

REFERENCE TITLE: health; budget reconciliation; 2021-2022.

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

## HB 2896

Introduced by  
Representative Cobb (with permission of Committee on Rules)

### AN ACT

AMENDING TITLE 8, CHAPTER 4, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 8-512.02; AMENDING SECTION 30-654, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-147 AND 36-148; AMENDING SECTIONS 36-557, 36-591, 36-592, 36-594, 36-694, 36-694.01 AND 36-1201, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 31; AMENDING SECTION 46-452.02, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO HEALTH BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 8, chapter 4, article 4, Arizona Revised Statutes,  
3 is amended by adding section 8-512.02, to read:

4 8-512.02. Comprehensive health plan expenditure authority  
5 fund; reversion

6 A. THE DEPARTMENT SHALL ESTABLISH AND MAINTAIN A COMPREHENSIVE  
7 HEALTH PLAN EXPENDITURE AUTHORITY FUND, WHICH IS A SEPARATE FUND TO  
8 DISTINGUISH THE DEPARTMENT'S REVENUES AND THE DEPARTMENT'S EXPENDITURES  
9 PURSUANT TO SECTION 8-512 FROM OTHER PROGRAMS THAT ARE FUNDED AND  
10 ADMINISTERED BY THE DEPARTMENT. THE FUND SHALL BE USED TO PAY  
11 ADMINISTRATIVE AND PROGRAM COSTS ASSOCIATED WITH PROVIDING COMPREHENSIVE  
12 MEDICAL CARE, DENTAL CARE AND BEHAVIORAL HEALTH SERVICES PURSUANT TO  
13 SECTION 8-512. THE COMPREHENSIVE HEALTH PLAN EXPENDITURE AUTHORITY FUND  
14 CONSISTS OF:

15 1. MONIES PAID BY THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
16 ADMINISTRATION PURSUANT TO THE CONTRACT.

17 2. AMOUNTS PAID BY THIRD-PARTY PAYORS.

18 3. GIFTS, DONATIONS AND GRANTS FROM ANY SOURCE.

19 4. INTEREST ON MONIES DEPOSITED IN THE COMPREHENSIVE HEALTH PLAN  
20 EXPENDITURE AUTHORITY FUND.

21 B. ALL MONIES FROM CAPITATED PAYMENTS IN THE COMPREHENSIVE HEALTH  
22 PLAN EXPENDITURE AUTHORITY FUND THAT ARE UNEXPENDED AND UNENCUMBERED AT  
23 THE END OF THE FISCAL YEAR REVERT TO THE STATE GENERAL FUND ON OR BEFORE  
24 JUNE 30 OF THE FOLLOWING FISCAL YEAR. THE TRANSFER AMOUNT MAY BE ADJUSTED  
25 TO PAY NONMEDICAID CLAIMS INCURRED BY THE DEPARTMENT.

26 Sec. 2. Section 30-654, Arizona Revised Statutes, is amended to  
27 read:

28 30-654. Powers and duties of the department

29 A. The department may:

30 1. Accept grants or other contributions from the federal government  
31 or other sources, public or private, to be used by the department to carry  
32 out any of the purposes of this chapter.

33 2. Do all things necessary, within the limitations of this chapter,  
34 to carry out the powers and duties of the department.

35 3. Conduct an information program, including:

36 (a) Providing information on the control and regulation of sources  
37 of radiation and related health and safety matters, on request, to members  
38 of the legislature, the executive offices, state departments and agencies  
39 and county and municipal governments.

40 (b) Providing such published information, audiovisual  
41 presentations, exhibits and speakers on the control and regulation of  
42 sources of radiation and related health and safety matters to the state's  
43 educational system at all educational levels as may be arranged.

1 (c) Furnishing to citizen groups, on request, speakers and such  
2 audiovisual presentations or published materials on the control and  
3 regulation of sources of radiation and related health and safety matters  
4 as may be available.

5 (d) Conducting, sponsoring or cosponsoring and actively  
6 participating in the professional meetings, symposia, workshops, forums  
7 and other group informational activities concerned with the control and  
8 regulation of sources of radiation and related health and safety matters  
9 when representation from this state at such meetings is determined to be  
10 important by the department.

11 B. The department shall:

12 1. Regulate the use, storage and disposal of sources of radiation.

13 2. Establish procedures for purposes of selecting any proposed  
14 permanent disposal site located within this state for low-level  
15 radioactive waste.

16 3. Coordinate with the department of transportation and the  
17 corporation commission in regulating the transportation of sources of  
18 radiation.

19 4. Assume primary responsibility for and provide necessary  
20 technical assistance to handle any incidents, accidents and emergencies  
21 involving radiation or sources of radiation occurring within this state.

22 5. Adopt rules deemed necessary to administer this chapter in  
23 accordance with title 41, chapter 6.

24 6. Adopt uniform radiation protection and radiation dose standards  
25 to be as nearly as possible in conformity with, and in no case  
26 inconsistent with, the standards contained in the regulations of the  
27 United States nuclear regulatory commission and the standards of the  
28 United States public health service. In the adoption of the standards,  
29 the department shall consider the total occupational radiation exposure of  
30 individuals, including that from sources that are not regulated by the  
31 department.

32 7. Adopt rules for personnel monitoring under the close supervision  
33 of technically competent people in order to determine compliance with  
34 safety rules adopted under this chapter.

35 8. Adopt a uniform system of labels, signs and symbols and the  
36 posting of the labels, signs and symbols to be affixed to radioactive  
37 products, especially those transferred from person to person.

38 9. By rule, require adequate training and experience of persons  
39 using sources of radiation with respect to the hazards of excessive  
40 exposure to radiation in order to protect health and safety.

41 10. Adopt standards for the storage of radioactive material and for  
42 security against unauthorized removal.

1           11. Adopt standards for the disposal of radioactive materials into  
2 the air, water and sewers and burial in the soil in accordance with 10  
3 Code of Federal Regulations part 20.

4           12. Adopt rules that are applicable to the shipment of radioactive  
5 materials in conformity with and compatible with those established by the  
6 United States nuclear regulatory commission, the department of  
7 transportation, the United States department of the treasury and the  
8 United States postal service.

9           13. In individual cases, impose additional requirements to protect  
10 health and safety or grant necessary exemptions that will not jeopardize  
11 health or safety, or both.

12           14. Make recommendations to the governor and furnish such technical  
13 advice as required on matters relating to the utilization and regulation  
14 of sources of radiation.

15           15. Conduct or cause to be conducted off-site radiological  
16 environmental monitoring of the air, water and soil surrounding any fixed  
17 nuclear facility, any uranium milling and tailing site and any uranium  
18 leaching operation, and maintain and report the data or results obtained  
19 by the monitoring as deemed appropriate by the department.

20           16. Develop and utilize information resources concerning radiation  
21 and radioactive sources.

22           17. Prescribe by rule a schedule of fees to be charged to  
23 categories of licensees and registrants of radiation sources, including  
24 academic, medical, industrial, waste, distribution and imaging categories.  
25 The fees shall cover a significant portion of the reasonable costs  
26 associated with processing the application for license or registration,  
27 renewal or amendment of the license or registration and the costs of  
28 inspecting the licensee or registrant activities and facilities, including  
29 the cost to the department of employing clerical help, consultants and  
30 persons possessing technical expertise and using analytical  
31 instrumentation and information processing systems.

