State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

HB 2903

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

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; AMENDING LAWS 2023, CHAPTER 139, SECTION 4; APPROPRIATING MONIES; RELATING TO HEALTH CARE.

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

Section 1. Section 11-292, Arizona Revised Statutes, is amended to read:

11-292. Medical care; definition

A. The board of supervisors, subject to the applicable provisions of title 42, chapter 17, articles 2 and 3, shall include in its annual budget an amount equal to fifty percent of the amount budgeted by the county board of supervisors or the amount expended, whichever is less, for the hospitalization and medical care of the indigent sick pursuant to this article for fiscal year 1980-1981, except for Yuma and La Paz counties. The contribution amounts of those counties shall be equal to the amount Yuma county would have made pursuant to this subsection if a division had not occurred apportioned between the counties. The office of the auditor general shall determine the amount Yuma county would otherwise have included if a division had not occurred and shall then determine the contribution amounts of Yuma and La Paz counties based on the proportionate share of the estimated population in these counties as of July 1, 1982.

B. For fiscal year 1994-1995, and for each fiscal year thereafter, the state treasurer shall withhold an amount sufficient to meet the county portion of the nonfederal costs of providing long-term care system services, pursuant to title 36, chapter 29, article 2, excluding services to persons with developmental disabilities, from monies otherwise payable to the county under section 42-5029, subsection D, paragraph 2. This amount and the state portion of the nonfederal costs shall be specified in the annual appropriation for the maintenance and operation of the Arizona health care cost containment system. For fiscal years 1994-1995, 1995-1996 and 1996-1997, monies shall be withheld from each county based on the following percentages derived from a state auditor general's certified audit of fiscal year 1987-1988 county long-term care and home health care expenditures, except that amounts withheld shall be adjusted to reflect amounts paid by counties pursuant to section 36-2952:

1. Apache: 0.22%
2. Cochise: 2.49%
3. Coconino: 0.66%
4. Gila: 2.56%
5. Graham: 0.64%
6. Greenlee: 0.34%
7. La Paz: 0.34%
8. Maricopa: 56.55%
9. Mohave: 2.73%
10. Navajo: 0.91%
11. Pima: 20.55%
12. Pinal: 5.09%
13. Santa Cruz: 1.05%
C. In each fiscal year, of the total amount that is specified in the annual appropriation as the nonfederal portion of the cost of providing long-term care services and that portion of the phased-down medicare prescription drug state contribution attributable to the Arizona long-term care system, excluding services and phased-down medicare prescription drug state contribution costs associated with persons with developmental disabilities, and that represents an increase from the amount that was specified in the annual appropriation for the prior fiscal year, the state shall pay fifty percent of the increase. The remaining nonfederal portion of the costs shall be apportioned among the counties according to the proportion that each county's net nonfederal expenditures for long-term care services, excluding services to persons with developmental disabilities, bears to the total nonfederal expenditure for all counties two fiscal years earlier, with the following adjustments in the following order:

1. If the resulting net county contribution when expressed as an imputed property tax rate per one-hundred-dollars $100 of net assessed value exceeds ninety cents $.90, the county's contribution shall be reduced so that the imputed property tax rate equals ninety cents $.90 and the difference shall be paid by the state.

2. Any county with a Native American population that represents at least twenty percent of the county's total population according to the most recent United States decennial census shall contribute an amount equal to the prior fiscal year's contribution plus fifty percent of the difference between the prior year's contribution were it calculated using the percentage in subsection B of this section and the current year's contribution as if its share of the total nonfederal portion of the long-term care costs had been calculated using the percentage prescribed in subsection B of this section, and the state shall pay any difference from the amount otherwise required by this subsection.

