

PROPOSITION 204
OFFICIAL TITLE
AN INITIATIVE MEASURE

REPEALING SECTION 36-2901.01, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 36-2901.01 AND SECTION 36-2901.02; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

Section 1. Repeal

Section 36-2901.01, Arizona Revised Statutes, is repealed.

Sec. 2. Title 36, chapter 29, article 1, Arizona Revised Statutes, is amended by adding a new section 36-2901.01, to read:

36-2901.01. Additional definition of eligibility for the Arizona health care cost containment system; enforcement; private right of action

A. FOR THE PURPOSES OF SECTION 36-2901, "ELIGIBLE PERSON" INCLUDES ANY PERSON WHO HAS AN INCOME LEVEL THAT, AT A MINIMUM, IS BETWEEN ZERO AND ONE HUNDRED PER CENT OF THE FEDERAL POVERTY GUIDELINES AS PUBLISHED ANNUALLY BY THE UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES AND BASED ON THE RESOURCE LIMITS THAT ARE DEFINED BY THE DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AND THAT ARE NOT LESS THAN THE RESOURCE LIMITS IN EFFECT ON NOVEMBER 5, 1996, AND ALSO BASED ON OTHER ELIGIBILITY REQUIREMENTS OF FEDERAL LAW OR THE HEALTH CARE FINANCING ADMINISTRATION PURSUANT TO SECTION 1115 OF THE SOCIAL SECURITY ACT. THE PEOPLE ACTING THROUGH INITIATIVE, OR THE LEGISLATURE BY A SIMPLE MAJORITY VOTE, MAY CHANGE THE ELIGIBILITY THRESHOLD TO A PERCENTAGE OF THE FEDERAL POVERTY GUIDELINES THAT IS EVEN MORE INCLUSIVE. NEITHER THE EXECUTIVE DEPARTMENT NOR THE LEGISLATURE MAY ESTABLISH A CAP ON THE NUMBER OF ELIGIBLE PERSONS WHO MAY ENROLL IN THE SYSTEM.

B. TO ENSURE THAT SUFFICIENT MONIES ARE AVAILABLE TO PROVIDE BENEFITS TO ALL PERSONS WHO ARE ELIGIBLE PURSUANT TO THIS SECTION, FUNDING SHALL COME FROM THE ARIZONA TOBACCO LITIGATION SETTLEMENT FUND ESTABLISHED BY SECTION 36-2901.02 AND SHALL BE SUPPLEMENTED, AS NECESSARY, BY ANY OTHER AVAILABLE SOURCES INCLUDING LEGISLATIVE APPROPRIATIONS AND FEDERAL MONIES.

C. AN ELIGIBLE PERSON OR A PROSPECTIVE ELIGIBLE PERSON MAY BRING AN ACTION IN THE SUPERIOR COURT AGAINST THE DIRECTOR OF THE HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AND THIS STATE TO ENFORCE THIS SECTION AND SECTION 36-2901.02. THE COURT HAS JURISDICTION TO ENFORCE THIS SECTION AND SECTION 36-2901.02 AND ANY RULE ADOPTED PURSUANT TO THESE SECTIONS AND MAY APPLY APPROPRIATE CIVIL SANCTIONS AND EQUITABLE REMEDIES.

Sec. 3. Title 36, chapter 29, article 1, Arizona Revised Statutes, is amended by adding section 36-2901.02, to read:

36-2901.02 Arizona tobacco litigation settlement fund; nonlapsing

A. THE ARIZONA TOBACCO LITIGATION SETTLEMENT FUND IS ESTABLISHED CONSISTING OF ALL MONIES THAT THIS STATE RECEIVES PURSUANT TO THE TOBACCO LITIGATION MASTER SETTLEMENT AGREEMENT ENTERED INTO ON NOVEMBER 23, 1998 AND INTEREST EARNED ON THESE MONIES. THE DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION SHALL ADMINISTER THE FUND. THE STATE TREASURER SHALL INVEST MONIES IN

THE FUND PURSUANT TO SECTION 35-313 AND SHALL CREDIT MONIES EARNED FROM THESE INVESTMENTS TO THE FUND.