32           18. Adopt rules establishing radiological standards, personnel  
33 standards and quality assurance programs to ensure the accuracy and safety  
34 of screening and diagnostic mammography.

35           C. The department shall deposit, pursuant to sections 35-146 and  
36 ~~35-147, the first \$300,000 in fees collected each fiscal year pursuant to~~  
37 ~~subsection B, paragraph 17 of this section and section 32-2805 in the~~  
38 ~~state general fund. The department shall deposit, pursuant to sections~~  
39 ~~35-146 and 35-147, ninety percent of the remaining monies received from~~  
40 fees collected pursuant to subsection B, paragraph 17 of this section and  
41 section 32-2805 in the health services licensing fund established by  
42 section 36-414 and ten percent of the remaining monies received from fees  
43 collected pursuant to subsection B, paragraph 17 of this section and  
44 section 32-2805 in the state general fund.

1       Sec. 3. Title 36, chapter 1, article 2, Arizona Revised Statutes,  
2 is amended by adding sections 36-147 and 36-148, to read:

3       36-147. Annual expenditure report; medical marijuana fund;  
4       justice reinvestment fund

5       ON OR BEFORE JULY 1 OF EACH YEAR, THE DEPARTMENT SHALL SUBMIT TO THE  
6 JOINT LEGISLATIVE BUDGET COMMITTEE AN EXPENDITURE REPORT FOR THE PRECEDING  
7 FISCAL YEAR ON MONIES TRANSFERRED TO THE DEPARTMENT FROM THE MEDICAL  
8 MARIJUANA FUND PURSUANT TO SECTION 36-2817 AND MONIES TRANSFERRED TO THE  
9 DEPARTMENT FROM THE JUSTICE REINVESTMENT FUND PURSUANT TO SECTION 36-2863.  
10 THE REPORT SHALL INCLUDE EXPENDITURES BY PROGRAM AND A LIST OF GRANTS  
11 DISTRIBUTED BY THE DEPARTMENT. THE DEPARTMENT SHALL INDICATE WHEN ALL  
12 MONIES FROM TRANSFERS MADE PURSUANT TO SECTION 36-2817 HAVE BEEN SPENT.

13       36-148. Annual distribution report; smart and safe Arizona  
14       fund

15       ON OR BEFORE SEPTEMBER 1 OF EACH YEAR, THE STATE TREASURER SHALL  
16 REPORT TO THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR'S OFFICE  
17 OF STRATEGIC PLANNING AND BUDGETING ON DISTRIBUTIONS MADE FROM THE SMART  
18 AND SAFE ARIZONA FUND ESTABLISHED BY SECTION 36-2856 TO THE DEPARTMENT OF  
19 HEALTH SERVICES, THE DEPARTMENT OF REVENUE, THE SUPREME COURT, THE  
20 DEPARTMENT OF PUBLIC SAFETY AND THE STATE TREASURER PURSUANT TO SECTION  
21 36-2856, SUBSECTION B. THE REPORT SHALL INCLUDE THE AMOUNT OF ACTUAL  
22 DISTRIBUTIONS MADE TO EACH ENTITY IN THE PRIOR FISCAL YEAR AND THE AMOUNT  
23 OF ESTIMATED DISTRIBUTIONS FOR THE CURRENT FISCAL YEAR.

24       Sec. 4. Section 36-557, Arizona Revised Statutes, is amended to  
25 read:

26       36-557. Community developmental disability services; service  
27       providers

28       A. The department may use state and federal monies THAT ARE  
29 appropriated or otherwise available to it for this purpose to assist in  
30 ~~the establishment~~ ESTABLISHING and ~~maintenance of~~ MAINTAINING local  
31 developmental disability services by public or private nonprofit or profit  
32 agencies. The monies may be expended as professional fees for service, in  
33 contracts for advancement or reimbursement or in another appropriate  
34 manner and may be used for any purpose necessary to ~~the provision of~~  
35 PROVIDE local developmental disability services. The monies may not be  
36 used for departmental salaries, care of persons with developmental  
37 disabilities by the department or any other purpose within the department,  
38 but may be used for consultation to the department in the interest of  
39 local programs.

40       B. A local public or private nonprofit or profit agency providing  
41 or intending to provide community developmental disability services and  
42 desiring to contract with the department ~~for the furnishing of~~ TO FURNISH  
43 these services shall submit a program plan and budget to the department on  
44 the forms and in the manner required by the department. If the program

1 meets departmental standards and is consistent with the state plan of the  
2 department and the individualized service program plan of the client, the  
3 department, notwithstanding the provisions of title 41, chapter 23,  
4 relating to procurement and including services pursuant to section  
5 36-2943, may contract with that agency for required services on terms the  
6 department requires. The contracts shall provide that the provider of  
7 services is subject to a continuing program evaluation by the department  
8 through progress reports, expenditure reports, program audits or other  
9 appropriate evaluation techniques to ~~assure~~ ENSURE that the provider of  
10 service is in continued compliance with the terms of the contract and the  
11 department's community developmental disability service standards and  
12 requirements.

13 C. Contracts between the department and a school district or  
14 districts are subject to approval by the department of education.

15 D. This article does not make the department or the state  
16 responsible for funding programs beyond the limits of legislative  
17 appropriation for the programs. This article does not require a SERVICE  
18 provider ~~of services~~ to provide unreimbursed services to the department or  
19 its clients.

20 E. Contracts to provide community developmental disability services  
21 shall require that:

22 1. The contractor is obligated to operate a program or service in  
23 strict accordance with the standards adopted for that program or service  
24 by the department.

25 2. If state funding is provided for a particular program the  
26 contractor, to the extent of positions available that are being purchased  
27 by the department, shall provide services to a client with a developmental  
28 disability who has been evaluated and placed by the department.

29 3. All contractors must carry liability insurance in amounts  
30 approved by the risk management division of the department of  
31 administration and file proof of insurance with the risk management  
32 division. The director may waive that requirement on a ~~case by case~~  
33 CASE-BY-CASE basis on a finding that insurance for the program or service  
34 is not practicably available at affordable rates and that it is necessary  
35 that the program or service be provided by the contractor.

36 4. All clients enrolled in programs have all the same specified  
37 rights as they would have if enrolled in a program operated directly by  
38 the state.

39 5. Except for emergency placement pursuant to section 36-560,  
40 subsection N, payment shall not be made based on program services provided  
41 to a client if a placement evaluation has not been made, and no individual  
42 program has been prepared and when, based on that placement evaluation, no  
43 recommendation has been made to enroll the client in the particular  
44 program service.

1 F. This article does not require a contracted agency to provide  
2 unreimbursed services to the department or a client of the department.

3 G. Contracts ~~for the~~ TO purchase ~~of~~ residential care services other  
4 than those community residential settings licensed pursuant to this  
5 chapter, in addition to other general requirements applicable to purchase  
6 of care contractors, shall:

7 1. Provide for mandatory inspection by the department every two  
8 years for facilities other than group homes.

