CASE THE PRIMARY CARE PRACTITIONER
22 MUST ADVISE THE PATIENT OF THE NEED FOR AND THE TYPE OF SPECIALIST SERVICES.
23 C. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, HEALTH CARE
24 PRACTITIONER SPECIALISTS SHALL BE PAID PURSUANT TO THE HEALTH SECURITY PLAN
25 ONLY IF THE PATIENT HAS BEEN REFERRED BY A PRIMARY CARE PRACTITIONER. THIS
26 SUBSECTION DOES NOT PREVENT A BENEFICIARY FROM OBTAINING THE SERVICES OF A
27 HEALTH CARE PRACTITIONER SPECIALIST AND PAYING THE SPECIALIST FOR SERVICES
28 PROVIDED.
29 D. THE COMMISSION BY RULE SHALL SPECIFY THE CONDITIONS UNDER WHICH A
30 BENEFICIARY MAY SELECT A SPECIALIST AS A PRIMARY CARE PRACTITIONER.
31 36-3118. Discrimination prohibited
32 A HEALTH CARE PRACTITIONER OR HEALTH FACILITY SHALL NOT DISCRIMINATE
33 AGAINST OR REFUSE TO FURNISH HEALTH CARE TO A BENEFICIARY ON THE BASIS OF
34 AGE, RACE, COLOR, INCOME LEVEL, NATIONAL ORIGIN, RELIGION, GENDER, SEXUAL
35 ORIENTATION, GENDER IDENTITY, DISABLING CONDITION OR PAYMENT STATUS. THIS
36 SECTION DOES NOT REQUIRE A HEALTH CARE PRACTITIONER OR HEALTH FACILITY TO
37 PROVIDE SERVICES TO A BENEFICIARY IF THE PRACTITIONER OR FACILITY IS NOT
38 QUALIFIED TO PROVIDE THE NEEDED SERVICES OR DOES NOT OFFER THEM TO THE
39 GENERAL PUBLIC.
40 36-3119. Claims review
41 A. THE COMMISSION SHALL ADOPT RULES TO PROVIDE A COMPREHENSIVE CLAIMS
42 REVIEW PROCESS. THE PROCEDURES AND STANDARDS USED IN THE PROCESS SHALL BE
43 DISCLOSED IN WRITING TO APPLICANTS, BENEFICIARIES, HEALTH CARE PRACTITIONERS
44 AND HEALTH FACILITIES AT THE TIME OF APPLICATION TO OR PARTICIPATION IN THE
45 HEALTH SECURITY PLAN.

B. THE DECISION TO APPROVE OR DENY A CLAIM BASED ON A TECHNICALITY SHALL BE MADE IN A TIMELY MANNER AND SHALL NOT EXCEED TIME LIMITS ESTABLISHED BY RULE OF THE COMMISSION. A FINAL DECISION TO DENY PAYMENT FOR SERVICES BASED ON MEDICAL NECESSITY OR UTILIZATION SHALL BE BASED ON A RECOMMENDATION MADE BY A HEALTH CARE PROFESSIONAL WHO HAS APPROPRIATE AND ADEQUATE QUALIFICATIONS TO MAKE THE RECOMMENDATION. A DENIAL OF A CLAIM FOR PAYMENT OF A MEDICAL SPECIALTY SERVICE BASED ON MEDICAL NECESSITY OR UTILIZATION SHALL BE MADE ONLY AFTER A WRITTEN RECOMMENDATION FOR DENIAL IS MADE BY A MEMBER OF THAT MEDICAL SPECIALTY WITH CREDENTIALS EQUIVALENT TO THOSE OF THE PRACTITIONER.

C. THE FACT OF AND THE SPECIFIC REASONS FOR A DENIAL OF A HEALTH CARE CLAIM SHALL BE COMMUNICATED PROMPTLY IN WRITING TO BOTH THE PRACTITIONER AND THE BENEFICIARY INVOLVED.

36-3120. Quality of care; health care practitioners and health facilities; practice standards; committee

A. THE COMMISSION SHALL ADOPT RULES TO ESTABLISH AND IMPLEMENT A QUALITY IMPROVEMENT PROCESS THAT MONITORS THE QUALITY AND APPROPRIATENESS OF HEALTH CARE PROVIDED BY THE HEALTH SECURITY PLAN, INCLUDING EVIDENCE-BASED BEST PRACTICES, OUTCOME MEASUREMENTS, CONSUMER EDUCATION AND PATIENT SAFETY. THE COMMISSION SHALL SET STANDARDS AND REVIEW BENEFITS TO ENSURE THAT EFFECTIVE, COST-EFFICIENT, HIGH QUALITY AND APPROPRIATE HEALTH CARE IS PROVIDED UNDER THE HEALTH SECURITY PLAN.

B. THE COMMISSION SHALL REVIEW AND ADOPT PROFESSIONAL PRACTICE GUIDELINES DEVELOPED BY STATE AND NATIONAL HEALTH CARE AND SPECIALTY ORGANIZATIONS, FEDERAL AGENCIES FOR HEALTH CARE POLICY AND RESEARCH AND OTHER ORGANIZATIONS AS IT DEEMS NECESSARY TO PROMOTE THE QUALITY AND COST-EFFECTIVENESS OF HEALTH CARE PROVIDED THROUGH THE HEALTH SECURITY PLAN.