3. If, after making the adjustments in this subsection, a county would contribute more than if its contribution were calculated using the percentage prescribed in subsection B of this section multiplied by the total nonfederal costs of long-term care services, excluding services to persons with developmental disabilities, the county's contribution shall be reduced to the sum of its prior year's contribution plus fifty percent of the difference between the prior year's contribution were it calculated using the percentage in subsection B of this section and the current year's contribution as if its share of the total nonfederal portion of long-term care costs had been calculated using the percentage prescribed in subsection B of this section, and the state shall pay any difference from the amount otherwise required by this subsection.
4. After making all of the adjustments in this subsection, a statewide per capita county contribution shall be calculated by summing the contributions for all counties and then dividing the resulting total by the total state population. If an individual county's contribution when expressed as a per capita contribution exceeds the statewide per capita county contribution, the county's contribution shall be reduced so that the county's contribution equals the statewide per capita contribution, and the difference shall be paid by the state. For the purposes of this paragraph, "population" means the population estimate approved by the office of economic opportunity for the most recent fiscal year.

D. The director of the Arizona health care cost containment system administration shall notify each county of the amount determined pursuant to subsection A of this section to be included in its annual budget later than May 1 of each year.

E. If a county does not provide funding as specified in subsection A of this section, the state treasurer shall subtract the amount owed to the Arizona health care cost containment system fund by the county from any payments required to be made by the state treasurer to that county pursuant to section 42-5029, subsection D, paragraph 2, plus interest on that amount pursuant to section 44-1201 retroactive to the first day the funding was due. If the monies the state treasurer withholds are insufficient to meet that county's funding requirement 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 shall not withhold distributions from the highway user revenue fund pursuant to title 28, chapter 18, article 2.

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

G. The state treasurer shall deposit the amounts paid pursuant to subsection F of this section and amounts withheld pursuant to subsection E of this section in the Arizona health care cost containment system fund established by section 36-2913.

H. If payments made pursuant to subsection F 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 a person who is defined as an eligible person pursuant to section 36-2901, paragraph 6, subdivision (a), the director of the Arizona health care cost
containment system administration may instruct the state treasurer to either:

1. Reduce remaining payments to be paid pursuant to this section by a specified amount, or to

2. Provide to the counties specified amounts from the Arizona health care cost containment system fund.

I. The amount of the county contribution to the Arizona health care cost containment system fund established by section 36-2913 shall not exceed thirty-three percent of the amount that the system administration expended in the county for fiscal year 1983-1984. For the purposes of this subsection, system administration expenditures in a county for fiscal year 1983-1984 are the total capitation and fee for service amounts paid by the system administration to providers in a county before February 1, 1986 for services rendered during fiscal year 1983-1984 to persons eligible for the system.

J. The state treasurer shall deposit the monies withheld from the counties and contributed by the state pursuant to subsection B of this section in the long-term care system fund established by section 36-2913, in twelve equal monthly installments. The monthly installments shall be deposited in the fund by the state treasurer by the fourth working day of each month.

K. By July 1 or within sixty days after enactment of the annual appropriation for the maintenance and operation of the Arizona health care cost containment system, whichever is later, and after consulting with the joint legislative budget committee and the governor's office of strategic planning and budgeting, the state treasurer shall notify each county of the amount to be withheld pursuant to subsection B of this section.

L. If the monies deposited in the long-term care system fund pursuant to subsection J of this section are insufficient to meet the funding requirement as specified in the annual appropriation for the maintenance and operation of the Arizona health care cost containment system pursuant to subsection B of this section, the state treasurer shall withhold from any other monies payable to that county from any available state funding source, other than the highway user revenue fund, the amount required to fulfill fifty percent of the funding requirement and shall deposit the monies in the long-term care system fund. The state shall pay the remaining fifty percent of the funding requirement.

M. If any monies in the funds for the purpose of title 36, chapter 29, article 2 remain unexpended at the end of the fiscal year, the director of the Arizona health care cost containment system administration shall specify to the state treasurer, THE JOINT LEGISLATIVE BUDGET COMMITTEE AND THE GOVERNOR’S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON OR BEFORE DECEMBER 1 the amount to be withdrawn from the long-term care system fund. Of the amount specified REPORTED, the state treasurer shall distribute fifty percent to the counties pursuant to subsection B or C of
this section. The remaining fifty percent shall be distributed to the
THIS state. THE REPORT SHALL INCLUDE THE CALCULATIONS THE ADMINISTRATION
USED TO COMPUTE THE TOTAL AMOUNT OF THE SURPLUS AND THE APPORTIONMENT OF
THE SURPLUS BETWEEN EACH COUNTY AND THIS STATE.