9 2. Provide for mandatory monitoring by the department for health,  
10 safety, contractual and programmatic standards at least every six months,  
11 unless the department has granted deemed status to the service provider or  
12 the service provider received a score of at least ninety-five percent on  
13 the most recent monitoring visit. If the department has granted deemed  
14 status or awarded the service provider with a score of at least  
15 ninety-five percent on the most recent monitoring visit, ~~it~~ THE DEPARTMENT  
16 shall monitor that SERVICE provider once each year. On A determination by  
17 the department that there is reasonable cause to believe a service  
18 provider is not adhering to the department's programmatic or contractual  
19 requirements, the department and any duly designated employee or agent of  
20 the department may enter on and into the premises at any reasonable time  
21 for the purpose of determining the SERVICE PROVIDER'S state of compliance  
22 with the DEPARTMENT'S programmatic or contractual requirements ~~of the~~  
23 ~~department~~.

24 3. Provide for mandatory investigation by the department in  
25 response to complaints within ten working days, except that in those  
26 instances that pose a danger to the client, the department shall conduct  
27 the investigation immediately. Health and safety complaints related to  
28 group homes shall be referred to the department of health services on  
29 receipt. The department of health services shall share all incident  
30 reports related to health and safety with the division of developmental  
31 disabilities.

32 4. Except for group homes licensed by the department of health  
33 services, specify the health and safety and sanitation codes and other  
34 codes or standards applicable to the facility or to the operation of the  
35 facility by the contractor other than group homes.

36 5. Provide for mandatory periodic reports to be filed by the  
37 provider contractor with the department with respect to the operation of  
38 the facility.

39 6. Provide that the facility and the books and records of the  
40 facility and of the provider are subject to inspection at any time by  
41 employees of the department or designees of the department.

42 7. Provide that parents and guardians of persons with developmental  
43 disabilities residing at the facility, members of the developmental  
44 disabilities advisory council, and members of other recognized and ongoing

1 advocacy groups for persons with developmental disabilities may inspect  
2 the facility at reasonable times.

3 H. Contracts for the purchase of residential care services shall  
4 require a community residential setting to be licensed pursuant to this  
5 chapter other than group homes licensed by the department of health  
6 services.

7 I. Contracts for the purchase of day program or employment  
8 services, in addition to the other general requirements applicable to the  
9 purchase of client services, must provide for mandatory monitoring by the  
10 department for health, safety, contractual, programmatic and quality  
11 assurance standards at least once every six months, unless the department  
12 has granted deemed status to the service provider. If the department has  
13 granted deemed status to the service provider, the department shall  
14 monitor that SERVICE provider once each year. The department and any duly  
15 designated employee or agent of the department may enter on or into the  
16 service provider's premises at any reasonable time for the purpose of  
17 determining the SERVICE PROVIDER'S state of compliance with the  
18 department's programmatic, contractual and quality assurance requirements.

19 J. The division shall ensure that all contracted developmental  
20 disabilities service providers rendering services pursuant to this chapter  
21 are reimbursed in accordance with title XIX of the social security act.

22 K. Contracts for client services issued by the department shall  
23 include language outlining the provisions for a grievance and appeal  
24 procedure. The director shall provide notice to SERVICE providers not  
25 less than thirty days before the issuance of an amendment to a qualified  
26 vendor agreement. The decision of the director regarding qualified vendor  
27 agreement amendments may be appealed pursuant to title 41, chapter 6,  
28 article 10. The grievance process applicable to these contracts shall  
29 comply with title XIX requirements.

30 L. As a condition of contracts with any developmental disabilities  
31 service provider, the director shall require terms that conform with state  
32 and federal laws, title XIX statutes and regulations and quality  
33 standards. The director shall further require contract terms that ensure  
34 performance by the provider of the provisions of each contract executed  
35 pursuant to this article.

36 M. The division shall establish a rate structure that ensures an  
37 equitable funding basis for private nonprofit or ~~for-profit~~ FOR-PROFIT  
38 agencies for services pursuant to subsection B of this section and section  
39 36-2943. In each fiscal year, the division shall review and adjust the  
40 rate structure based on section 36-2959. A rate book shall be published  
41 and updated by the division to announce the rate structure that shall be  
42 incorporated by reference in contracts for client services.

43 N. The division shall disclose to a service provider in the  
44 individual program plan, and in all meetings resulting from a response to



1 a vendor call, any historical and behavioral information necessary for the  
 2 **SERVICE** provider to be able to anticipate the client's future behaviors  
 3 and needs, including summary information from the program review  
 4 committee, unusual incident reports reviewed by the independent oversight  
 5 committee and behavioral treatment plans. The division shall redact the  
 6 client's identification from this information.

7 0. Service providers are authorized to engage in the following  
 8 activities in accordance with a client's individual program plan:

9 1. Administer medications, including assisting with the client's  
 10 self-administration of medications.

11 2. Log, store, remove and dispose of medications.

12 3. Maintain medications and protocols for direct care.

13 4. Serve as the client's representative payee if requested by the  
 14 client or the client's guardian and approved by the payer.

15 P. The department may adopt rules establishing procedures for  
 16 engaging in the activities listed in subsection 0 of this section.

17 Q. To protect the health and safety of a client, a **SERVICE** provider  
 18 must notify the division within twenty-four hours if an emergency  
 19 situation exists in which the **SERVICE** provider is unable to meet the  
 20 health or safety needs of the client.

21 R. On notification of an emergency situation, the department shall  
 22 hold an individual program plan meeting within fifteen days after  
 23 notification to recommend any changes, including whether there is a need  
 24 for temporary additional staffing to provide appropriate care for a  
 25 client, and develop a plan within thirty days after notification to  
 26 resolve the situation.

27 **S. SERVICE PROVIDERS SHALL DEVELOP AND IMPLEMENT POLICIES AND**  
 28 **PROCEDURES REGARDING THE COMMUNICATION TO RESPONSIBLE PERSONS OF A SERIOUS**  
 29 **INCIDENT AFFECTING A CLIENT WHO IS LIVING IN A COMMUNITY RESIDENTIAL**  
 30 **SETTING WITHIN TWENTY-FOUR HOURS AFTER THE SERIOUS INCIDENT OCCURS.**

31 Sec. 5. Section 36-591, Arizona Revised Statutes, is amended to  
 32 read:

33 36-591. Group homes; licensing; notification requirements

34 ~~A. An adult developmental home or child developmental home shall be~~  
 35 ~~licensed pursuant to this article.~~

36 ~~B.~~ A. Group homes, except for those described in subsection ~~E~~ D  
 37 of this section, shall be licensed for health and safety by the department  
 38 of health services pursuant to section 36-132.

39 ~~E.~~ B. The division shall notify the department of health services  
 40 of:

41 1. Service providers ~~who~~ **THAT** enter into contracts with the  
 42 division for group homes or intermediate care facilities for individuals  
 43 with intellectual disabilities.

2. Any violation of health and safety standards observed during monitoring visits.

~~C.~~ C. The department of health services shall immediately notify the division:

1. When THE LICENSE OF a group home or intermediate care facility for individuals with intellectual disabilities ~~license~~ has been denied, suspended or revoked.

2. Of any other licensing action taken on a group home or intermediate care facility for individuals with intellectual disabilities by the department of health services.

