AN ACT

AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 38; RELATING TO A HEALTH CARE COMPACT.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Title 36, Arizona Revised Statutes, is amended by adding chapter 38, to read:

CHAPTER 38

HEALTH CARE COMPACT

ARTICLE 1. HEALTH CARE COMPACT

36-3801. Adoption of compact; text of compact

THE GOVERNOR IS AUTHORIZED AND DIRECTED TO ENTER INTO A COMPACT ON BEHALF OF THIS STATE WITH ANY OF THE UNITED STATES LAWFULLY JOINED IN THE COMPACT IN A FORM SUBSTANTIALLY AS FOLLOWS:

ARTICLE I

FINDINGS AND DECLARATION OF POLICY

A. THE SEPARATION OF POWERS BETWEEN THE BRANCHES OF THE FEDERAL GOVERNMENT AND BETWEEN FEDERAL AND STATE AUTHORITY IS ESSENTIAL TO THE PRESERVATION OF INDIVIDUAL LIBERTY.

B. THE CONSTITUTION CREATES A FEDERAL GOVERNMENT OF LIMITED AND ENUMERATED POWERS AND RESERVES TO THE STATES OR TO THE PEOPLE THOSE POWERS NOT GRANTED TO THE FEDERAL GOVERNMENT.

C. THE FEDERAL GOVERNMENT HAS ENACTED MANY LAWS THAT HAVE PREEMPTED STATE LAWS WITH RESPECT TO HEALTH CARE AND PLACED INCREASING STRAIN ON STATE BUDGETS, IMPAIRING OTHER RESPONSIBILITIES SUCH AS EDUCATION, INFRASTRUCTURE AND PUBLIC SAFETY.

D. THE MEMBER STATES SEEK TO PROTECT INDIVIDUAL LIBERTY AND CONTROL OVER PERSONAL HEALTH CARE DECISIONS AND BELIEVE THE BEST METHOD TO SECURE THAT CONTROL IS BY VESTING REGULATORY AUTHORITY OVER HEALTH CARE IN THE STATES.

E. BY ACTING IN CONCERT, THE MEMBER STATES MAY EXPRESS AND INSPIRE CONFIDENCE IN THE ABILITY OF EACH MEMBER STATE TO EFFECTIVELY GOVERN HEALTH CARE.

F. THE MEMBER STATES RECOGNIZE THAT CONSENT OF THE UNITED STATES CONGRESS MAY BE MORE EASILY SECURED IF MEMBER STATES COLLECTIVELY SEEK CONSENT THROUGH AN INTERSTATE COMPACT.

ARTICLE II

DEFINITIONS

AS USED IN THIS COMPACT, UNLESS THE CONTEXT CLEARLY INDICATES OTHERWISE:

1. "COMMISSION" MEANS THE INTERSTATE ADVISORY HEALTH CARE COMMISSION.

