

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

**CHAPTER 305**  
**SENATE BILL 1246**

AN ACT

AMENDING SECTION 8-512, ARIZONA REVISED STATUTES; AMENDING SECTION 8-512, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; AMENDING SECTION 41-2501, ARIZONA REVISED STATUTES; RELATING TO CHILD WELFARE AND PLACEMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 8-512, Arizona Revised Statutes, is amended to  
3 read:

4 8-512. Comprehensive medical and dental care; guidelines

5 A. The department shall provide comprehensive medical and dental  
6 care, as prescribed by rules of the department, for each child who is:

7 1. In a voluntary placement pursuant to section 8-806.

8 2. In the custody of the department in an out-of-home placement.

9 3. In the custody of a probation department and placed in foster  
10 care. The department shall not provide this care if the cost exceeds  
11 funds currently appropriated and available for that purpose.

12 ~~B. On or before October 1, 2015, the department of child safety, in  
13 collaboration with the department of health services and the Arizona  
14 health care cost containment system administration, shall:~~

15 ~~1. Determine the most efficient and effective way to provide  
16 comprehensive medical, dental and behavioral health services, including  
17 behavioral health diagnostic, evaluation and treatment services for  
18 children who are provided care pursuant to subsection A of this section.~~

19 ~~2. Determine the number of disruptions of placements in foster care  
20 by age of child due to behavioral health management issues and the extent  
21 each child is receiving behavioral health services.~~

22 ~~3. Determine the number of adopted children who have entered foster  
23 care due to the adoptive parents' inability to receive behavioral health  
24 services to adequately meet the needs of the child and parents.~~

25 ~~4. Submit a report of its recommendations for providing services  
26 pursuant to this subsection to the governor, the speaker of the house of  
27 representatives and the president of the senate and shall provide a copy  
28 of its report to the secretary of state. The collaborative determination  
29 shall consider an administratively integrated system.~~

30 ~~C.~~ B. The comprehensive medical and dental care consists of those  
31 benefits provided by the Arizona health care cost containment system  
32 benefit as prescribed in title 36, chapter 29, article 1 and as set forth  
33 in the approved medicaid state plan.

34 ~~D.~~ C. Any provider that has a provider agreement registration may  
35 be employed through the comprehensive medical and dental program by the  
36 foster parent, relative, certified adoptive parent, agency or department  
37 having responsibility for the care of the child.

38 ~~E. The department shall reimburse a provider according to the rates  
39 established by the Arizona health care cost containment system  
40 administration pursuant to title 36, chapter 29, article 1.~~

41 ~~F. The department shall use the Arizona health care cost  
42 containment system administration rates as identified in subsection E of  
43 this section for any child eligible for services under this section.~~

44 ~~G.~~ D. The department shall require providers to submit claims for  
45 medical and dental services pursuant to section 36-2903.01.

1           ~~H.~~ E. The department shall require that the provider pursue other  
2 third party payors before submitting a claim to the department. Payment  
3 received by a provider from the department is considered payment by the  
4 department of the department's liability for the bill. A provider may  
5 collect any unpaid portion of its bill from other third party payors or in  
6 situations covered by title 33, chapter 7, article 3.

7           ~~I.~~ F. The department shall not pay claims for services pursuant to  
8 this section that are submitted more than one hundred eighty days after  
9 the date of the service for which the payment is claimed.

10           ~~J.~~ G. The department may provide for payment through an insurance  
11 plan, hospital service plan, medical service plan, or any other health  
12 service plan authorized to do business in this state, fiscal intermediary  
13 or a combination of such plans or methods. The state shall not be liable  
14 for and the department shall not pay to any plan or intermediary any  
15 portion of the cost of comprehensive medical and dental care in excess of  
16 funds appropriated and available for such purpose at the time the plan or  
17 intermediary incurs the expense for such care.

18           ~~K.~~ H. The total amount of state monies that may be spent in any  
19 fiscal year by the department for comprehensive medical and dental care  
20 shall not exceed the amount appropriated or authorized by section 35-173  
21 for that purpose. This section shall not be construed to impose a duty on  
22 an officer, agent or employee of this state to discharge a responsibility  
23 or to create any right in a person or group if the discharge or right  
24 would require an expenditure of state monies in excess of the expenditure  
25 authorized by legislative appropriation for that specific purpose.

26           Sec. 2. Section 8-512, Arizona Revised Statutes, as amended by  
27 section 1 of this act, is amended to read:

28           8-512. Comprehensive medical and dental care; guidelines

29           A. The department shall provide comprehensive medical and dental  
30 care, **INCLUDING BEHAVIORAL HEALTH SERVICES**, as prescribed by rules of the  
31 department, for each child who is:

- 32           1. In a voluntary placement pursuant to section 8-806.
- 33           2. In the custody of the department in an out-of-home placement.
- 34           3. In the custody of a probation department and placed in foster  
35 care. The department shall not provide this care if the cost exceeds  
36 funds currently appropriated and available for that purpose.

