

REFERENCE TITLE: AHCCCS; eligibility; verification; SNAP; contractors

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2940

Introduced by
Representative Gillette

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-2930.07 AND 36-2930.08; AMENDING TITLE 41, CHAPTER 57, ARIZONA REVISED STATUTES, BY ADDING ARTICLES 2 AND 3; AMENDING TITLE 46, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 46-232; RELATING TO PUBLIC BENEFITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 36, chapter 29, article 1, Arizona Revised
3 Statutes, is amended by adding sections 36-2930.07 and 36-2930.08, to
4 read:

5 36-2930.07. Health benefit purchasing organizations

6 A. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, SUBJECT TO THE
7 APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES, THE
8 ADMINISTRATION SHALL CONTRACT WITH HEALTH BENEFIT PURCHASING ORGANIZATIONS
9 TO MANAGE THE PROVISION OF SERVICES TO MEMBERS. A HEALTH BENEFITS
10 PURCHASING ORGANIZATION MAY INCLUDE:

- 11 1. A RETAILER.
- 12 2. A MEMBERSHIP ORGANIZATION.
- 13 3. A COOPERATIVE.
- 14 4. A TRADE OR FRATERNAL ASSOCIATION.
- 15 5. ANY OTHER HEALTH PLAN.

16 B. A HEALTH BENEFITS PURCHASING ORGANIZATION SHALL BE LICENSED
17 UNDER TITLE 20 AND MUST DEMONSTRATE SOLVENCY, MAINTAIN CLAIMS RESERVES,
18 COMPLY WITH ALL FRAUD CONTROLS AND ACCEPT THE ADMINISTRATION'S PUBLISHED
19 FIXED BENEFIT PRICING.

20 36-2930.08. Fixed benefit price list; reimbursement; provider
21 disclosure; explanation of benefits

22 A. NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, SUBJECT TO THE
23 APPROVAL OF THE CENTERS FOR MEDICARE AND MEDICAID SERVICES:

- 24 1. THE ADMINISTRATION SHALL PUBLISH AND ANNUALLY UPDATE A FIXED
25 BENEFIT PRICE LIST.
- 26 2. EACH CONTRACTOR SHALL REIMBURSE HEALTH CARE PROVIDERS AT OR
27 ABOVE THE RATES ON THE FIXED BENEFIT PRICE LIST.

28 B. EACH HEALTH CARE FACILITY AND HEALTH CARE PROVIDER THAT RECEIVES
29 REIMBURSEMENT PURSUANT TO THIS ARTICLE SHALL DISCLOSE A FIXED BENEFIT
30 PRICE LIST BASED ON BILLING CODES FOR COMMON SERVICES PROVIDED PURSUANT TO
31 THIS ARTICLE.

32 C. EACH MEMBER SHALL BE MAILED AN EXPLANATION OF BENEFITS ITEMIZED
33 BY BILLING CODE AFTER EACH SERVICE.

34 Sec. 2. Heading change

35 The chapter heading of title 41, chapter 57, Arizona Revised
36 Statutes, is changed from "MISCELLANEOUS" to "STATE AGENCIES GENERALLY".

37 Sec. 3. Title 41, chapter 57, Arizona Revised Statutes, is amended
38 by adding articles 2 and 3, to read:

39 ARTICLE 2. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

40 41-5911. Definitions

41 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

- 42 1. "ADMINISTRATION" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT
43 SYSTEM ADMINISTRATION.
- 44 2. "DEPARTMENT" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT
45 SYSTEM.

41-5912. Eligibility verification: required sources; data sources queried; conflicting data; application status; department employees not in compliance

A. UNLESS EXPRESSLY REQUIRED BY FEDERAL LAW, THE DEPARTMENT MAY NOT APPROVE, RENEW OR CONTINUE ELIGIBILITY FOR ANY APPLICANT OR ENROLLEE IN ANY PROGRAM ADMINISTERED BY THE DEPARTMENT WITHOUT AFFIRMATIVELY VERIFYING ALL ELIGIBILITY FACTORS USING DOCUMENTARY EVIDENCE OR TRUSTED ELECTRONIC DATA SOURCES.