3. Of substantiated complaints regarding health and safety.

~~F.~~ D. The division shall ensure that state-operated residential settings that are owned or leased facilities operated by the division meet the same standards as group homes unless they are required to be licensed and certified as intermediate care facilities for individuals with intellectual disabilities pursuant to 42 Code of Federal Regulations part 483, subpart I. An intermediate care facility for individuals with intellectual disabilities that is operated by the division or a private entity is required to be licensed pursuant to chapter 4 of this title and certified pursuant to 42 Code of Federal Regulations part 483, subpart I.

~~F. The department shall annually visit each adult developmental home and child developmental home and inspect the premises used for the care of children or vulnerable adults for sanitation, fire and other actual and potential hazards.~~

E. The department shall take any action it deems necessary to carry out the duties imposed by this section, including ~~the denial of~~ DENYING the application for licensure and ~~the suspension~~ SUSPENDING or ~~revocation~~ REVOKING of the home's license.

Sec. 6. Section 36-592, Arizona Revised Statutes, is amended to read:

36-592. Adult developmental homes; child developmental homes; licensure requirements; inspections; investigations; third-party contractors; rules; definitions

A. AN ADULT DEVELOPMENTAL HOME OR CHILD DEVELOPMENTAL HOME SHALL BE LICENSED PURSUANT TO THIS ARTICLE.

~~A.~~ B. An applicant for an adult developmental home or child developmental home license shall submit an application on a form prescribed by the department.

~~B.~~ C. Before issuing or renewing a license to an applicant, the department shall investigate the activities and standards of care within the setting, the financial stability of the applicant, the character and training of the applicant and the adequacy of services. Before issuing or renewing a license, the department shall determine that the applicant is

1 able to meet the emotional, physical, social, developmental, educational,  
 2 cultural and intellectual needs of clients. The department by rule shall  
 3 establish standards for licensure. The department shall maintain a system  
 4 of independent oversight of licensing. The department may contract with  
 5 third parties to perform services in connection with oversight and  
 6 licensing. The department may not contract with the same third party for  
 7 both oversight and licensure under this subsection.

8 ~~E.~~ D. Each license shall state in general terms the kind of  
 9 setting the licensee is authorized to operate and shall prescribe the  
 10 number, ages and sex of clients.

11 ~~D.~~ E. A licensee ~~who~~ THAT holds an adult developmental home or  
 12 child developmental home license shall:

13 1. Comply with applicable health, safety and sanitation codes or  
 14 standards and document its compliance.

15 2. File reports as prescribed by the department.

16 3. Allow the department to inspect or monitor its services and  
 17 facility and the facility's books and records.

18 4. Comply with rules adopted by the department.

19 5. Provide for the health, safety and welfare of the licensee's  
 20 clients.

21 6. Allow the inspection of the developmental home at reasonable  
 22 times pursuant to section 36-595.01.

23 ~~E.~~ F. A license expires one year from the date of issuance.

24 ~~F.~~ G. For each adult developmental home and child developmental  
 25 home, the department shall:

26 ~~1. Conduct an annual licensing home visit.~~

27 1. ANNUALLY VISIT AND INSPECT THE PREMISES USED FOR THE CARE OF  
 28 CHILDREN OR VULNERABLE ADULTS FOR SANITATION, FIRE AND OTHER ACTUAL AND  
 29 POTENTIAL HAZARDS. THE DEPARTMENT SHALL TAKE ANY ACTION IT DEEMS  
 30 NECESSARY TO CARRY OUT THE DUTIES IMPOSED BY THIS SECTION, INCLUDING  
 31 DENYING THE APPLICATION FOR LICENSURE AND SUSPENDING OR REVOKING THE  
 32 HOME'S LICENSE.

33 2. Monitor the settings for compliance with health, safety,  
 34 contractual, programmatic and quality assurance standards at least two  
 35 times per year. The department shall maintain a system of independent  
 36 oversight of monitoring. The department may enter into a contract with  
 37 third parties to perform services in connection with oversight and  
 38 monitoring. The department may not contract with the same third party for  
 39 both oversight and monitoring under this paragraph.

40 3. Investigate a complaint within ten working days after receiving  
 41 notice of the complaint, except that if there is a danger to a client, the  
 42 department shall conduct the investigation immediately.

4. NOTIFY THE PARENT OR GUARDIAN OF A DEVELOPMENTAL HOME RESIDENT OF ANY SERIOUS INCIDENT OR COMPLAINT AT THE DEVELOPMENTAL HOME INVOLVING THE CLIENT FOR WHOM THE PARENT OR GUARDIAN IS RESPONSIBLE.

~~H.~~ H. The department shall establish by rule minimum qualifications, responsibilities and oversight for ~~the~~ licensing and monitoring ~~of~~ adult developmental homes and child developmental homes. The rules regarding minimum qualifications shall address professional judgment, conflicts of interest and training. The rules shall establish the frequency and type of visits for licensing and monitoring, maximum caseload ratios for those performing licensing and monitoring services and a system for appropriate public access to information regarding licensing and monitoring findings.

~~I.~~ I. The department may contract with the same third party to perform services in connection with ~~the~~ licensing and monitoring ~~of~~ an adult developmental home or a child developmental home.

~~J.~~ J. For the purposes of this section:

1. "Licensing" includes recruiting and verifying qualifications of applicants.

2. "Monitoring" includes monitoring health, safety, contractual, programmatic and quality assurance standards of an adult developmental home or child developmental home.

Sec. 7. Section 36-594, Arizona Revised Statutes, is amended to read:

36-594. Denial, suspension or revocation of license; definition

A. The department may deny, suspend or revoke a license pursuant to title 41, chapter 6, article 6 for any one or a combination of the following:

1. An applicant or licensee violates this chapter, rules adopted pursuant to this chapter, federal or state statutes or city or county ordinances or codes.

2. An applicant or licensee refuses to cooperate in obtaining or providing information the department deems necessary to determine if the department's standards have been met.

3. An employee, applicant, licensee or adult household member of an adult developmental home or child developmental home has been convicted of, has been found by a court to have committed or is reasonably believed to have committed a sex offense, a drug related offense, a theft related offense, a violence related offense, child abuse, child neglect, contributing to the delinquency of a minor or abuse or neglect of a vulnerable adult.

4. An employee, applicant, licensee or adult household member of an adult developmental home or child developmental home is the subject of a proposed substantiated or a substantiated finding of abuse, neglect or

1 exploitation by adult protective services or the department of child  
2 safety.

3 5. An applicant or licensee materially misrepresents or wilfully  
4 fails to disclose information to the department relating to the  
5 applicant's or licensee's qualifications, experience or performance of  
6 responsibilities.

7 6. The department determines, using criteria established in statute  
8 or rule, that an applicant or licensee is unable or unwilling to meet the  
9 physical or emotional needs of clients.

