

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 204
HOUSE BILL 2102

AN ACT

AMENDING SECTION 36-260, ARIZONA REVISED STATUTES; REPEALING SECTION 36-261, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 2, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 36-261; REPEALING SECTION 36-261.01, ARIZONA REVISED STATUTES; AMENDING SECTION 36-262, ARIZONA REVISED STATUTES; REPEALING SECTIONS 36-263 AND 36-264, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-797.43, 36-797.44 AND 36-2907.08, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2912; AMENDING SECTION 43-1088, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Heading change

3 The article heading of title 36, chapter 2, article 3, Arizona Revised
4 Statutes, is changed from "CHILDREN'S REHABILITATIVE SERVICES" to "CHILDREN
5 WITH CHRONIC ILLNESSES OR PHYSICAL DISABILITIES".

6 Sec. 2. Section 36-260, Arizona Revised Statutes, is amended to read:

7 36-260. Definitions

8 In this article, unless the context otherwise requires:

9 ~~1. "Administration" means the Arizona health care cost containment~~
10 ~~system administration.~~

11 ~~2. 1. "Chronically ill or children with physical disabilities~~
12 CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY" means children
13 who are under twenty-one years of age and whose primary diagnosis is a severe
14 physical condition that may require ongoing, medical or surgical
15 intervention.

16 ~~3. "Director" means the director of the Arizona health care cost~~
17 ~~containment system administration.~~

18 2. "DEPARTMENT" MEANS THE DEPARTMENT OF HEALTH SERVICES.

19 Sec. 3. Repeal

20 Section 36-261, Arizona Revised Statutes, is repealed.

21 Sec. 4. Title 36, chapter 2, article 3, Arizona Revised Statutes, is
22 amended by adding a new section 36-261, to read:

23 36-261. Children who have a chronic illness or physical
24 disability; program

25 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT SHALL ESTABLISH
26 AND ADMINISTER A PROGRAM FOR CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
27 DISABILITY OR WHO ARE SUFFERING FROM A CONDITION THAT LEADS TO A CHRONIC
28 ILLNESS OR PHYSICAL DISABILITY. THE PROGRAM SHALL PROVIDE FOR:

29 1. THE DEVELOPMENT, EXTENSION AND IMPROVEMENT OF SERVICES FOR LOCATING
30 THESE CHILDREN.

31 2. THE EVALUATION OF NEEDS.

32 3. THE GATHERING OF STATISTICAL INFORMATION.

33 4. A STATEWIDE INFORMATION AND REFERRAL SERVICE FOR CHILDREN WHO HAVE
34 A CHRONIC ILLNESS OR PHYSICAL DISABILITY TO LINK THOSE CHILDREN AND THEIR
35 FAMILIES WITH LOCAL SERVICE PROVIDERS.

36 Sec. 5. Repeal

37 Section 36-261.01, Arizona Revised Statutes, is repealed.

38 Sec. 6. Section 36-262, Arizona Revised Statutes, is amended to read:

39 36-262. Central statewide information and referral service for
40 children who have a chronic illness or physical
41 disability

42 A. The purposes of the information and referral service for
43 ~~chronically ill or children with physical disabilities~~ CHILDREN WHO HAVE A
44 CHRONIC ILLNESS OR PHYSICAL DISABILITY as prescribed pursuant to this article
45 are to:

46 1. Establish a roster of agencies providing medical, educational,
47 financial, social and transportation services to ~~chronically ill or children~~

1 ~~with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
2 DISABILITY.

3 2. Develop or use an existing statewide, ~~computerized~~ information and
4 referral service that provides information on services for ~~chronically ill or~~
5 ~~children with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR
6 PHYSICAL DISABILITY.

7 B. This section does not require any person or public or private
8 agency or other entity to participate in the information and referral
9 service.