C. THE QUALITY IMPROVEMENT PROCESS SHALL INCLUDE AN ONGOING SYSTEM FOR MONITORING PATTERNS OF PRACTICE. THE COMMISSION SHALL APPOINT A HEALTH CARE PRACTICE ADVISORY COMMITTEE CONSISTING OF HEALTH CARE PRACTITIONERS, REPRESENTATIVES OF HEALTH FACILITIES AND OTHER KNOWLEDGEABLE PERSONS TO ADVISE THE COMMISSION AND STAFF ON HEALTH CARE PRACTICE ISSUES. THE COMMITTEE MAY APPOINT SUBCOMMITTEES AND TASK FORCES TO ADDRESS PRACTICE ISSUES OF A SPECIFIC HEALTH CARE PRACTITIONER DISCIPLINE OR A SPECIFIC KIND OF HEALTH FACILITY IF THE SUBCOMMITTEE OR TASK FORCE INCLUDES PRACTITIONERS OF SUBSTANTIALLY SIMILAR SPECIALTIES OR TYPES OF FACILITIES. THE ADVISORY COMMITTEE SHALL PROVIDE TO THE COMMISSION RECOMMENDED STANDARDS AND GUIDELINES TO BE FOLLOWED IN MAKING DETERMINATIONS ON PRACTICE ISSUES.

D. WITH THE ADVICE OF THE HEALTH CARE PRACTICE ADVISORY COMMITTEE, THE COMMISSION SHALL ESTABLISH A SYSTEM OF PEER EDUCATION FOR HEALTH CARE PRACTITIONERS OR HEALTH FACILITIES DETERMINED TO BE ENGAGING IN ABERRANT PATTERNS OF PRACTICE PURSUANT TO SUBSECTION B. IF THE COMMISSION DETERMINES THAT PEER EDUCATION EFFORTS HAVE FAILED, THE COMMISSION MAY REFER THE MATTER TO THE APPROPRIATE LICENSING OR CERTIFYING BOARD.

E. THE COMMISSION SHALL PROVIDE BY RULE THE PROCEDURES FOR RECOUPING PAYMENTS OR WITHHOLDING PAYMENTS FOR HEALTH CARE SERVICES DETERMINED TO BE MEDICALLY UNNECESSARY BY THE COMMISSION, WITH THE ADVICE OF THE HEALTH CARE PRACTICE ADVISORY COMMITTEE OR SUBCOMMITTEE.

F. THE COMMISSION BY RULE MAY PROVIDE FOR THE ASSESSMENT OF ADMINISTRATIVE PENALTIES FOR UP TO THREE TIMES THE AMOUNT OF EXCESS PAYMENTS IF IT FINDS THAT EXCESSIVE BILLINGS WERE PART OF AN ABERRANT PATTERN OF PRACTICE. ADMINISTRATIVE PENALTIES SHALL BE DEPOSITED IN THE STATE GENERAL FUND.

G. AFTER CONSULTATION WITH THE HEALTH CARE PRACTICE ADVISORY COMMITTEE, THE COMMISSION MAY SUSPEND OR REVOKE A HEALTH CARE PRACTITIONER'S OR HEALTH FACILITY'S PRIVILEGE TO BE PAID FOR HEALTH CARE SERVICES PROVIDED UNDER THE HEALTH SECURITY PLAN BASED ON EVIDENCE CLEARLY SUPPORTING A DETERMINATION BY THE COMMISSION THAT THE PRACTITIONER OR FACILITY ENGAGES IN ABERRANT PATTERNS OF PRACTICE, INCLUDING INAPPROPRIATE UTILIZATION, ATTEMPTS TO UNBUNDLE HEALTH CARE SERVICES OR OTHER PRACTICES THAT THE COMMISSION DEEMS A VIOLATION OF THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER. FOR THE PURPOSES OF THIS SUBSECTION, "UNBUNDLE" MEANS TO DIVIDE A SERVICE INTO COMPONENTS IN AN ATTEMPT TO INCREASE OR WITH THE EFFECT OF INCREASING COMPENSATION FROM THE HEALTH SECURITY PLAN.

H. THE COMMISSION SHALL REPORT TO THE APPROPRIATE LICENSING OR CERTIFYING BOARD A SUSPENSION OR REVOCATION OF A HEALTH CARE PRACTITIONER'S OR HEALTH FACILITY'S PRIVILEGE TO BE PAID FOR HEALTH CARE SERVICES PURSUANT TO THIS CHAPTER.

I. THE COMMISSION SHALL REPORT CASES OF SUSPECTED FRAUD BY A HEALTH CARE PRACTITIONER OR A HEALTH FACILITY TO THE ATTORNEY GENERAL OR TO THE COUNTY ATTORNEY OF THE COUNTY WHERE THE HEALTH CARE PRACTITIONER OR HEALTH FACILITY OPERATES FOR INVESTIGATION AND PROSECUTION.

36-3121. Judicial review

A. A PERSON WHO IS SPECIFICALLY AND DIRECTLY AGGRIEVED BY A FINAL DECISION OF THE COMMISSION HAS THE RIGHT TO JUDICIAL REVIEW OF THE DECISION PURSUANT TO TITLE 12, CHAPTER 7, ARTICLE 6 IF THE PERSON HAS EXHAUSTED ALL AVAILABLE ADMINISTRATIVE REMEDIES AS ESTABLISHED BY RULE BY THE COMMISSION, INCLUDING PARTICIPATING IN GOOD-FAITH EFFORTS IN A MEDIATION TO RESOLVE THE DISPUTE.

B. THE COMMISSION SHALL INCLUDE IN ITS RULES FOR DISPUTE RESOLUTION PROVISIONS FOR ADEQUATE NOTICE, OPPORTUNITIES TO BE HEARD IN INFORMAL CONFERENCE BEFORE MEDIATION AND ALL PROCEDURAL DUE PROCESS SAFEGUARDS.

36-3122. Health security plan budget

A. THE COMMISSION SHALL DEVELOP AN ANNUAL HEALTH SECURITY PLAN BUDGET. THE BUDGET SHALL BE THE COMMISSION'S RECOMMENDATION FOR THE TOTAL AMOUNT TO BE SPENT BY THE PLAN FOR COVERED HEALTH CARE SERVICES IN THE NEXT FISCAL YEAR.