N. The board of supervisors of a county that is a program
contractor pursuant to section 36-2940 shall include in its annual budget,
subject to title 42, chapter 17, articles 2 and 3, monies received from
the Arizona health care cost containment system fund and long-term care
system fund for the purposes of title 36, chapter 29, article 2.

O. Notwithstanding any law to the contrary, beginning in fiscal
year 2005-2006 and in each fiscal year thereafter, the state treasurer
shall withhold a total of two million three hundred ninety-five thousand
four hundred dollars $2,395,400 for the county contribution for the
administrative costs of implementing sections 36-2901.01 and 36-2901.04
beginning with the second monthly distribution of transaction privilege
tax revenues otherwise distributable after subtracting any amounts
withheld for the county long-term care contribution. Beginning in fiscal
year 2006-2007, The state treasurer shall adjust the amount withheld
according to the annual changes in the GDP price deflator and as
calculated by the joint legislative budget committee staff. Beginning in
fiscal year 2006-2007, The joint legislative budget committee shall
calculate an additional adjustment of the allocation required by this
subsection based on changes in the population as reported by the office of
economic opportunity. For the purposes of this subsection, "GDP price
deflator" has the same meaning prescribed in section 41-563. Each
county's annual contribution is as follows:

1. Apache, 3.296 percent.
2. Cochise, 6.148 percent.
3. Coconino, 6.065 percent.
4. Gila, 2.491 percent.
5. Graham, 1.7710 percent.
6. Greenlee, 0.455 percent.
7. La Paz, 0.9430 percent.
8. Mohave, 7.079 percent.
10. Pima, 42.168 percent.
11. Pinal, 8.251 percent.
12. Santa Cruz, 1.950 percent.
13. Yavapai, 7.794 percent.

P. The state treasurer shall deposit the amounts paid pursuant to
subsection O of this section in the budget neutrality compliance fund
established by section 36-2928.
Q. Beginning in fiscal year 2006-2007 for a county that is subject to section 12-269, the county's contributions pursuant to this section shall be reduced by the amount of state aid for probation services that the county would have received in the first fiscal year in which the county does not receive state aid for probation services. Any increase in the county's contributions in subsequent years shall be reduced according to its proportionate share of the base contribution. County contributions shall be reduced in the following priority:

1. First as applied to the contribution provided for in subsection O of this section.

2. Second as applied to the contribution provided for in subsection A of this section or any other contribution for acute care or for the provision of hospitalization and medical care that would otherwise be required.

3. Third as applied to the contribution provided for in subsection C of this section.

R. Beginning in fiscal year 2007-2008 for a county that is subject to section 22-117, subsection D, the county's contributions pursuant to this section shall be reduced by the amount of the state reimbursement that the county would have received in fiscal year 2007-2008 for the salaries of justices of the peace pursuant to section 22-117, subsection B. Any increase in the county's contributions in subsequent years shall be reduced according to its proportionate share of the base contribution. County contributions shall be reduced in the following priority:

1. First as applied to the contribution provided for in subsection O of this section.

2. Second as applied to the contribution provided for in subsection A of this section or any other contribution for acute care or for the provision of hospitalization and medical care that would otherwise be required.

S. For the purposes of this section, "net assessed value" includes the values used to determine voluntary contributions collected pursuant to title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

Sec. 2. Laws 2023, chapter 139, section 4 is amended to read:

Sec. 4. **Department of health services; collaborative care uptake fund; exemption; technical assistance grants; delayed repeal; transfer of monies; definitions**

A. The collaborative care uptake fund is established in the department. The fund consists of monies appropriated by the legislature. Monies in the fund are continuously appropriated AND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO LAPSING OF APPROPRIATIONS. The department may not use more than three percent of the monies deposited in the fund to administer the fund.
B. The department shall use the collaborative care uptake fund to award grants to primary care physicians who are in a medical practice with not more than fifty employees to meet the initial costs of establishing and delivering behavioral health integration services through the collaborative care model and for technical assistance grants pursuant to subsection D of this section.