B. THE DIRECTOR SHALL USE FUND MONIES AS FOLLOWS AND IN THE FOLLOWING ORDER:

1. WITHDRAW AN AMOUNT NECESSARY IN EACH FISCAL YEAR TO FULLY IMPLEMENT AND FULLY FUND THE PROGRAMS AND SERVICES REQUIRED AS A RESULT OF THE EXPANDED DEFINITION OF AN ELIGIBLE PERSON PURSUANT TO SECTION 36-2901.01.

2. WITHDRAW AN AMOUNT NECESSARY IN EACH FISCAL YEAR TO FULLY IMPLEMENT AND FULLY FUND EACH OF THE PROGRAMS LISTED IN SECTION 5-522, SUBSECTION E, AS AMENDED PURSUANT TO THE INITIATIVE MEASURE APPROVED BY THE VOTERS ON NOVEMBER 5, 1996, AT FUNDING LEVELS THAT WHEN ANNUALLY ADJUSTED FOR INFLATION, AS PROVIDED IN SAID INITIATIVE, ARE EQUAL TO OR GREATER THAN THOSE PROVIDED FOR IN THAT ELECTION. THE JOINT LEGISLATIVE BUDGET COMMITTEE SHALL COMPUTE THESE ADJUSTED LEVELS AND PROVIDE THIS INFORMATION TO THE DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION. THE DIRECTOR SHALL TRANSFER THESE MONIES TO THE AGENCIES RESPONSIBLE FOR ADMINISTERING EACH OF THE PROGRAMS. THE LEGISLATURE MAY MODIFY THE FUNDING PROVIDED PURSUANT TO THIS SUBSECTION BY SIMPLE MAJORITY VOTE NOT LESS THAN TEN YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION.

C. THE DIRECTOR MAY USE ANY REMAINING FUND MONIES TO FUND EXPANDED COVERAGE IN THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM INCLUDING THE PREMIUM SHARING PROGRAM AND AS APPROVED BY THE VOTERS OR BY THE LEGISLATURE BY SIMPLE MAJORITY VOTE.

D. THE LEGISLATURE MAY APPROPRIATE ANY MONIES THAT REMAIN IN THE FUND AFTER THE PROGRAMS PRESCRIBED IN SUBSECTION B, PARAGRAPHS 1 AND 2 OF THIS SECTION ARE FULLY FUNDED AND IMPLEMENTED ONLY FOR PROGRAMS THAT BENEFIT THE HEALTH OF THE RESIDENTS OF THIS STATE.

E. MONIES IN THE FUND:

1. SHALL BE USED TO SUPPLEMENT AND NOT SUPPLANT EXISTING AND FUTURE APPROPRIATIONS TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION FOR EXISTING AND FUTURE PROGRAMS.

2. DO NOT REVERT TO THE STATE GENERAL FUND.

3. ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

4. ARE CONTINUOUSLY APPROPRIATED.

Sec. 4. Arizona tobacco litigation settlement fund; conflicting provisions; consistent provisions of measure

A. Section 3 of this measure, relating to the Arizona tobacco litigation settlement fund, supersedes any tobacco litigation settlement fund previously established by the legislature.

B. Any provision of this measure that is not contrary to the provisions of a separate initiative that receives a higher total vote in the election cycle is valid.

ANALYSIS BY LEGISLATIVE COUNCIL

In 1998, the attorneys general of 46 states, including Arizona, agreed to settle a lawsuit they had filed against the manufacturers of tobacco products. As a result, the tobacco manufacturers must pay each of those states a portion of the estimated \$206 billion settlement each year over the next 25 years. Arizona's share is estimated to total approximately \$3.2 billion. Payments are subject to annual adjustments for inflation. The settlement also includes a provision to reduce payments if the volume of cigarettes sold in the United States falls. The settlement agreement allows each state to determine how it will spend its share of the settlement.