B. UNLESS OTHERWISE PROVIDED BY LEGISLATIVE ACT, THE HEALTH SECURITY PLAN BUDGET SHALL BE WITHIN PROJECTED ANNUAL REVENUES. AFTER LEGISLATIVE

1 REVIEW AND APPROVAL, THE COMMISSION SHALL IMPLEMENT THE HEALTH SECURITY PLAN
2 BUDGET. WITHOUT SPECIFIC LEGISLATIVE APPROVAL, THE COMMISSION SHALL NOT
3 CHANGE THE LEVEL OF PREMIUM CHARGED AND USED TO PROJECT REVENUE OR CHANGE THE
4 EMPLOYER CONTRIBUTIONS UNDER THE HEALTH SECURITY PLAN. THE LEGISLATURE MAY
5 BASE ITS APPROVAL ON THE FINDINGS AND RECOMMENDATIONS OF AN INDEPENDENT AUDIT
6 OR ACTUARIAL STUDY.
7 C. IN DEVELOPING THE HEALTH SECURITY PLAN BUDGET, THE COMMISSION SHALL
8 PROVIDE THAT CREDIT BE TAKEN IN THE BUDGET FOR ALL REVENUES PRODUCED FOR
9 HEALTH CARE IN THIS STATE PURSUANT TO ANY LAW OTHER THAN THIS CHAPTER.
10 D. THE HEALTH SECURITY PLAN SHALL INCLUDE A MAXIMUM AMOUNT OR
11 PERCENTAGE FOR ADMINISTRATIVE COSTS, AND THIS MAXIMUM, IF A PERCENTAGE, MAY
12 CHANGE IN RELATION TO THE TOTAL COSTS OF SERVICES PROVIDED UNDER THE HEALTH
13 SECURITY PLAN. FOR THE SIXTH AND SUBSEQUENT CALENDAR YEARS OF OPERATION OF
14 THE HEALTH SECURITY PLAN, ADMINISTRATIVE COSTS SHALL NOT EXCEED FIVE PER CENT
15 OF THE HEALTH SECURITY PLAN BUDGET.
16 36-3123. Payments to health care practitioners; copayments
17 A. THE COMMISSION SHALL PREPARE A PRACTITIONER BUDGET. CONSISTENT
18 WITH THE PRACTITIONER BUDGET, THE HEALTH SECURITY PLAN SHALL PROVIDE PAYMENT
19 FOR ALL COVERED HEALTH CARE SERVICES RENDERED BY HEALTH CARE PRACTITIONERS.
20 A VARIETY OF PAYMENT PLANS, INCLUDING FEE-FOR-SERVICE, MAY BE ADOPTED BY THE
21 COMMISSION. PAYMENT PLANS SHALL BE NEGOTIATED WITH PRACTITIONERS AS PROVIDED
22 BY RULE. IF NEGOTIATION FAILS TO DEVELOP AN ACCEPTABLE PAYMENT PLAN, THE
23 DISPUTING PARTIES SHALL SUBMIT THE DISPUTE FOR JUDICIAL REVIEW PURSUANT TO
24 SECTION 36-3121.
25 B. SUPPLEMENTAL PAYMENT RATES MAY BE ADOPTED TO PROVIDE INCENTIVES TO
26 HELP ENSURE THE DELIVERY OF NEEDED HEALTH CARE SERVICES IN RURAL AND OTHER
27 UNDERSERVED AREAS THROUGHOUT THE STATE.
28 C. AN ANNUAL PERCENTAGE INCREASE IN THE AMOUNT ALLOCATED FOR
29 PRACTITIONER PAYMENTS IN THE BUDGET SHALL NOT BE GREATER THAN THE ANNUAL
30 PERCENTAGE INCREASE IN THE CONSUMER PRICE INDEX FOR MEDICAL CARE PRICES
31 PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES DEPARTMENT
32 OF LABOR USING THE YEAR BEFORE THE YEAR IN WHICH THE HEALTH SECURITY PLAN IS
33 IMPLEMENTED AS THE BASELINE YEAR. THE ANNUAL LIMITATION IN THIS SUBSECTION
34 MAY BE ADJUSTED UP OR DOWN BY THE COMMISSION BASED ON A SHOWING OF SPECIAL
35 AND UNUSUAL CIRCUMSTANCES IN A HEARING BEFORE THE COMMISSION.
36 D. PAYMENT, OR THE OFFER OF PAYMENT WHETHER OR NOT THAT OFFER IS
37 ACCEPTED, TO A HEALTH CARE PRACTITIONER FOR SERVICES COVERED BY THE HEALTH
38 SECURITY PLAN SHALL BE PAYMENT IN FULL FOR THOSE SERVICES. A HEALTH CARE
39 PRACTITIONER SHALL NOT CHARGE A BENEFICIARY AN ADDITIONAL AMOUNT FOR SERVICES
40 COVERED BY THE PLAN.
41 E. THE COMMISSION MAY ESTABLISH A COPAYMENT SCHEDULE IF A REQUIRED
42 COPAYMENT IS DETERMINED TO BE AN EFFECTIVE COST-CONTROL MEASURE. A COPAYMENT
43 SHALL NOT BE REQUIRED FOR PREVENTIVE HEALTH CARE. IF A COPAYMENT IS
44 REQUIRED, THE HEALTH CARE PRACTITIONER SHALL NOT WAIVE IT AND IF IT REMAINS