2. "CURRENT YEAR INFLATION ADJUSTMENT FACTOR" MEANS THE TOTAL GROSS DOMESTIC PRODUCT DEFLATOR IN THE CURRENT YEAR DIVIDED BY THE TOTAL GROSS DOMESTIC PRODUCT DEFLATOR IN FEDERAL FISCAL YEAR 2010. TOTAL GROSS DOMESTIC PRODUCT DEFLATOR SHALL BE DETERMINED BY THE UNITED STATES DEPARTMENT OF COMMERCE, BUREAU OF ECONOMIC ANALYSIS.
3. "EFFECTIVE DATE" MEANS THE DATE ON WHICH THIS COMPACT BECOMES
EFFECTIVE FOR PURPOSES OF THE OPERATION OF STATE AND FEDERAL LAW IN A MEMBER
STATE, WHICH SHALL BE THE LATER OF EITHER:
(a) THE DATE ON WHICH THIS COMPACT IS ADOPTED UNDER THE LAWS OF THE
MEMBER STATE.
(b) THE DATE ON WHICH THIS COMPACT RECEIVES THE CONSENT OF CONGRESS
PURSUANT TO ARTICLE I, SECTION 10, CONSTITUTION OF THE UNITED STATES, AFTER
AT LEAST TWO MEMBER STATES ADOPT THIS COMPACT.
4. "HEALTH CARE" MEANS CARE, SERVICES, SUPPLIES OR PLANS RELATED TO
THE HEALTH OF AN INDIVIDUAL, EXCEPT ANY CARE, SERVICES, SUPPLIES OR PLANS
PROVIDED BY THE UNITED STATES DEPARTMENT OF DEFENSE AND THE UNITED STATES
DEPARTMENT OF VETERANS AFFAIRS, OR PROVIDED TO NATIVE AMERICANS, AND
INCLUDES, BUT IS NOT LIMITED TO:
(a) PREVENTIVE, DIAGNOSTIC, THERAPEUTIC, REHABILITATIVE, MAINTENANCE
OR PALLIATIVE CARE AND COUNSELING, SERVICE, ASSESSMENT OR PROCEDURE WITH
RESPECT TO THE PHYSICAL OR MENTAL CONDITION OR FUNCTIONAL STATUS OF AN
INDIVIDUAL OR THAT AFFECTS THE STRUCTURE OR FUNCTION OF THE BODY.
(b) SALE OR DISPENSING OF A DRUG, DEVICE, EQUIPMENT OR OTHER ITEM
PURSUANT TO A PRESCRIPTION.
(c) AN INDIVIDUAL OR GROUP PLAN THAT PROVIDES, OR PAYS THE COST OF,
CARE, SERVICES OR SUPPLIES RELATED TO THE HEALTH OF AN INDIVIDUAL.
5. "MEMBER STATE" MEANS A STATE THAT IS SIGNATORY TO THIS COMPACT AND
HAS ADOPTED IT UNDER THE LAWS OF THAT STATE.
6. "MEMBER STATE BASE FUNDING LEVEL" MEANS A NUMBER EQUAL TO THE TOTAL
FEDERAL SPENDING ON HEALTH CARE IN THE MEMBER STATE DURING FEDERAL FISCAL
YEAR 2010. ON OR BEFORE THE EFFECTIVE DATE, EACH MEMBER STATE SHALL
DETERMINE THE MEMBER STATE BASE FUNDING LEVEL FOR ITS STATE, AND THAT NUMBER
SHALL BE BINDING ON THAT MEMBER STATE. THE PRELIMINARY ESTIMATE OF MEMBER
STATE BASE FUNDING LEVEL FOR THIS STATE IS SIXTEEN BILLION TWO HUNDRED
SIXTY-SIX MILLION DOLLARS.
7. "MEMBER STATE CURRENT YEAR FUNDING LEVEL" MEANS THE MEMBER STATE
BASE FUNDING LEVEL MULTIPLIED BY THE MEMBER STATE CURRENT YEAR POPULATION
ADJUSTMENT FACTOR MULTIPLIED BY THE CURRENT YEAR INFLATION ADJUSTMENT FACTOR.
8. "MEMBER STATE CURRENT YEAR POPULATION ADJUSTMENT FACTOR" MEANS THE
AVERAGE POPULATION OF THE MEMBER STATE IN THE CURRENT YEAR LESS THE AVERAGE
POPULATION OF THE MEMBER STATE IN FEDERAL FISCAL YEAR 2010, DIVIDED BY THE
AVERAGE POPULATION OF THE MEMBER STATE IN FEDERAL FISCAL YEAR 2010, PLUS 1.
AVERAGE POPULATION IN A MEMBER STATE SHALL BE DETERMINED BY THE UNITED STATES
CENSUS BUREAU.

ARTICLE III
PLEDGE

THE MEMBER STATES SHALL TAKE JOINT AND SEPARATE ACTION TO SECURE THE
CONSENT OF THE UNITED STATES CONGRESS TO THIS COMPACT IN ORDER TO RETURN THE
AUTHORITY TO REGULATE HEALTH CARE TO THE MEMBER STATES CONSISTENT WITH THE
GOALS AND PRINCIPLES ARTICULATED IN THIS COMPACT. THE MEMBER STATES SHALL
IMPROVE HEALTH CARE POLICY WITHIN THEIR RESPECTIVE JURISDICTIONS AND
ACCORDING TO THE JUDGMENT AND DISCRETION OF EACH MEMBER STATE.

ARTICLE IV

LEGISLATIVE POWER

THE LEGISLATURES OF THE MEMBER STATES HAVE THE PRIMARY RESPONSIBILITY
TO REGULATE HEALTH CARE IN THEIR RESPECTIVE STATES.

ARTICLE V

STATE CONTROL

EACH MEMBER STATE, WITHIN ITS STATE, MAY SUSPEND BY LEGISLATION THE
OPERATION OF ALL FEDERAL LAWS, RULES, REGULATIONS AND ORDERS REGARDING HEALTH
CARE THAT ARE INCONSISTENT WITH THE LAWS AND RULES ADOPTED BY THE MEMBER
STATE PURSUANT TO THIS COMPACT. FEDERAL AND STATE LAWS, RULES, REGULATIONS
AND ORDERS REGARDING HEALTH CARE REMAIN IN EFFECT UNLESS A MEMBER STATE
EXPRESSLY SUSPENDS THEM PURSUANT TO ITS AUTHORITY UNDER THIS COMPACT. FOR
ANY FEDERAL LAW, RULE, REGULATION OR ORDER THAT REMAINS IN EFFECT IN A MEMBER
STATE AFTER THE EFFECTIVE DATE, THAT MEMBER STATE SHALL BE RESPONSIBLE FOR
THE ASSOCIATED FUNDING OBLIGATIONS IN ITS STATE.