Proposition 204 would require Arizona to deposit all of the money it receives over the next 25 years from the tobacco litigation settlement in the "Arizona Tobacco Litigation settlement fund." Money in the fund would be used to increase the number of people who are eligible for coverage in the Arizona Health Care Cost Containment System (AHCCCS), which is the state's health care system for the poor. Currently, there are many eligibility categories that determine if a person can receive health care under AHCCCS, including one that requires that a recipient's net income not exceed approximately 34% of the federal poverty level. If Proposition 204 passes, people who earn up to 100% of the federal poverty level will qualify to receive health care under AHCCCS. Future legislatures could change the eligibility requirements to allow more people to qualify to receive health care under AHCCCS but the Legislature and the AHCCCS administration could not reduce or limit the number of persons who would be able to enroll in AHCCCS.

Any excess monies in the Arizona tobacco litigation settlement fund would also be used to ensure that programs that were previously established by the passage of a proposition in the 1996 general election would be fully implemented at funding levels that, when adjusted each year for inflation, would be at least equal to those provided for in that election as follows:

1. Five million dollars for the Healthy Families program, which provides services to prevent child abuse and neglect and to promote child wellness and proper development.
2. Four million dollars for the Arizona Health Education System to provide scholarships to medical students who agree to practice in areas of the state that are currently underserved by health care professionals.
3. Three million dollars for programs to prevent teenage pregnancy.
4. Two million dollars for disease control research.
5. Two million dollars for Health Start, a program that aims to reduce the incidence of low birth weight babies and childhood diseases and to educate families on the importance of good nutrition and preventive health care for their children.
6. One million dollars for the Women, Infants and Children Food program.

Under the 1996 proposition, all of these programs have had to rely on distributions from lottery revenues. However, this has proven to be an insufficient source of funding for these programs.

Proposition 204 Fiscal Impact Summary

Proposition 204 allocates monies received from tobacco companies as part of a lawsuit settlement. The state is expected to receive between \$92 million and \$109 million annually through 2006. By 2025, the state is expected to have received \$3.2 billion in total tobacco settlement revenues. Proposition 204 would use these monies to expand eligibility for the Arizona Health Care Cost Containment System (AHCCCS), which is the state's health care system for the poor.

A second ballot proposition, Healthy Children, Healthy Families (Proposition 200), also fully spends the tobacco settlement. If both initiatives pass, and Healthy Children, Healthy Families receives more votes than this initiative, this initiative would still go into effect. However, the entire projected state cost of the program would need to be paid from its general or other revenues.

ARGUMENTS "FOR" PROPOSITION 204

Healthy Arizona 2 has been supported by the following endorsers who are concerned about the health and well-being of all the working poor:

Pima County Medical Society; Arizona Rural Health Association; Arizona Ecumenical Council; Arizona Coalition for Human Services; Arizona Association of Community Health Centers; Arizona AIDS Policy Alliance; Arizona Citizen Action; Advisory Council on Indian Health Care; Behavioral Health Council of Southern Arizona; Child and Family Resources; Cocopah Indian Tribe; Community Information and Referral; Common Cause of Arizona; El Rio Community Health Center; Fort Mohave Indian Tribe; Gila River Indian Community; NAACP, Tucson Chapter; National Association of Social Workers – Arizona Chapter; National Organization for Women, Arizona Chapter; Pima County Pediatric Society; Church Women United in Arizona; COPD (Community Outreach Program for the Deaf); Community Partnership of Southern Arizona; AFL-CIO Central Labor Council of Southern Arizona; AFL-CIO State Executive Board; Arizonans for Quality Health Care, Inc.; American Association of University Women, Arizona Chapter; Green Party of Arizona; Southern Arizona AIDS Foundation; United Community Health Centers; Clinica Adelante; Lake Powell Medical Center; Sunset Community Health Center, Yuma; East Valley Addiction Council; A Place Called Home, Phoenix; Mountain Park Health Center; Southern Arizona Center Against Sexual Assault; Tucson Interfaith HIV/AIDS Network; Crisis Nursery, Inc., Phoenix; Planned Parenthood of Southern Arizona; Women in New Recovery (VMNR); Yavapai Prescott Indian Tribe.