B. ELIGIBILITY VERIFICATION FOR ANY PROGRAM ADMINISTERED BY THE DEPARTMENT SHALL INCLUDE, AT A MINIMUM, ALL OF THE FOLLOWING FOR EACH APPLICANT OR ENROLLEE:

1. INCOME.
2. RESIDENCY AND PHYSICAL ADDRESS.
3. CITIZENSHIP OR QUALIFIED IMMIGRATION STATUS.
4. HOUSEHOLD COMPOSITION, APPLIED WHEN APPLICABLE.
5. INCARCERATION STATUS.
6. DEATH RECORDS.
7. ALL PROPERTY OWNERSHIP OR TRANSFER WHEN REPORTED OR IDENTIFIED THROUGH DATA MATCHING.

C. THE DEPARTMENT SHALL QUERY MULTIPLE INDEPENDENT STATE AND FEDERAL DATABASES BEFORE APPROVING OR RENEWING AN APPLICATION. AUTHORIZED DATA SOURCES INCLUDE THE FOLLOWING:

1. THE DEPARTMENT OF REVENUE.
2. THE ARIZONA DEPARTMENT OF TRANSPORTATION, MOTOR VEHICLE DIVISION.
3. THE DEPARTMENT OF ECONOMIC SECURITY WAGE DATABASES.
4. THE STATE DEPARTMENT OF CORRECTIONS AND COUNTY JAIL SYSTEMS.
5. COUNTY RECORDER AND ASSESSOR RECORDS.
6. THE SOCIAL SECURITY ADMINISTRATION.
7. THE SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENTS SYSTEM.
8. ANY OTHER LAWFUL STATE OR FEDERAL DATABASE.

D. ELIGIBILITY FOR A PROGRAM ADMINISTERED BY THE DEPARTMENT SHALL BE AUTOMATICALLY REEVALUATED ON DETECTION OR REPORTING OF ANY OF THE FOLLOWING:

1. INCOME OR EMPLOYMENT CHANGES.
2. OUT-OF-STATE RESIDENCY INDICATORS.
3. PROPERTY ACQUISITION OR SALE.
4. INCARCERATION OR RELEASE FROM INCARCERATION.
5. DEATH RECORD CONFIRMATION.

E. IF THE DEPARTMENT RECEIVES OR DISCOVERS DATA THAT APPEARS TO BE CONFLICTING, THE APPLICATION SHALL BE PLACED IN PENDING STATUS OR BE DENIED OR BENEFITS SHALL BE TERMINATED UNTIL THE CONFLICT IS RESOLVED. CASES THAT QUALIFY AS HIGH-RISK FOR BENEFITS FRAUD SHALL BE REFERRED TO THE DEPARTMENT'S OFFICE OF INSPECTOR GENERAL.

F. THE ADMINISTRATION SHALL MAINTAIN A SYSTEM IN WHICH EACH QUERY OR ACTION IS SAVED SEPARATELY AND NOT SUPERSEDED BY A SUBSEQUENT QUERY OR ACTION. THE SYSTEM MUST PROVIDE AN AUDIT LOG FOR THE AUDITOR GENERAL THAT IDENTIFIES:

1. THE DATABASES QUERIED.
2. THE DATA RETURNED.
3. THE ELIGIBILITY RULES THAT WERE APPLIED.
4. THE BASIS FOR THE APPROVAL OR DENIAL OF AN APPLICATION OR APPLICATION RENEWAL OR THE TERMINATION OF BENEFITS.

G. ANY EMPLOYEE OF THE DEPARTMENT WHO HAS BEEN FOUND THROUGH AN AUDIT LOG TO HAVE WILFULLY NOT COMPLIED WITH THE ELIGIBILITY VERIFICATION REQUIREMENTS PRESCRIBED IN THIS SECTION SHALL BE IMMEDIATELY TERMINATED AND SHALL FORFEIT ALL BENEFITS UNDER THE ARIZONA STATE RETIREMENT SYSTEM.

ARTICLE 3. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
AND DEPARTMENT OF ECONOMIC SECURITY

41-5921. Unified eligibility rules engine; eligibility source

A. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND THE DEPARTMENT OF ECONOMIC SECURITY SHALL JOINTLY PROCURE AND OPERATE A UNIFIED ELIGIBILITY RULES ENGINE THAT IS CAPABLE OF AT LEAST THE FOLLOWING:

1. REAL-TIME VERIFICATION ACROSS ALL PROGRAMS ADMINISTERED BY BOTH AGENCIES.
2. IDENTIFICATION OF RISK EVENTS THAT EITHER INCREASE OR DECREASE THE USE OF PROGRAMS OR SPENDING ON PROGRAMS.
3. EVENT-TRIGGERED REVIEWS OF ELIGIBILITY.
4. FULL AUDIT LOG ACCESS AS PRESCRIBED BY SECTION 41-5912, SUBSECTION F.

