



2013 Legislative Summary



2013 AHCCCS Legislative Summary

HB2044	AHCCCS; continuation (Representative Carter)
Disposition	Failed to pass out of the House
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• The statutory life of the Arizona Health Care Cost Containment System is extended 10 years to July 1, 2023, retroactive to July 1, 2013

HB2045	HEALTH CARE; DIRECT PAY; AHCCCS RATES AHCCCS; hospital reimbursement methodology (Representative Carter)
Disposition	Enacted; Chapter 202
Effective Date	October 1, 2014
Summary	<ul style="list-style-type: none">• Outlines provisions related to direct pay prices for health care providers and facilities and requires AHCCCS to adopt a hospital reimbursement methodology consistent with Title XIX of the Social Security Act

HB2046	AHCCCS; omnibus (Representative Carter)
Disposition	Failed to pass out of the House
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• Makes a variety of technical and conforming changes to the AHCCCS statutes

HB2089	AHCCCS; chronically ill children (Representative Brophy-McGee)
Disposition	Failed to pass out of the House
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• Updates the statutes related to the transfer of the CRS program from DHS to AHCCCS and reinstates statutes relating to the child and adult sickle cell anemia programs within DHS rather than AHCCCS and subjects these programs to available funding

HB2090	AHCCCS; peace officers (Representative Brophy-McGee)
Disposition	Failed to pass out of the House

Effective Date September 13, 2013

Summary • The Director of AHCCCS is authorized to employ peace officers to investigate fraud, abuse and criminal conduct involving the Medicaid system

HB2001 state health care exchange; prohibition (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

Summary • State may not establish or administer a state-based healthcare exchange

HB2083 RBHA; treatment outcomes; measurement tools (Representative Campbell)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

Summary • Department of Health Services is required to adopt evidence-based practice models that each Regional Behavioral Health Authority will use to determine the distribution of funds to non-title 19 populations, based on measurable treatment outcomes

HB2091 ~~AHCCCS; orthotic services; restoration~~ AHCCCS; ORTHOTIC SERVICES; STUDY COMMITTEE (Representative Brophy-McGee)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

Summary • Medically necessary services to be expanded to include orthotic devices

HB2149 AHCCCS; verification system (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

Summary • Beginning October 1, 2015, before providing nonemergency medical care under the AHCCCS system, a health care provider must verify that the person seeking care is an eligible and currently enrolled member of AHCCCS
• Providers are required to provide documentation of verification with each

-
- claim for reimbursement as prescribed by the AHCCCS Administration
- The AHCCCS Administration is required to implement a verification system to prevent fraud at the point of service by October 1, 2015
-

HB2150 AHCCCS; recovery audit; recovery methodology (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- By July 1 of each year, the AHCCCS Administration is required to conduct an audit of the primacy of its payments by matching the identities of its members against the enrollment of all other health plans
-

HB2351 AHCCCS; nonemergency transportation; reimbursement (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- AHCCCS is required to limit reimbursement for nonemergency transportation to the cost of bus transportation in regions where a scheduled bus system is available
-

HB2352 AHCCCS; expansion; prohibition (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- Any statutory or administrative expansion of AHCCCS eligibility is prohibited from taking effect until the Joint Legislative Budget Committee certifies to the Governor, the President of the Senate, and the Speaker of the House of Representatives that the expansion will be budget neutral for the next 20 fiscal years
-

HB2354 AHCCCS; childless adults; services; prohibition (Representative Seel)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- The AHCCCS Administration is prohibited from using any AHCCCS monies to fund services to childless adults. Due to voter protection, this bill requires
-

the affirmative vote of at least 3/4 of each house of the Legislature for passage

HB2376 mandatory mental health evaluation; admission (Representative Campbell)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- If a peace officer has contact with a person possessing a firearm and the officer has probable cause to believe that the person is a danger to self or others as a result of mental illness, the officer must apply for a court-ordered evaluation or an emergency admission for evaluation
 - The peace officer is also required to temporarily seize the firearm
-

HB2400 ~~prior authorization; prescription drugs~~ PRESCRIPTION DRUGS; AUTHORIZATION; STUDY COMMITTEE (Representative Carter)

