

REFERENCE TITLE: AHCCCS; dental care; pregnant women

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HB 2275

Introduced by
Representatives Butler: Andrade, Jermaine, Lieberman, Pawlik, Powers
Hannley, Salman, Schwiebert, Terán, Senator Alston

AN ACT

AMENDING SECTION 36-2907, ARIZONA REVISED STATUTES; APPROPRIATING MONIES;
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. Section 36-2907, Arizona Revised Statutes, is amended to
3 read:

4 36-2907. Covered health and medical services; modifications;
5 related delivery of service requirements;
6 definition

7 A. Subject to the limitations and exclusions specified in this
8 section, contractors shall provide the following medically necessary
9 health and medical services:

10 1. Inpatient hospital services that are ordinarily furnished by a
11 hospital for the care and treatment of inpatients and that are provided
12 under the direction of a physician or a primary care practitioner. For
13 the purposes of this section, inpatient hospital services exclude services
14 in an institution for tuberculosis or mental diseases unless authorized
15 under an approved section 1115 waiver.

16 2. Outpatient health services that are ordinarily provided in
17 hospitals, clinics, offices and other health care facilities by licensed
18 health care providers. Outpatient health services include services
19 provided by or under the direction of a physician or a primary care
20 practitioner, including occupational therapy.

21 3. Other laboratory and X-ray services ordered by a physician or a
22 primary care practitioner.

23 4. Medications that are ordered on prescription by a physician or a
24 dentist licensed pursuant to title 32, chapter 11. Persons who are dually
25 eligible for title XVIII and title XIX services must obtain available
26 medications through a medicare licensed or certified medicare advantage
27 prescription drug plan, a medicare prescription drug plan or any other
28 entity authorized by medicare to provide a medicare part D prescription
29 drug benefit.

30 5. Medical supplies, durable medical equipment, insulin pumps and
31 prosthetic devices ordered by a physician or a primary care practitioner.
32 Suppliers of durable medical equipment shall provide the administration
33 with complete information about the identity of each person who has an
34 ownership or controlling interest in their business and shall comply with
35 federal bonding requirements in a manner prescribed by the administration.

36 6. For persons who are at least twenty-one years of age, treatment
37 of medical conditions of the eye, excluding eye examinations for
38 prescriptive lenses and the provision of prescriptive lenses.

39 7. Early and periodic health screening and diagnostic services as
40 required by section 1905(r) of title XIX of the social security act for
41 members who are under twenty-one years of age.

42 8. Family planning services that do not include abortion or
43 abortion counseling. If a contractor elects not to provide family
44 planning services, this election does not disqualify the contractor from
45 delivering all other covered health and medical services under this

chapter. In that event, the administration may contract directly with another contractor, including an outpatient surgical center or a noncontracting provider, to deliver family planning services to a member who is enrolled with the contractor that elects not to provide family planning services.

9. Podiatry services that are performed by a podiatrist who is licensed pursuant to title 32, chapter 7 and ordered by a primary care physician or primary care practitioner.

10. Nonexperimental transplants approved for title XIX reimbursement.

11. Dental services as follows:

(a) Except as provided in ~~subdivision~~ SUBDIVISIONS (b) AND (c) of this paragraph, for persons who are at least twenty-one years of age, emergency dental care and extractions in an annual amount of not more than \$1,000 per member.

(b) Subject to approval by the centers for medicare and medicaid services, for persons treated at an Indian health service or tribal facility, adult dental services that are eligible for a federal medical assistance percentage of one hundred percent and that are in excess of the limit prescribed in subdivision (a) of this paragraph.

(c) FOR WOMEN WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE AND IN ANY STAGE OF PREGNANCY, COMPREHENSIVE DENTAL CARE.

12. Ambulance and nonambulance transportation, except as provided in subsection G of this section.

13. Hospice care.

14. Orthotics, if all of the following apply:

(a) The use of the orthotic is medically necessary as the preferred treatment option consistent with medicare guidelines.

(b) The orthotic is less expensive than all other treatment options or surgical procedures to treat the same diagnosed condition.

(c) The orthotic is ordered by a physician or primary care practitioner.

B. The limitations and exclusions for health and medical services provided under this section are as follows:

1. Circumcision of newborn males is not a covered health and medical service.

2. For eligible persons who are at least twenty-one years of age:

(a) Outpatient health services do not include speech therapy.

(b) Prosthetic devices do not include hearing aids, dentures, bone-anchored hearing aids or cochlear implants. Prosthetic devices, except prosthetic implants, may be limited to \$12,500 per contract year.

(c) Percussive vests are not covered health and medical services.

(d) Durable medical equipment is limited to items covered by medicare.

1 (e) Nonexperimental transplants do not include pancreas-only
2 transplants.

3 (f) Bariatric surgery procedures, including laparoscopic and open
4 gastric bypass and restrictive procedures, are not covered health and
5 medical services.

6 C. The system shall pay noncontracting providers only for health
7 and medical services as prescribed in subsection A of this section and as
8 prescribed by rule.

9 D. The director shall adopt rules necessary to limit, to the extent
10 possible, the scope, duration and amount of services, including maximum
11 limitations for inpatient services that are consistent with federal
12 regulations under title XIX of the social security act (P.L. 89-97; 79
13 Stat. 344; 42 United States Code section 1396 (1980)). To the extent
14 possible and practicable, these rules shall provide for the prior approval
15 of medically necessary services provided pursuant to this chapter.