10 Sec. 7. Repeal

11 Sections 36-263 and 36-264, Arizona Revised Statutes, are repealed.

12 Sec. 8. Section 36-797.43, Arizona Revised Statutes, is amended to
13 read:

14 36-797.43. Care and treatment of children with sickle cell
15 anemia; reimbursement

16 A. ~~The Arizona health care cost containment system administration~~
17 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT OF HEALTH SERVICES,
18 through the children's rehabilitative services, may develop and operate,
19 either directly or by contracting with public or private providers, programs
20 for the diagnosis, care and treatment of children suffering from sickle cell
21 anemia.

22 ~~B. The programs developed and operated pursuant to this section are~~
23 ~~part of the children's rehabilitative services provided by the administration~~
24 ~~pursuant to section 36-261.~~

25 ~~C.~~ B. The parent or other responsible person, agency or third-party
26 payor shall reimburse the ~~administration~~ DEPARTMENT for part or all of the
27 costs of services rendered to a child pursuant to this section according to a
28 scale of rates and charges established by the ~~administration~~ DEPARTMENT and
29 based on the cost of services provided and the ability of the parent or
30 responsible person to pay for these services.

31 Sec. 9. Section 36-797.44, Arizona Revised Statutes, is amended to
32 read:

33 36-797.44. Care and treatment of adults with sickle cell
34 anemia; reimbursement

35 A. ~~The Arizona health care cost containment system administration~~
36 SUBJECT TO THE AVAILABILITY OF MONIES, THE DEPARTMENT OF HEALTH SERVICES,
37 through the children's rehabilitative services, may develop and operate,
38 either directly or by contracting with public or private providers, programs
39 for the diagnosis, care and treatment of adults suffering from sickle cell
40 anemia.

41 B. The adult or other responsible person, agency or third-party payor
42 shall reimburse the ~~administration~~ DEPARTMENT for part or all of the costs of
43 services rendered to an adult pursuant to this section according to a scale
44 of rates and charges established by the ~~administration~~ DEPARTMENT and based
45 on the cost of services provided and the ability of the adult or other
46 responsible person to pay for these services.

1 D. The director of the department of health services may limit either
2 or both the grant amount per contract or the number of contracts awarded. In
3 awarding contracts to qualified applicants the director shall consider:

4 1. The amount of monies available for the grant program.

5 2. The need for grant monies in the area served by the applicant as
6 stated by the applicant in the response to the request for proposals and as
7 researched by the administration.

8 3. The number of children estimated to be served by the applicant with
9 grant program monies.

10 4. The services that will be provided or made available with grant
11 program monies.

12 5. The percentages of grant monies that the applicant indicates will
13 be reserved for administrative expenditures, direct service expenditures and
14 medical care personnel costs.

15 6. The financial and programmatic ability of the applicant to meet the
16 contract's requirements.

17 E. If the department of health services determines that a hospital has
18 used grant monies in violation of this section, it shall prohibit that
19 hospital from receiving additional grant program monies until the hospital
20 reimburses the department. The department shall impose an interest penalty
21 as prescribed by the director of the department of health services by
22 rule. The director shall deposit, pursuant to sections 35-146 and 35-147,
23 penalties collected under this section in the medically needy account of the
24 tobacco tax and health care fund.

25 F. The director of the department of health services may expend monies
26 from the medically needy account of the tobacco tax and health care fund
27 ~~transferred pursuant to section 36-2921, subsection A, paragraph 6~~ for the
28 purpose of funding evaluations of the grant program established by this
29 section. The director shall ensure that any evaluation is structured to meet
30 at least the base requirements prescribed in section 36-2907.07.

31 G. The director of the department of health services may expend monies
32 from the medically needy account of the tobacco tax and health care fund
33 ~~transferred pursuant to section 36-2921, subsection A, paragraph 6~~ for
34 administrative costs associated with the establishment or the operation of
35 the grant program. The amount withdrawn annually for grant program
36 administrative costs shall not exceed two ~~per cent~~ PERCENT of the sum of any
37 transfers of monies ~~made pursuant to section 36-2921~~ and any appropriation of
38 monies for the specified purpose of supporting the nonentitlement basic
39 children's medical services program established in this section.

