

Senate Engrossed

reimbursement rate increases; appropriations

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1072

AN ACT

APPROPRIATING MONIES TO THE DEPARTMENT OF ECONOMIC SECURITY.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Appropriations; department of economic security;
3 reporting requirements; intent

4 A. The sum of \$46,000,000 from the state general fund and
5 \$84,201,000 in medicaid expenditure authority are appropriated in each of
6 fiscal years 2026-2027, 2027-2028, 2028-2029, 2029-2030 and 2030-2031 to
7 the department of economic security to provide reimbursement rate
8 increases for home and community-based services to individuals with
9 intellectual and developmental disabilities.

10 B. The sum of \$4,000,000 is appropriated from the state general
11 fund in each of fiscal years 2026-2027, 2027-2028, 2028-2029, 2029-2030
12 and 2030-2031 to the department of economic security to provide
13 reimbursement rate increases for room and board services for individuals
14 with intellectual and developmental disabilities.

15 C. The department of economic security shall provide reimbursement
16 rate increases for home and community-based services that are provided to
17 individuals with intellectual and developmental disabilities so that each
18 service receives an increase. Before implementing provider rate
19 increases, the department must engage community stakeholders regarding the
20 department's plans to increase the reimbursement rates.

21 D. On or before September 1 in each fiscal year monies are
22 appropriated pursuant to subsections A and B of this section, the
23 department of economic security shall report to the joint legislative
24 budget committee the increased provider rates adopted pursuant to this
25 section. The department shall implement the increased provider rates on
26 or before October 1 of each fiscal year monies are appropriated pursuant
27 to subsections A and B of this section.

28 E. The department of economic security shall issue a nationally
29 recognized survey to its qualified vendors to collect data on the state of
30 the direct support professional workforce for home and community-based
31 services, including the length of employment, turnover rates and vacancy
32 rates, in each fiscal year monies are appropriated pursuant to subsections
33 A and B of this section and report the findings to the joint legislative
34 budget committee when three years of data is collected. The joint
35 legislative budget committee shall review the direct support professional
36 workforce data to determine whether improvements have occurred in the
37 average length of employment, turnover rates and vacancy rates of the
38 direct support professional workforce for home and community-based
39 services. If improvements have not occurred in the direct support
40 professional workforce for home and community-based services, the joint
41 legislative budget committee may recommend that the funding appropriated
42 in subsections A and B of this section for fiscal years 2029-2030 and
43 2030-2031 not occur.

44 F. The legislature intends that the appropriations made in
45 subsections A and B of this section be considered ongoing funding in
46 future years.