37           B. The comprehensive medical and dental care consists of those  
38 benefits provided by the Arizona health care cost containment system  
39 benefit as prescribed in title 36, chapter 29, article 1 and as set forth  
40 in the approved medicaid state plan.

41           ~~C. Any provider that has a provider agreement registration may be  
42 employed through the comprehensive medical and dental program by the  
43 foster parent, relative, certified adoptive parent, agency or department  
44 having responsibility for the care of the child.~~

1 ~~C.~~ C. The department shall require providers to submit claims for  
2 medical and dental services pursuant to section 36-2903.01.

3 ~~F.~~ D. The department shall require that the provider pursue other  
4 third party payors before submitting a claim to the department. Payment  
5 received by a provider from the department is considered payment by the  
6 department of the department's liability for the bill. A provider may  
7 collect any unpaid portion of its bill from other third party payors or in  
8 situations covered by title 33, chapter 7, article 3.

9 ~~F.~~ E. The department shall not pay claims for services pursuant to  
10 this section that are submitted more than one hundred eighty days after  
11 the date of the service for which the payment is claimed.

12 ~~G.~~ F. The department may provide for payment through an insurance  
13 plan, hospital service plan, medical service plan, or any other health  
14 service plan authorized to do business in this state, fiscal intermediary  
15 or a combination of such plans or methods. The state shall not be liable  
16 for and the department shall not pay to any plan or intermediary any  
17 portion of the cost of comprehensive medical and dental care in excess of  
18 funds appropriated and available for such purpose at the time the plan or  
19 intermediary incurs the expense for such care.

20 ~~H.~~ G. The total amount of state monies that may be spent in any  
21 fiscal year by the department for comprehensive medical and dental care  
22 shall not exceed the amount appropriated or authorized by section 35-173  
23 for that purpose. This section shall not be construed to impose a duty on  
24 an officer, agent or employee of this state to discharge a responsibility  
25 or to create any right in a person or group if the discharge or right  
26 would require an expenditure of state monies in excess of the expenditure  
27 authorized by legislative appropriation for that specific purpose.

28 Sec. 3. Section 41-2501, Arizona Revised Statutes, is amended to  
29 read:

30 41-2501. Applicability

31 A. This chapter applies only to procurements initiated after  
32 January 1, 1985 unless the parties agree to its application to  
33 procurements initiated before that date.

34 B. This chapter applies to every expenditure of public monies,  
35 including federal assistance monies except as otherwise specified in  
36 section 41-2637, by this state, acting through a state governmental unit  
37 as defined in this chapter, under any contract, except that this chapter  
38 does not apply to either grants as defined in this chapter, or contracts  
39 between this state and its political subdivisions or other governments,  
40 except as provided in chapter 24 of this title and in article 10 of this  
41 chapter. This chapter also applies to the disposal of state materials.  
42 This chapter and rules adopted under this chapter do not prevent any state  
43 governmental unit or political subdivision from complying with the terms  
44 of any grant, gift, bequest or cooperative agreement.

1 C. All political subdivisions and other local public agencies of  
2 this state may adopt all or any part of this chapter and the rules adopted  
3 pursuant to this chapter.

4 D. Notwithstanding any other law, sections 41-2517 and 41-2546  
5 apply to any agency as defined in section 41-1001, including the office of  
6 the governor.

7 E. The Arizona board of regents and the legislative and judicial  
8 branches of state government are not subject to this chapter except as  
9 prescribed in subsection F of this section.

10 F. The Arizona board of regents and the judicial branch shall adopt  
11 rules prescribing procurement policies and procedures for themselves and  
12 institutions under their jurisdiction. The rules must be substantially  
13 equivalent to the policies and procedures prescribed in this chapter.

14 G. The Arizona state lottery commission is exempt from this chapter  
15 for procurement relating to the design and operation of the lottery or  
16 purchase of lottery equipment, tickets and related materials. The  
17 executive director of the Arizona state lottery commission shall adopt  
18 rules substantially equivalent to the policies and procedures in this  
19 chapter for procurement relating to the design and operation of the  
20 lottery or purchase of lottery equipment, tickets or related materials.  
21 All other procurement shall be as prescribed by this chapter.

22 H. The Arizona health care cost containment system administration  
23 is exempt from this chapter for provider contracts pursuant to section  
24 36-2904, subsection A and contracts for goods and services, including  
25 program contractor contracts pursuant to title 36, chapter 29, articles 2  
26 and 3 and contracts with regional behavioral health authorities pursuant  
27 to title 36, chapter 34. All other procurement, including contracts for  
28 the statewide administrator of the program pursuant to section 36-2903,  
29 subsection B, shall be as prescribed by this chapter.

