

REFERENCE TITLE: health; budget reconciliation; 2021-2022

State of Arizona
Senate
Fifty-fifth Legislature
First Regular Session
2021

SB 1824

Introduced by
Senators Fann: Borrelli, Gowan, Gray, Leach (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 ~~C.~~ 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.

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

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

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

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

11 3. Of substantiated complaints regarding health and safety.

12 ~~F.~~ D. The division shall ensure that state-operated residential
13 settings that are owned or leased facilities operated by the division meet
14 the same standards as group homes unless they are required to be licensed
15 and certified as intermediate care facilities for individuals with
16 intellectual disabilities pursuant to 42 Code of Federal Regulations part
17 483, subpart I. An intermediate care facility for individuals with
18 intellectual disabilities that is operated by the division or a private
19 entity is required to be licensed pursuant to chapter 4 of this title and
20 certified pursuant to 42 Code of Federal Regulations part 483, subpart I.

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

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

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

31 36-592. Adult developmental homes; child developmental homes;
32 licensure requirements; inspections;
33 investigations; third-party contractors; rules;
34 definitions

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

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

40 ~~B.~~ C. Before issuing or renewing a license to an applicant, the
41 department shall investigate the activities and standards of care within
42 the setting, the financial stability of the applicant, the character and
43 training of the applicant and the adequacy of services. Before issuing or
44 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 ~~E.~~ 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.

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

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

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

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

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

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

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

24 36-594. Denial, suspension or revocation of license;
25 definition

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

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

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

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

42 4. An employee, applicant, licensee or adult household member of an
43 adult developmental home or child developmental home is the subject of a
44 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.~~

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

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

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

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

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

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

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

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

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

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

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

30 J. For the purposes of this section:

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

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

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

37 36-694.01. Newborn screening program fund; use; exemption

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

42 B. Subject to legislative appropriation, the department shall use
43 fund monies to support the operation of the newborn screening program
44 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.

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

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

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

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

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

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

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

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

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

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

39 D. The department of health services shall establish a central
40 registry of juvenile group homes licensed by this state. Each agency that
41 is subject to the requirements of this section shall provide updated
42 information for the registry to the department of health services every
43 six months. The registry shall include the following information
44 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 36-3105. Annual report
2 ON OR BEFORE OCTOBER 1 OF EACH YEAR, THE DEPARTMENT SHALL PROVIDE AN
3 ANNUAL REPORT TO THE GOVERNOR, THE SPEAKER OF THE HOUSE OF REPRESENTATIVES
4 AND THE PRESIDENT OF THE SENATE THAT INCLUDES INFORMATION FROM EACH SEXUAL
5 VIOLENCE SERVICE PROVIDER THAT RECEIVES GRANT MONIES PURSUANT TO THIS
6 ARTICLE ON THE POPULATION SERVED. IN PREPARING THE REPORT THE DEPARTMENT
7 SHALL CONSULT WITH THE FEDERALLY DESIGNATED STATEWIDE COALITION TO END
8 SEXUAL VIOLENCE. THE DEPARTMENT SHALL PROVIDE A COPY OF THIS REPORT TO
9 THE SECRETARY OF STATE.

10 Sec. 12. Section 46-452.02, Arizona Revised Statutes, is amended to
11 read:

12 46-452.02. State long-term care ombudsman; duties; immunity
13 from liability

14 A. A representative of the office of the state long-term care
15 ombudsman who performs the official duties of the long-term care ombudsman
16 ~~shall~~ IS not ~~be~~ liable under state law for the good faith performance of
17 official duties.

18 B. Official duties of the office of the state long-term care
19 ombudsman include authority to:

- 20 1. Enter long-term care facilities to communicate with residents.
- 21 2. Hear, investigate and attempt to resolve complaints by
22 agreement, mediation or conciliation.
- 23 3. Render advice to residents of facilities.
- 24 4. Refer cases involving abuse, neglect, exploitation or health and
25 safety to adult protective services or the appropriate licensing agency.
- 26 5. Make appropriate referrals to legal services or other community
27 services.

28 6. ASSUME such other responsibilities as required pursuant to the
29 older Americans act of 1965, as amended (P.L. ~~100175, sec. 307 (A) (12)~~
30 ~~100-175~~; 42 United States Code ~~3027(A) (12)~~ SECTION 3027(a)(12)).

31 C. SUBJECT TO AVAILABLE MONIES, THE OFFICE OF THE STATE LONG-TERM
32 CARE OMBUDSMAN SHALL VISIT EACH LONG-TERM CARE FACILITY IN THIS STATE
33 WITHOUT PRIOR NOTICE AT LEAST TWO TIMES EACH CALENDAR YEAR TO SPEAK WITH
34 RESIDENTS OF THE LONG-TERM CARE FACILITY, OR THE RESIDENT'S REPRESENTATIVE
35 IF THE RESIDENT IS NONVERBAL, WITHOUT THE PRESENCE OF THE FACILITY'S
36 STAFF. THE REQUIREMENTS OF THIS SUBSECTION ARE IN ADDITION TO ANY
37 FOLLOW-UP IN RESPONSE TO A COMPLAINT.

38 ~~C.~~ D. Official duties of the office of the state long-term care
39 ombudsman do not include activities performed by a licensed health care
40 provider as defined in section 12-561.

41 Sec. 13. ALTCS; county contributions; fiscal year 2021-2022

42 A. Notwithstanding section 11-292, Arizona Revised Statutes, county
43 contributions for the Arizona long-term care system for fiscal year
44 2021-2022 are as follows:

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
- 2 15. Yuma \$ 1,325,100

3 B. If a county does not provide funding as specified in subsection
4 A of this section, the state treasurer shall subtract the amount owed by
5 the county to the Arizona health care cost containment system fund and the
6 long-term care system fund established by section 36-2913, Arizona Revised
7 Statutes, from any payments required to be made by the state treasurer to
8 that county pursuant to section 42-5029, subsection D, paragraph 2,
9 Arizona Revised Statutes, plus interest on that amount pursuant to section
10 44-1201, Arizona Revised Statutes, retroactive to the first day the
11 funding was due. If the monies the state treasurer withholds are
12 insufficient to meet that county's funding requirements as specified in
13 subsection A of this section, the state treasurer shall withhold from any
14 other monies payable to that county from whatever state funding source is
15 available an amount necessary to fulfill that county's requirement. The
16 state treasurer may not withhold distributions from the Arizona highway
17 user revenue fund pursuant to title 28, chapter 18, article 2, Arizona
18 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.

30 E. If payments made pursuant to subsection C of this section exceed
31 the amount required to meet the costs incurred by the Arizona health care
32 cost containment system for the hospitalization and medical care of those
33 persons defined as an eligible person pursuant to section 36-2901,
34 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the
35 director of the Arizona health care cost containment system administration
36 may instruct the state treasurer either to reduce remaining payments to be
37 paid pursuant to this section by a specified amount or to provide to the
38 counties specified amounts from the Arizona health care cost containment
39 system fund and the long-term care system fund established by section
40 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

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

3 Sec. 17. Department of health services; fee reduction

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

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

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

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

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

17 Sec. 20. AHCCCS; risk contingency rate setting

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

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

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

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

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

