

REFERENCE TITLE: **health care; 2024-2025**

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)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 11-292, Arizona Revised Statutes, is amended to
3 read:

4 **11-292. Medical care; definition**

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

19 B. For fiscal year 1994-1995, and for each fiscal year thereafter,
20 the state treasurer shall withhold an amount sufficient to meet the county
21 portion of the nonfederal costs of providing long-term care system
22 services, pursuant to title 36, chapter 29, article 2, excluding services
23 to persons with developmental disabilities, from monies otherwise payable
24 to the county under section 42-5029, subsection D, paragraph 2. This
25 amount and the state portion of the nonfederal costs shall be specified in
26 the annual appropriation for the maintenance and operation of the Arizona
27 health care cost containment system. For fiscal years 1994-1995,
28 1995-1996 and 1996-1997, monies shall be withheld from each county based
29 on the following percentages derived from a state auditor general's
30 certified audit of fiscal year 1987-1988 county long-term care and home
31 health care expenditures, except that amounts withheld shall be adjusted
32 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%

1	14. Yavapai:	3.12%
2	15. Yuma:	2.75%

3 C. In each fiscal year, of the total amount that is specified in
4 the annual appropriation as the nonfederal portion of the cost of
5 providing long-term care services and that portion of the phased-down
6 medicare prescription drug state contribution attributable to the Arizona
7 long-term care system, excluding services and phased-down medicare
8 prescription drug state contribution costs associated with persons with
9 developmental disabilities, and that represents an increase from the
10 amount that was specified in the annual appropriation for the prior fiscal
11 year, the state shall pay fifty percent of the increase. The remaining
12 nonfederal portion of the costs shall be apportioned among the counties
13 according to the proportion that each county's net nonfederal expenditures
14 for long-term care services, excluding services to persons with
15 developmental disabilities, bears to the total nonfederal expenditure for
16 all counties two fiscal years earlier, with the following adjustments in
17 the following order:

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

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

33 3. If, after making the adjustments in this subsection, a county
34 would contribute more than if its contribution were calculated using the
35 percentage prescribed in subsection B of this section multiplied by the
36 total nonfederal costs of long-term care services, excluding services to
37 persons with developmental disabilities, the county's contribution shall
38 be reduced to the sum of its prior year's contribution plus fifty percent
39 of the difference between the prior year's contribution were it calculated
40 using the percentage in subsection B of this section and the current
41 year's contribution as if its share of the total nonfederal portion of
42 long-term care costs had been calculated using the percentage prescribed
43 in subsection B of this section, and the state shall pay any difference
44 from the amount otherwise required by this subsection.

1 4. After making all of the adjustments in this subsection, a
2 statewide per capita county contribution shall be calculated by summing
3 the contributions for all counties and then dividing the resulting total
4 by the total state population. If an individual county's contribution
5 when expressed as a per capita contribution exceeds the statewide per
6 capita county contribution, the county's contribution shall be reduced so
7 that the county's contribution equals the statewide per capita
8 contribution, and the difference shall be paid by the state. For the
9 purposes of this paragraph, "population" means the population estimate
10 approved by the office of economic opportunity for the most recent fiscal
11 year.

12 D. The director of the Arizona health care cost containment system
13 administration shall notify each county of the amount determined pursuant
14 to subsection A of this section to be included in its annual budget ~~TO~~ NOT
15 later than May 1 of each year.

16 E. If a county does not provide funding as specified in subsection
17 A of this section, the state treasurer shall subtract the amount owed to
18 the Arizona health care cost containment system fund by the county from
19 any payments required to be made by the state treasurer to that county
20 pursuant to section 42-5029, subsection D, paragraph 2, plus interest on
21 that amount pursuant to section 44-1201 retroactive to the first day the
22 funding was due. If the monies the state treasurer withholds are
23 insufficient to meet that county's funding requirement as specified in
24 subsection A of this section, the state treasurer shall withhold from any
25 other monies payable to that county from whatever state funding source is
26 available an amount necessary to fulfill that county's requirement. The
27 state treasurer shall not withhold distributions from the highway user
28 revenue fund pursuant to title 28, chapter 18, article 2.

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

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

40 H. If payments made pursuant to subsection F of this section exceed
41 the amount required to meet the costs incurred by the Arizona health care
42 cost containment system for the hospitalization and medical care of a
43 person who is defined as an eligible person pursuant to section 36-2901,
44 paragraph 6, subdivision (a), the director of the Arizona health care cost

1 containment system administration may instruct the state treasurer **TO**
2 either: **to**

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

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

7 I. The amount of the county contribution to the Arizona health care
8 cost containment system fund established by section 36-2913 shall not
9 exceed thirty-three percent of the amount that the system administration
10 expended in the county for fiscal year 1983-1984. For the purposes of
11 this subsection, system administration expenditures in a county for fiscal
12 year 1983-1984 are the total capitation and fee for service amounts paid
13 by the system administration to providers in a county before February 1,
14 1986 for services rendered during fiscal year 1983-1984 to persons
15 eligible for the system.