C. A primary care physician who receives a grant under this section may use the grant monies:
   1. To hire staff.
   2. To identify and formalize contractual relationships with other health care practitioners, including health care practitioners who will function as psychiatric consultants and behavioral health care managers in providing behavioral health integration services through the collaborative care model.
   3. To purchase or upgrade software and other resources needed to appropriately provide behavioral health integration services through the collaborative care model, including resources needed to establish a patient registry and implement measurement-based care.
   4. For any other purposes the department prescribes as necessary to support the collaborative care model.

D. The department shall solicit proposals from and enter into grant agreements for fiscal year 2023-2024 with eligible collaborative care technical assistance center applicants to provide technical assistance to primary care physicians on providing behavioral health integration services through the collaborative care model. Each collaborative care technical assistance center applicant must provide in the grant application information on how the collaborative care technical assistance center will meet the assistance requirements prescribed in subsection E of this section in order to be eligible for a grant.

E. A collaborative care technical assistance center that receives a grant under subsection D of this section shall provide technical assistance to primary care physicians and shall assist the primary care physicians with the following:
   1. Developing financial models and budgets for program launch and sustainability based on practice size.
   2. Developing staffing models for essential staff roles, including care managers and consulting psychiatrists.
   3. Providing information technology expertise to assist with building the model requirements into electronic health records, including assistance with care manager tools, patient registry, ongoing patient monitoring and patient records.
   4. Providing training support for all key staff and operational consultation to develop practice workflows.
5. Establishing methods to ensure the sharing of best practices and operational knowledge among primary care physicians who provide behavioral health integration services through the collaborative care model.

6. For any other purposes the department prescribes as necessary to support the collaborative care model.

F. FROM AND AFTER JUNE 30, 2025, THIS SECTION IS REPEALED AND ANY UNEXPENDED AND UNENCUMBERED MONIES REMAINING IN THE COLLABORATIVE CARE UPTAKE FUND ESTABLISHED BY THIS SECTION ARE TRANSFERRED TO THE STATE GENERAL FUND.

G. For the purposes of this section:

1. "Collaborative care model" means the evidence-based, integrated behavioral health service delivery method that is described as the psychiatric collaborative care model in 81 Federal Register 80230, that includes a formal collaborative arrangement among a primary care team consisting of a primary care physician, a care manager and a psychiatric consultant and that includes the following elements:
   (a) Care directed by the primary care team.
   (b) Structured care management.
   (c) Regular assessments of clinical status using developmentally appropriate, validated tools.
   (d) Modification of treatment as appropriate.

2. "Collaborative care technical assistance center":
   (a) Means a health care organization that can provide educational support and technical assistance related to the collaborative care model.
   (b) Includes an academic medical center.

3. "Department" means the department of health services.

4. "Primary care physician" has the same meaning prescribed in section 36-2901, Arizona Revised Statutes.

Sec. 3. ALTCS; county contributions; fiscal year 2024-2025

A. Notwithstanding section 11-292, Arizona Revised Statutes, as amended by this act, county contributions for the Arizona long-term care system for fiscal year 2024-2025 are as follows:

1. Apache $ 975,500
2. Cochise $ 973,400
3. Coconino $ 2,928,200
4. Gila $ 3,161,900
5. Graham $ 1,596,200
6. Greenlee $ 43,400
7. La Paz $ 990,200
8. Maricopa $269,359,200
9. Mohave $ 11,389,600
10. Navajo $ 4,037,000
11. Pima $ 62,975,600
12. Pinal $ 16,370,500
13. Santa Cruz $ 2,880,000
14. Yavapai $ 9,862,900
15. Yuma $ 12,328,500

B. If the overall cost for the Arizona long-term care system exceeds the amount specified in the general appropriations act for fiscal year 2024-2025, the state treasurer shall collect from the counties the difference between the amount specified in subsection A of this section and the counties' share of the state's actual contribution. The counties' share of the state's contribution must comply with any federal maintenance of effort requirements. The director of the Arizona health care cost containment system administration shall notify the state treasurer of the counties' share of the state's contribution and report the amount to the director of the joint legislative budget committee. The state treasurer shall withhold from any other monies payable to a county from whatever state funding source is available an amount necessary to fulfill that county's requirement specified in this subsection. 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. The state treasurer shall deposit the amounts withheld pursuant to this subsection and amounts paid pursuant to subsection A of this section in the long-term care system fund established by section 36-2913, Arizona Revised Statutes.

