

House Engrossed

~~TPT reimbursement; residential development~~
(now: AHCCCS; eligibility)

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

HOUSE BILL 2926

AN ACT

AMENDING SECTIONS 36-2901.07 AND 36-2901.08, ARIZONA REVISED STATUTES;
AMENDING LAWS 2013, FIRST SPECIAL SESSION, CHAPTER 10, SECTION 52;
RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-2901.07, Arizona Revised Statutes, is amended
3 to read:

4 36-2901.07. Definition of eligible person; conditional
5 eligibility

6 A. Beginning January 1, 2014, for the purposes of section 36-2901,
7 "eligible person" includes a person who is eligible pursuant to 42 United
8 States Code section 1396a(a)(10)(A)(i)(VIII) and whose household's
9 modified adjusted gross income is more than one hundred ~~per cent~~ PERCENT
10 but equal to or less than one hundred thirty-three ~~per cent~~ PERCENT of the
11 federal poverty guidelines.

12 B. The administration shall discontinue eligibility for a person
13 who is eligible pursuant to subsection A of this section if the federal
14 medical assistance percentage established pursuant to 42 United States
15 Code section 1396d(y) or 1396d(z) that is applicable to this state is less
16 than ~~eighty per cent~~ NINETY PERCENT.

17 C. The administration shall discontinue eligibility for persons who
18 are eligible pursuant to subsection A of this section if the maximum
19 amount that can be assessed under section 36-2901.08 without causing a
20 reduction in federal financial participation, in combination with the
21 monies specified in section 36-2901.09 and any other monies appropriated
22 for the costs of this section and costs specified in section 36-2901.08,
23 subsection A, is insufficient to cover those costs.

24 D. THE ADMINISTRATION SHALL DISCONTINUE ELIGIBILITY FOR PERSONS WHO
25 ARE ELIGIBLE PURSUANT TO SUBSECTION A OF THIS SECTION IF ANY OF THE
26 FOLLOWING IS NOT MET:

27 1. THE ADMINISTRATION HAS IMPLEMENTED A WORK REQUIREMENT FOR
28 ABLE-BODIED ADULTS WHO ARE ENROLLED IN THE SYSTEM PURSUANT TO SECTION
29 36-2903.09 IN WHICH A PERSON IS NOT ELIGIBLE TO PARTICIPATE IN THE SYSTEM
30 UNLESS THE PERSON:

31 (a) IS WORKING AT LEAST TWENTY HOURS PER WEEK, AVERAGED MONTHLY.

32 (b) IS PARTICIPATING IN AND COMPLYING WITH THE REQUIREMENTS OF A
33 WORK PROGRAM THAT IS AT LEAST TWENTY HOURS PER WEEK, AS DETERMINED BY THE
34 ADMINISTRATION.

35 (c) IS VOLUNTEERING AT LEAST TWENTY HOURS PER WEEK, AS DETERMINED
36 BY THE ADMINISTRATION.

37 (d) IS MEETING ANY COMBINATION OF WORKING AND PARTICIPATING IN A
38 WORK PROGRAM FOR AT LEAST TWENTY HOURS PER WEEK, AS DETERMINED BY THE
39 ADMINISTRATION.

40 (e) IS PARTICIPATING IN AND COMPLYING WITH THE REQUIREMENTS OF A
41 WORKFARE PROGRAM UNLESS THE PERSON IS ANY OF THE FOLLOWING:

42 (i) UNDER NINETEEN YEARS OF AGE.

43 (ii) AT LEAST SIXTY-FOUR YEARS OF AGE.

44 (iii) MEDICALLY CERTIFIED AS PHYSICALLY OR MENTALLY UNFIT FOR
45 EMPLOYMENT.

1 (iv) PREGNANT.

2 (v) A PARENT OR CARETAKER WHO IS RESPONSIBLE FOR THE CARE OF A
3 DEPENDENT CHILD WHO IS UNDER SIX YEARS OF AGE.

4 (vi) A PARENT OR CARETAKER WHO IS PERSONALLY PROVIDING THE CARE FOR
5 A DEPENDENT CHILD WHO HAS A SERIOUS MEDICAL CONDITION OR DISABILITY, AS
6 DETERMINED BY THE ADMINISTRATION.

7 (vii) RECEIVING UNEMPLOYMENT COMPENSATION AND COMPLYING WITH WORK
8 REQUIREMENTS THAT ARE PART OF THE FEDERAL-STATE UNEMPLOYMENT COMPENSATION
9 SYSTEM.

10 (viii) PARTICIPATING IN A DRUG ADDICTION OR ALCOHOL TREATMENT AND
11 REHABILITATION PROGRAM.