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

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

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

38 M. If any monies in the funds for the purpose of title 36, chapter
39 29, article 2 remain unexpended at the end of the fiscal year, the
40 director of the Arizona health care cost containment system administration
41 shall **specify** **REPORT** to the state treasurer, **THE JOINT LEGISLATIVE BUDGET**
42 **COMMITTEE AND THE GOVERNOR'S OFFICE OF STRATEGIC PLANNING AND BUDGETING ON**
43 **OR BEFORE DECEMBER 1** the amount to be withdrawn from the long-term care
44 system fund. Of the amount **specified** **REPORTED**, the state treasurer shall
45 distribute fifty percent to the counties pursuant to subsection B or C of

1 this section. The remaining fifty percent shall be distributed to ~~the~~
2 ~~THIS STATE. THE REPORT SHALL INCLUDE THE CALCULATIONS THE ADMINISTRATION~~
3 ~~USED TO COMPUTE THE TOTAL AMOUNT OF THE SURPLUS AND THE APPORTIONMENT OF~~
4 ~~THE SURPLUS BETWEEN EACH COUNTY AND THIS STATE.~~

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

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

- 27 1. Apache, 3.296 percent.
- 28 2. Cochise, 6.148 percent.
- 29 3. Coconino, 6.065 percent.
- 30 4. Gila, 2.491 percent.
- 31 5. Graham, 1.7710 percent.
- 32 6. Greenlee, 0.455 percent.
- 33 7. La Paz, 0.9430 percent.
- 34 8. Mohave, 7.079 percent.
- 35 9. Navajo, 4.640 percent.
- 36 10. Pima, 42.168 percent.
- 37 11. Pinal, 8.251 percent.
- 38 12. Santa Cruz, 1.950 percent.
- 39 13. Yavapai, 7.794 percent.
- 40 14. Yuma, 6.949 percent.

41 P. The state treasurer shall deposit the amounts paid pursuant to
42 subsection O of this section in the budget neutrality compliance fund
43 established by section 36-2928.

1 Q. Beginning in fiscal year 2006-2007 for a county that is subject
2 to section 12-269, the county's contributions pursuant to this section
3 shall be reduced by the amount of state aid for probation services that
4 the county would have received in the first fiscal year in which the
5 county does not receive state aid for probation services. Any increase in
6 the county's contributions in subsequent years shall be reduced according
7 to its proportionate share of the base contribution. County contributions
8 shall be reduced in the following priority:

9 1. First as applied to the contribution provided for in subsection
10 0 of this section.

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

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

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

26 1. First as applied to the contribution provided for in subsection
27 0 of this section.

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

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

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

36 Sec. 4. Department of health services: collaborative care
37 uptake fund: exemption: technical assistance
38 grants: delayed repeal: transfer of monies:
39 definitions

40 A. The collaborative care uptake fund is established in the
41 department. The fund consists of monies appropriated by the legislature.
42 Monies in the fund are continuously appropriated **AND ARE EXEMPT FROM THE**
43 **PROVISIONS OF SECTION 35-190, ARIZONA REVISED STATUTES, RELATING TO**
44 **LAPSING OF APPROPRIATIONS.** The department may not use more than three
45 percent of the monies deposited in the fund to administer the fund.

1 B. The department shall use the collaborative care uptake fund
2 monies ~~in fiscal year 2023-2024~~ to award grants to primary care physicians
3 who are in a medical practice with not more than fifty employees to meet
4 the initial costs of establishing and delivering behavioral health
5 integration services through the collaborative care model and for
6 technical assistance grants pursuant to subsection D of this section.

7 C. A primary care physician who receives a grant under this section
8 may use the grant monies:

9 1. To hire staff.

10 2. To identify and formalize contractual relationships with other
11 health care practitioners, including health care practitioners who will
12 function as psychiatric consultants and behavioral health care managers in
13 providing behavioral health integration services through the collaborative
14 care model.

15 3. To purchase or upgrade software and other resources needed to
16 appropriately provide behavioral health integration services through the
17 collaborative care model, including resources needed to establish a
18 patient registry and implement measurement-based care.

19 4. For any other purposes the department prescribes as necessary to
20 support the collaborative care model.

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

30 E. A collaborative care technical assistance center that receives a
31 grant under subsection D of this section shall provide technical
32 assistance to primary care physicians and shall assist the primary care
33 physicians with the following:

34 1. Developing financial models and budgets for program launch and
35 sustainability based on practice size.