30 I. Arizona correctional industries is exempt from this chapter for  
31 purchases of raw materials, components and supplies that are used in the  
32 manufacture or production of goods or services for sale entered into  
33 pursuant to section 41-1622. All other procurement shall be as prescribed  
34 by this chapter.

35 J. The state transportation board and the director of the  
36 department of transportation are exempt from this chapter other than  
37 sections 41-2517 and 41-2586 and are subject to title 28, chapter 20 and 2  
38 Code of Federal Regulations section 200.317 for the procurement of the  
39 following:

40 1. All items of construction, reconstruction, rehabilitation,  
41 preservation or improvement undertaken on highway infrastructure.

42 2. Engineering services and any other work or activity to carry out  
43 engineering services related to highway infrastructure.

1           3. Right-of-way services related to land titles, appraisals, real  
2 property acquisitions, relocation services, property management and  
3 facility design.

4           4. Any other construction, reconstruction, rehabilitation,  
5 preservation or improvement work or activity that is required pursuant to  
6 title 28, chapter 20.

7           K. The Arizona highways magazine is exempt from this chapter for  
8 contracts for the production, promotion, distribution and sale of the  
9 magazine and related products and for contracts for sole source creative  
10 works entered into pursuant to section 28-7314, subsection A, paragraph 5.  
11 All other procurement shall be as prescribed by this chapter.

12           L. The secretary of state is exempt from this chapter for contracts  
13 entered into pursuant to section 41-1012 to publish and sell the  
14 administrative code. All other procurement shall be as prescribed by this  
15 chapter.

16           M. This chapter is not applicable to contracts for professional  
17 witnesses if the purpose of such contracts is to provide for professional  
18 services or testimony relating to an existing or probable judicial  
19 proceeding in which this state is or may become a party or to contract for  
20 special investigative services for law enforcement purposes.

21           N. The head of any state governmental unit, in relation to any  
22 contract exempted by this section from this chapter, has the same  
23 authority to adopt rules, procedures or policies as is delegated to the  
24 director pursuant to this chapter.

25           O. Agreements negotiated by legal counsel representing this state  
26 in settlement of litigation or threatened litigation are exempt from this  
27 chapter.

28           P. This chapter is not applicable to contracts entered into by the  
29 department of economic security:

30           1. With a provider licensed or certified by an agency of this state  
31 to provide child day care services.

32           2. With area agencies on aging created pursuant to the older  
33 Americans act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code  
34 sections 3001 through 3058ff).

35           3. For services pursuant to title 36, chapter 29, article 2.

36           4. With an eligible entity as defined by Public Law 105-285,  
37 section 673(1)(A)(i), as amended, for designated community services block  
38 grant program monies and any other monies given to the eligible entity  
39 that accomplishes the purpose of Public Law 105-285, section 672.

40           Q. The Arizona health care cost containment system may not require  
41 that persons with whom it contracts follow this chapter for the purposes  
42 of subcontracts entered into for the provision of the following:

43           1. Mental health services pursuant to section 36-189, subsection B.

44           2. Services for the seriously mentally ill pursuant to title 36,  
45 chapter 5, article 10.

1           3. Drug and alcohol services pursuant to section 36-141.

2           R. The department of health services may not require that persons  
3 with whom it contracts follow this chapter for the purpose of subcontracts  
4 entered into for the provision of domestic violence services pursuant to  
5 title 36, chapter 30, article 1.

6           S. The department of health services is exempt from this chapter  
7 for contracts for services of physicians at the Arizona state hospital.

8           T. Contracts for goods and services approved by the board of  
9 trustees of the public safety personnel retirement system are exempt from  
10 this chapter.

11          U. The Arizona department of agriculture is exempt from this  
12 chapter with respect to contracts for private labor and equipment to  
13 effect cotton or cotton stubble plow-up pursuant to rules adopted under  
14 title 3, chapter 2, article 1.

15          V. The Arizona state parks board is exempt from this chapter for  
16 purchases of guest supplies and items for resale such as food, linens,  
17 gift items, sundries, furniture, china, glassware and utensils for the  
18 facilities located in the Tonto natural bridge state park.

19          W. The Arizona state parks board is exempt from this chapter for  
20 the purchase, production, promotion, distribution and sale of  
21 publications, souvenirs and sundry items obtained and produced for resale.

22          X. The Arizona state schools for the deaf and the blind are exempt  
23 from this chapter for the purchase of textbooks and when purchasing  
24 products through a cooperative that is organized and operates in  
25 accordance with state law if such products are not available on a  
26 statewide contract and are related to the operation of the schools or are  
27 products for which special discounts are offered for educational  
28 institutions.

29          Y. Expenditures of monies in the morale, welfare and recreational  
30 fund established by section 26-153 are exempt from this chapter.