16 E. The director shall make available home health services in lieu
17 of hospitalization pursuant to contracts awarded under this article. For
18 the purposes of this subsection, "home health services" means the
19 provision of nursing services, home health aide services or medical
20 supplies, equipment and appliances that are provided on a part-time or
21 intermittent basis by a licensed home health agency within a member's
22 residence based on the orders of a physician or a primary care
23 practitioner. Home health agencies shall comply with the federal bonding
24 requirements in a manner prescribed by the administration.

25 F. The director shall adopt rules for the coverage of behavioral
26 health services for persons who are eligible under section 36-2901,
27 paragraph 6, subdivision (a). The administration acting through the
28 regional behavioral health authorities shall establish a diagnostic and
29 evaluation program to which other state agencies shall refer children who
30 are not already enrolled pursuant to this chapter and who may be in need
31 of behavioral health services. In addition to an evaluation, the
32 administration acting through regional behavioral health authorities shall
33 also identify children who may be eligible under section 36-2901,
34 paragraph 6, subdivision (a) or section 36-2931, paragraph 5 and shall
35 refer the children to the appropriate agency responsible for making the
36 final eligibility determination.

37 G. The director shall adopt rules providing for transportation
38 services and rules providing for copayment by members for transportation
39 for other than emergency purposes. Subject to approval by the centers for
40 medicare and medicaid services, nonemergency medical transportation shall
41 not be provided except for stretcher vans and ambulance
42 transportation. Prior authorization is required for transportation by
43 stretcher van and for medically necessary ambulance transportation
44 initiated pursuant to a physician's direction. Prior authorization is not
45 required for medically necessary ambulance transportation services

1 rendered to members or eligible persons initiated by dialing telephone
2 number 911 or other designated emergency response systems.

3 H. The director may adopt rules to allow the administration, at the
4 director's discretion, to use a second opinion procedure under which
5 surgery may not be eligible for coverage pursuant to this chapter without
6 documentation as to need by at least two physicians or primary care
7 practitioners.

8 I. If the director does not receive bids within the amounts
9 budgeted or if at any time the amount remaining in the Arizona health care
10 cost containment system fund is insufficient to pay for full contract
11 services for the remainder of the contract term, the administration, on
12 notification to system contractors at least thirty days in advance, may
13 modify the list of services required under subsection A of this section
14 for persons defined as eligible other than those persons defined pursuant
15 to section 36-2901, paragraph 6, subdivision (a). The director may also
16 suspend services or may limit categories of expense for services defined
17 as optional pursuant to title XIX of the social security act (P.L. 89-97;
18 79 Stat. 344; 42 United States Code section 1396 (1980)) for persons
19 defined pursuant to section 36-2901, paragraph 6, subdivision (a). Such
20 reductions or suspensions do not apply to the continuity of care for
21 persons already receiving these services.

22 J. All health and medical services provided under this article
23 shall be provided in the geographic service area of the member, except:

24 1. Emergency services and specialty services provided pursuant to
25 section 36-2908.

26 2. That the director may allow the delivery of health and medical
27 services in other than the geographic service area in this state or in an
28 adjoining state if the director determines that medical practice patterns
29 justify the delivery of services or a net reduction in transportation
30 costs can reasonably be expected. Notwithstanding the definition of
31 physician as prescribed in section 36-2901, if services are procured from
32 a physician or primary care practitioner in an adjoining state, the
33 physician or primary care practitioner shall be licensed to practice in
34 that state pursuant to licensing statutes in that state that are similar
35 to title 32, chapter 13, 15, 17 or 25 and shall complete a provider
36 agreement for this state.

37 K. Covered outpatient services shall be subcontracted by a primary
38 care physician or primary care practitioner to other licensed health care
39 providers to the extent practicable for purposes including, but not
40 limited to, making health care services available to underserved areas,
41 reducing costs of providing medical care and reducing transportation
42 costs.

43 L. The director shall adopt rules that prescribe the coordination
44 of medical care for persons who are eligible for system services. The

1 rules shall include provisions for transferring patients and medical
2 records and initiating medical care.

3 M. For the purposes of this section, "ambulance" has the same
4 meaning prescribed in section 36-2201.

5 Sec. 2. Appropriations; Arizona health care cost containment
6 system administration; report

7 A. The sum of \$178,900 is appropriated from the state general fund
8 and the sum of \$478,300 is appropriated from federal medicaid authority in
9 fiscal year 2021-2022 to the Arizona health care cost containment system
10 administration to provide dental services to pregnant women as specified
11 in section 36-2907, Arizona Revised Statutes, as amended by this act.

12 B. In addition to the appropriations made in subsection A of this
13 section, the sum of \$3,630,600 is appropriated onetime from the
14 prescription drug rebate fund established by section 36-2930, Arizona
15 Revised Statutes, in fiscal year 2021-2022 to the Arizona health care cost
16 containment system administration to cover costs incurred due to
17 eligibility changes that are directly related to introducing a dental
18 benefit for pregnant women.

19 C. On or before October 1, 2022, the Arizona health care cost
20 containment system administration shall report to the governor, the
21 president of the senate, the speaker of the house of representatives and
22 the directors of the joint legislative budget committee and the governor's
23 office of strategic planning and budgeting the actual costs incurred to
24 provide dental services to pregnant women as specified in section 36-2907,
25 Arizona Revised Statutes, as amended by this act, and the actual costs
26 incurred due to eligibility changes directly related to introducing a
27 dental benefit for pregnant women during fiscal year 2021-2022.