36 2. Developing staffing models for essential staff roles, including
37 care managers and consulting psychiatrists.

38 3. Providing information technology expertise to assist with
39 building the model requirements into electronic health records, including
40 assistance with care manager tools, patient registry, ongoing patient
41 monitoring and patient records.

42 4. Providing training support for all key staff and operational
43 consultation to develop practice workflows.

1 5. Establishing methods to ensure the sharing of best practices and
2 operational knowledge among primary care physicians who provide behavioral
3 health integration services through the collaborative care model.

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

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

10 F. G. For the purposes of this section:

11 1. "Collaborative care model" means the evidence-based, integrated
12 behavioral health service delivery method that is described as the
13 psychiatric collaborative care model in 81 Federal Register 80230, that
14 includes a formal collaborative arrangement among a primary care team
15 consisting of a primary care physician, a care manager and a psychiatric
16 consultant and that includes the following elements:

17 (a) Care directed by the primary care team.

18 (b) Structured care management.

19 (c) Regular assessments of clinical status using developmentally
20 appropriate, validated tools.

21 (d) Modification of treatment as appropriate.

22 2. "Collaborative care technical assistance center":

23 (a) Means a health care organization that can provide educational
24 support and technical assistance related to the collaborative care model.

25 (b) Includes an academic medical center.

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

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

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

30 A. Notwithstanding section 11-292, Arizona Revised Statutes, as
31 amended by this act, county contributions for the Arizona long-term care
32 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

1	14. Yavapai	\$ 9,862,900
2	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 0, 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

1 provided is for an amount less than \$113,818,500 and the administration
2 determines that the revised amount is not correct pursuant to the
3 methodology used by the administration pursuant to section 36-2903.01,
4 Arizona Revised Statutes, the administration shall notify the governor,
5 the president of the senate and the speaker of the house of
6 representatives and shall deposit the total amount of the federal
7 financial participation in the state general fund. If the certification
8 provided is for an amount greater than \$113,818,500, the administration
9 shall distribute \$4,202,300 to the Maricopa county special health care
10 district and shall deposit \$69,654,500 of the federal financial
11 participation in the state general fund. The administration may make
12 additional disproportionate share hospital payments to the Maricopa county
13 special health care district pursuant to section 36-2903.01, subsection P,
14 Arizona Revised Statutes, and subsection B of this section.

15 2. \$28,474,900 for the Arizona state hospital. The Arizona state
16 hospital shall provide a certified public expense form for the amount of
17 qualifying disproportionate share hospital expenditures made on behalf of
18 this state to the administration on or before March 31, 2025. The
19 administration shall assist the Arizona state hospital in determining the
20 amount of qualifying disproportionate share hospital expenditures. Once
21 the administration files a claim with the federal government and receives
22 federal financial participation based on the amount certified by the
23 Arizona state hospital, the administration shall deposit the entire amount
24 of federal financial participation in the state general fund. If the
25 certification provided is for an amount less than \$28,474,900, the
26 administration shall notify the governor, the president of the senate and
27 the speaker of the house of representatives and shall deposit the entire
28 amount of federal financial participation in the state general fund. The
29 certified public expense form provided by the Arizona state hospital must
30 contain both the total amount of qualifying disproportionate share
31 hospital expenditures and the amount limited by section 1923(g) of the
32 social security act.

33 3. \$884,800 for private qualifying disproportionate share
34 hospitals. The Arizona health care cost containment system administration
35 shall make payments to hospitals consistent with this appropriation and
36 the terms of the state plan, but payments are limited to those hospitals
37 that either:

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

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

42 B. After the distributions made pursuant to subsection A of this
43 section, the allocations of disproportionate share hospital payments made
44 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,

1 shall be made available in the following order to qualifying private
2 hospitals that are:

3 1. Located in a county with a population of fewer than four hundred
4 thousand persons.

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

7 3. Located in a county with a population of at least nine hundred
8 thousand persons.

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

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

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

19 A. Notwithstanding section 36-2901.08, Arizona Revised Statutes, in
20 fiscal years 2024-2025 and 2025-2026, the Arizona health care cost
21 containment system administration may use the hospital assessment
22 established by section 36-2901.08, Arizona Revised Statutes, to fund a
23 portion of the nonfederal share of the costs of the services described in
24 section 36-2907, subsection F, Arizona Revised Statutes, that are not
25 covered by the proposition 204 protection account established by section
26 36-778, Arizona Revised Statutes, and the Arizona tobacco litigation
27 settlement fund established by section 36-2901.02, Arizona Revised
28 Statutes, or any other monies appropriated to cover these costs, for all
29 of the following individuals:

30 1. Persons who are defined as eligible pursuant to section
31 36-2901.07, Arizona Revised Statutes.