1 UNCOLLECTED, THE HEALTH CARE PRACTITIONER SHALL DEMONSTRATE A GOOD FAITH
2 EFFORT TO HAVE COLLECTED THE COPAYMENT.
3 36-3124. Payments to health facilities; copayments
4 A. A HEALTH FACILITY SHALL NEGOTIATE AN ANNUAL OPERATING BUDGET WITH
5 THE COMMISSION. THE OPERATING BUDGET SHALL BE BASED ON A BASE OPERATING
6 BUDGET OF PAST PERFORMANCE AND PROJECTED CHANGES UPWARD OR DOWNWARD IN COSTS
7 AND SERVICES ANTICIPATED FOR THE NEXT YEAR. IF A NEGOTIATED ANNUAL OPERATING
8 BUDGET IS NOT AGREED ON, A HEALTH FACILITY SHALL SUBMIT THE BUDGET FOR
9 JUDICIAL REVIEW PURSUANT TO SECTION 36-3121. AN ANNUAL PERCENTAGE INCREASE
10 IN THE AMOUNT ALLOCATED FOR A HEALTH FACILITY OPERATING BUDGET SHALL NOT BE
11 GREATER THAN THE CHANGE IN THE ANNUAL CONSUMER PRICE INDEX FOR MEDICAL CARE
12 PRICES PUBLISHED BY THE BUREAU OF LABOR STATISTICS OF THE UNITED STATES
13 DEPARTMENT OF LABOR. THE ANNUAL LIMITATION IN THIS SUBSECTION MAY BE
14 ADJUSTED UP OR DOWN BY THE COMMISSION BASED ON A SHOWING OF SPECIAL AND
15 UNUSUAL CIRCUMSTANCES IN A HEARING BEFORE THE COMMISSION.
16 B. SUPPLEMENTAL PAYMENT RATES MAY BE ADOPTED TO PROVIDE INCENTIVES TO
17 HELP ENSURE THE DELIVERY OF NEEDED HEALTH CARE SERVICES IN RURAL AND OTHER
18 UNDERSERVED AREAS, AS PRESCRIBED IN SECTION 36-2352, SUBSECTION A, PARAGRAPH
19 2, THROUGHOUT THE STATE.
20 C. EACH HEALTH CARE PRACTITIONER EMPLOYED BY A HEALTH FACILITY SHALL
21 BE PAID FROM THE FACILITY'S OPERATING BUDGET IN A MANNER DETERMINED BY THE
22 HEALTH FACILITY.
23 D. THE COMMISSION MAY ESTABLISH A COPAYMENT SCHEDULE IF A REQUIRED
24 COPAYMENT IS DETERMINED TO BE AN EFFECTIVE COST-CONTROL MEASURE. A COPAYMENT
25 SHALL NOT BE REQUIRED FOR PREVENTIVE CARE. IF A COPAYMENT IS REQUIRED, THE
26 HEALTH FACILITY SHALL NOT WAIVE IT AND IF IT REMAINS UNCOLLECTED, THE HEALTH
27 FACILITY SHALL DEMONSTRATE A GOOD FAITH EFFORT TO HAVE COLLECTED THE
28 COPAYMENT.
29 36-3125. Health resource certificates; commission rules;
30 requirement for review; exceptions; report
31 A. EXCEPT AS PROVIDED IN SUBSECTION F, A HEALTH FACILITY OR HEALTH
32 CARE PRACTITIONER PARTICIPATING IN THE HEALTH SECURITY PLAN SHALL NOT MAKE OR
33 OBLIGATE ITSELF TO MAKE A MAJOR CAPITAL EXPENDITURE WITHOUT FIRST OBTAINING A
34 HEALTH RESOURCE CERTIFICATE.
35 B. THE COMMISSION SHALL ADOPT RULES STATING WHEN A HEALTH FACILITY OR
36 HEALTH CARE PRACTITIONER PARTICIPATING IN THE HEALTH SECURITY PLAN MUST APPLY
37 FOR A HEALTH RESOURCE CERTIFICATE, HOW THE APPLICATION WILL BE REVIEWED, HOW
38 THE CERTIFICATE WILL BE GRANTED, HOW AN EXPEDITED REVIEW WILL BE CONDUCTED
39 AND OTHER MATTERS RELATING TO HEALTH RESOURCE PROJECTS.
40 C. A HEALTH FACILITY OR HEALTH CARE PRACTITIONER SHALL NOT ACQUIRE
41 THROUGH RENTAL, LEASE OR COMPARABLE ARRANGEMENT OR THROUGH DONATION ALL OR A
42 PART OF A CAPITAL PROJECT THAT WOULD HAVE REQUIRED REVIEW IF THE ACQUISITION
43 HAD BEEN BY PURCHASE, UNLESS THE PROJECT IS GRANTED A HEALTH RESOURCE
44 CERTIFICATE.

