Chairman Carter called the meeting to order at 10:06 a.m. and roll call was taken by the secretary.

Members Present
- Mrs. Brophy McGee
- Mrs. Gonzales
- Mr. Lovas
- Mr. Meyer
- Ms. Steele
- Ms. Townsend
- Mr. Boyer, Vice-Chairman
- Mrs. Carter, Chairman

Members Absent
None

Committee Action

HB2044 – DP (8-0-0-0)

INTRODUCTION OF COMMITTEE MEMBERS AND STAFF

The Members introduced themselves and Chairman Carter introduced the Staff: Sandy Kelley, Administrative Assistant; Pele Peacock Fischer, Policy Advisor and Staff Attorney to the Majority; Ingrid Garvey, Senior Majority Legislative Research Analyst; Elizabeth Navran, Policy Advisor and Staff Attorney, Democratic Caucus; Ryan Sullivan, Assistant Majority Research Analyst; Maritza Heras, Majority Intern; Nick Semenchuk, Democratic Intern; Linda Taylor, Committee Secretary; Joshua Martinez and Anthony Casselman, Pages.

ADOPTION OF COMMITTEE RULES

Vice-Chairman Boyer moved that the Committee Rules for the Committee on Health, 51st Legislature (Attachment 1) be adopted. The motion carried.
APPOINTMENT OF COMMITTEE OF REFERENCE MEMBERS

Chairman Carter appointed the following Members to the Committee of Reference:

- Mrs. Carter, Chairman
- Mr. Boyer
- Mrs. Brophy McGee
- Mr. Meyer
- Ms. Steele

PRESENTATIONS

Will Humble, Director, Arizona Department of Health Services (ADHS), related his background in public health, noting that he was appointed as Director by the Governor in 2009. He introduced Colby Bauer, Legislative Liaison, ADHS. He proceeded with a public health overview of ADHS (Attachment 2), stating that in 2009, a strategic planning effort was undertaken to achieve better public health outcomes. The focus of public health is not to work with individuals one-on-one, but to set up a systems approach so communities are healthier. He reviewed factors that contribute to health outcomes for communities such as behaviors, genetics, environment and medical care, as well as national health expenditures. He referred the Members to the top 10 public health achievements by ADHS, specifically mentioning vaccinations (Attachment 2, Page 6). He reviewed ADHS’ key areas of responsibility, which include:

- Arizona State Hospital (ASH)
- Behavioral Health Services
- State Laboratory
- Vital Records and Statistics
- Licensing
- Prevention
- Emergency Medical Services (EMS)
- Epidemiology and Disease Control
- Preparedness

During Mr. Humble’s presentation, Chairman Carter commented that he will probably be asked to speak to the Committee in a few weeks about how the Medicaid expansion proposal will impact behavioral health. In response to a query by Chairman Carter, Mr. Humble discussed the General Fund appropriation to ADHS.

Following Mr. Humble’s presentation, Chairman Carter noted that ADHS administers the Medical Marijuana Program, which will be discussed this session based on proposed bills. Mr. Humble replied that he believes ADHS is doing a reasonably good job of keeping the program as medical as possible and he would be glad to give a presentation to the Committee on the issue.

Chairman Carter remarked that she has been hearing about certain other topics, such as vaccines, and the trauma system, which will be discussed this session. She added that in a future meeting
she would like to delve into the behavioral health system given the events that occurred over the last year.

Mr. Humble responded to further questions from the Members concerning how ADHS compares nationally in terms of behavioral health, tobacco prevention programs and Emergency Medical Services, noting that the EMS system in Arizona is now using the new CPR involving chest compressions without mouth-to-mouth resuscitation. This is due to a study conducted and published by ADHS, which determined that the survival rate is three times better when the new CPR method is used. He agreed to provide a copy of the study to Vice-Chairman Boyer.

Chairman Carter indicated that she would like the Members to tour ASH, hopefully, in February 2013. She commended Mr. Bauer for being extremely responsive and helping with many constituent issues.

Tom Betlach, Director, Arizona Health Care Cost Containment System (AHCCCS), introduced Jennifer Carusetta, Chief Legislative Liaison, and Christopher Vinyard, Legislative Liaison. Mr. Betlach related his background and proceeded with a presentation on AHCCCS (Attachment 3, Pages 1-25). He pointed out two significant issues:

- On December 31, 2013, AHCCCS’ ability to provide coverage to childless adults through a federal waiver will expire, and it is not known if the federal government will extend that ability to provide coverage for about 55,000 adults in the program. The federal government could require that coverage be provided through the Affordable Care Act whereby a broader coverage is provided to this population.
- AHCCCS recognized when removing $2.5 billion out of the health care economy, that some temporary financing mechanisms will be needed, especially for large safety net providers for hospitals, so a mechanism was created in the waiver to allow AHCCCS to make several hundred million dollars’ worth of payments to hospital systems that were able to leverage a local funding source. That option will also expire on December 31, 2013.

In response to questions, he acknowledged that those issues will be addressed if Arizona goes forward with Medicaid expansion. He related that Proposition 204 was approved in 1996 to expand coverage for low-income Arizonans up to 100 percent, but AHCCCS was not able to successfully negotiate a waiver with the federal government because the state wanted to limit the number of individuals that enroll; the issue was on the ballot again in 2000.

Mr. Betlach continued the presentation (Attachment 3, Pages 26-36).