32 2. Persons who do not meet the eligibility standards described in
33 the state plan or the section 1115 waiver that was in effect immediately
34 before November 27, 2000, but who meet the eligibility standards described
35 in the state plan effective as of October 1, 2001.

36 3. Persons who are defined as eligible pursuant to section
37 36-2901.01, Arizona Revised Statutes, but who do not meet the eligibility
38 criteria in either section 36-2934, Arizona Revised Statutes, or the state
39 plan in effect as of January 1, 2013.

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

41 Sec. 7. AHCCCS: rulemaking exemption: hospital assessment

42 Notwithstanding any other law, for the purposes of implementing the
43 hospital assessment pursuant to section 36-2999.72, Arizona Revised
44 Statutes, the Arizona health care cost containment system administration
45 is exempt from the rulemaking requirements in title 41, chapter 6, Arizona

1 Revised Statutes, for one year after the effective date of this section,
2 except that the administration must provide notice and an opportunity for
3 public comment at least thirty days before establishing or implementing
4 the administration of the hospital assessment.

5 Sec. 8. County acute care contributions; fiscal year
6 2024-2025; intent

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

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

26 B. If a county does not provide funding as specified in subsection
27 A of this section, the state treasurer shall subtract the amount owed by
28 the county to the Arizona health care cost containment system fund and the
29 long-term care system fund established by section 36-2913, Arizona Revised
30 Statutes, from any payments required to be made by the state treasurer to
31 that county pursuant to section 42-5029, subsection D, paragraph 2,
32 Arizona Revised Statutes, plus interest on that amount pursuant to section
33 44-1201, Arizona Revised Statutes, retroactive to the first day the
34 funding was due. If the monies the state treasurer withholds are
35 insufficient to meet that county's funding requirements as specified in
36 subsection A of this section, the state treasurer shall withhold from any
37 other monies payable to that county from whatever state funding source is
38 available an amount necessary to fulfill that county's requirement. The
39 state treasurer may not withhold distributions from the Arizona highway
40 user revenue fund pursuant to title 28, chapter 18, article 2, Arizona
41 Revised Statutes.

42 C. Payment of an amount equal to one-twelfth of the total amount
43 determined pursuant to subsection A of this section shall be made to the
44 state treasurer on or before the fifth day of each month. On request from
45 the director of the Arizona health care cost containment system

1 administration, the state treasurer shall require that up to three months' 2 payments be made in advance, if necessary.

3 D. The state treasurer shall deposit the amounts paid pursuant to 4 subsection C of this section and amounts withheld pursuant to subsection B 5 of this section in the Arizona health care cost containment system fund 6 and the long-term care system fund established by section 36-2913, Arizona 7 Revised Statutes.

8 E. If payments made pursuant to subsection C of this section exceed 9 the amount required to meet the costs incurred by the Arizona health care 10 cost containment system for the hospitalization and medical care of those 11 persons defined as an eligible person pursuant to section 36-2901, 12 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the 13 director of the Arizona health care cost containment system administration 14 may instruct the state treasurer either to reduce remaining payments to be 15 paid pursuant to this section by a specified amount or to provide to the 16 counties specified amounts from the Arizona health care cost containment 17 system fund and the long-term care system fund established by section 18 36-2913, Arizona Revised Statutes.

19 F. The legislature intends that the Maricopa county contribution 20 pursuant to subsection A of this section be reduced in each subsequent 21 year according to the changes in the GDP price deflator. For the purposes 22 of this subsection, "GDP price deflator" has the same meaning prescribed 23 in section 41-563, Arizona Revised Statutes.

24 Sec. 9. Proposition 204 administration; exclusion; county
expenditure limitations

26 County contributions for the administrative costs of implementing 27 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are 28 made pursuant to section 11-292, subsection 0, Arizona Revised Statutes, 29 as amended by this act, are excluded from the county expenditure 30 limitations.

31 Sec. 10. Competency restoration; exclusion; county
expenditure limitations

33 County contributions made pursuant to section 13-4512, Arizona 34 Revised Statutes, are excluded from the county expenditure limitations.

35 Sec. 11. AHCCCS; risk contingency rate setting

36 Notwithstanding any other law, for the contract year beginning 37 October 1, 2024 and ending September 30, 2025, the Arizona health care 38 cost containment system administration may continue the risk contingency 39 rate setting for all managed care organizations and the funding for all 40 managed care organizations administrative funding levels that were imposed 41 for the contract year beginning October 1, 2010 and ending 42 September 30, 2011.

1 Sec. 12. AHCCCS: mental health medication utilization:
2 report; definition

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

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

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

- 25 1. Antipsychotics.
- 26 2. Antidepressants.
- 27 3. Anxiolytics.
- 28 4. Stimulants.
- 29 5. Sedative hypnotics.

30 Sec. 13. Legislative intent; implementation of program

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