1 D. A HEALTH FACILITY OR HEALTH CARE PRACTITIONER SHALL NOT ENGAGE IN
2 COMPONENT PURCHASING IN ORDER TO AVOID THE REQUIREMENTS OF THIS SECTION.
3 E. THE COMMISSION SHALL GRANT A HEALTH RESOURCE CERTIFICATE FOR A
4 MAJOR CAPITAL EXPENDITURE OR A CAPITAL PROJECT UNDERTAKEN PURSUANT TO
5 SUBSECTION C ONLY IF THE PROJECT IS DETERMINED TO BE NEEDED.
6 F. THIS SECTION DOES NOT APPLY TO:
7 1. THE PURCHASE, CONSTRUCTION OR RENOVATION OF OFFICE SPACE FOR HEALTH
8 CARE PRACTITIONERS.
9 2. EXPENDITURES INCURRED SOLELY IN PREPARATION FOR A CAPITAL PROJECT,
10 INCLUDING ARCHITECTURAL DESIGN, SURVEYS, PLANS, WORKING DRAWINGS AND
11 SPECIFICATIONS AND OTHER RELATED ACTIVITIES, BUT THOSE EXPENDITURES SHALL BE
12 INCLUDED IN THE COST OF A PROJECT FOR THE PURPOSE OF DETERMINING WHETHER A
13 HEALTH RESOURCE CERTIFICATE IS REQUIRED.
14 3. ACQUISITION OF AN EXISTING HEALTH FACILITY, EQUIPMENT OR PRACTICE
15 OF A HEALTH CARE PRACTITIONER THAT DOES NOT RESULT IN A NEW SERVICE BEING
16 PROVIDED OR IN INCREASED BED CAPACITY.
17 4. MAJOR CAPITAL EXPENDITURES FOR NONCLINICAL SERVICES IF THE
18 NONCLINICAL SERVICES ARE THE PRIMARY PURPOSE OF THE EXPENDITURE.
19 5. THE REPLACEMENT OF EQUIPMENT WITH EQUIPMENT THAT HAS THE SAME
20 FUNCTION AND THAT DOES NOT RESULT IN THE OFFERING OF NEW SERVICES.
21 G. NO LATER THAN JANUARY 1, 2011, THE COMMISSION SHALL REPORT TO THE
22 APPROPRIATE COMMITTEES OF THE LEGISLATURE ON THE CAPITAL NEEDS OF HEALTH
23 FACILITIES, INCLUDING FACILITIES OF STATE AND LOCAL GOVERNMENTS, WITH A FOCUS
24 ON UNDERSERVED GEOGRAPHIC AREAS WITH SUBSTANTIALLY BELOW-AVERAGE HEALTH
25 FACILITIES AND INVESTMENT PER CAPITA AS COMPARED TO THE STATE AVERAGE. THE
26 REPORT SHALL ALSO DESCRIBE GEOGRAPHIC AREAS WHERE THE DISTANCE TO HEALTH
27 FACILITIES IMPOSES A BARRIER TO CARE. THE REPORT SHALL INCLUDE A SECTION ON
28 HEALTH CARE TRANSPORTATION NEEDS, INCLUDING CAPITAL, PERSONNEL AND TRAINING
29 NEEDS. THE REPORT SHALL MAKE RECOMMENDATIONS FOR LEGISLATION TO AMEND THIS
30 CHAPTER THAT THE COMMISSION DETERMINES NECESSARY AND APPROPRIATE.
31 36-3126. Actuarial review; audits
32 A. THE COMMISSION SHALL PROVIDE FOR AN ANNUAL INDEPENDENT ACTUARIAL
33 REVIEW OF THE HEALTH SECURITY PLAN AND ANY MONIES OF THE COMMISSION OR THE
34 PLAN.
35 B. THE COMMISSION SHALL PROVIDE BY RULE REQUIREMENTS FOR INDEPENDENT
36 FINANCIAL AUDITS OF HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES.
37 C. THE COMMISSION, THROUGH ITS STAFF OR BY CONTRACT, SHALL PERFORM
38 ANNOUNCED AND UNANNOUNCED AUDITS, INCLUDING FINANCIAL, OPERATIONAL,
39 MANAGEMENT AND ELECTRONIC DATA PROCESSING AUDITS OF HEALTH CARE PRACTITIONERS
40 AND HEALTH FACILITIES. AUDIT FINDINGS SHALL BE REPORTED DIRECTLY TO THE
41 COMMISSION. THE COMMISSION MAY ASK THE AUDITOR GENERAL TO REVIEW PRELIMINARY
42 FINDINGS OR TO CONSULT WITH AUDIT STAFF BEFORE THE FINDINGS ARE REPORTED TO
43 THE COMMISSION.
44 D. ACTUARIAL REVIEWS, FINANCIAL AUDITS AND INTERNAL AUDITS ARE PUBLIC
45 DOCUMENTS AFTER THEY HAVE BEEN RELEASED BY THE COMMISSION IF THEY PROTECT

1 PRIVATE AND CONFIDENTIAL INFORMATION OF A PATIENT OR PRACTITIONER. COPIES OF
2 REVIEWS, AUDITS AND OTHER REPORTS SHALL BE TRANSMITTED TO THE GOVERNOR, EACH
3 MEMBER OF THE LEGISLATURE AND APPROPRIATE INTERIM LEGISLATIVE COMMITTEES.
4 THE COMMISSION SHALL MAKE THESE DOCUMENTS AVAILABLE ON THE INTERNET AND SHALL
5 PROVIDE COPIES OF THESE DOCUMENTS TO THE SECRETARY OF STATE AND THE DIRECTOR
6 OF THE ARIZONA STATE LIBRARY, ARCHIVES AND PUBLIC RECORDS.
7 36-3127. Standard claim forms for payment
8 THE COMMISSION SHALL ADOPT STANDARD CLAIM FORMS AND ELECTRONIC FORMATS
9 THAT SHALL BE USED BY ALL HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES
10 THAT SEEK PAYMENT THROUGH THE HEALTH SECURITY PLAN OR FROM PRIVATE PERSONS,
11 INCLUDING PRIVATE INSURANCE COMPANIES, FOR HEALTH CARE SERVICES RENDERED IN
12 THIS STATE. EACH CLAIM FORM OR ELECTRONIC FORMAT MAY INDICATE WHETHER A
13 PERSON IS ELIGIBLE FOR FEDERAL OR OTHER INSURANCE PROGRAMS FOR PAYMENT. TO
14 THE EXTENT PRACTICABLE, THE COMMISSION SHALL REQUIRE THE USE OF EXISTING,
15 NATIONALLY ACCEPTED STANDARDIZED FORMS, FORMATS AND SYSTEMS.
16 36-3128. Computerized system
17 THE COMMISSION SHALL REQUIRE THAT ALL PARTICIPATING HEALTH CARE
18 PRACTITIONERS AND HEALTH FACILITIES PARTICIPATE IN THE HEALTH SECURITY PLAN'S
19 COMPUTER NETWORK THAT PROVIDES FOR ELECTRONIC TRANSFER OF PAYMENTS TO HEALTH
20 CARE PRACTITIONERS AND HEALTH FACILITIES, TRANSMITTAL OF REPORTS, INCLUDING
21 PATIENT DATA AND OTHER STATISTICAL REPORTS, BILLING DATA, WITH SPECIFICITY AS
22 TO PROCEDURES OR SERVICES PROVIDED TO INDIVIDUAL PATIENTS, AND ANY OTHER
23 INFORMATION REQUIRED OR REQUESTED BY THE COMMISSION. TO THE EXTENT
24 PRACTICABLE, THE COMMISSION SHALL REQUIRE THE USE OF EXISTING, NATIONALLY
25 ACCEPTED STANDARDIZED FORMS, FORMATS AND SYSTEMS.
26 36-3129. Reports required; confidential information
27 A. THE COMMISSION, THROUGH THE STATE HEALTH INFORMATION SYSTEM, SHALL
28 REQUIRE REPORTS BY ALL HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES OF
29 INFORMATION NEEDED TO ALLOW THE COMMISSION TO EVALUATE THE HEALTH SECURITY
30 PLAN, COST-CONTAINMENT MEASURES, UTILIZATION REVIEW, HEALTH FACILITY
31 OPERATING BUDGETS, HEALTH CARE PRACTITIONER FEES AND ANY OTHER INFORMATION
32 THE COMMISSION DEEMS NECESSARY TO CARRY OUT ITS DUTIES PURSUANT TO THIS
33 CHAPTER.
34 B. THE COMMISSION SHALL ESTABLISH UNIFORM REPORTING REQUIREMENTS FOR
35 HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES.
36 C. INFORMATION THAT IS CONFIDENTIAL PURSUANT TO OTHER PROVISIONS OF
37 LAW IS CONFIDENTIAL PURSUANT TO THIS CHAPTER. WITHIN THE CONSTRAINTS OF
38 CONFIDENTIALITY, REPORTS OF THE COMMISSION ARE PUBLIC DOCUMENTS.
39 36-3130. Consumer, practitioner and health facility assistance
40 A. THE COMMISSION SHALL ESTABLISH A CONSUMER, HEALTH CARE PRACTITIONER
41 AND HEALTH FACILITY ASSISTANCE PROCESS TO TAKE COMPLAINTS AND TO PROVIDE
42 TIMELY AND KNOWLEDGEABLE ASSISTANCE TO:
43 1. ELIGIBLE PERSONS AND APPLICANTS ABOUT THEIR RIGHTS AND
44 RESPONSIBILITIES AND THE COVERAGE PROVIDED IN ACCORDANCE WITH THIS CHAPTER.