B. THE SYSTEM PROCURED PURSUANT TO SUBSECTION A OF THIS SECTION IS THE AUTHORITATIVE ELIGIBILITY SOURCE FOR THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM.

41-5922. Quarterly reports; joint legislative audit committee; auditor general; audit logs; confidential briefings

A. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND THE DEPARTMENT OF ECONOMIC SECURITY SHALL SUBMIT QUARTERLY REPORTS TO THE JOINT LEGISLATIVE AUDIT COMMITTEE DETAILING:

1. PROGRAM ELIGIBILITY APPROVALS AND DENIALS.
2. THE FREQUENCY OF DATA CONFLICT FLAGS.
3. IMPROPER PAYMENT ESTIMATES IN THE CURRENT FISCAL YEAR.
4. THE NUMBER AND CIRCUMSTANCES OF REFERRALS TO LAW ENFORCEMENT.

B. THE AUDITOR GENERAL MAY REQUEST AUDIT LOGS FROM THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND THE DEPARTMENT OF ECONOMIC SECURITY WITHOUT A SUBPOENA. THE AUDITOR GENERAL SHALL PROVIDE THE JOINT LEGISLATIVE AUDIT COMMITTEE WITH CONFIDENTIAL BRIEFINGS RELATING TO THE AUDITOR GENERAL'S FINDINGS FROM THE AUDIT LOGS RECEIVED.

1 Sec. 4. Title 46, chapter 2, article 2, Arizona Revised Statutes,
2 is amended by adding section 46-232, to read:

3 46-232. Eligibility verification; self-attestation
4 prohibited; coordination; department employees not
5 in compliance

6 A. THE DEPARTMENT OF ECONOMIC SECURITY SHALL APPLY THE SAME
7 ELIGIBILITY VERIFICATION STANDARDS REQUIRED PURSUANT TO SECTION 41-5912
8 FOR ALL NEW AND RENEWAL APPLICATIONS FOR THE SUPPLEMENTAL NUTRITION
9 ASSISTANCE PROGRAM.

10 B. THE DEPARTMENT OF ECONOMIC SECURITY MAY NOT ACCEPT ANY
11 SELF-ATTESTATION DURING THE ELIGIBILITY VERIFICATION PROCESS UNLESS
12 EXPRESSLY REQUIRED BY FEDERAL LAW.

13 C. THE DEPARTMENT OF ECONOMIC SECURITY SHALL INTEGRATE THE
14 ELIGIBILITY SYSTEM FOR THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM WITH
15 THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM'S ELIGIBILITY VERIFICATION
16 SYSTEM PRESCRIBED IN SECTION 41-5912 AND THE DEPARTMENT OF REVENUE'S WAGE
17 DATABASES.

18 D. ANY EMPLOYEE OF THE DEPARTMENT OF ECONOMIC SECURITY WHO HAS BEEN
19 FOUND THROUGH AN AUDIT LOG TO HAVE WILFULLY NOT COMPLIED WITH THE
20 ELIGIBILITY VERIFICATION REQUIREMENTS PRESCRIBED IN SECTION 41-5912 SHALL
21 BE IMMEDIATELY TERMINATED AND SHALL FORFEIT ALL BENEFITS UNDER THE ARIZONA
22 STATE RETIREMENT SYSTEM.

23 Sec. 5. Legislative findings and intent

24 A. The legislature finds that:

25 1. Public benefit programs must operate under proof before payment,
26 not postpayment recovery.

27 2. Self-attestation without verification has materially contributed
28 to fraud, waste and improper payments.

29 3. Medicaid procurement practices have restricted competition and
30 inflated costs through noncompetitive insurer-provider arrangements.

31 4. Taxpayers are entitled to transparent pricing, auditable
32 eligibility determinations and market competition.

33 B. The legislature intends to restore fiscal integrity, eliminate
34 systemic fraud and reintroduce competitive discipline into this state's
35 public health care programs.

36 Sec. 6. Short title

37 This act may be cited as the "Arizona Secure Benefits Integrity
38 Act".