31          Z. Notwithstanding section 41-2534, the director of the state  
32 department of corrections may contract with local medical providers in  
33 counties with a population of less than four hundred thousand persons for  
34 the following purposes:

35           1. To acquire hospital and professional medical services for  
36 inmates who are incarcerated in state department of corrections facilities  
37 that are located in those counties.

38           2. To ensure the availability of emergency medical services to  
39 inmates in all counties by contracting with the closest medical facility  
40 that offers emergency treatment and stabilization.

41          AA. The department of environmental quality is exempt from this  
42 chapter for contracting for procurements relating to the water quality  
43 assurance revolving fund program established pursuant to title 49, chapter  
44 2, article 5. The department shall engage in a source selection process  
45 that is similar to the procedures prescribed by this chapter. The

1 department may contract for remedial actions with a single selection  
2 process. The exclusive remedy for disputes or claims relating to  
3 contracting pursuant to this subsection is as prescribed by article 9 of  
4 this chapter and the rules adopted pursuant to that article. All other  
5 procurement by the department shall be as prescribed by this chapter.

6 BB. The motor vehicle division of the department of transportation  
7 is exempt from this chapter for third-party authorizations pursuant to  
8 title 28, chapter 13, only if all of the following conditions exist:

9 1. The division does not pay any public monies to an authorized  
10 third party.

11 2. Exclusivity is not granted to an authorized third party.

12 3. The director has complied with the requirements prescribed in  
13 title 28, chapter 13 in selecting an authorized third party.

14 CC. This section does not exempt third-party authorizations  
15 pursuant to title 28, chapter 13 from any other applicable law.

16 DD. The state forester is exempt from this chapter for purchases  
17 and contracts relating to wildland fire suppression and pre-positioning  
18 equipment resources and for other activities related to combating wildland  
19 fires and other unplanned risk activities, including fire, flood,  
20 earthquake, wind and hazardous material responses. All other procurement  
21 by the state forester shall be as prescribed by this chapter.

22 EE. The cotton research and protection council is exempt from this  
23 chapter for procurements.

24 FF. The Arizona commerce authority is exempt from this chapter,  
25 except article 10 for the purpose of cooperative purchases. The authority  
26 shall adopt policies, procedures and practices, in consultation with the  
27 department of administration, that are similar to and based on the  
28 policies and procedures prescribed by this chapter for the purpose of  
29 increased public confidence, fair and equitable treatment of all persons  
30 engaged in the process and fostering broad competition while accomplishing  
31 flexibility to achieve the authority's statutory requirements. The  
32 authority shall make its policies, procedures and practices available to  
33 the public. The authority may exempt specific expenditures from the  
34 policies, procedures and practices.

35 GG. The Arizona exposition and state fair board is exempt from this  
36 chapter for contracts for professional entertainment.

37 HH. This chapter does not apply to the purchase of water, gas or  
38 electric utilities.

39 II. This chapter does not apply to professional certifications,  
40 professional memberships and conference registrations.

41 JJ. The department of gaming is exempt from this chapter for  
42 problem gambling treatment services contracts with licensed behavioral  
43 health professionals.

44 KK. This chapter does not apply to contracts for credit reporting  
45 services.



1 LL. This chapter does not apply to contracts entered into by the  
2 department of child safety:

3 1. With a provider of family foster care pursuant to section 8-503.

4 2. With an eligible entity as defined by Public Law 105-285,  
5 section 673(1)(A)(i), as amended, for designated community services block  
6 grant program monies and any other monies given to the eligible entity  
7 that accomplishes the purpose of Public Law 105-285, section 672.

8 3. FOR SERVICES PURSUANT TO TITLE 36, CHAPTER 29, ARTICLE 1 AND AS  
9 SET FORTH IN THE APPROVED MEDICAID STATE PLAN.

10 MM. This chapter does not apply to contracts entered into by the  
11 department of economic security with a financial institution to serve as a  
12 program manager and depository under section 46-903.

13 Sec. 4. Conditional enactment; notice

14 A. Section 8-512, Arizona Revised Statutes, as amended by section 2  
15 of this act, does not become effective unless on or before January 1, 2024  
16 funding is made available by the federal government and this state for the  
17 department of child safety to provide behavioral health services to  
18 eligible members of the department's comprehensive medical and dental  
19 program.

20 B. The department of child safety shall notify in writing the  
21 director of the Arizona legislative council on or before February 1, 2024.

22 1. Of the date on which the condition was met.

23 2. That the condition was not met.

24 Sec. 5. Effective date

25 Section 8-512, Arizona Revised Statutes, as amended by section 2 of  
26 this act, is effective on the later of the day on which the condition  
27 prescribed in section 4 of this act is met and from and after September  
28 30, 2020.

APPROVED BY THE GOVERNOR JUNE 7, 2019.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 7, 2019.