12 2. THE ADMINISTRATION HAS MAINTAINED A MEDICAID IMPROPER PAYMENT
13 RATE OF FIVE PERCENT OR LESS. THE ADMINISTRATION SHALL PROVIDE TO THE
14 SENATE AND HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEES,
15 OR THEIR SUCCESSOR COMMITTEES, EVERY TWO YEARS FOR REVIEW DATA PROVIDED BY
16 THE ADMINISTRATION TO THE CENTERS FOR MEDICARE AND MEDICAID SERVICES THAT
17 DEMONSTRATES THE ADMINISTRATION'S MEDICAID IMPROPER PAYMENT RATE FOR THE
18 PRECEDING TWO YEARS.

19 3. THE ADMINISTRATION HAS SUSPENDED, WITH FEDERAL APPROVAL IF
20 NECESSARY, REQUIREMENTS TO AUTOMATICALLY RENEW ELIGIBILITY BASED ON
21 AVAILABLE INFORMATION AND TO USE PREPOPULATED RENEWAL FORMS.

22 4. THE ADMINISTRATION HAS RECEIVED AN APPROVED WAIVER PURSUANT TO
23 SECTION 36-2903.09 AND HAS IMPLEMENTED A LIFETIME BENEFIT LIMIT OF SIXTY
24 MONTHS FOR ABLE-BODIED ADULTS, COUNTING ONLY TIME SPENT IN THAT
25 ELIGIBILITY CATEGORY.

26 5. THE ADMINISTRATION HAS IMPLEMENTED, WITH FEDERAL APPROVAL IF
27 NECESSARY, BIENNIAL REDETERMINATIONS FOR PERSONS WHO ARE ELIGIBLE UNDER 42
28 UNITED STATES CODE SECTION 1396a(a)(10)(A)(i)(VIII) AND 42 UNITED STATES
29 CODE SECTION 1396a(e)(14).

30 6. THE ADMINISTRATION HAS LIMITED, WITH FEDERAL APPROVAL IF
31 NECESSARY, HOSPITAL PRESUMPTIVE ELIGIBILITY DETERMINATIONS TO CHILDREN AND
32 PREGNANT WOMEN.

33 E. NOT LATER THAN NINETY DAYS AFTER OCTOBER 1, 2025, THE
34 ADMINISTRATION SHALL SUBMIT ANY NECESSARY AMENDMENTS OR WAIVERS TO THE
35 CURRENT SECTION 1115 WAIVER TO THE CENTERS FOR MEDICARE AND MEDICAID
36 SERVICES TO IMPLEMENT THIS SECTION. THE ADMINISTRATION SHALL TAKE ALL
37 ACTIONS NECESSARY TO IMPLEMENT THIS SECTION AS SOON AS PRACTICABLE. THE
38 ADMINISTRATION SHALL NOTIFY THE HEALTH AND HUMAN SERVICES COMMITTEES, OR
39 THEIR SUCCESSOR COMMITTEES, IN THE SENATE AND HOUSE OF REPRESENTATIVES
40 WITHIN THIRTY DAYS AFTER THE SUBMISSION, APPROVAL, REJECTION OR WITHDRAWAL
41 OF ANY FEDERAL AMENDMENT OR WAIVER REQUEST OR STATE PLAN AMENDMENT
42 SUBMITTED TO CARRY OUT THIS SECTION. IF ANY CONDITIONS REQUIRED FOR
43 ELIGIBILITY UNDER SUBSECTION A OF THIS SECTION ARE NOT MET BEFORE NINETY
44 DAYS AFTER APRIL 1, 2026, THE ADMINISTRATION SHALL TERMINATE ELIGIBILITY
45 FOR PERSONS DESCRIBED IN SUBSECTION A OF THIS SECTION NOT LATER THAN

1 JANUARY 1, 2027. IF ALL CONDITIONS REQUIRED FOR ELIGIBILITY UNDER
2 SUBSECTION A OF THIS SECTION ARE MET WITHIN NINETY DAYS AFTER APRIL 1,
3 2026 BUT ARE NOT MET AT ANY POINT THEREAFTER, THE ADMINISTRATION SHALL
4 TERMINATE ELIGIBILITY FOR PERSONS DESCRIBED IN SUBSECTION A OF THIS
5 SECTION WITHIN NINETY DAYS AFTER THE DATE THE CONDITIONS ARE NOT MET.

6 Sec. 2. Section 36-2901.08, Arizona Revised Statutes, is amended to
7 read:

8 36-2901.08. Hospital assessment

9 A. The director shall establish, administer and collect an
10 assessment on hospital revenues, discharges or bed days for the purpose of
11 funding the nonfederal share of the costs, except for costs of the
12 services described in section 36-2907, subsection F, that are incurred
13 beginning January 1, 2014 and that are not covered by the proposition 204
14 protection account established by section 36-778 and the Arizona tobacco
15 litigation settlement fund established by section 36-2901.02 or any other
16 monies appropriated to cover these costs, for all of the following
17 individuals:

18 1. Persons who are defined as eligible pursuant to section
19 36-2901.07.