Disposition Failed to pass out of the Senate

Effective Date September 13, 2013

- Summary
- Requires all health care insurers to develop and maintain an electronic process for prior authorization for prescription drug benefits
 - This requirement also extends to contractors under AHCCCS
-

HB2422 health insurance exchange (Representative Meyer)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- Establishes the Arizona Health Insurance Exchange to facilitate the purchase and sale of qualified health plans and make plans available to qualified individuals and employers by January 1, 2015
-

HB2423 medical expense deduction program; reinstatement (Representative Meyer)

Disposition Failed to pass out of the House

Effective Date September 13, 2013

- Summary
- The AHCCCS Administration is required to implement a streamlined medical expense deduction eligibility process by October 1, 2013
-

HB2426	mobile dentistry (Representative Goodale)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• A mobile dental facility or portable dental unit permittee is required to obtain informed consent in writing for an examination or preventative treatment before it is performed, and must obtain additional informed consent in writing or by recorded verbal communication for an irreversible procedure

HB2520	state agencies; budget submission (Representative Olson)
Disposition	Failed to pass out of the House
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• By September 1 of each year, each budget unit is required to submit to the Legislature a summary of all monies that were spent by or passed through the budget unit during the preceding fiscal year and an estimate of the monies projected to be spent or passed through for the current fiscal year

HB2547	AHCCCS; birth outcome committee (Representative Townsend)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• The Department of Health Services is required to appoint an 8-member Birth Outcome Committee to explore options for providing or using doulas for AHCCCS members as a means to improve birth outcomes• The Committee is required to submit a report to the Governor and the Legislature by November 15, 2013

HB2570	appropriation; mental health services (Representative Orr)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none">• Appropriates \$500,000 from the General Fund in FY2013-14 to the Department of Health Services for the expansion of the mental health first aid program

HB2633	health insurance; vaccines (Representative McCune-Davis)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none"> • After January 1, 2013, health insurers cannot require providers to assume financial risk for the acquisition costs of vaccines, and must include reimbursement to the provider for acquisition costs and total costs of administering child and adolescent vaccines recommended by the U.S. Centers for Disease Control and Prevention • Health insurers cannot impose any deductible, copayment or other cost sharing in relation to child and adolescent vaccines
SB1008	psychologists; prescription authority (Senator Ableser)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none"> • Psychologists to have authority to prescribe medications
SB1009	regional behavioral health authorities (Senator Ableser)
Disposition	Failed to pass out of the Senate
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none"> • Counties with more than 800,000 persons are required to contract with at least two contractors to act as RBHA's
SB1057	AHCCCS; ambulance services; rates (Senator McComish)
Disposition	Failed to pass out of the House
Effective Date	September 13, 2013
Summary	<ul style="list-style-type: none"> • Specifies the reimbursement rates that the AHCCCS Administration and its contractors and subcontractors are required to pay for various ambulance services for AHCCCS enrollees

SB1115**direct pay prices; health care (Senator Barto)**

Disposition Vetoed by Governor

Effective Date September 13, 2013

Summary

- Through 2020, health care providers and facilities are required to make available to the public in a single document the direct pay price for at least the 25 most common services, which must be updated at least annually

SB1119**AHCCCS; eligibility (Senator Gallardo)**

Disposition Failed to pass out of the Senate

Effective Date September 13, 2013

Summary

- The maximum income a person may have to be eligible for AHCCCS is increased to 133 percent of the federal poverty level, from 100 percent

SB1199**AHCCCS; service providers (Senator Farley)**

Disposition Failed to pass out of the Senate

Effective Date September 13, 2013

Summary

- AHCCCS is required to have at least two subcontractors for each type of service provided
- When awarding contracts, AHCCCS must give preference to subcontractors with a home office located in Arizona

SB1273**alcohol; drug abuse; courts; treatment (Senator Crandell)**

Disposition Failed to pass out of the Senate

Effective Date September 13, 2013

Summary

- Establishes the Alcohol and Drug Abuse Pilot Project Fund to be used for the establishment or expansion of the drug court program in Coconino, Navajo and Apache Counties
- The Pilot Project Fund is repealed July 1, 2018