1 2. HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES ABOUT THE STATUS OF
2 CLAIMS, PAYMENTS AND OTHER PERTINENT INFORMATION RELEVANT TO THE CLAIMS
3 PAYMENT PROCESS.
4 B. THE COMMISSION SHALL ESTABLISH A TOLL-FREE TELEPHONE NUMBER FOR
5 CONSUMER, HEALTH CARE PRACTITIONER AND HEALTH FACILITY ASSISTANCE AND SHALL
6 HAVE PERSONS AVAILABLE THROUGHOUT THIS STATE TO ASSIST BENEFICIARIES,
7 APPLICANTS, HEALTH CARE PRACTITIONERS AND HEALTH FACILITIES IN PERSON.
8 36-3131. Reimbursement for out-of-state services; health
9 security plan's right to subrogation and payment
10 from other insurance plans
11 A. A BENEFICIARY MAY OBTAIN HEALTH CARE SERVICES COVERED BY THE HEALTH
12 SECURITY PLAN OUT OF STATE IF THE SERVICES ARE PAID AT THE SAME RATE THAT
13 WOULD APPLY IF THEY WERE RECEIVED IN THIS STATE. HIGHER CHARGES FOR THOSE
14 SERVICES SHALL NOT BE PAID BY THE HEALTH SECURITY PLAN UNLESS THE COMMISSION
15 NEGOTIATES A RECIPROCITY OR OTHER AGREEMENT WITH THE OTHER STATE OR WITH THE
16 OUT-OF-STATE HEALTH CARE PRACTITIONER OR HEALTH FACILITY.
17 B. THE HEALTH SECURITY PLAN SHALL MAKE REASONABLE EFFORTS TO ASCERTAIN
18 ANY LEGAL LIABILITY OF THIRD PARTIES THAT ARE OR MAY BE LIABLE TO PAY ALL OR
19 PART OF THE HEALTH CARE SERVICES COSTS OF INJURY, DISEASE OR DISABILITY OF A
20 BENEFICIARY.
21 C. IF THE HEALTH SECURITY PLAN MAKES PAYMENTS ON BEHALF OF A
22 BENEFICIARY, THE HEALTH SECURITY PLAN IS SUBROGATED TO ANY RIGHT OF THE
23 BENEFICIARY AGAINST A THIRD PARTY FOR RECOVERY OF AMOUNTS PAID BY THE HEALTH
24 SECURITY PLAN.
25 D. BY OPERATION OF LAW, AN ASSIGNMENT TO THE HEALTH SECURITY PLAN OF
26 THE RIGHTS OF A BENEFICIARY:
27 1. IS CONCLUSIVELY PRESUMED TO BE MADE OF:
28 (a) A PAYMENT FOR HEALTH CARE SERVICES FROM ANY PERSON, FIRM OR
29 CORPORATION, INCLUDING AN INSURANCE CARRIER.
30 (b) A MONETARY RECOVERY FOR DAMAGES FOR BODILY INJURY, WHETHER BY
31 JUDGMENT, CONTRACT FOR COMPROMISE OR SETTLEMENT.
32 2. IS EFFECTIVE TO THE EXTENT OF THE AMOUNT OF PAYMENTS BY THE HEALTH
33 SECURITY PLAN.
34 3. IS EFFECTIVE AS TO THE RIGHTS OF ANY OTHER BENEFICIARIES WHOSE
35 RIGHTS CAN LEGALLY BE ASSIGNED BY THE BENEFICIARY.
36 36-3132. Private health insurance coverage limited
37 A. AFTER THE DATE THE HEALTH SECURITY PLAN BEGINS OPERATING, A PERSON
38 SHALL NOT PROVIDE PRIVATE HEALTH INSURANCE TO A BENEFICIARY FOR HEALTH CARE
39 THAT IS COVERED BY THE HEALTH SECURITY PLAN EXCEPT FOR RETIREE HEALTH
40 INSURANCE PLANS THAT DO NOT ENTER INTO CONTRACTS WITH THE HEALTH SECURITY
41 PLAN. A BENEFICIARY MAY PURCHASE SUPPLEMENTAL BENEFITS.
42 B. THIS SECTION DOES NOT AFFECT INSURANCE COVERAGE PURSUANT TO THE
43 FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 UNLESS THE STATE
44 OBTAINS A CONGRESSIONAL EXEMPTION OR A WAIVER FROM THE FEDERAL GOVERNMENT.

