State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

SB 1272

Introduced by  
Senators Pace: Rios; Representatives Osborne, Powers Hannley

AN ACT

AMENDING SECTION 36-2901, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 36-2901, Arizona Revised Statutes, is amended to read:

36-2901. Definitions
In this article, unless the context otherwise requires:

1. "Administration" means the Arizona health care cost containment system administration.

2. "Administrator" means the administrator of the Arizona health care cost containment system.

3. "Contractor" means a person or entity that has a prepaid capitated contract with the administration pursuant to section 36-2904 or chapter 34 of this title to provide health care to members under this article or persons under chapter 34 of this title either directly or through subcontracts with providers.

4. "Department" means the department of economic security.

5. "Director" means the director of the Arizona health care cost containment system administration.

6. "Eligible person" means any person who is:
   (a) Any of the following:
      (i) Defined as mandatorily or optionally eligible pursuant to title XIX of the social security act as authorized by the state plan.
      (ii) Defined in title XIX of the social security act as an eligible pregnant woman OR A WOMAN WHO IS LESS THAN ONE YEAR POSTPARTUM with a family income that does not exceed one hundred fifty percent of the federal poverty guidelines, as a child under the age of six years and whose family income does not exceed one hundred thirty-three percent of the federal poverty guidelines or as children who have not attained nineteen years of age and whose family income does not exceed one hundred thirty-three percent of the federal poverty guidelines.
      (iii) Under twenty-six years of age and who was in the custody of the department of child safety pursuant to title 8, chapter 4 when the person became eighteen years of age.
      (iv) Defined as eligible pursuant to section 36-2901.01.
      (v) Defined as eligible pursuant to section 36-2901.04.
      (vi) Defined as eligible pursuant to section 36-2901.07.
   (b) A full-time officer or employee of this state or of a city, town or school district of this state or other person who is eligible for hospitalization and medical care under title 38, chapter 4, article 4.
   (c) A full-time officer or employee of any county in this state or other persons authorized by the county to participate in county medical care and hospitalization programs if the county in which such officer or employee is employed has authorized participation in the system by resolution of the county board of supervisors.
   (d) An employee of a business within this state.
(e) A dependent of an officer or employee who is participating in the system.
(f) Not enrolled in the Arizona long-term care system pursuant to article 2 of this chapter.
(g) Defined as eligible pursuant to section 1902(a)(10)(A)(ii)(XV) and (XVI) of title XIX of the social security act and who meets the income requirements of section 36-2929.

7. "Graduate medical education" means a program, including an approved fellowship, that prepares a physician for the independent practice of medicine by providing didactic and clinical education in a medical discipline to a medical student who has completed a recognized undergraduate medical education program.

8. "Malice" means evil intent and outrageous, oppressive or intolerable conduct that creates a substantial risk of tremendous harm to others.

9. "Member" means an eligible person who enrolls in the system.

10. "Modified adjusted gross income" has the same meaning prescribed in 42 United States Code section 1396a(e)(14).

11. "Noncontracting provider" means a person who provides health care to members pursuant to this article but not pursuant to a subcontract with a contractor.

12. "Physician" means a person WHO IS licensed pursuant to title 32, chapter 13 or chapter 17.

13. "Prepaid capitated" means a mode of payment by which a health care contractor directly delivers health care services for the duration of a contract to a maximum specified number of members based on a fixed rate per member notwithstanding:

   (a) The actual number of members who receive care from the contractor.

   (b) The amount of health care services provided to any member.

14. "Primary care physician" means a physician who is a family practitioner, general practitioner, pediatrician, general internist, or obstetrician or gynecologist.

15. "Primary care practitioner" means a nurse practitioner WHO IS certified pursuant to title 32, chapter 15 or a physician assistant certified WHO IS LICENSED pursuant to title 32, chapter 25. This paragraph does not expand the scope of practice for nurse practitioners as defined pursuant to title 32, chapter 15 or for physician assistants as defined pursuant to title 32, chapter 25.

16. "Regional behavioral health authority" has the same meaning prescribed in section 36-3401.

17. "Section 1115 waiver" means the research and demonstration waiver granted by the United States department of health and human services.
18. "Special health care district" means a special health care district organized pursuant to title 48, chapter 31.

19. "State plan" has the same meaning prescribed in section 36-2931.

20. "System" means the Arizona health care cost containment system established by this article.

Sec. 2. Appropriations; Arizona health care cost containment system

The sums of $2,700,000 from the state general fund and $6,200,000 from federal medicaid expenditure authority are appropriated to the Arizona health care cost containment system administration in fiscal year 2022-2023 for services to eligible women who are less than one year postpartum pursuant to section 36-2901, Arizona Revised Statutes, as amended by this act.

Sec. 3. Conditional enactment; notice

A. This act does not become effective unless on or before July 1, 2023 the centers for medicare and medicaid services authorizes the Arizona health care cost containment system administration to either redetermine the eligibility of members who are less than one year postpartum and are under one hundred thirty-three percent of the federal poverty level or use another methodology that enables the administration to provide coverage for eligible postpartum women pursuant to section 36-2901, Arizona Revised Statutes, as amended by this act, within the existing appropriation.

B. The director of the Arizona health care cost containment system shall notify the director of the Arizona legislative council in writing on or before July 1, 2023 either:

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

2. That the condition was not met.