ARTICLE VI

FUNDING

A. EACH FEDERAL FISCAL YEAR, EACH MEMBER STATE SHALL HAVE THE RIGHT TO
FEDERAL MONIES UP TO AN AMOUNT EQUAL TO ITS MEMBER STATE CURRENT YEAR FUNDING
LEVEL FOR THAT FEDERAL FISCAL YEAR, FUNDED BY CONGRESS AS MANDATORY SPENDING
AND NOT SUBJECT TO ANNUAL APPROPRIATION, TO SUPPORT THE EXERCISE OF MEMBER
STATE AUTHORITY UNDER THIS COMPACT. THIS FUNDING SHALL NOT BE CONDITIONAL ON
ANY ACTION OF OR REGULATION, POLICY, LAW OR RULE BEING ADOPTED BY THE MEMBER
STATE.

B. BY THE START OF EACH FEDERAL FISCAL YEAR, CONGRESS SHALL ESTABLISH
AN INITIAL MEMBER STATE CURRENT YEAR FUNDING LEVEL FOR EACH MEMBER STATE,
BASED ON REASONABLE ESTIMATES. THE FINAL MEMBER STATE CURRENT YEAR FUNDING
LEVEL SHALL BE CALCULATED, AND FUNDING SHALL BE RECONCILED BY THE UNITED
STATES CONGRESS BASED ON INFORMATION PROVIDED BY EACH MEMBER STATE AND
AUDITED BY THE UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE.

ARTICLE VII

INTERSTATE ADVISORY HEALTH CARE COMMISSION

A. THE INTERSTATE ADVISORY HEALTH CARE COMMISSION IS ESTABLISHED. THE
COMMISSION CONSISTS OF MEMBERS APPOINTED BY EACH MEMBER STATE THROUGH A
PROCESS TO BE DETERMINED BY EACH MEMBER STATE. A MEMBER STATE MAY NOT
APPOINT MORE THAN TWO MEMBERS TO THE COMMISSION AND MAY WITHDRAW MEMBERSHIP
FROM THE COMMISSION AT ANY TIME. EACH COMMISSION MEMBER IS ENTITLED TO ONE
VOTE. THE COMMISSION SHALL NOT ACT UNLESS A MAJORITY OF THE MEMBERS ARE
PRESENT AND NO ACTION SHALL BE BINDING UNLESS APPROVED BY A MAJORITY OF THE
COMMISSION'S TOTAL MEMBERSHIP.
B. The Commission may elect from among its membership a Chairperson. The Commission may adopt and publish bylaws and policies that are not inconsistent with this compact. The Commission shall meet at least once a year and may meet more frequently.

C. The Commission may study issues of health care regulation that are of particular concern to the Member States. The Commission may make nonbinding recommendations to the Member States. The Legislatures of the Member States may consider these recommendations in determining the appropriate health care policies in their respective states.

D. The Commission shall collect information and data to assist the Member States in their regulation of health care including assessing the performance of various state health care programs and compiling information on the cost of health care. The Commission shall make this information and data available to the Legislatures of the Member States. Notwithstanding any other provision of this compact, no Member State shall disclose to the Commission the health information of any individual, nor shall the Commission disclose the health information of any individual.

E. The Commission shall be funded by the Member States as agreed to by the Member States. The Commission shall have the responsibilities and duties as may be conferred on it by subsequent action of the Legislatures of the Member States consistent with the terms of this compact.

F. The Commission shall not take any action within a Member State that contravenes any state law of that Member State.

ARTICLE VIII

CONGRESSIONAL CONSENT

This compact shall be effective on its adoption by at least two Member States and consent of the United States Congress. This compact shall be effective unless the United States Congress, in consenting to this compact, alters the fundamental purposes of this compact, which are:

1. To secure the right of the Member States to regulate health care in their respective States pursuant to this compact and to suspend the operation of any conflicting Federal laws, rules, regulations and orders within their States.

2. To secure Federal funding for Member States that choose to invoke their authority under this compact pursuant to the mandatory spending formula prescribed by Article VI.

ARTICLE IX

AMENDMENTS

The Member States, by unanimous agreement, may amend this compact from time to time without the prior consent or approval of Congress and any amendment shall be effective unless, within one year, the Congress disapproves that amendment. Any State may join this compact after the date on which Congress consents to the compact by adoption into law under its State Constitution.
ARTICLE X
WITHDRAWAL AND DISSOLUTION

A MEMBER STATE MAY WITHDRAW FROM THIS COMPACT BY ADOPTING A LAW TO THAT
EFFECT, BUT NO SUCH WITHDRAWAL SHALL TAKE EFFECT UNTIL SIX MONTHS AFTER THE
GOVERNOR OF THE WITHDRAWING MEMBER STATE HAS GIVEN NOTICE OF THE WITHDRAWAL
TO THE OTHER MEMBER STATES. A WITHDRAWING STATE SHALL BE LIABLE FOR ANY
OBLIGATIONS THAT IT MAY HAVE INCURRED BEFORE THE DATE ON WHICH ITS WITHDRAWAL
BECOMES EFFECTIVE. THIS COMPACT IS DISSOLVED ON THE WITHDRAWAL OF ALL BUT
ONE OF THE MEMBER STATES.