40 H. The department of health services shall directly administer the
41 grant program and all contracts established pursuant to this section. The
42 director of the department of health services shall publish rules pursuant to
43 title 41, chapter 6 for the grant program before the issuance of the initial
44 grant program request for proposals. The director of the department of
45 health services and the contractor shall sign a contract before the
46 transmission of any tobacco tax and health care fund monies to the
47 contractor.

1 I. In administering the basic children's medical services program and
2 awarding contracts established pursuant to this section, the director of the
3 department of health services shall seek to efficiently and effectively
4 coordinate the delivery of services provided through the program with
5 services provided through other programs, including those established
6 pursuant to ~~chapter 2, article 3 of this title and~~ sections 36-2907.05, and
7 36-2907.06 AND 36-2912. The director shall seek to ensure that this
8 coordination results in providing for either or both the coverage of
9 additional children or the provision of additional medically necessary
10 services to children instead of supplanting existing service opportunities or
11 duplicating existing programs with no attendant increase in coverage.

12 J. For the purposes of this section, "grant program" refers to the
13 basic children's medical services program.

14 Sec. 11. Title 36, chapter 29, article 1, Arizona Revised Statutes, is
15 amended by adding section 36-2912, to read:

16 36-2912. Children's rehabilitative services program; definition

17 A. THE ADMINISTRATION SHALL:

18 1. ESTABLISH A CHILDREN'S REHABILITATIVE SERVICES PROGRAM FOR CHILDREN
19 WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY AND SHALL DEVELOP,
20 IMPLEMENT, MONITOR, SUPERVISE, CONTROL AND ESTABLISH POLICIES FOR THAT
21 PROGRAM.

22 2. DEVELOP AND IMPLEMENT POLICIES TO DETERMINE MEDICAL ELIGIBILITY FOR
23 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM.

24 3. DEVELOP AND IMPLEMENT ALL RULES AND POLICIES FOR THE OPERATION OF
25 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM.

26 4. ESTABLISH AND ADMINISTER A PROGRAM OF SERVICE FOR CHILDREN AND FOR
27 INDIVIDUALS DETERMINED TO BE ELIGIBLE BEFORE THEY REACH TWENTY-ONE YEARS OF
28 AGE WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY OR WHO ARE SUFFERING
29 FROM A CONDITION THAT LEADS TO A CHRONIC ILLNESS OR A PHYSICAL DISABILITY AND
30 ARE IN ACTIVE TREATMENT. THE PROGRAM SHALL PROVIDE FOR:

31 (a) MEDICAL, SURGICAL, CORRECTIVE AND OTHER SERVICES AND CARE.

32 (b) THE RECEIPT AND EXPENDITURE OF MONIES MADE AVAILABLE TO THE
33 ADMINISTRATION FOR SERVICES TO CHILDREN WHO HAVE A CHRONIC ILLNESS OR
34 PHYSICAL DISABILITY BY THE FEDERAL GOVERNMENT, THIS STATE OR ITS POLITICAL
35 SUBDIVISIONS OR FROM OTHER SOURCES, EXCLUDING MONIES RECEIVED FROM PARENTS OR
36 GUARDIANS FOR THE CARE OF CHILDREN.

37 (c) MAKING NECESSARY EXPENDITURES PURSUANT TO THE REQUIREMENTS OF THIS
38 SECTION.

39 (d) ESTABLISHING AND MAINTAINING SAFEGUARDS RELATING TO THE
40 CONFIDENTIALITY OF MEDICAL RECORDS.

41 (e) THE ACCEPTANCE AND USE OF FEDERAL MONIES FOR CHILDREN'S
42 REHABILITATIVE SERVICES AT THE DISCRETION OF THE ADMINISTRATION AND SUBJECT
43 TO ANY LIMITATIONS IMPOSED BY ANNUAL STATE APPROPRIATIONS.

44 (f) ANY OTHER ACTIVITIES THE ADMINISTRATION DETERMINES ARE NECESSARY
45 FOR THE EFFECTIVE OPERATION OF THE PROGRAM.