SB1286**nursing facility provider assessments (Senator Griffin)**

Disposition Failed to pass out of the Senate

SB1437**music therapists; licensure (Senator Ward)**

Disposition Vetoed by Governor

Effective Date September 13, 2013

- Summary
- Adds a new chapter to Title 36 (Public Health and Safety) regulating music therapists under the Department of Health Services
 - Establishes qualifications for licensure as a music therapist
 - Beginning October 1, 2014, a person is prohibited from engaging in the "practice of music therapy" or claiming to be a music therapist unless the person is licensed
-

SB1438**prescription orders; biological products; substitution (Senator Ward)**

Disposition Failed to pass out of the Senate

Effective Date September 13, 2013

- Summary
- A pharmacist who fills a prescription order for a specific "biological product" is permitted to substitute a "biosimilar product" under specified conditions, and must notify the patient and the medical practitioner of the substitution
-

Budget Legislation

HB2001 2013-2014; general appropriations (Representative Pratt)

Item	Page #	Appropriation
FTEs	5	2,975.4
Operating Lump Sum	5	\$76.8 M
DES Eligibility	5	\$53.8 M
Prop 204 Administration	5	\$6.6 M
Prop 204 DES Eligibility	5	\$37.8 M
Traditional Medicaid Services	5	\$3.6 B
Prop 204 Services	5	\$1.05 B
KidsCare	5	\$12.1 M
KidsCare II	5	\$26.8 M
ALTCS	5	\$1.3B
CRS	5	\$111.7 M
DSH	5	\$13.5 M
DSH Voluntary Match	5	\$28.4 M
Rural Hospitals	5	\$13.9 M
GME	5	\$160 M
SNCP	5	\$166 M

TOTAL APPROPRIATION & EXPENDITURE AUTHORITY	5	\$6.6 B
FUND SOURCES		
State General Fund	5	\$1.3 B
Budget Neutrality Compliance Fund	5	\$3.3 M
Children's Health Insurance Program Fund	5	\$32.1 M
Health care group fund	5	\$1.06 M
Prescription Drug Rebate Fund - state	5	\$95 M
Tobacco Products Tax Fund- Emergency Health Services Account	5	\$18.3 M
Tobacco Tax & Healthcare Fund- Medically Needy Account	5	\$37.4 M
Expenditure Authority	5	\$5.1 B

Disproportionate Share (Page 7, Section 9)

- Stipulates that the \$13.5M appropriation for disproportionate share payments for FY 2013-2014 includes \$4.2M for Maricopa County Healthcare District and \$9.3 M for private qualifying disproportionate share hospitals

Reporting Requirements

- Provides that all voluntary state match and federal Medicaid and CHIP authority are appropriated in FY 2012-2013 (Page 55/56, Section 107)
 - Requires AHCCCS to report these amounts from sources other than AHCCCS to JLBC
- Provides that all monies from the City of Phoenix access to care assessment, including monies for coverage expansion and related federal Medicaid authority monies are appropriated in FY 2012-2013 (Page 56, Section 107)
 - Requires AHCCCS to report these amounts paid in FY 2012-2013 to JLBC and OSPB on or before August 1, 2013 and in FY 2013-2014 on or before February 1, 2014
 - AHCCCS shall provide JLBC and OSPB a monthly report on the number of individuals provided health care coverage through this program or include this information in the agency's monthly population by category report
- Provides that prior to making fee-for-service program changes that pertain to fee-for-service categories AHCCCS must report the expenditure plan for review by JLBC (Page 6, Section 9)
- Requires AHCCCS to annually report capitation rate changes for the following fiscal year (Page 6, Section 9)
- Requires AHCCCS to report proposed changes in policy that would impact the amount, sufficiency, duration and scope of health care services and who may provide services (Page 6, Section 9)
 - AHCCCS must prepare a fiscal analysis on the impact of proposed changes on the following year's capitation rates

- If the analysis suggests additional state costs equal to or greater than \$500K, AHCCCS shall submit the proposed policy changes to JLBC
- Requires each agency to report the number of filled appropriated and non-appropriated FTE positions by fund source to JLBC on or before October 1, 2013. The number of filled appropriated and non-appropriated FTE positions shall be reported on by September 1, 2013 (Page 75, Section 135)
- Stipulates legislative intent that all agencies continue to report actual, estimated, and requested expenditures to JLBC (Page 74, Section 133)