10 7. An applicant, licensee or adult household member of an adult  
11 developmental home or child developmental home fails to obtain or maintain  
12 a fingerprint clearance card as required by section 36-594.02. **THE**  
13 **DENIAL, SUSPENSION OR REVOCATION OF A DEVELOPMENTAL HOME LICENSE DUE TO**  
14 **THE FAILURE TO OBTAIN OR MAINTAIN A LEVEL I FINGERPRINT CLEARANCE CARD AS**  
15 **REQUIRED BY SECTION 36-594.02 IS NOT AN APPEALABLE AGENCY ACTION.**

16 8. An employee, applicant, licensee, volunteer or adult household  
17 member of an adult developmental home or child developmental home is  
18 alleged to have abused, neglected or exploited a vulnerable adult and the  
19 department of economic security intends to enter, pursuant to section  
20 46-458, a substantiated finding of abuse, neglect or exploitation of a  
21 vulnerable adult in the adult protective services registry.

22 B. For the purposes of this section, "vulnerable adult" has the  
23 same meaning prescribed in section 13-3623.

24 Sec. 8. Section 36-694, Arizona Revised Statutes, is amended to  
25 read:

26 **36-694. Report of blood tests; newborn screening program;**  
27 **committee; fee; definitions**

28 A. When a birth or stillbirth is reported, the attending physician  
29 or other person required to ~~make a~~ report ~~of~~ the birth shall state on the  
30 certificate whether a blood test for syphilis was made on a specimen of  
31 blood taken from the woman who bore the child or from the umbilical cord  
32 at delivery, as required by section 36-693, and the approximate date when  
33 the specimen was taken.

34 B. When a birth is reported, the attending physician or person who  
35 is required to ~~make a~~ report ~~on~~ the birth shall order or cause to be  
36 ordered tests for certain congenital disorders, including hearing  
37 disorders. The results of tests for these disorders must be reported to  
38 the department of health services. The department of health services  
39 shall specify in rule the disorders, the process for collecting and  
40 submitting specimens and the reporting requirements for test results.

41 C. When a hearing test is performed on a newborn, the initial  
42 hearing test results and any subsequent hearing test results must be  
43 reported to the department of health services as prescribed by department  
44 rules.

1 D. The director of the department of health services shall  
2 establish a newborn screening program within the department to ensure that  
3 the testing for congenital disorders and the reporting of hearing test  
4 results required by this section are conducted in an effective and  
5 efficient manner. THE NEWBORN SCREENING PROGRAM SHALL INCLUDE ALL  
6 CONGENITAL DISORDERS THAT ARE INCLUDED ON THE RECOMMENDED UNIFORM  
7 SCREENING PANEL ADOPTED BY THE SECRETARY OF THE UNITED STATES DEPARTMENT  
8 OF HEALTH AND HUMAN SERVICES FOR BOTH CORE AND SECONDARY CONDITIONS.  
9 BEGINNING JANUARY 1, 2022, DISORDERS THAT ARE ADDED TO THE CORE AND  
10 SECONDARY CONDITIONS LIST OF THE RECOMMENDED UNIFORM SCREENING PANEL SHALL  
11 BE ADDED TO THIS STATE'S NEWBORN SCREENING PANEL WITHIN TWO YEARS AFTER  
12 THEIR ADDITION TO THE RECOMMENDED UNIFORM SCREENING PANEL. The newborn  
13 screening program shall include an education program for the general  
14 public, the medical community, parents and professional groups. The  
15 director shall designate the state laboratory as the only testing facility  
16 for the program, except that the director may designate other laboratory  
17 testing facilities for conditions or tests added to the newborn screening  
18 program on or after July 24, 2014. If the director designates another  
19 laboratory testing facility for any condition or test, the director shall  
20 require the facility to follow all of the privacy and sample destruction  
21 time frames that are required of the state laboratory.

22 E. The newborn screening program shall establish and maintain a  
23 central database of newborns and infants who are tested for hearing loss  
24 and congenital disorders that includes information required in rule. Test  
25 results are confidential subject to the disclosure provisions of sections  
26 12-2801 and 12-2802.

27 F. If tests conducted pursuant to this section indicate that a  
28 newborn or infant may have a hearing loss or a congenital disorder, the  
29 screening program shall provide follow-up services to encourage the  
30 child's family to access evaluation services, specialty care and early  
31 intervention services.

32 G. The director shall establish a committee to provide  
33 recommendations and advice to the department on at least an annual basis  
34 regarding NEWBORN SCREENING BEST PRACTICES AND EMERGING TRENDS. ~~tests that~~  
35 ~~the committee believes should be included in the newborn screening~~  
36 ~~program. Any recommendation by the committee that a test be added to the~~  
37 ~~newborn screening program shall be accompanied by a cost-benefit analysis.~~

38 ~~H. The committee shall include the following members who are~~  
39 ~~appointed by the director and who serve without compensation or~~  
40 ~~reimbursement of expenses at the pleasure of the director:~~

41 ~~1. Seven physicians who are licensed pursuant to title 32, chapter~~  
42 ~~13 or 17 and who represent the medical specialties of endocrinology,~~  
43 ~~pediatrics, neonatology, family practice, otology and obstetrics.~~

~~2. A neonatal nurse practitioner who is licensed and certified pursuant to title 32, chapter 15.~~

~~3. An audiologist who is licensed pursuant to chapter 17, article 4 of this title.~~

~~4. A representative of an agency that provides services under part C of the individuals with disabilities education act.~~

~~5. At least one parent of a child with a hearing loss or a congenital disorder.~~

~~6. A representative from the insurance industry who is familiar with health care reimbursement issues.~~

~~7. The director of the Arizona health care cost containment system administration or the director's designee.~~

~~8. A representative of the hospital or health care industry.~~

~~f. H. The director may establish by rule a fee that the department may collect for operation of OPERATING the newborn screening program, including contracting for the testing pursuant to this section. The fee for the first specimen and hearing test shall not exceed thirty-six dollars.~~ THE DIRECTOR SHALL PRESENT ANY CHANGE TO THE FEE FOR THE NEWBORN SCREENING PROGRAM TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW.

I. NOT LATER THAN SIXTY DAYS AFTER THE DEPARTMENT ADJUSTS THE NEWBORN SCREENING PROGRAM FEE ESTABLISHED PURSUANT TO SUBSECTION H OF THIS SECTION:

1. EACH HEALTH INSURER THAT IS SUBJECT TO TITLE 20 SHALL UPDATE ITS HOSPITAL RATES THAT INCLUDE NEWBORN SCREENING TO REFLECT THE INCREASE.

2. FOR THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND CONTRACTORS ACTING PURSUANT TO CHAPTER 29, ARTICLE 1 OF THIS TITLE THAT ARE NOT SUBJECT TO TITLE 20, THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM SHALL UPDATE ITS HOSPITAL RATES THAT INCLUDE NEWBORN SCREENING TO REFLECT THE INCREASE.

J. For the purposes of this section:

1. "Infant" means a child who is twenty-nine days of age to two years of age.

2. "Newborn" means a child who is not more than twenty-eight days of age.

Sec. 9. Section 36-694.01, Arizona Revised Statutes, is amended to read:

36-694.01. Newborn screening program fund; use; exemption

A. The newborn screening program fund is established. The department of health services shall administer the fund. The fund consists of fees collected pursuant to section 36-694 and gifts, GRANTS and donations received by the department.

B. Subject to legislative appropriation, the department shall use fund monies to support the operation of the newborn screening program prescribed under section 36-694 and rules adopted under that section.

