

House Engrossed  
health care; FY2026

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

# HOUSE BILL 2966

AN ACT

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. ALTCs; county contributions; fiscal year 2025-2026

3 A. Notwithstanding section 11-292, Arizona Revised Statutes, county  
4 contributions for the Arizona long-term care system for fiscal year  
5 2025-2026 are as follows:

6	1. Apache	\$ 707,000
7	2. Cochise	\$ 7,510,100
8	3. Coconino	\$ 2,122,700
9	4. Gila	\$ 3,173,800
10	5. Graham	\$ 2,339,400
11	6. Greenlee	\$ 66,900
12	7. La Paz	\$ 828,800
13	8. Maricopa	\$275,201,600
14	9. Mohave	\$ 10,438,200
15	10. Navajo	\$ 2,926,600
16	11. Pima	\$ 63,729,700
17	12. Pinal	\$ 17,094,300
18	13. Santa Cruz	\$ 2,949,900
19	14. Yavapai	\$ 7,808,600
20	15. Yuma	\$ 12,640,000

21 B. If the overall cost for the Arizona long-term care system  
22 exceeds the amount specified in the general appropriations act for fiscal  
23 year 2025-2026, the state treasurer shall collect from the counties the  
24 difference between the amount specified in subsection A of this section  
25 and the counties' share of the state's actual contribution. The counties'  
26 share of the state's contribution must comply with any federal maintenance  
27 of effort requirements. The director of the Arizona health care cost  
28 containment system administration shall notify the state treasurer of the  
29 counties' share of the state's contribution and report the amount to the  
30 director of the joint legislative budget committee. The state treasurer  
31 shall withhold from any other monies payable to a county from whatever  
32 state funding source is available an amount necessary to fulfill that  
33 county's requirement specified in this subsection. The state treasurer  
34 may not withhold distributions from the Arizona highway user revenue fund  
35 pursuant to title 28, chapter 18, article 2, Arizona Revised Statutes.  
36 The state treasurer shall deposit the amounts withheld pursuant to this  
37 subsection and amounts paid pursuant to subsection A of this section in  
38 the long-term care system fund established by section 36-2913, Arizona  
39 Revised Statutes.

40 Sec. 2. AHCCCS; disproportionate share payments; fiscal year  
41 2025-2026

42 A. Disproportionate share payments for fiscal year 2025-2026 made  
43 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
44 include:



1 and affordable care act (P.L. 111-148), regarding the counties'  
2 proportional share of this state's contribution.

3 Sec. 4. County acute care contributions; fiscal year 2025-  
4 2026; intent

5 A. Notwithstanding section 11-292, Arizona Revised Statutes, for  
6 fiscal year 2025-2026 for the provision of hospitalization and medical  
7 care, the counties shall contribute the following amounts:

8	1. Apache	\$ 268,800
9	2. Cochise	\$ 2,214,800
10	3. Coconino	\$ 742,900
11	4. Gila	\$ 1,413,200
12	5. Graham	\$ 536,200
13	6. Greenlee	\$ 190,700
14	7. La Paz	\$ 212,100
15	8. Maricopa	\$14,783,900
16	9. Mohave	\$ 1,237,700
17	10. Navajo	\$ 310,800
18	11. Pima	\$14,951,800
19	12. Pinal	\$ 2,715,600
20	13. Santa Cruz	\$ 482,800
21	14. Yavapai	\$ 1,427,800
22	15. Yuma	\$ 1,325,100

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

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

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

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

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

22 Sec. 5. Proposition 204 administration; exclusion; county  
23 expenditure limitations

24 County contributions for the administrative costs of implementing  
25 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are  
26 made pursuant to section 11-292, subsection 0, Arizona Revised Statutes,  
27 are excluded from the county expenditure limitations.

28 Sec. 6. Competency restoration; exclusion; county expenditure  
29 limitations

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

32 Sec. 7. AHCCCS; risk contingency rate setting

33 Notwithstanding any other law, for the contract year beginning  
34 October 1, 2025 and ending September 30, 2026, the Arizona health care  
35 cost containment system administration may continue the risk contingency  
36 rate setting for all managed care organizations and the funding for all  
37 managed care organizations administrative funding levels that were imposed  
38 for the contract year beginning October 1, 2010 and ending  
39 September 30, 2011.

40 Sec. 8. Legislative intent; implementation of program

41 The legislature intends that for fiscal year 2025-2026 the Arizona  
42 health care cost containment system administration implement a program  
43 within the available appropriation.