46 B. PURSUANT TO THE REQUIREMENTS OF SECTION 36-2903, THE DIRECTOR SHALL
47 PREPARE AND ISSUE A PUBLIC REQUEST FOR PROPOSALS, INCLUDING A PROPOSED

1 CONTRACT FORMAT, AT LEAST ONCE EVERY FIVE YEARS TO CONTRACT FOR THE CARE AND
2 TREATMENT OF CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY.

3 C. THE TOTAL AMOUNT OF STATE MONIES THAT THE ADMINISTRATION MAY SPEND
4 IN ANY FISCAL YEAR FOR CHILDREN'S REHABILITATIVE SERVICES MAY NOT EXCEED THE
5 AMOUNT APPROPRIATED OR AUTHORIZED BY SECTION 35-173 FOR THAT PURPOSE. THIS
6 SUBSECTION DOES NOT IMPOSE A DUTY ON AN OFFICER, AGENT OR EMPLOYEE OF THIS
7 STATE TO DISCHARGE A RESPONSIBILITY OR TO CREATE ANY RIGHT IN A PERSON OR
8 GROUP IF THE DISCHARGE OR RIGHT WOULD REQUIRE AN EXPENDITURE OF STATE MONIES
9 IN EXCESS OF THE EXPENDITURE AUTHORIZED BY LEGISLATIVE APPROPRIATION FOR THAT
10 SPECIFIC PURPOSE.

11 D. PURSUANT TO THE REQUIREMENTS OF SECTION 36-2923, THE ADMINISTRATION
12 SHALL COORDINATE BENEFITS PROVIDED PURSUANT TO THIS SECTION SO THAT ANY COSTS
13 PAYABLE BY THE ADMINISTRATION ARE COSTS AVOIDED OR RECOVERED FROM ANY
14 AVAILABLE PROVIDER OF FIRST-PARTY HEALTH INSURANCE BENEFITS. THE
15 ADMINISTRATION SHALL ACT AS PAYOR OF LAST RESORT UNLESS SPECIFICALLY REQUIRED
16 BY FEDERAL LAW.

17 E. FOR THE PURPOSES OF THIS SECTION, "CHILDREN WHO HAVE A CHRONIC
18 ILLNESS OR PHYSICAL DISABILITY" MEANS CHILDREN WHO ARE MEDICALLY ELIGIBLE FOR
19 THE CHILDREN'S REHABILITATIVE SERVICES PROGRAM AND WHO REQUIRE COVERED
20 MEDICAL, SURGICAL OR THERAPEUTIC SERVICES FOR A COVERED CONDITION THAT IS
21 MEDICALLY DISABLING OR POTENTIALLY DISABLING, AS PRESCRIBED BY THE
22 ADMINISTRATION.

23 Sec. 12. Section 43-1088, Arizona Revised Statutes, is amended to
24 read:

25 43-1088. Credit for contribution to qualifying charitable
26 organizations; definitions

27 A. Except as provided in subsection B of this section, a credit is
28 allowed against the taxes imposed by this title for voluntary cash
29 contributions by the taxpayer or on the taxpayer's behalf pursuant to section
30 43-401, subsection G during the taxable year to a qualifying charitable
31 organization not to exceed:

32 1. Two hundred dollars in any taxable year for a single individual or
33 a head of household.

34 2. Four hundred dollars in any taxable year for a married couple
35 filing a joint return.

36 B. If the voluntary cash contribution by the taxpayer or on the
37 taxpayer's behalf pursuant to section 43-401, subsection G is to a qualifying
38 foster care charitable organization, the credit shall not exceed:

39 1. Four hundred dollars in any taxable year for a single individual or
40 a head of household.

41 2. Eight hundred dollars in any taxable year for a married couple
42 filing a joint return.

43 C. A husband and wife who file separate returns for a taxable year in
44 which they could have filed a joint return may each claim only one-half of
45 the tax credit that would have been allowed for a joint return.

46 D. If the allowable tax credit exceeds the taxes otherwise due under
47 this title on the claimant's income, or if there are no taxes due under this

1 title, the taxpayer may carry forward the amount of the claim not used to
2 offset the taxes under this title for not more than five consecutive taxable
3 years' income tax liability.

