

REFERENCE TITLE: developmental disabilities; appropriations; waivers

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
First Regular Session  
2025

## **HB 2945**

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

### **AN ACT**

AMENDING SECTION 36-2901.06, ARIZONA REVISED STATUTES; AMENDING TITLE 36, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 33; AMENDING SECTION 41-723, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO DEVELOPMENTAL DISABILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-2901.06, Arizona Revised Statutes, is amended  
3 to read:

4 36-2901.06. Capitation rate adjustments; limit

5 A. Capitation rate adjustments shall be limited to utilization of  
6 existing services and inflation unless policy changes, including creation  
7 or expansion of programs, have been approved by the legislature or are  
8 specifically required by federal law or court mandate.

9 B. CAPITATION RATE ADJUSTMENTS FOR THE SUCCEEDING FISCAL YEAR FOR  
10 THE DEPARTMENT, FOR PERSONS WITH DEVELOPMENTAL DISABILITIES, AND THE  
11 SYSTEM SHALL BE AS SPECIFIED IN THE GENERAL APPROPRIATIONS ACT.

12 Sec. 2. Title 36, Arizona Revised Statutes, is amended by adding  
13 chapter 33, to read:

14 CHAPTER 33

15 WAIVERS

16 ARTICLE 1. REQUIREMENTS

17 36-3301. Definitions

18 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

19 1. "ADMINISTRATION" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT  
20 SYSTEM ADMINISTRATION.

21 2. "DEPARTMENT" MEANS THE DEPARTMENT OF ECONOMIC SECURITY.

22 36-3302. Waiver requests; legislative approval required

23 THE ADMINISTRATION MAY NOT SUBMIT TO THE CENTERS FOR MEDICARE AND  
24 MEDICAID SERVICES, OR THE SUCCESSOR AGENCY, A NEW REQUEST, A RENEWAL  
25 REQUEST OR A TERMINATION REQUEST FOR ANY WAIVER OR WAIVER AMENDMENT  
26 WITHOUT FIRST OBTAINING LEGISLATIVE APPROVAL IN THE FORM OF A STATUTE  
27 AUTHORIZING THE PROPOSED WAIVER OR WAIVER AMENDMENT.

28 ARTICLE 2. WAIVERS

29 36-3311. Parents as paid caregivers program; waiver  
30 amendment; implementation

31 BEGINNING FROM AND AFTER JUNE 30, 2025, PURSUANT TO THE PARENTS AS  
32 PAID CAREGIVERS PROGRAM AMENDMENT APPROVAL BY THE CENTERS FOR MEDICARE AND  
33 MEDICAID SERVICES TO THIS STATE'S SECTION 1115(a) DEMONSTRATION WAIVER  
34 DATED FEBRUARY 16, 2024, THE ADMINISTRATION AND THE DEPARTMENT SHALL  
35 IMPLEMENT THE FORTY HOURS OF CARE SERVICES PER WEEK PER CHILD LIMIT.

36 36-3312. Parents as paid caregivers program; waiver amendment  
37 request

38 ON OR BEFORE OCTOBER 1, 2025, THE ADMINISTRATION SHALL SUBMIT A  
39 WAIVER AMENDMENT REQUEST TO THE CENTERS FOR MEDICARE AND MEDICAID SERVICES  
40 TO REDUCE THE PARENTS AS PAID CAREGIVERS PROGRAM CARE SERVICES PER WEEK  
41 PER CHILD LIMIT TO TWENTY HOURS. THE WAIVER AMENDMENT DOES NOT LIMIT THE  
42 TOTAL DIRECT CARE SERVICES HOURS AVAILABLE TO AN ELIGIBLE MEMBER.

1           Sec. 3. Section 41-723, Arizona Revised Statutes, is amended to  
2 read:

3           41-723. Governor's office of strategic planning and  
4                                   budgeting; duties

5           The director of the governor's office of strategic planning and  
6 budgeting shall:

7           1. Confer with officials of federal agencies concerning  
8 grants-in-aid generally, and particularly in regard to federal-aid  
9 programs in progress in this state.

10          2. ON OR BEFORE SEPTEMBER 1 OF EACH YEAR OR WITH THE SUBMISSION OF  
11 BUDGET ESTIMATES AS PROVIDED IN SECTION 35-113, report to the ~~legislature~~  
12 ~~at each regular session~~ STAFF OF THE JOINT LEGISLATIVE BUDGET COMMITTEE  
13 findings and recommendations in the following areas:

14           ~~(a) The total amount of federal grants-in-aid received by agencies~~  
15 ~~of this state during the preceding fiscal year.~~

16           ~~(b) The total amount of federal grants-in-aid available to agencies~~  
17 ~~of this state during the preceding fiscal year, giving reasons for any~~  
18 ~~difference between the amount of monies available to and the amount of~~  
19 ~~monies accepted by agencies of this state in all federal grant-in-aid~~  
20 ~~programs.~~

21           ~~(c) The adequacy of grant-in-aid programs in progress in this~~  
22 ~~state.~~