Appropriation Adjustments & Fund Transfers (Page 64, Sections 110 & 111)

- Reduces the FY 2012-2013 appropriation of \$48,000,000 from the General Fund to AHCCCS for Prop. 204 services and \$48,000,000 expenditure authority for Prop. 204 services (Page 55, Sections 106)
- Reduces the IGA and ISA Fund by \$27,500 (Page 62, Section 127)
- Reduces the Intergovernmental Service Fund by \$57,600 (Page 62, Section 127)
- Reduces the Third Party Liability Fund by \$1,500 (Page 62, Section 127)

Notes

- Notes that all ALTCS funds that pass through AHCCCS to DES for developmental disabilities shall not count against ALTCS expenditure authority (Page 6, Section 9)
- Provides that the county portion of the FY 2013-2014 nonfederal portion of the costs of providing ALTCS is included in the expenditure fund source (Page 6, Section 9)

HB2010 health; welfare; budget reconciliation 2013-2014

Item	Summary
Ambulance Rates	AHCCCS and its contractors and sub-contractors shall provide remuneration for services provided to AHCCCS members in an amount equal to 80% of the amounts prescribed and 80% of mileage charges by July 1 st of each year. AHCCCS shall make annual adjustments to the fee schedule according to approved rates, effective 10-1 of each year
Eligibility	Beginning January 1, 2014, an eligible person includes a person who is eligible pursuant to 42-1396a(a)(10)(A)(i)(VIII) and whose household's modified adjusted gross income is more than 100% but equal to or less than 133% FPL
Hospital Assessment	<p>A. The Director shall establish, administer and collect an assessment on hospital revenues, discharges or bed days for the purpose of funding the nonfederal share of the costs incurred beginning January 1, 2014 and that are not covered by the Prop. 204 protection account and tobacco settlement for the following populations:</p> <ul style="list-style-type: none"> ○ Persons eligible pursuant to 36-2901.07 ○ Persons who do not meet eligibility standards prior to 11-27-00, but who meet eligibility standards effective 10-1-01 ○ Persons defined as eligible pursuant to 36-2901.01 but who do not meet eligibility standards in either section 36-2934 or the

	<p>state plan in effect as of January 1, 2014</p> <p>B. The Director shall adopt rules regarding the method for determining the assessment, the amount or rate of the assessment, and modifications or exemptions from the assessment</p> <p>C. The Director may establish modifications or exemptions including size of the hospital, specialty services available to patients and geographic location</p> <p>D. Before implementing the assessment, and thereafter if the methodology is modified, the director shall present the methodology for review to JLBC</p> <p>E. The Administration shall not collect an assessment for costs associated with service after the effective date any reduction of Federal Medical Assistance Percentage to less than 80%</p> <p>F. The Administration shall deposit the revenues collected in the hospital assessment fund</p> <p>G. A hospital shall not pass the cost of the assessment on to patients or third-party payors that are liable to pay for care on a patient's behalf. A hospital shall submit to the DHS an attestation that it has not passed on the cost of the assessment to patients or third-party payors</p> <p>H. If a hospital does not comply with this section as prescribed by the Director, the Director may suspend or revoke the hospital's AHCCCS provider agreement registration. If the hospital does not comply within 180 days after the Director suspends or revokes the hospitals provider agreement, the Director shall notify the Director of DHS, who shall suspend or revoke the hospital's license</p>
Hospital Assessment Fund	<p>The hospital assessment fund is established consisting of monies collected pursuant to 36-2901.08. The Director shall administer the fund and use the monies only as necessary to supplement monies in the Prop. 204 protection account</p> <ul style="list-style-type: none"> • Monies in the fund do not revert to the state general fund • Are exempt from the provision relating to lapsing of appropriations • Are continuously appropriated
Hospital Assessment Administration and Implementation	<p>AHCCCS must provide notice and an opportunity for public comment at least thirty days before establishing or implementing the administration of the hospital assessment</p>
AHCCCS Termination	<p>The AHCCCS system terminates on July 1, 2023. Title 36, chapter 29 is repealed on January 1, 2024</p>
Political Subdivision	<p>The ability for political subdivisions to provide monies necessary to qualify for federal matching monies in order to provide health care</p>