Sec. 4. AHCCCS; disproportionate share payments; fiscal year 2024-2025

A. Disproportionate share payments for fiscal year 2024-2025 made pursuant to section 36-2903.01, subsection O, Arizona Revised Statutes, include:

1. $113,818,500 for a qualifying nonstate operated public hospital. The Maricopa county special health care district shall provide a certified public expense form for the amount of qualifying disproportionate share hospital expenditures made on behalf of this state to the Arizona health care cost containment system administration on or before May 1, 2025 for all state plan years as required by the Arizona health care cost containment system state plan. The administration shall assist the district in determining the amount of qualifying disproportionate share hospital expenditures. Once the administration files a claim with the federal government and receives federal financial participation based on the amount certified by the Maricopa county special health care district, if the certification is equal to or less than $113,818,500 and the administration determines that the revised amount is correct pursuant to the methodology used by the administration pursuant to section 36-2903.01, Arizona Revised Statutes, the administration shall notify the governor, the president of the senate and the speaker of the house of representatives, shall distribute $4,202,300 to the Maricopa county special health care district and shall deposit the balance of the federal financial participation in the state general fund. If the certification
provided is for an amount less than $113,818,500 and the administration determines that the revised amount is not correct pursuant to the methodology used by the administration pursuant to section 36-2903.01, Arizona Revised Statutes, the administration shall notify the governor, the president of the senate and the speaker of the house of representatives and shall deposit the total amount of the federal financial participation in the state general fund. If the certification provided is for an amount greater than $113,818,500, the administration shall distribute $4,202,300 to the Maricopa county special health care district and shall deposit $69,654,500 of the federal financial participation in the state general fund. The administration may make additional disproportionate share hospital payments to the Maricopa county special health care district pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes, and subsection B of this section.

2. $28,474,900 for the Arizona state hospital. The Arizona state hospital shall provide a certified public expense form for the amount of qualifying disproportionate share hospital expenditures made on behalf of this state to the administration on or before March 31, 2025. The administration shall assist the Arizona state hospital in determining the amount of qualifying disproportionate share hospital expenditures. Once the administration files a claim with the federal government and receives federal financial participation based on the amount certified by the Arizona state hospital, the administration shall deposit the entire amount of federal financial participation in the state general fund. If the certification provided is for an amount less than $28,474,900, the administration shall notify the governor, the president of the senate and the speaker of the house of representatives and shall deposit the entire amount of federal financial participation in the state general fund. The certified public expense form provided by the Arizona state hospital must contain both the total amount of qualifying disproportionate share hospital expenditures and the amount limited by section 1923(g) of the social security act.

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

   (a) Meet the mandatory definition of disproportionate share qualifying hospitals under section 1923 of the social security act.
   
   (b) Are located in Yuma county and contain at least three hundred beds.

B. After the distributions made pursuant to subsection A of this section, the allocations of disproportionate share hospital payments made pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,
shall be made available in the following order to qualifying private hospitals that are:

1. Located in a county with a population of fewer than four hundred thousand persons.
2. Located in a county with a population of at least four hundred thousand persons but fewer than nine hundred thousand persons.
3. Located in a county with a population of at least nine hundred thousand persons.

Sec. 5. AHCCCS transfer; counties; federal monies; fiscal year 2024-2025

On or before December 31, 2025, notwithstanding any other law, for fiscal year 2024-2025 the Arizona health care cost containment system administration shall transfer to the counties the portion, if any, as may be necessary to comply with section 10201(c)(6) of the patient protection and affordable care act (P.L. 111-148), regarding the counties' proportional share of this state's contribution.