Chairman Carter urged the Members to visit with AHCCCS staff and applauded Ms. Carusetta for her incredible response to questions and providing information in a timely fashion.

**CONSIDERATION OF BILLS**

**HB2044 – AHCCCS; continuation – DO PASS**

Vice-Chairman Boyer moved that HB2044 do pass.
Ryan Sullivan, Majority Assistant Research Analyst, related that during the 2012 Interim, the House Health and Human Services and Senate Healthcare Medical Liability Reform Committee of Reference met and recommended continuation of the Arizona Health Care Cost Containment System (AHCCCS) for 10 years. HB2044 continues AHCCCS for 10 years until July 1, 2023 (Attachment 4).

Jennifer Carusetta, Chief Legislative Liaison, Arizona Health Care Cost Containment System (AHCCCS), in support of HB2044, testified that the agency looks forward to the upcoming 10 years as the state moves into the next era of health care.

Vice-Chairman Boyer announced the names of those who signed up in support of HB2044 but did not speak:

Ann Monahan, Director of Operations, H.O.P.E. Group, LLC
Thomas Betlach, Director, AHCCCS
Deb Gullett, Arizona Association of Health Plans
Gibson McKay, University of Arizona Health Network
Stuart Goodman, Lobbyist, Dignity Health
James Stover, Chief Executive Officer, University of Arizona Health Plans, representing self
Barbara Fanning, Legislative Liaison, Arizona Hospital and Healthcare Association
Michael Fronske, Director of Governmental Affairs, Maricopa Integrated Health System
Jason Bezozo, Senior Program Director, Government Relations, Banner Health
John MacDonald, Maricopa Integrated Healthcare System
Betsey Bayless, former Secretary of State; President/Chief Executive Officer, Maricopa Integrated Health Systems
Richard Bittner, Legislative Counsel, Arizona State Association of Physician Assistants; Arizona College of Emergency Physicians
Laura Hahn, Executive Vice President, Arizona Academy of Family Physicians
Jaime Molera, Lobbyist, Aetna
Kathleen Pagels, Executive Director, Arizona Health Care Association
Tara Plese, Arizona Association of Community Health Centers; Arizona Alliance for Community Health Centers
Heather Bernacki Wilkey, Director, Government Affairs, John C. Lincoln; Arizona Physical Therapy Association
Michelle Pabis, Assistant Government Relations Director, Scottsdale Healthcare
Kathi Beranek, Government Relations Coordinator, Blue Cross Blue Shield of Arizona
Matt Jewett, Research Associate, Children's Action Alliance
Kristen Boilini, Lobbyist, Arizona Alliance for Community Health Centers
Tomas Leon, Chief Executive Officer, People of Color Network, Inc.
David Landrith, Vice President of Policy & Political Affairs, Arizona Medical Association
Clarence Vatne, Chief Executive Officer, Marana Health Center, Inc.
Monica Attridge, Arizona Association of Providers for People with Disabilities
Gretchen Conger, Director of Government Relations, Arizona Chamber of Commerce and Industry
Brian Hummell, Arizona Director, Government Relations, American Cancer Society; Cancer Action Network
Barbara Burkholder, Legislative Co-Chair, Arizona Asthma Coalition
Annie Mooney, Director of Public Affairs, Phoenix Children’s Hospital
John McDonald, representing self
Kurt Davis, Partner, Phoenix Children's Hospital
Pat VanMaanen, representing self
Jennifer Bonnett, The Arizona Public Health Association
Amanda Weaver, Executive Director, Arizona Osteopathic Medical Association
Rory Hays, Lobbyist, Arizona Nurses Association
Peggy Stemmler, Arizona Chapter of the American Academy of Pediatrics
Christian Stumpf, American Lung Association in Arizona
Helena Whitney, Director, Government Relations & Legislative Affairs, University of Arizona Health Network
Andrea Chiasson, Director, United Way of Tucson and Southern Arizona
Adam McAnally, Public Affairs & Economic Development Coordinator, Greater Phoenix Chamber of Commerce
Kathryn Busby, HealthNet; Arizona Council of Human Services Providers
Steven Moortel, Community Partnership of Southern Arizona
Nicole Olmstead, Government Relations Director, American Heart Association
Warren Whitney, Vice President for External Affairs, Maricopa Integrated Health System
Jake Logan, Vice President, UnitedHealth Group; United HealthCare of Arizona
Jeff Gray, Legislative Liaison, March of Dimes Arizona Chapter; Arizona Pharmacy Association
Susan Cannata, Maricopa Consumers Advocates and Providers
Emily Jenkins, representing self
Gregory Harris, Lobbyist, Health Management Systems
Tom Dorn, Lobbyist, East Valley Chambers of Commerce Alliance
George Jacobson, Executive Director, Arizona Health Care Association
Stephen Jennings, Associate State Director, AARP Arizona
Mark Jacoby, representing self

Vice-Chairman Boyer announced the names of those who signed up as neutral on HB2044 but did not speak:
Sherry Mitchell, REALTOR®

**Question was called on the motion that HB2044 do pass. The motion carried by a roll call vote of 8-0-0-0 (Attachment 5).**

Without objection, the meeting adjourned at 11:47 a.m.

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Linda Taylor, Committee Secretary
January 18, 2013

(Original minutes, attachments and audio on file in the Chief Clerk’s Office; video archives available at http://www.azleg.gov)