1 C. Monies in the fund are exempt from the provisions of section  
2 35-190 relating to lapsing of appropriations.

3 Sec. 10. Section 36-1201, Arizona Revised Statutes, is amended to  
4 read:

5 36-1201. Juvenile group homes; service contracts; registry;  
6 definitions

7 A. State agencies that contract directly with group homes or  
8 regional behavioral health authorities that, as part of their contracts  
9 with the department of health services, subcontract with group homes shall  
10 require in each contract awarded, renewed or amended the following minimum  
11 provisions:

12 1. The group home shall provide a safe, clean and humane  
13 environment for the residents.

14 2. The group home is responsible for ~~the supervision of~~ SUPERVISING  
15 the residents while in the group home environment or while residents are  
16 engaged in any off-site activities organized or sponsored by and under the  
17 direct supervision and control of the group home or affiliated with the  
18 group home.

19 3. All group home contractors shall be licensed by either the  
20 department of health services, the department of child safety or the  
21 department of economic security.

22 4. The award of a group home contract from an appropriate  
23 contracting authority is not a guarantee that children will be placed at  
24 the group home.

25 5. A ~~license~~ LICENSING violation by the group home that is not  
26 corrected pursuant to this section may also be considered a contract  
27 violation.

28 6. State agencies and regional behavioral health authorities may  
29 share information regarding group home contractors. The shared  
30 information shall not include information that personally identifies  
31 residents of group homes.

32 7. The following contract remedies:

33 (a) A schedule of financial sanctions in an amount of up to \$500  
34 per violation that the contracting authority, after completing an  
35 investigation, may assess against the group home contractor for a  
36 substantiated contract violation relating to the health, care or safety of  
37 a resident or the safety of a neighbor. A financial sanction may be  
38 imposed for a contract violation related to the safety of a neighbor only  
39 if the conduct that constitutes the violation would be sufficient to form  
40 the basis for a civil cause of action for damages on the part of the  
41 neighbor whether or not such a civil action has been filed. These  
42 sanctions may be imposed by either deducting the amount of the sanction  
43 from any payment due or withholding future payments. The deduction or  
44 withholding may occur after any hearing available to the contractor.



(b) The contracting authority's right to remove residents from the group home or suspend new placements to the group home until the ~~contracting~~ **CONTRACT** violation is corrected.

(c) The contracting authority's right to cancel the contract.

8. Within ten business days after the contracting authority receives a complaint relating to a group home, the contracting authority shall notify the group home provider and either initiate an investigation or refer the investigation to the licensing authority. If any complaint concerns an immediate threat to the health and safety of a child, the complaint shall be immediately referred to the licensing authority. If the contracting authority determines that a violation has occurred, it shall:

(a) Notify all other contracting authorities of the violation.

(b) Coordinate a corrective action plan consistent with the severity of the violation.

(c) Require the corrective action plan to be implemented within ninety days.

9. If a licensing deficiency is not corrected in a timely manner to the satisfaction of the licensing authority, the contracting authority may cancel the contract immediately on notice to the group home and may remove the residents.

10. A person may bring a complaint against any state agency that violates this section pursuant to title 41, chapter 6, article 6 or 10, as applicable. In addition to any costs or fees awarded to a person resulting from a complaint of a violation of this section, the agency shall revert the sum of \$5,000 from its general fund operating appropriation to the state treasurer for deposit in the state general fund for each violation that is upheld by an administrative law judge or hearing officer. The legislature shall appropriate monies that revert under this section to a similar program that provides direct services to children.

B. When a licensing authority has determined that a ~~license~~ **LICENSING** violation has occurred or is occurring, the licensing authority shall notify the appropriate contracting authority of the licensing violation.

C. A group home's record of contract violations and licensing violations may be considered by any contracting authority when it evaluates any request for proposals.

D. The department of health services shall establish a central registry of juvenile group homes licensed by this state. Each agency that is subject to the requirements of this section shall provide updated information for the registry to the department of health services every six months. The registry shall include the following information regarding each group home:

1           1. The location of the group home, including satellite facilities.  
2           2. The number of residents at the group home and its satellite  
3 facilities.  
4           3. The current, updated emergency contacts for the group home and  
5 its satellite facilities.  
6           4. The current, updated contacts for the group home's licensing  
7 authority.  
8           E. If the municipality in which a group home is located requests  
9 the department of health services to provide information from the  
10 registry, the department shall provide the information every six months to  
11 the municipality.  
12           F. For the purposes of this article:  
13           1. "Contract violation" means a licensing violation or a failure of  
14 the group home to comply with those provisions of its contract relating to  
15 subsection A, paragraphs 1, 2 and 3 of this section.  
16           2. "Contracting authority" means a regional behavioral health  
17 authority or the state agency or its division, office, section, bureau or  
18 program that is responsible for ~~the administration~~ ADMINISTERING and  
19 monitoring ~~of~~ contracts with group homes.  
20           3. "Group home":  
21           (a) Means a residential facility that is licensed to serve more  
22 than four minors at any one time, that is licensed by the department of  
23 health services pursuant to chapter 4 of this title or section 36-591,  
24 subsection ~~B~~ A or by the department of child safety pursuant to title 8,  
25 chapter 4, article 4 and that provides services pursuant to a contract for  
26 minors determined to be dependent as defined in section 8-201 or  
27 delinquent or incorrigible pursuant to section 8-341, or for minors with  
28 developmental disabilities, mental health or substance abuse needs. ~~Group~~  
29 ~~home~~  
30           (b) Does not include hospitals, nursing homes, child crisis and  
31 domestic violence shelters, adult homes, foster homes, facilities subject  
32 to any transient occupancy tax or behavioral health service agencies that  
33 provide twenty-four hour or continuous physician availability.  
34           4. "Licensing authority" means the state agency or its division,  
35 office, section, bureau or program that is responsible for licensing group  
36 homes.  
37           5. "Licensing violation" means a determination by the licensing  
38 authority that the group home is not in compliance with licensing  
39 requirements as prescribed in statute or rule.  
40           6. "Neighbor" means a person residing within a one-quarter mile  
41 radius of the group home.  
42           7. "Resident" means any person who is placed in a group home  
43 pursuant to a contract with a contracting authority.

1       Sec. 11. Title 36, Arizona Revised Statutes, is amended by adding  
2 chapter 31, to read:

3                               CHAPTER 31  
4                               SEXUAL VIOLENCE SERVICES  
5                               ARTICLE 1. GENERAL PROVISIONS

6       36-3101. Definitions

7       IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

8       1. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.

9       2. "PROGRAM ADMINISTRATOR" HAS THE SAME MEANING PRESCRIBED IN  
10 SECTION 36-3001.

11       36-3102. Sexual violence service fund; purpose; exemption

12       A. THE SEXUAL VIOLENCE SERVICE FUND IS ESTABLISHED CONSISTING OF  
13 LEGISLATIVE APPROPRIATIONS, GRANTS AND CONTRIBUTIONS. THE PROGRAM  
14 ADMINISTRATOR SHALL ADMINISTER THE FUND FOR THE PURPOSES PRESCRIBED IN  
15 THIS ARTICLE. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION  
16 AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING  
17 OF APPROPRIATIONS.