Coverage Assessment	coverage to persons who would have been eligible if additional general fund monies were otherwise available is to repeal on December 31, 2013
FY 2013-2014 ALTCS County Contributions	<p>Establishes the ALTCS County Contributions for FY2013-2014 as follows:</p> <ul style="list-style-type: none"> • Apache: \$613,500 • Cochise: \$5,179,900 • Coconino: \$1,841,200 • Gila: \$2,126,000 • Graham: \$1,427,300 • Greenlee: \$128,800 • LaPaz: \$691,300 • Maricopa: \$149,698,100 • Mohave: \$7,952,700 • Navajo: \$2,538,600 • Pima: \$39,129,200 • Pinal: \$15,246,800 • Santa Cruz: \$1,908,200 • Yavapai: \$8,382,500 • Yuma: \$7,832,000 <p>If ALTCS costs exceed the amount specified in the General Appropriations Act, authorizes the State Treasurer to collect the difference between the amount collected and the county share of the actual costs from the counties</p>
Disproportionate Share	<p>Establishes FY 2013-2014 DSH distributions as follows:</p> <ul style="list-style-type: none"> • \$89,877,700 for qualifying non-state operated hospitals • \$26,724,700 for ASH • \$9,284,800 for private qualifying DSH hospitals: <ul style="list-style-type: none"> ○ Limits payments to mandatory DSH qualifying hospitals; or ○ Hospitals in Yuma County with at least 300 beds
County Proportional Share Contributions	Requires AHCCCS to transfer funds to the counties as necessary to comply with the proportional share requirements in PPACA by December 31, 2014
County Acute Care Contributions	<p>Establishes the Acute Care County Contributions for FY2013-2014 as follows:</p> <ul style="list-style-type: none"> • Apache: \$268,800 • Cochise: \$2,214,800 • Coconino: \$742,900 • Gila: \$1,413,200 • Graham: \$536,200 • Greenlee: \$190,700 • LaPaz: \$212,100 • Maricopa: \$19,280,700

	<ul style="list-style-type: none"> • Mohave: \$1,237,700 • Navajo: \$310,800 • Pima: \$14,951,800 • Pinal: \$2,715,600 • Santa Cruz: \$482,800 • Yavapai: \$1,427,800 • Yuma: \$1,325,100 <p>- Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section and section 19</p> <p>- Establishes payment procedures to comply with the requirements of this section and section 19</p> <p>- Stipulates legislative intent that Maricopa County’s contribution shall be reduced each year in accordance with changes in the GDP price deflator</p>
Hospitalization & Medical Care Contributions	<p>Establishes county withholding for Hospitalization & Medical Care for FY2013-2014 as follows:</p> <ul style="list-style-type: none"> • Apache: \$87,300 • Cochise: \$162,700 • Coconino: \$160,500 • Gila: \$65,900 • Graham: \$46,800 • Greenlee: \$12,000 • LaPaz: \$24,900 • Mohave: \$187,400 • Navajo: \$122,800 • Pima: \$1,115,900 • Pinal: \$218,300 • Santa Cruz: \$51,600 • Yavapai: \$206,200 • Yuma: \$183,900 <p>- Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section</p> <p>- Establishes payment procedures to comply with the requirements of this section</p> <p>- Allocates \$2,646,200 of amounts withheld for the county Acute Care contribution for Hospitalization & Medicare Care Services administered by AHCCCS</p>
County Expenditure Limitation: Prop 204 Administration	<p>Stipulates that county contributions for the administration of Prop 204 are excluded from county expenditure limitations</p>
Ambulance Services	<p>- Establishes ambulance reimbursement at 68.59% of DHS rates from October 1, 2012- September 30, 2013</p>

	<ul style="list-style-type: none"> - Establishes ambulance reimbursement at 68.59% of DHS rates from October 1, 2013- September 30, 2014 - Establishes ambulance reimbursement at 68.59% of DHS rates from October 1, 2014- September 30, 2015
Risk Contingency	For the contract year beginning October 1, 2013 through September 30, 2014, AHCCCS may continue the risk contingency rate setting and funding for all managed care organizations that was in place from October 1, 2010 through September 30, 2011