20 2. Persons who do not meet the eligibility standards described in
21 the state plan or the section 1115 waiver that were in effect immediately
22 before November 27, 2000, but who meet the eligibility standards described
23 in the state plan as effective October 1, 2001.

24 3. Persons who are defined as eligible pursuant to section
25 36-2901.01 but who do not meet the eligibility standards in either section
26 36-2934 or the state plan in effect as of January 1, 2013.

27 B. The director shall adopt rules regarding the method for
28 determining the assessment, the amount or rate of the assessment, and
29 modifications or exemptions from the assessment. The assessment is
30 subject to approval by the federal government to ensure that the
31 assessment is not established or administered in a manner that causes a
32 reduction in federal financial participation.

33 C. The director may establish modifications or exemptions to the
34 assessment. In determining the modifications or exemptions, the director
35 may consider factors including the size of the hospital, the specialty
36 services available to patients and the geographic location of the
37 hospital.

38 D. Before implementing the assessment, and thereafter if the
39 methodology is modified, the director shall present the methodology to the
40 joint legislative budget committee for review.

41 E. The administration shall not collect an assessment for costs
42 associated with service after the effective date of any reduction of the
43 federal medical assistance percentage established by 42 United States Code
44 section 1396d(y) or 1396d(z) that is applicable to this state to less than
45 ~~eighty per cent~~ NINETY PERCENT.

1 F. The administration shall deposit the revenues collected pursuant
2 to this section in the hospital assessment fund established by section
3 36-2901.09.

4 G. A hospital shall not pass the cost of the assessment on to
5 patients or third-party payors that are liable to pay for care on a
6 patient's behalf. As part of its financial statement submissions pursuant
7 to section 36-125.04, a hospital shall submit to the department of health
8 services an attestation that it has not passed on the cost of the
9 assessment to patients or third-party payors.

10 H. If a hospital does not comply with this section as prescribed by
11 the director, the director may suspend or revoke the hospital's Arizona
12 health care cost containment system provider agreement registration. If
13 the hospital does not comply within one hundred eighty days after the
14 director suspends or revokes the hospital's provider agreement, the
15 director shall notify the director of the department of health services,
16 who shall suspend or revoke the hospital's license pursuant to section
17 36-427.

18 Sec. 3. Laws 2013, first special session, chapter 10, section 52 is
19 amended to read:

20 Sec. 52. Conditional repeals

21 A. Sections 36-2901.07 and 36-2901.08, Arizona Revised Statutes, as
22 ~~added~~ AMENDED by this act, are repealed:

23 1. From and after the date the federal medical assistance
24 percentage pursuant to 42 United States Code section 1396d(y) or 1396d(z)
25 that is applicable to this state is less than ~~eighty per cent~~ NINETY
26 PERCENT.

27 2. If the patient protection and affordable care act established
28 pursuant to Public Law 111-148, as amended by the health care and
29 education reconciliation act of 2010 pursuant to Public Law 111-152, is
30 repealed.

31 3. If the maximum amount that can be assessed under section
32 36-2901.08, Arizona Revised Statutes, as ~~added~~ AMENDED by this act,
33 without causing a reduction in federal financial participation, in
34 combination with the monies specified in section 36-2901.09, Arizona
35 Revised Statutes, ~~as added by this act,~~ and any other monies appropriated
36 for the costs for the populations specified in section 36-2901.08,
37 subsection A, Arizona Revised Statutes, ~~as added by this act,~~ is
38 insufficient to cover the costs described in section 36-2901.08, Arizona
39 Revised Statutes, as ~~added~~ AMENDED by this act.

40 B. The Arizona health care cost containment system administration
41 shall notify the director of the Arizona legislative council in writing of
42 the effective date if:

43 1. The federal medical assistance percentage under 42 United States
44 Code section 1396d(y) or 1396d(z) that is applicable to this state is less
45 than ~~eighty per cent~~ NINETY PERCENT.

1 2. The patient protection and affordable care act established
2 pursuant to Public Law 111-148, as amended by the health care and
3 education reconciliation act of 2010 pursuant to Public Law 111-152, is
4 repealed.

5 3. The maximum amount that can be assessed under section
6 36-2901.08, Arizona Revised Statutes, as ~~added~~ AMENDED by this act,
7 without causing a reduction in federal financial participation, in
8 combination with the monies specified in section 36-2901.09, Arizona
9 Revised Statutes, ~~as added by this act,~~ and any other monies appropriated
10 for the costs for the populations specified in section 36-2901.08,
11 subsection A, Arizona Revised Statutes, ~~as added by this act,~~ is
12 insufficient to cover the costs described in section 36-2901.08, Arizona
13 Revised Statutes, as ~~added~~ AMENDED by this act.