Sec. 6. AHCCCS; hospital assessment; behavioral health costs; delayed repeal

A. Notwithstanding section 36-2901.08, Arizona Revised Statutes, in fiscal years 2024-2025 and 2025-2026, the Arizona health care cost containment system administration may use the hospital assessment established by section 36-2901.08, Arizona Revised Statutes, to fund a portion of the nonfederal share of the costs of the services described in section 36-2907, subsection F, Arizona Revised Statutes, that are not covered by the proposition 204 protection account established by section 36-778, Arizona Revised Statutes, and the Arizona tobacco litigation settlement fund established by section 36-2901.02, Arizona Revised Statutes, or any other monies appropriated to cover these costs, for all of the following individuals:

1. Persons who are defined as eligible pursuant to section 36-2901.07, Arizona Revised Statutes.
2. Persons who do not meet the eligibility standards described in the state plan or the section 1115 waiver that was in effect immediately before November 27, 2000, but who meet the eligibility standards described in the state plan effective as of October 1, 2001.
3. Persons who are defined as eligible pursuant to section 36-2901.01, Arizona Revised Statutes, but who do not meet the eligibility criteria in either section 36-2934, Arizona Revised Statutes, or the state plan in effect as of January 1, 2013.

B. This section is repealed from and after June 30, 2026.

Sec. 7. AHCCCS; rulemaking exemption; hospital assessment

Notwithstanding any other law, for the purposes of implementing the hospital assessment pursuant to section 36-2999.72, Arizona Revised Statutes, the Arizona health care cost containment system administration is exempt from the rulemaking requirements in title 41, chapter 6, Arizona
Revised Statutes, for one year after the effective date of this section, except that the administration must provide notice and an opportunity for public comment at least thirty days before establishing or implementing the administration of the hospital assessment.

Sec. 8. County acute care contributions; fiscal year 2024-2025; intent

A. Notwithstanding section 11-292, Arizona Revised Statutes, as amended by this act, for fiscal year 2024-2025 for the provision of hospitalization and medical care, the counties shall contribute the following amounts:

1. Apache $268,800
2. Cochise $2,214,800
3. Coconino $742,900
4. Gila $1,413,200
5. Graham $536,200
6. Greenlee $190,700
7. La Paz $212,100
8. Maricopa $15,145,900
9. Mohave $1,237,700
10. Navajo $310,800
11. Pima $14,951,800
12. Pinal $2,715,600
13. Santa Cruz $482,800
14. Yavapai $1,427,800
15. Yuma $1,325,100

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.

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

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

F. The legislature intends that the Maricopa county contribution pursuant to subsection A of this section be reduced in each subsequent 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. 9. 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 O, Arizona Revised Statutes, as amended by this act, are excluded from the county expenditure limitations.

Sec. 10. 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. 11. AHCCCS: risk contingency rate setting

Notwithstanding any other law, for the contract year beginning October 1, 2024 and ending September 30, 2025, 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. 12. **AHCCCS; mental health medication utilization;**

**report; definition**

A. Not later than January 31, 2025, the Arizona health care cost containment system administration shall prepare and issue a report to the governor, the chairpersons of the house of representatives and senate health and human services committees, or their successor committees, the director of the joint legislative budget committee and the director of the governor's office of strategic planning and budgeting that includes information about the costs and utilization of mental health medications during contract years 2020-2023. The administration shall provide a copy of the report to the secretary of state.

B. The report required by subsection A of this section shall include the annual gross amount spent for each mental health medication class, the annual net amount spent after rebates and the state and federal share of the costs. The report shall also include the average annual cost by class for generic and nongeneric mental health medications. For antipsychotic and antidepressant medications, the report shall include the total number of prior authorizations submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications, the percentage of prior authorization approvals and denials, the generic antipsychotic and generic antidepressant medication utilization percentages and the total amount of antipsychotic and antidepressant medication claims.

C. For purposes of this section, "mental health medication" means the following medications:

1. Antipsychotics.
2. Antidepressants.
3. Anxiolytics.
4. Stimulants.
5. Sedative hypnotics.

Sec. 13. **Legislative intent; implementation of program**

The legislature intends that for fiscal year 2024-2025 the Arizona health care cost containment system administration implement a program within the available appropriation.