18       B. THE DEPARTMENT, IN CONSULTATION WITH THE FEDERALLY DESIGNATED  
19 STATEWIDE COALITION TO END SEXUAL VIOLENCE, SHALL ESTABLISH PROGRAM  
20 PRIORITIES FOR THE FUND. THE DEPARTMENT SHALL SPEND MONIES IN THE FUND TO  
21 PROVIDE GRANTS TO SERVICE PROVIDERS FOR VICTIMS OF SEXUAL VIOLENCE.

22       36-3103. Sexual violence service providers; requirements;  
23 eligibility

24       A. TO BE ELIGIBLE TO RECEIVE A GRANT UNDER THIS ARTICLE, A SEXUAL  
25 VIOLENCE SERVICE PROVIDER SHALL ADHERE TO STATEWIDE SERVICE STANDARDS FOR  
26 SEXUAL VIOLENCE PROGRAMS THAT ARE APPROVED BY THE DEPARTMENT IN  
27 COLLABORATION WITH THE FEDERALLY DESIGNATED STATEWIDE COALITION TO END  
28 SEXUAL VIOLENCE.

29       B. A SEXUAL VIOLENCE SERVICE PROVIDER DOES NOT QUALIFY FOR GRANT  
30 MONIES IF THE SERVICE PROVIDER DISCRIMINATES IN ITS ADMISSION OR PROVISION  
31 OF SERVICES ON THE BASIS OF RACE, GENDER, RELIGION, COLOR, AGE,  
32 DISABILITY, MARITAL STATUS, NATIONAL ORIGIN OR ANCESTRY.

33       36-3104. Methodology for allocating grant monies

34       THE DEPARTMENT, IN CONSULTATION WITH THE FEDERALLY DESIGNATED  
35 STATEWIDE COALITION TO END SEXUAL VIOLENCE, SHALL DEVELOP A WEIGHTED  
36 METHODOLOGY FOR ALLOCATING GRANT MONIES THAT CONSIDERS ALL OF THE  
37 FOLLOWING:

- 38       1. THE NEED FOR SERVICES.
- 39       2. EXISTING SERVICES.
- 40       3. GEOGRAPHIC LOCATION.
- 41       4. POPULATION RATIOS.



1	1. Apache	\$ 662,900
2	2. Cochise	\$ 4,551,700
3	3. Coconino	\$ 1,990,400
4	4. Gila	\$ 2,327,100
5	5. Graham	\$ 1,328,000
6	6. Greenlee	\$ 0
7	7. La Paz	\$ 357,100
8	8. Maricopa	\$184,272,900
9	9. Mohave	\$ 9,154,300
10	10. Navajo	\$ 2,744,100
11	11. Pima	\$ 44,073,400
12	12. Pinal	\$ 12,109,900
13	13. Santa Cruz	\$ 2,242,800
14	14. Yavapai	\$ 7,677,800
15	15. Yuma	\$ 9,701,600

16 B. If the overall cost for the Arizona long-term care system  
 17 exceeds the amount specified in the general appropriations act for fiscal  
 18 year 2021-2022, the state treasurer shall collect from the counties the  
 19 difference between the amount specified in subsection A of this section  
 20 and the counties' share of the state's actual contribution. The counties'  
 21 share of the state's contribution must comply with any federal maintenance  
 22 of effort requirements. The director of the Arizona health care cost  
 23 containment system administration shall notify the state treasurer of the  
 24 counties' share of the state's contribution and report the amount to the  
 25 director of the joint legislative budget committee. The state treasurer  
 26 shall withhold from any other monies payable to a county from whatever  
 27 state funding source is available an amount necessary to fulfill that  
 28 county's requirement specified in this subsection. The state treasurer  
 29 may not withhold distributions from the Arizona highway user revenue fund  
 30 pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.  
 31 The state treasurer shall deposit the amounts withheld pursuant to this  
 32 subsection and amounts paid pursuant to subsection A of this section in  
 33 the long-term care system fund established by section 36-2913, Arizona  
 34 Revised Statutes.

35 Sec. 14. AHCCCS: disproportionate share payments: fiscal year  
 36 2021-2022

37 A. Disproportionate share payments for fiscal year 2021-2022 made  
 38 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
 39 include:

40 1. \$113,818,500 for a qualifying nonstate operated public hospital.  
 41 The Maricopa county special health care district shall provide a certified  
 42 public expense form for the amount of qualifying disproportionate share  
 43 hospital expenditures made on behalf of this state to the Arizona health  
 44 care cost containment system administration on or before May 1, 2022 for

1 all state plan years as required by the Arizona health care cost  
2 containment system state plan standard terms and conditions. The  
3 administration shall assist the district in determining the amount of  
4 qualifying disproportionate share hospital expenditures. Once the  
5 administration files a claim with the federal government and receives  
6 federal financial participation based on the amount certified by the  
7 Maricopa county special health care district, if the certification is  
8 equal to or less than \$113,818,500 and the administration determines that  
9 the revised amount is correct pursuant to the methodology used by the  
10 administration pursuant to section 36-2903.01, Arizona Revised Statutes,  
11 the administration shall notify the governor, the president of the senate  
12 and the speaker of the house of representatives, shall distribute  
13 \$4,202,300 to the Maricopa county special health care district and shall  
14 deposit the balance of the federal financial participation in the state  
15 general fund. If the certification provided is for an amount less than  
16 \$113,818,500 and the administration determines that the revised amount is  
17 not correct pursuant to the methodology used by the administration  
18 pursuant to section 36-2903.01, Arizona Revised Statutes, the  
19 administration shall notify the governor, the president of the senate and  
20 the speaker of the house of representatives and shall deposit the total  
21 amount of the federal financial participation in the state general fund.  
22 If the certification provided is for an amount greater than \$113,818,500,  
23 the administration shall distribute \$4,202,300 to the Maricopa county  
24 special health care district and shall deposit \$75,482,000 of the federal  
25 financial participation in the state general fund. The administration may  
26 make additional disproportionate share hospital payments to the Maricopa  
27 county special health care district pursuant to section 36-2903.01,  
28 subsection P, Arizona Revised Statutes, and subsection B of this section.

29 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
30 hospital shall provide a certified public expense form for the amount of  
31 qualifying disproportionate share hospital expenditures made on behalf of  
32 this state to the administration on or before March 31, 2022. The  
33 administration shall assist the Arizona state hospital in determining the  
34 amount of qualifying disproportionate share hospital expenditures. Once  
35 the administration files a claim with the federal government and receives  
36 federal financial participation based on the amount certified by the  
37 Arizona state hospital, the administration shall deposit the entire amount  
38 of federal financial participation in the state general fund. If the  
39 certification provided is for an amount less than \$28,474,900, the  
40 administration shall notify the governor, the president of the senate and  
41 the speaker of the house of representatives and shall deposit the entire  
42 amount of federal financial participation in the state general fund. The  
43 certified public expense form provided by the Arizona state hospital must  
44 contain both the total amount of qualifying disproportionate share

1 hospital expenditures and the amount limited by section 1923(g) of the  
2 social security act.