BUSINESSES THAT ARE COVERED BY THAT ACT MAY ELECT TO PARTICIPATE IN THE HEALTH SECURITY PLAN.

36-3133. Health security plan fund; federal health insurance program waivers; reimbursement to health security plan from federal and other health insurance programs

A. THE HEALTH SECURITY PLAN FUND IS ESTABLISHED CONSISTING OF MONIES RECEIVED PURSUANT TO THIS CHAPTER. THE COMMISSION SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED. THE FUND SHALL BE MAINTAINED IN AN ACTUARIALLY SOUND CONDITION AS EVIDENCED BY THE ANNUAL WRITTEN CERTIFICATION OF A QUALIFIED INDEPENDENT ACTUARY CONTRACTED BY THE COMMISSION.

B. THE COMMISSION SHALL PROVIDE FOR THE COLLECTION OF PREMIUMS FROM ELIGIBLE BENEFICIARIES, EMPLOYERS, STATE AND FEDERAL AGENCIES AND OTHER ENTITIES THAT WHEN COMBINED WITH MONIES APPROPRIATED TO THE FUND ARE SUFFICIENT TO PROVIDE THE REQUIRED HEALTH CARE SERVICES AND TO PAY THE EXPENSES OF THE COMMISSION AND ITS ADMINISTRATIVE FUNCTIONS. ALL PREMIUMS AND OTHER MONIES APPROPRIATED TO THE FUND SHALL BE CREDITED TO THE FUND.

C. THE COMMISSION SHALL:

1. IN CONJUNCTION WITH OTHER APPROPRIATE STATE AGENCIES, APPLY TO THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES FOR ALL WAIVERS OF REQUIREMENTS UNDER HEALTH CARE PROGRAMS ESTABLISHED PURSUANT TO THE FEDERAL SOCIAL SECURITY ACT THAT ARE NECESSARY TO ENABLE THE STATE TO DEPOSIT FEDERAL PAYMENTS FOR SERVICES COVERED BY THE HEALTH SECURITY PLAN INTO THE HEALTH SECURITY PLAN FUND AND TO BE THE SUPPLEMENTAL PAYER OF BENEFITS FOR PERSONS RECEIVING MEDICARE BENEFITS.

2. EXCEPT FOR THOSE PROGRAMS DESIGNATED IN SECTION 36-3113, IDENTIFY OTHER FEDERAL PROGRAMS THAT PROVIDE FEDERAL MONIES FOR PAYMENT OF HEALTH CARE SERVICES TO INDIVIDUALS AND APPLY FOR ANY WAIVERS OR ENTER INTO ANY AGREEMENTS THAT ARE NECESSARY TO ENABLE THIS STATE TO DEPOSIT FEDERAL PAYMENTS FOR HEALTH CARE SERVICES COVERED BY THE HEALTH SECURITY PLAN INTO THE HEALTH SECURITY PLAN FUND IF AGREEMENTS NEGOTIATED WITH A FEDERAL INDIAN HEALTH SERVICE AGENCY DO NOT IMPAIR TREATY OBLIGATIONS OF THE UNITED STATES GOVERNMENT AND IF OTHER AGREEMENTS NEGOTIATED DO NOT IMPAIR PORTABILITY OR OTHER ASPECTS OF THE HEALTH CARE COVERAGE.

3. SEEK AN AMENDMENT TO THE FEDERAL EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974 TO EXEMPT THIS STATE FROM THE PROVISIONS OF THAT ACT THAT RELATE TO HEALTH CARE SERVICES OR HEALTH INSURANCE, OR APPLY TO THE APPROPRIATE FEDERAL AGENCY FOR WAIVERS OF ANY REQUIREMENTS OF THAT ACT IF CONGRESS PROVIDES FOR WAIVERS TO ENABLE THE COMMISSION TO EXTEND COVERAGE PURSUANT TO THIS CHAPTER TO AS MANY ELIGIBLE RESIDENTS OF THIS STATE AS POSSIBLE.

D. THE COMMISSION SHALL SEEK PAYMENT TO THE HEALTH SECURITY PLAN FROM MEDICAID, MEDICARE OR ANY OTHER FEDERAL OR OTHER INSURANCE PROGRAM FOR ANY REIMBURSABLE PAYMENT PROVIDED UNDER THE PLAN.

