

REFERENCE TITLE: rural hospitals; stability assessment; distribution

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

SB 1534

Introduced by
Senator Sundareshan

AN ACT

AMENDING TITLE 36, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 12; RELATING TO HEALTH CARE INSTITUTIONS.

(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 4, Arizona Revised Statutes, is
3 amended by adding article 12, to read:

4 ARTICLE 12. RURAL COUNTY HOSPITAL SAFETY NET INTEGRITY

5 36-450.11. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 1. "CORE SAFETY NET SERVICE" MEANS ANY OF THE FOLLOWING:

8 (a) OBSTETRICS AND LABOR AND DELIVERY SERVICES AVAILABLE
9 TWENTY-FOUR HOURS A DAY.

10 (b) INPATIENT BEHAVIORAL HEALTH OR PSYCHIATRIC SERVICES.

11 (c) A LEVEL I, II OR III TRAUMA CENTER DESIGNATION.

12 (d) A NEONATAL INTENSIVE CARE UNIT.

13 2. "LIMITED SERVICE HOSPITAL" MEANS A HEALTH CARE INSTITUTION THAT
14 IS LICENSED AS A GENERAL HOSPITAL OR SPECIAL HOSPITAL AND THAT OPERATES AN
15 EMERGENCY DEPARTMENT, BUT DOES NOT PROVIDE AT LEAST TWO CORE SAFETY NET
16 SERVICES.

17 3. "RURAL COUNTY" MEANS A COUNTY WITH A POPULATION OF LESS THAN
18 FIVE HUNDRED THOUSAND PERSONS.

19 36-450.12. Community stability assessment: limited service
20 hospitals

21 BEGINNING JANUARY 1, 2027:

22 1. A LIMITED SERVICE HOSPITAL THAT OPERATES IN A RURAL COUNTY SHALL
23 PAY A COMMUNITY STABILITY ASSESSMENT EQUAL TO FOUR PERCENT OF THE
24 HOSPITAL'S NET PATIENT REVENUE.

25 2. THE DIRECTOR SHALL COLLECT THE ASSESSMENT ANNUALLY AND DEPOSIT
26 THE MONIES IN THE RURAL SAFETY NET FUND ESTABLISHED BY SECTION 36-450.13.

27 36-450.13. Rural safety net fund: distributions: hospital
28 eligibility

29 A. THE RURAL SAFETY NET FUND IS ESTABLISHED CONSISTING OF MONIES
30 COLLECTED PURSUANT TO SECTION 36-450.12. THE DEPARTMENT SHALL ADMINISTER
31 THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT
32 FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF
33 APPROPRIATIONS.

34 B. MONIES IN THE FUND SHALL BE SEGREGATED BY COUNTY. MONIES
35 COLLECTED FROM A LIMITED SERVICE HOSPITAL IN A SPECIFIC COUNTY MAY BE
36 DISTRIBUTED ONLY TO ELIGIBLE HOSPITALS IN THAT SAME COUNTY.

37 C. TO BE ELIGIBLE TO RECEIVE MONIES FROM THE FUND, A HOSPITAL MUST:

38 1. BE LICENSED AS A GENERAL HOSPITAL IN THE APPLICABLE RURAL
39 COUNTY.

40 2. PROVIDE AT LEAST TWO CORE SAFETY NET SERVICES.

41 3. HAVE A PAYOR MIX COMPOSED OF AT LEAST TWENTY PERCENT MEDICAID OR
42 UNINSURED PATIENTS.

1 36-450.14. Annual report; posting
2 A. ON OR BEFORE MARCH 1 OF EACH YEAR, EACH HOSPITAL IN A RURAL
3 COUNTY SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT DETAILS ALL OF THE
4 FOLLOWING FOR THE PREVIOUS CALENDAR YEAR:
5 1. THE TOTAL NUMBER OF PATIENTS WHO PRESENTED TO THE HOSPITAL'S
6 EMERGENCY DEPARTMENT.
7 2. THE TOTAL NUMBER OF PATIENTS WHO WERE ADMITTED TO THE HOSPITAL.
8 3. THE TOTAL NUMBER OF PATIENTS WHO WERE TRANSFERRED TO ANOTHER
9 ACUTE CARE HOSPITAL AFTER STABILIZATION.
10 4. THE PRIMARY PAYOR SOURCE FOR PATIENTS WHO WERE RETAINED IN THE
11 HOSPITAL VERSUS PATIENTS WHO WERE TRANSFERRED TO ANOTHER HOSPITAL.
12 B. THE DEPARTMENT SHALL ANNUALLY PUBLISH THE DATA REPORTED UNDER
13 SUBSECTION A OF THIS SECTION ON ITS PUBLIC WEBSITE.
14 Sec. 2. Requirements for enactment; two-thirds vote
15 Pursuant to article IX, section 22, Constitution of Arizona, this
16 act is effective only on the affirmative vote of at least two-thirds of
17 the members of each house of the legislature and is effective immediately
18 on the signature of the governor or, if the governor vetoes this act, on
19 the subsequent affirmative vote of at least three-fourths of the members
20 of each house of the legislature.