3 3. \$884,800 for private qualifying disproportionate share  
4 hospitals. The Arizona health care cost containment system administration  
5 shall make payments to hospitals consistent with this appropriation and  
6 the terms of the state plan, but payments are limited to those hospitals  
7 that either:

8 (a) Meet the mandatory definition of disproportionate share  
9 qualifying hospitals under section 1923 of the social security act.

10 (b) Are located in Yuma county and contain at least three hundred  
11 beds.

12 B. After the distributions made pursuant to subsection A of this  
13 section, the allocations of disproportionate share hospital payments made  
14 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
15 shall be made available first to qualifying private hospitals located  
16 outside the Phoenix metropolitan statistical area and the Tucson  
17 metropolitan statistical area before being made available to qualifying  
18 hospitals within the Phoenix metropolitan statistical area and the Tucson  
19 metropolitan statistical area.

20 Sec. 15. AHCCCS transfer; counties; federal monies; fiscal  
21 year 2021-2022

22 On or before December 31, 2022, notwithstanding any other law, for  
23 fiscal year 2021-2022 the Arizona health care cost containment system  
24 administration shall transfer to the counties the portion, if any, as may  
25 be necessary to comply with section 10201(c)(6) of the patient protection  
26 and affordable care act (P.L. 111-148), regarding the counties'  
27 proportional share of this state's contribution.

28 Sec. 16. County acute care contributions; fiscal year 2021-2022

29 A. Notwithstanding section 11-292, Arizona Revised Statutes, for  
30 fiscal year 2021-2022 for the provision of hospitalization and medical  
31 care, the counties shall contribute the following amounts:

32	1. Apache	\$ 268,800
33	2. Cochise	\$ 2,214,800
34	3. Coconino	\$ 742,900
35	4. Gila	\$ 1,413,200
36	5. Graham	\$ 536,200
37	6. Greenlee	\$ 190,700
38	7. La Paz	\$ 212,100
39	8. Maricopa	\$17,603,700
40	9. Mohave	\$ 1,237,700
41	10. Navajo	\$ 310,800
42	11. Pima	\$14,951,800
43	12. Pinal	\$ 2,715,600
44	13. Santa Cruz	\$ 482,800

1	14. Yavapai	\$ 1,427,800
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2	15. Yuma	\$ 1,325,100
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B. If a county does not provide funding as specified in subsection A of this section, the state treasurer shall subtract the amount owed by the county to the Arizona health care cost containment system fund and the long-term care system fund established by section 36-2913, Arizona Revised Statutes, from any payments required to be made by the state treasurer to that county pursuant to section 42-5029, subsection D, paragraph 2, Arizona Revised Statutes, plus interest on that amount pursuant to section 44-1201, Arizona Revised Statutes, retroactive to the first day the funding was due. If the monies the state treasurer withholds are insufficient to meet that county's funding requirements as specified in subsection A of this section, the state treasurer shall withhold from any other monies payable to that county from whatever state funding source is available an amount necessary to fulfill that county's requirement. The state treasurer may not withhold distributions from the Arizona highway user revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.

19 C. Payment of an amount equal to one-twelfth of the total amount  
20 determined pursuant to subsection A of this section shall be made to the  
21 state treasurer on or before the fifth day of each month. On request from  
22 the director of the Arizona health care cost containment system  
23 administration, the state treasurer shall require that up to three months'  
24 payments be made in advance, if necessary.

25 D. The state treasurer shall deposit the amounts paid pursuant to  
26 subsection C of this section and amounts withheld pursuant to subsection B  
27 of this section in the Arizona health care cost containment system fund  
28 and the long-term care system fund established by section 36-2913, Arizona  
29 Revised Statutes.

E. If payments made pursuant to subsection C of this section exceed the amount required to meet the costs incurred by the Arizona health care cost containment system for the hospitalization and medical care of those persons defined as an eligible person pursuant to section 36-2901, paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of the Arizona health care cost containment system administration may instruct the state treasurer either to reduce remaining payments to be paid pursuant to this section by a specified amount or to provide to the counties specified amounts from the Arizona health care cost containment system fund and the long-term care system fund established by section 36-2913, Arizona Revised Statutes.

41 F. The legislature intends that the Maricopa county contribution  
42 pursuant to subsection A of this section be reduced in each subsequent  
43 year according to the changes in the GDP price deflator. For the purposes



of this subsection, "GDP price deflator" has the same meaning prescribed in section 41-563, Arizona Revised Statutes.

Sec. 17. Department of health services; fee reduction

The department of health services shall reduce the revenue generated from fees collected for services provided by the bureau of radiation control by \$300,000.

Sec. 18. Proposition 204 administration; exclusion; county expenditure limitations

County contributions for the administrative costs of implementing sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are made pursuant to section 11-292, subsection 0, Arizona Revised Statutes, are excluded from the county expenditure limitations.

Sec. 19. Competency restoration; exclusion; county expenditure limitations

County contributions made pursuant to section 13-4512, Arizona Revised Statutes, are excluded from the county expenditure limitations.

Sec. 20. AHCCCS; risk contingency rate setting

Notwithstanding any other law, for the contract year beginning October 1, 2021 and ending September 30, 2022, the Arizona health care cost containment system administration may continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative funding levels that were imposed for the contract year beginning October 1, 2010 and ending September 30, 2011.

Sec. 21. Health services lottery monies fund; use; fiscal year 2021-2022

Notwithstanding sections 5-572 and 36-108.01, Arizona Revised Statutes, monies in the health services lottery monies fund established by section 36-108.01, Arizona Revised Statutes, may be used for the purposes specified in the fiscal year 2021-2022 general appropriations act.

Sec. 22. Department of economic security; drug testing; TANF cash benefits recipients

During fiscal year 2021-2022, the department of economic security shall screen and test each adult recipient who is otherwise eligible for temporary assistance for needy families cash benefits and who the department has reasonable cause to believe engages in the illegal use of controlled substances. Any recipient who tests positive for the use of a controlled substance that was not prescribed for the recipient by a licensed health care provider is ineligible to receive benefits for a period of one year.

1           Sec. 23. Department of health services; newborn screening  
2                     program; implementation of recommended uniform  
3                     screening panel

4           Notwithstanding section 36-694, subsection D, Arizona Revised  
5 Statutes, as amended by this act, the department of health services shall:

6           1. On or before December 31, 2021, add spinal muscular atrophy and  
7 x-linked adrenoleukodystrophy to this state's newborn screening panel.

8           2. On or before December 31, 2023, add all remaining core and  
9 secondary conditions that are included on the recommended uniform  
10 screening panel adopted by the secretary of the United States department  
11 of health and human services as of December 31, 2021 to this state's  
12 newborn screening panel.

13           Sec. 24. Legislative intent; newborn screening program fee

14           The legislature intends that the newborn screening program fee  
15 established by the director of the department of health services pursuant  
16 to section 36-694, Arizona Revised Statutes, as amended by this act, for  
17 operating the newborn screening program, including contracting for  
18 testing, not exceed the direct cost of the tests and the direct costs of  
19 operating the program, excluding any gifts, grants or donations or state  
20 or federal funding received by the department.

21           Sec. 25. Legislative intent; implementation of program

22           The legislature intends that for fiscal year 2021-2022 the Arizona  
23 health care cost containment system administration implement a program  
24 within the available appropriation.