

REFERENCE TITLE: health care; interoperability grants; appropriation

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

HB 2064

Introduced by
Representative Gress

AN ACT

ESTABLISHING A GRANT PROGRAM IN THE DEPARTMENT OF ADMINISTRATION;
APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Department of administration; grant program;
3 technology solution; hospital interoperability;
4 reports; delayed repeal; definitions

5 A. Notwithstanding section 41-703.01, Arizona Revised Statutes, for
6 fiscal years 2025-2026, 2026-2027 and 2027-2028, the department of
7 administration shall administer a competitive grant program that provides
8 a single company that licenses an interoperability software technology
9 solution to support acute care for rural hospitals, health care providers
10 and trauma centers with resources to further treatment and care
11 coordination with a focus on reducing public and private health care costs
12 and unnecessary transportation costs. The grant recipient may not use a
13 third-party vendor to comply with any of the grant program requirements.
14 The department of administration shall award the grant under this program
15 not later than December 1, 2025.

16 B. The Arizona health care cost containment system shall work with
17 the department of administration to supplement the grant monies by
18 identifying and applying to receive federal matching monies.

19 C. The grant program shall enable the implementation of a single
20 licensed interoperability software technology solution that is shared by
21 hospitals and health care providers to benefit patients before and after
22 discharge from provider care and that is accessible to current and future
23 providers via a mobile, native smartphone application.

24 D. The software shall be made available to rural hospitals, health
25 care providers and trauma centers that wish to participate by enabling a
26 hospital's electronic medical records system to interface with
27 interoperability technology and other electronic medical records systems
28 and providers to promote mobile connectivity between hospital systems and
29 facilitate increased communication between hospital staff and providers
30 that use different or distinctive online and mobile platforms and
31 information systems when treating acute patients. The department of
32 administration shall award one grant for an interoperability software
33 technology solution that, at a minimum:

34 1. Complies with the health insurance portability and
35 accountability act privacy standards (45 Code of Federal Regulations part
36 160 and part 164, subpart E).

37 2. Captures and forwards clinical data, including laboratory
38 results and images, and provides synchronous patient clinical data to
39 health care providers regardless of geographic location.

40 3. Provides a synchronous data exchange that is not batched or
41 delayed, at the point the clinical data is captured and available in the
42 hospital's electronic record system.

43 4. Is capable of providing proactive alerts to health care
44 providers on their smartphones or a smart device.

1 5. Allows both synchronous and asynchronous communication via a
2 native smartphone application.

3 6. Is mobile and can be used on multiple electronic devices. The
4 mobile technology must include, at a minimum, the industry standard
5 built-in application for the two most popular operating systems and a
6 built-in application available to all users.

7 7. Has patient-centric communication and is tracked with date and
8 time stamping.

9 8. Is connected to the appropriate physician resources.

10 9. Provides data to update cost reports to enhance emergency triage
11 and to treat and transport patients.

12 E. The grant recipient shall demonstrate both of the following:

13 1. That its interoperability software technology solution meets all
14 of the requirements of subsection D of this section at least thirty days
15 before applying for the grant.

16 2. Proof of veteran employment.

17 F. For fiscal years 2025-2026, 2026-2027 and 2027-2028, the grant
18 recipient shall provide to the department of administration a report that
19 provides metrics and quantifies cost and time savings for using an
20 interoperable software solution in health care that complies with the
21 health insurance portability and accountability act privacy standards (45
22 Code of Federal Regulations part 160 and part 164, subpart E). On or
23 before June 30 of each fiscal year, the department of administration in
24 coordination with the Arizona health care cost containment system shall
25 provide to the president of the senate, the speaker of the house of
26 representatives, the chairpersons of the health and human services
27 committees of the senate and the house of representatives and the
28 directors of the joint legislative budget committee and the governor's
29 office of strategic planning and budgeting a report on the allocation of
30 grant funding and a compiled analysis of the reports provided by the grant
31 recipient.

32 G. Monies appropriated for the purposes of this section do not
33 affect the monies appropriated in fiscal year 2022-2023 for
34 interoperability software technology solutions or any grant awarded to or
35 contract with a grant recipient pursuant to section 41-703.01, Arizona
36 Revised Statutes.

37 H. This section is repealed from and after December 31, 2028.

38 I. For the purposes of this section:

39 1. "Mobile" means available to end users on a smart device via a
40 native application and not an internet page or web portal.

41 2. "Native" means an application that is specifically developed for
42 the hardware and operating system that runs the application.

43 3. "Rural" means a county with a population of less than nine
44 hundred thousand persons.

1 4. "Veteran employment" means a business organization that employs
2 an individual or has a company officer who served and who was honorably
3 discharged from or released under honorable conditions from service in the
4 United States armed forces.

5 Sec. 2. Appropriation; department of administration; health
6 care interoperability; grant program; exemption;
7 exception

8 A. The sum of \$6,000,000 is appropriated from the state general
9 fund in fiscal year 2025-2026 to the department of administration for a
10 health care interoperability grant program.

11 B. The appropriation made in subsection A of this section is exempt
12 from the provisions of section 35-190, Arizona Revised Statutes, relating
13 to lapsing of appropriations, except that any unencumbered and unspent
14 monies remaining on June 30, 2028, revert to the state general fund.