23           (a) EXCEPT FOR A UNIVERSITY UNDER THE JURISDICTION OF THE ARIZONA  
24 BOARD OF REGENTS, A REPORT ON THE USE OF FEDERAL MONIES BY ANY STATE  
25 AGENCY THAT RECEIVES FEDERAL MONIES, THAT ANTICIPATES RECEIPT OF FEDERAL  
26 MONIES OR THAT ADMINISTERS A PROGRAM SUPPORTED BY FEDERAL MONIES. A  
27 UNIVERSITY SHALL SUBMIT AN AUDITED SCHEDULE OF FEDERAL AWARD SPENDING FOR  
28 THE PRECEDING FISCAL YEAR TO THE STAFF OF THE JOINT LEGISLATIVE BUDGET  
29 COMMITTEE. THE REPORTS THAT ALL STATE AGENCIES, EXCEPT UNIVERSITIES, ARE  
30 REQUIRED TO SUBMIT MUST:

31           (i) DELINEATE THE FEDERAL MONIES RECEIVED FOR THE PRECEDING FISCAL  
32 YEAR.

33           (ii) DELINEATE THE FEDERAL MONIES TO BE USED BY THE STATE AGENCY  
34 FOR THE CURRENT AND UPCOMING FISCAL YEAR, INCLUDING ANY PROGRAMS SUPPORTED  
35 BY FEDERAL MONIES IN WHICH THE LOSS OF FEDERAL MONIES MAY IMPACT THE  
36 CONTINUITY OR DELIVERY OF SERVICES.

37           (iii) IDENTIFY THE DATE, IF KNOWN, ON WHICH FEDERAL MONIES ARE SET  
38 TO EXPIRE.

39           (iv) IDENTIFY ANY OBLIGATIONS, AGREEMENTS, JOINT EXERCISE OF POWERS  
40 AGREEMENTS, MAINTENANCE OF EFFORTS AGREEMENTS OR MEMORANDA OF  
41 UNDERSTANDING THAT MAY BE IMPACTED BY FEDERAL OR STATE DECISIONS REGARDING  
42 FEDERAL RECEIPTS, INCLUDING ANY STATE MATCHING REQUIREMENTS.

43           (v) CALCULATE THE PERCENTAGE OF FEDERAL MONIES FROM THE TOTAL  
44 MONIES AVAILABLE FOR THE STATE AGENCY FOR THE FISCAL YEAR.

1 (b) IF ANY STATE AGENCY RECEIVED NOTICE OF A REDUCTION IN FEDERAL  
2 MONIES FROM A SPECIFIC FEDERAL GRANT OF FIFTY PERCENT OR MORE FROM THE  
3 PREVIOUS FISCAL YEAR'S FUNDING, IDENTIFY THE PLAN TO EITHER REDUCE OR  
4 ELIMINATE THE SERVICES PROVIDED THROUGH THE GRANT OR TO CONTINUE SERVICES  
5 WITHOUT ANY INCREASE TO ANY STATE RESOURCES.

6 ~~(d)~~ (c) Federal grant-in-aid programs in which ~~the~~ THIS state does  
7 not participate.

8 ~~(e)~~ (d) Legislation necessary for activation of federal programs  
9 in which ~~the~~ THIS state does not participate.

10 ~~(f)~~ (e) Legislation necessary for improved operation of federal  
11 grant-in-aid programs in progress in ~~the~~ THIS state ~~of Arizona~~.

12 ~~(g)~~ (f) Advisability of accepting new grant-in-aid programs or  
13 discontinuing programs already in progress.

14 3. Have access to the books, accounts, reports and vouchers and all  
15 other pertinent records of all state agencies for the purpose of carrying  
16 out the provisions of this section.

17 Sec. 4. Supplemental appropriations; department of economic  
18 security; developmental disabilities program

19 A. In addition to any other appropriations made in fiscal year  
20 2024-2025, the following amounts from the following sources are  
21 appropriated in fiscal year 2024-2025 to the department of economic  
22 security for developmental disabilities medicaid program expenses:

23 1. \$10,000,000 from the Arizona competes fund established by  
24 section 41-1545.01, Arizona Revised Statutes.

25 2. \$38,000,000 from the housing trust fund established by section  
26 41-3955, Arizona Revised Statutes.

27 3. \$61,200,300 from the prescription drug rebate fund established  
28 by section 36-2930, Arizona Revised Statutes.

29 4. \$403,000,000 from developmental disabilities medicaid  
30 expenditure authority.

31 B. In addition to any other appropriations made in fiscal year  
32 2024-2025, the sum of \$13,100,000 is appropriated from the prescription  
33 drug rebate fund established by section 36-2930, Arizona Revised Statutes,  
34 in fiscal year 2024-2025 to the department of economic security for  
35 developmental disabilities cost effectiveness study – client services.

36 Sec. 5. Emergency

37 This act is an emergency measure that is necessary to preserve the  
38 public peace, health or safety and is operative immediately as provided by  
39 law.