4 E. The credit allowed by this section is in lieu of a deduction
5 pursuant to section 170 of the internal revenue code and taken for state tax
6 purposes.

7 F. Taxpayers taking a credit authorized by this section shall provide
8 the name of the qualifying charitable organization and the amount of the
9 contribution to the department of revenue on forms provided by the
10 department.

11 G. A qualifying charitable organization shall provide the department
12 of revenue with a written certification that it meets all criteria to be
13 considered a qualifying charitable organization. The organization shall also
14 notify the department of any changes that may affect the qualifications under
15 this section.

16 H. The charitable organization's written certification must be signed
17 by an officer of the organization under penalty of perjury. The written
18 certification must include the following:

19 1. Verification of the organization's status under section 501(c)(3)
20 of the internal revenue code or verification that the organization is a
21 designated community action agency that receives community services block
22 grant program monies pursuant to 42 United States Code section 9901.

23 2. Financial data indicating the organization's budget for the
24 organization's prior operating year and the amount of that budget spent on
25 services to residents of this state who either:

26 (a) Receive temporary assistance for needy families benefits.

27 (b) Are low income residents of this state.

28 ~~(c) Are chronically ill or children with physical disabilities.~~

29 (c) ARE CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY.

30 3. A statement that the organization plans to continue spending at
31 least fifty ~~per cent~~ PERCENT of its budget on services to residents of this
32 state who receive temporary assistance for needy families benefits, who are
33 low-income residents of this state or who are ~~chronically ill or children~~
34 ~~with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR PHYSICAL
35 DISABILITY.

36 4. A statement that the organization does not provide, pay for or
37 provide coverage of abortions and does not financially support any other
38 entity that provides, pays for or provides coverage of abortions.

39 I. The department shall review each written certification and
40 determine whether the organization meets all the criteria to be considered a
41 qualifying charitable organization and notify the organization of its
42 determination. The department may also periodically request recertification
43 from the organization. The department shall compile and make available to
44 the public a list of the qualifying charitable organizations.

45 J. For the purposes of this section:

- 1 1. ~~"Chronically ill or children with physical disabilities~~ CHILDREN
2 WHO HAVE A CHRONIC ILLNESS OR PHYSICAL DISABILITY" has the same meaning
3 prescribed in section 36-260.
- 4 2. "Low-income residents" means persons whose household income is less
5 than one hundred fifty ~~per cent~~ PERCENT of the federal poverty level.
- 6 3. "Qualifying charitable organization" means a charitable
7 organization that is exempt from federal income taxation under section
8 501(c)(3) of the internal revenue code or is a designated community action
9 agency that receives community services block grant program monies pursuant
10 to 42 United States Code section 9901. The organization must spend at least
11 fifty ~~per cent~~ PERCENT of its budget on services to residents of this state
12 who receive temporary assistance for needy families benefits or low-income
13 residents of this state and their households or to ~~chronically ill or~~
14 ~~children with physical disabilities~~ CHILDREN WHO HAVE A CHRONIC ILLNESS OR
15 PHYSICAL DISABILITY who are residents of this state. Taxpayers choosing to
16 make donations through an umbrella charitable organization that collects
17 donations on behalf of member charities shall designate that the donation be
18 directed to a member charitable organization that would qualify under this
19 section on a stand-alone basis. Qualifying charitable organization does not
20 include any entity that provides, pays for or provides coverage of abortions
21 or that financially supports any other entity that provides, pays for or
22 provides coverage of abortions.
- 23 4. "Qualifying foster care charitable organization" means a qualifying
24 charitable organization that each operating year provides services to at
25 least two hundred foster children in this state and spends at least fifty
26 ~~per cent~~ PERCENT of its budget on services to foster children in this state.
27 For the purposes of this paragraph, "foster children" has the same meaning
28 prescribed in section 8-501.
- 29 5. "Services" means cash assistance, medical care, child care, food,
30 clothing, shelter, job placement and job training services or any other
31 assistance that is reasonably necessary to meet immediate basic needs and
32 that is provided and used in this state.

APPROVED BY THE GOVERNOR APRIL 6, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2015.