United we can and will create a stronger healthier Arizona.

The Healthy Arizona Coalition, Dr. Eve Shapiro M.D., Chair, Healthy Dr. Reuben Merideth, Treasurer, Healthy Arizona Initiative 2, Tucson Arizona Initiative 2, Tucson

Paid for by Healthy Arizona Initiative Committee

The Pima County Medical Society was a strong supporter of the Healthy Arizona Initiative that passed by an overwhelming majority of voters four years ago. That measure was never enacted by our Legislature. The Healthy Arizona Initiative 2 again deserves our full support. We represent more than 1,100 physicians in Pima County. Our members see firsthand the effects of patients' lack of access to health care. Those of us in emergency departments see patients who have waited until illnesses become more severe, so that treatment is more costly and less effective. Patients are seen daily in our offices who forgo recommended evaluations and treatments because of lack of access to health insurance. Our state has one of the poorest records of providing its working citizens with basic health care. Healthy Arizona Initiative 2 provides for the simplest and most easily administered approach to this problem, and the only one in which the working poor are the prime beneficiaries.

Eve Shapiro, MD, Past President, Pima County Medical Society, Tucson

Paid for by Pima County Medical Society Joseph S. Whaley, MD, PCMS Secretary Treasurer, Tucson

Inarguably, Arizona has one of the best Medicaid programs (AHCCCS) yet adopted by any state. In fact, it has now been copied by seventeen other states. But this program remains flawed in one important way: if someone leaves our welfare rolls by taking a job that pays more than one third of the Federal Poverty Level, (\$1.67 per hour), that person must give up his/her health insurance.

In 1996, 72% of your fellow citizens voted to change that eligibility level to 100% of the Federal Poverty Level. But, as usual in this state in recent years, our Governor and Legislature - both chose to ignore your and my expressed instructions in this matter and did absolutely nothing to implement the change.

This Initiative is not aimed at solving a lot of our state problems. Rather, it has only one objective - to implement the decision you and I have already made. Let's not force these working people to go back on welfare, or to have children, in order to keep their health insurance.

Merlin K. DuVal, M.D., Phoenix

As a non-profit health center, El Rio Health Center has been dedicated to serving low income families for the past thirty years. It probably comes as no surprise that our organization fully supports Healthy Arizona II. For 250,000 Arizonans living in poverty and without health insurance, health care is a luxury used sparingly, if at all. It is so because Arizona limits basic health care coverage to so few working families.

In our health center it is an everyday experience for our physicians to encounter patients who can't afford an important test, a visit to the specialist, or a medication. Almost all patients work to house, feed and clothe their families, but with the current cost of health care it is impossible to pay for health care and for your family's needs. Healthy Arizona II will provide the working poor and their families complete health care coverage at no cost.

For the working poor, the tobacco settlement may be the last opportunity to obtain basic health care coverage that has proven so elusive in the past decade. Over that time Arizona has seen a sitting Governor propose such coverage, the voters have overwhelmingly endorsed such coverage, and they have even approved tobacco taxes to expand such coverage. Our families living in poverty, and uninsured, are still waiting. By supporting Healthy Arizona II Arizona voters will end the wait.

Ultimately, the tobacco settlement litigation funds are about health care and social justice. It is not about power struggles and political tradeoffs. We believe in a full measure of health and social justice for the working poor as offered in Healthy Arizona II. For this reason, El Rio Health Center has provided its full moral and financial support to Healthy Arizona II and asks all Arizona voters to do the same.

Robert Gomez, Executive Director, El Rio Health Center, Tucson Arthur N. Martinez, M.D., Medical Director, El Rio Health Center, Tucson

Paid for by El Rio Santa Cruz Neighborhood Health Center Inc.

Vote YES!