1 E. THE COMMISSION SHALL SEEK TO MAXIMIZE FEDERAL CONTRIBUTIONS AND
2 PAYMENTS FOR HEALTH CARE SERVICES PROVIDED IN THIS STATE AND SHALL ENSURE
3 THAT THE CONTRIBUTIONS OF THE FEDERAL GOVERNMENT FOR HEALTH CARE SERVICES IN
4 THIS STATE WILL NOT DECREASE IN RELATION TO OTHER STATES AS A RESULT OF ANY
5 WAIVERS, EXEMPTIONS OR AGREEMENTS.
6 36-3134. Voluntary purchase of other insurance
7 THIS CHAPTER DOES NOT PROHIBIT THE VOLUNTARY PURCHASE OF INSURANCE
8 COVERAGE FOR HEALTH CARE SERVICES NOT COVERED BY THE HEALTH SECURITY PLAN OR
9 FOR INDIVIDUALS NOT ELIGIBLE FOR COVERAGE UNDER THE HEALTH SECURITY PLAN.
10 36-3135. Insurance rates; superintendent of insurance duties
11 A. THE DEPARTMENT OF INSURANCE SHALL IDENTIFY PREMIUM COSTS ASSOCIATED
12 WITH HEALTH CARE COVERAGE IN WORKERS' COMPENSATION AND AUTOMOBILE MEDICAL
13 COVERAGE. THE DEPARTMENT OF INSURANCE SHALL DEVELOP AN ESTIMATE OF EXPECTED
14 REDUCTION IN THOSE COSTS BASED ON ASSUMPTIONS OF HEALTH CARE SERVICES
15 COVERAGE IN THE HEALTH SECURITY PLAN AND SHALL REPORT THE FINDINGS TO THE
16 SENATE FINANCE COMMITTEE, OR ITS SUCCESSOR COMMITTEE, AND THE HOUSE OF
17 REPRESENTATIVES WAYS AND MEANS COMMITTEE, OR ITS SUCCESSOR COMMITTEE, TO
18 DETERMINE THE FINANCING OF THE HEALTH SECURITY PLAN.
19 B. THE DEPARTMENT OF INSURANCE SHALL LOWER WORKERS' COMPENSATION AND
20 AUTOMOBILE INSURANCE PREMIUMS ON INSURANCE POLICIES WRITTEN IN THIS STATE
21 THAT HAVE A MEDICAL PAYMENT COMPONENT ON THE DATE THE HEALTH SECURITY PLAN IS
22 IMPLEMENTED.
23 36-3136. Temporary provision; transition period arrangements;
24 publicly funded health care service plans
25 A. A PERSON WHO, ON THE DATE BENEFITS ARE AVAILABLE PURSUANT TO THIS
26 CHAPTER, RECEIVES HEALTH CARE BENEFITS UNDER PRIVATE CONTRACT OR COLLECTIVE
27 BARGAINING AGREEMENT ENTERED INTO BEFORE JULY 1, 2011 SHALL CONTINUE TO
28 RECEIVE THOSE BENEFITS UNTIL THE CONTRACT OR AGREEMENT EXPIRES OR UNLESS THE
29 CONTRACT OR AGREEMENT IS RENEGOTIATED TO PROVIDE PARTICIPATION IN THE HEALTH
30 SECURITY PLAN.
31 B. A PERSON WHO IS COVERED BY A HEALTH CARE PLAN THAT HAS ITS PREMIUMS
32 PAID FOR IN ANY PART BY PUBLIC MONEY, INCLUDING MONEY FROM THIS STATE, A
33 POLITICAL SUBDIVISION OF THIS STATE, A STATE EDUCATIONAL INSTITUTION, A
34 PUBLIC SCHOOL OR ANY OTHER ENTITY THAT RECEIVES PUBLIC MONEY TO PAY HEALTH
35 INSURANCE PREMIUMS, SHALL BE COVERED BY THE HEALTH SECURITY PLAN ON THE
36 EFFECTIVE DATE THAT BENEFITS ARE AVAILABLE UNDER THE HEALTH SECURITY PLAN.
37 Sec. 2. Title 41, chapter 27, article 2, Arizona Revised Statutes, is
38 amended by adding section 41-3019.01, to read:
39 41-3019.01. Health care commission; health care commission
40 membership nominating committee; termination July
41 1, 2019
42 A. THE HEALTH CARE COMMISSION AND THE HEALTH CARE COMMISSION
43 MEMBERSHIP NOMINATING COMMITTEE TERMINATE ON JULY 1, 2019.
44 B. TITLE 36, CHAPTER 31 IS REPEALED ON JANUARY 1, 2020.

1 Sec. 3. Initial terms of members of the health care commission
2 A. Notwithstanding section 36-3102, Arizona Revised Statutes, as added
3 by this act, the initial terms of members of the health care commission are:
4 1. Five terms ending January, 2013.
5 2. Five terms ending January, 2014.
6 3. Five terms ending January, 2015.
7 B. The governor shall make all subsequent appointments as prescribed
8 by statute.
9 Sec. 4. Initial terms of members of the health care commission
10 membership nominating committee
11 A. Notwithstanding section 36-3103, Arizona Revised Statutes, as added
12 by this act, the initial terms of members of the health care commission
13 membership nominating committee are:
14 1. Four terms ending January, 2013.
15 2. Four terms ending January, 2014.
16 3. Four terms ending January, 2015.
17 B. The governor, the speaker of the house of representatives and the
18 president of the senate shall make all subsequent appointments as prescribed
19 by statute.
20 Sec. 5. Joint legislative study committee on financing options;
21 report
22 A. The speaker of the house of representatives and the president of
23 the senate shall appoint a joint legislative study committee to recommend
24 financing options for the health security plan prescribed by this act. In
25 making its recommendations, the study committee shall be guided by the
26 following requirements and assumptions:
27 1. Health care services to be included and for which costs are to be
28 projected in determining the financing options shall be not less than the
29 health care coverage afforded state employees.
30 2. Options may set minimum and maximum levels of a beneficiary's
31 income-based premium payments, sliding scale premium payments and medicare
32 credits and employer contributions, and an employer may cover all or part of
33 an employee's premium provided that a collective bargaining agreement is not
34 violated.
35 B. The joint legislative study committee shall submit a report of its
36 findings and recommendations not later than December 15, 2009.
37 Sec. 6. Purpose of health care commission
38 Pursuant to section 41-2955, subsection E, Arizona Revised Statutes,
39 the health care commission is established to provide a comprehensive, fair
40 and cost-effective health care system for all Arizonans.
41 Sec. 7. Conforming legislation
42 The legislative council staff shall prepare proposed legislation
43 conforming the Arizona Revised Statutes to the provisions of this act for
44 consideration in the forty-ninth legislature, second regular session.

1 Sec. 8. Short title
2 Title 36, chapter 31, Arizona Revised Statutes, as added by this act,
3 may be cited as the "Health Security Act".
4 Sec. 9. Purpose of health security act
5 The purpose of the health security act is to:
6 1. Establish a program that ensures health care coverage to all
7 Arizonans through a combination of public and private financing.
8 2. Control escalating health care costs.
9 3. Improve the health care of all Arizonans.