

REFERENCE TITLE: American Indian health program; administration

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

SB 1611

Introduced by
Senators Werner: Angius, Rogers, Shope

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-2903.18; 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. Title 36, chapter 29, article 1, Arizona Revised
3 Statutes, is amended by adding section 36-2903.18, to read:

4 36-2903.18. American Indian health program; administrative
5 services contract; legislative review;
6 definitions

7 A. BEGINNING OCTOBER 1, 2027, THE ADMINISTRATION SHALL CONTRACT
8 WITH A QUALIFIED CONTRACTOR OR OTHER QUALIFIED ENTITY TO SERVE AS THE
9 ADMINISTRATIVE SERVICES ORGANIZATION AND TO PERFORM PROGRAM INTEGRITY AND
10 CARE MANAGEMENT FUNCTIONS FOR MEMBERS ENROLLED IN THE AMERICAN INDIAN
11 HEALTH PROGRAM. THE CONTRACT MUST COMPLY WITH ALL APPLICABLE FEDERAL AND
12 STATE REQUIREMENTS, INCLUDING THE PROTECTIONS FOR INDIANS, INDIAN HEALTH
13 CARE PROVIDERS AND INDIAN MANAGED CARE ENTITIES PURSUANT TO 42 CODE OF
14 FEDERAL REGULATIONS SECTION 438.14.

15 B. THE ADMINISTRATION SHALL RETAIN ULTIMATE RESPONSIBILITY FOR
16 ADMINISTERING THE AMERICAN INDIAN HEALTH PROGRAM, INCLUDING FEE-FOR-SERVICE
17 RATE SETTING, CLAIMS PAYMENT AUTHORITY AND OVERSIGHT OF ANY ADMINISTRATIVE
18 SERVICES ORGANIZATION CONTRACTOR, AND MAY NOT ELIMINATE THE AMERICAN
19 INDIAN HEALTH PROGRAM AS A FEE-FOR-SERVICE OPTION FOR ELIGIBLE AMERICAN
20 INDIAN AND ALASKA NATIVE MEMBERS.

21 C. BEFORE ISSUING ANY REQUEST FOR PROPOSALS TO PROCURE AN
22 ADMINISTRATIVE SERVICES ORGANIZATION PURSUANT TO SUBSECTION A OF THIS
23 SECTION:

24 1. NOT LATER THAN THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS
25 SECTION, THE DIRECTOR SHALL REQUEST ANY NECESSARY APPROVALS FROM THE
26 CENTERS FOR MEDICARE AND MEDICAID SERVICES TO IMPLEMENT THIS SECTION AND
27 TO QUALIFY FOR FEDERAL MONIES AVAILABLE UNDER TITLE XIX OF THE SOCIAL
28 SECURITY ACT OR THE SECTION 1115 WAIVER.

29 2. NOTWITHSTANDING ANY LAW TO THE CONTRARY:

30 (a) THE ADMINISTRATION SHALL PRESENT THE PROPOSED PROCUREMENT
31 STRATEGY, MINIMUM QUALIFICATIONS AND EVALUATION FACTORS TO THE SENATE AND
32 HOUSE OF REPRESENTATIVES HEALTH AND HUMAN SERVICES COMMITTEES, OR THEIR
33 SUCCESSOR COMMITTEES.

34 (b) THE ADMINISTRATION SHALL RECEIVE AND CONSIDER WRITTEN AND ORAL
35 COMMENTS FROM COMMITTEE MEMBERS AND THE PUBLIC, INCLUDING TRIBAL
36 GOVERNMENTS, INDIAN HEALTH CARE PROVIDERS AND URBAN INDIAN ORGANIZATIONS.

37 D. NOTWITHSTANDING ANY LAW TO THE CONTRARY, FOR EACH PROCUREMENT
38 DESCRIBED IN SUBSECTION C OF THIS SECTION:

39 1. THE CHAIRPERSONS OF THE SENATE AND HOUSE OF REPRESENTATIVES
40 HEALTH AND HUMAN SERVICES COMMITTEES, OR THEIR SUCCESSOR COMMITTEES, MAY
41 EACH DESIGNATE ONE MEMBER OF THEIR RESPECTIVE COMMITTEE TO SERVE AS A
42 NONVOTING OBSERVER TO THE SOURCE-SELECTION EVALUATION COMMITTEE CONVENED
43 BY THE ADMINISTRATION.

1 2. THE NONVOTING OBSERVERS DESIGNATED PURSUANT TO PARAGRAPH 1 OF
2 THIS SUBSECTION MAY ATTEND EVALUATION MEETINGS AND REVIEW MATERIALS
3 SUBMITTED BY OFFERORS BUT MAY NOT SCORE PROPOSALS, PARTICIPATE IN FINAL
4 RANKING OR MAKE OR DIRECT AN AWARD DECISION.

