

REFERENCE TITLE: AHCCCS; pregnant women; dental care

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

HB 2306

Introduced by
Representatives Jermaine: Blackwater-Nygren, Bolding, Butler, Dalessandro,
DeGrazia, Liguori, Longdon, Pawlik, Powers Hannley, Schwiebert, Tsosie,
Senators Bowie, Gabaldon

AN ACT

**AMENDING SECTION 36-2907, ARIZONA REVISED STATUTES; APPROPRIATING MONIES;
RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-2907, Arizona Revised Statutes, is amended to
3 read:

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

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

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

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

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

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

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

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

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

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

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

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

9 10. Nonexperimental transplants approved for title XIX
10 reimbursement.

11 11. Dental services as follows:

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

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

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

22 13. Hospice care.

23 14. Orthotics, if all of the following apply:

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

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

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

30 15. FOR WOMEN WHO ARE AT LEAST TWENTY-ONE YEARS OF AGE AND IN ANY
31 STAGE OF PREGNANCY, COMPREHENSIVE DENTAL CARE.

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

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

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

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

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

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

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

44 (e) Nonexperimental transplants do not include pancreas-only
45 transplants.

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

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

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

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

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

35 G. The director shall adopt rules providing for transportation
36 services and rules providing for copayment by members for transportation
37 for other than emergency purposes. Subject to approval by the centers for
38 medicare and medicaid services, nonemergency medical transportation shall
39 not be provided except for stretcher vans and ambulance
40 transportation. Prior authorization is required for transportation by
41 stretcher van and for medically necessary ambulance transportation
42 initiated pursuant to a physician's direction. Prior authorization is not
43 required for medically necessary ambulance transportation services
44 rendered to members or eligible persons initiated by dialing telephone
45 number 911 or other designated emergency response systems.

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

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

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

22 1. Emergency services and specialty services provided pursuant to
23 section 36-2908.

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

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

41 L. The director shall adopt rules that prescribe the coordination
42 of medical care for persons who are eligible for system services. The
43 rules shall include provisions for transferring patients and medical
44 records and initiating medical care.

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

3 Sec. 2. Appropriations; AHCCCS; pregnant women; dental
4 services; report

5 A. The sum of \$468,100 is appropriated from the state general fund
6 in fiscal year 2022-2023 to the Arizona health care cost containment
7 system administration to provide dental services to pregnant women as
8 prescribed by section 36-2907, subsection A, paragraph 15, Arizona Revised
9 Statutes, as added by this act.

10 B. In addition to the appropriation made in subsection A of this
11 section, the sum of \$3,630,600 is appropriated one time from the state
12 general fund in fiscal year 2022-2023 to the Arizona health care cost
13 containment system administration to cover costs incurred due to
14 eligibility changes directly related to introducing a dental benefit for
15 pregnant women.

16 C. On or before October 1, 2023, the Arizona health care cost
17 containment system administration shall report to the governor, the
18 president of the senate, the speaker of the house of representatives, the
19 chairpersons of the health and human services committees of the senate and
20 the house of representatives, or their successor committees, and the
21 directors of the joint legislative budget committee and the governor's
22 office of strategic planning and budgeting the actual costs incurred to
23 provide dental services to pregnant women as prescribed by section
24 36-2907, subsection A, paragraph 15, Arizona Revised Statutes, as added by
25 this act, and the actual costs incurred due to eligibility changes
26 directly related to introducing a dental benefit for pregnant women during
27 fiscal year 2022-2023.