5 E. NOTWITHSTANDING ANY LAW TO THE CONTRARY, AFTER THE COMPLETION OF
6 PROPOSAL EVALUATIONS AND BEFORE THE EXECUTION OF ANY CONTRACT DESCRIBED IN
7 SUBSECTION A OF THIS SECTION, THE ADMINISTRATION SHALL TRANSMIT AND
8 PRESENT TO THE SENATE AND HOUSE OF REPRESENTATIVES HEALTH AND HUMAN
9 SERVICES COMMITTEES, OR THEIR SUCCESSOR COMMITTEES, A SUMMARY OF
10 EVALUATION RESULTS AND THE PROPOSED AWARD RECOMMENDATION.

11 F. THIS SECTION DOES NOT:

12 1. TRANSFER SOURCE-SELECTION OR CONTRACT-AWARD AUTHORITY FROM THE
13 ADMINISTRATION TO THE LEGISLATURE OR ANY LEGISLATIVE COMMITTEE.

14 2. CONFLICT WITH THE ARIZONA PROCUREMENT CODE OR ANY APPLICABLE
15 FEDERAL PROCUREMENT REQUIREMENT. THE ADMINISTRATION REMAINS THE AWARDED
16 AGENCY AND SHALL COMPLY WITH ALL APPLICABLE STATE AND FEDERAL PROCUREMENT
17 LAWS AND REGULATIONS.

18 G. ANY ADMINISTRATIVE ARRANGEMENT AUTHORIZED UNDER THIS SECTION
19 MUST PRESERVE:

20 1. THE RIGHT OF ELIGIBLE AMERICAN INDIAN AND ALASKA NATIVE MEMBERS
21 TO ELECT THE AMERICAN INDIAN HEALTH PROGRAM FEE-FOR-SERVICE COVERAGE.

22 2. THE RIGHT OF AMERICAN INDIAN AND ALASKA NATIVE MEMBERS TO
23 VOLUNTARILY ENROLL IN AND DISENROLL FROM A MANAGED CARE ORGANIZATION
24 CONSISTENT WITH FEDERAL LAW.

25 3. THE PROTECTIONS AFFORDED TO INDIANS AND INDIAN HEALTH CARE
26 PROVIDERS UNDER 42 CODE OF FEDERAL REGULATIONS SECTION 438.14, INCLUDING
27 OUT-OF-NETWORK ACCESS AND APPROPRIATE PAYMENT REQUIREMENTS FOR INDIAN
28 HEALTH CARE PROVIDERS.

29 H. ANY ENTITY THAT IS PROCURED PURSUANT TO THIS SECTION TO PERFORM
30 PROGRAM INTEGRITY OR CARE MANAGEMENT FUNCTIONS FOR THE AMERICAN INDIAN
31 HEALTH PROGRAM SHALL BE ORGANIZED AND OPERATED AS A QUALIFIED CONTRACTOR.

32 I. FOR THE PURPOSES OF THIS SECTION:

33 1. "ADMINISTRATIVE SERVICES ORGANIZATION" MEANS A MEDICAID MANAGED
34 CARE ORGANIZATION THAT IS A QUALIFIED CONTRACTOR OR OTHER QUALIFIED ENTITY
35 THAT CONTRACTS WITH THE ADMINISTRATION TO PERFORM ADMINISTRATIVE
36 FUNCTIONS, INCLUDING PROGRAM INTEGRITY, CARE MANAGEMENT, PROVIDER NETWORK
37 SUPPORT, QUALITY IMPROVEMENT AND DATA ANALYTICS.

38 2. "AMERICAN INDIAN HEALTH PROGRAM" MEANS THE FEE-FOR-SERVICE PROGRAM
39 OPERATED BY THE ADMINISTRATION FOR ELIGIBLE AMERICAN INDIAN AND ALASKA
40 NATIVE MEMBERS AS REQUIRED UNDER FEDERAL LAW TO PRESERVE A FEE-FOR-SERVICE
41 OPTION FOR AMERICAN INDIAN AND ALASKA NATIVE BENEFICIARIES.

42 3. "QUALIFIED CONTRACTOR" OR "OTHER QUALIFIED ENTITY" MEANS AN
43 ENTITY THAT MEETS ALL APPLICABLE FEDERAL AND STATE REQUIREMENTS TO
44 CONTRACT WITH THE ADMINISTRATION AS A MEDICAID MANAGED CARE ORGANIZATION,
45 ADMINISTRATIVE SERVICES ORGANIZATION OR SIMILAR ENTITY.

1 Sec. 2. Legislative findings

2 The legislature finds and determines that immediate implementation
3 of this act is necessary to strengthen program integrity and care
4 management for American Indian and Alaska native members of the Arizona
5 health care cost containment system, to protect those members from fraud
6 and abuse and to preserve the public peace, health and safety.

7 Sec. 3. Emergency

8 This act is an emergency measure that is necessary to preserve the
9 public peace, health or safety and is operative immediately as provided by
10 law.