We endorsed the original Healthy Arizona Initiative in 1996, and this one follows the same path the voters have already approved. The only change is that Healthy Arizona-2 provides funding, in a way that keeps the politicians from messing it up, by directly appropriating from the tobacco settlement fund to AHCCCS to provide health insurance for low-income workers in Arizona.

Why does NOW care? Because women, and their families, are the ones most apt to need this healthcare. Women disproportionately hold low-wage, fulltime jobs that lack health insurance, and are more apt to have families (including both ends of the age spectrum—children and disabled parents) that place them below the poverty level. Women are more apt to work part-time, or have seasonal jobs, or to have small, self-owned businesses that have no health plan.

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

These women deserve doctor's office healthcare as the highest priority for the tobacco lawsuit settlement money. They've waited four years to see the doctor.

Vote YES on Prop 204.

Augustine Grodson, Finance Coordinator, National Organization for Women, Arizona Chapter, Tucson
Paula Bachman-Williams, Chapter Coordinator, National Organization for Women, Arizona Chapter, Tucson

Paid for by National Organization for Women

Healthy Arizona II is the most comprehensive of the health initiatives. It provides funds directly where they are needed: to citizens. Healthy Arizona II offers health insurance coverage for working poor families, including children, married couples without children, single adults, and the elderly. It is the only initiative offering health care to single adults and the elderly with grown children. Funds from this initiative go directly to people for their health care, not to support hospitals. This initiative is supported by more health organizations than any other. It's simple. It's fair. This initiative increases access to health care for thousands of Arizonans. Vote yes on Healthy Arizona II.

Laura Clarkson, Co-Chair, Arizona AIDS Policy Alliance, Paradise Valley

I grew up with some simple rules:

- Play Fair
- Tell the Truth
- Help People Less Fortunate than You
- Keep Your Promises

These are time honored principles used by counselors, clergy, teachers and parents throughout the state - **but ignored by a majority of our elected leaders who have refused to authorize health insurance for all poor Arizonans! Remember that four years ago, over 72% of Arizona voters approved the Healthy Arizona initiative that required them to do this!** But, instead of following the law and implementing our request, our leaders ignored us, and have basically done nothing to improve health care for adults.

Are you tired of hearing how Arizona always ranks at or near the bottom of all the states on measures of health and well being of its citizens? I am particularly outraged that we have some of the nation's lowest levels of funding for mental health and alcohol and drug treatment. Each year tens of thousands of people who need and want help for mental health or substance abuse have nowhere to go because they have no health insurance and there is nowhere near enough treatment available at state funded counseling centers.

Research collected by the American Psychological Association and other groups has clearly shown what happens when people can't get treatment for mental health problems or alcohol or drug abuse — child abuse, domestic violence, homelessness, some types of crime, serious illnesses, and emergency room visits all increase significantly. In addition, employee productivity and attendance have been shown to decline.

Mental health and substance abuse treatment is part of health care. Healthy Arizona 2 will enable all people who are at or below the national poverty level to qualify for health insurance. One of the best ways to help families is by ensuring health care for all adults and children. Please vote for Healthy Arizona 2.

Eric Schindler, Ph.D., Licensed Psychologist and Director of Clinical Services, La Frontera Center, Inc.
(A not for profit mental health and substance abuse treatment center), Tucson

"The pediatricians in Pima County strongly support the Healthy Arizona 2 initiative. We are choosing this initiative rather than other competing plans because it is the most effective way to help children and their families. Currently, in Arizona, families must earn under \$5700 to qualify for health benefits. Although benefits for children are more generous than for adults, it has been demonstrated that families often do not seek health care for their children if they do not have coverage as well. We are choosing to support this initiative because we believe that it is the most cost-effective way to help children and families. A study by the Morrison Institute at ASU recommended that money from the tobacco settlement should be used for one or two comprehensive programs rather than many small programs whose impact is difficult to measure. Healthy Arizona 2 directs the money to one simple, clear goal — diminishing the gap between the insured and uninsured. Tobacco settlement money should be used to provide health insurance coverage now for our most vulnerable citizens.

Julie Cordova MD, President, Pima County Pediatric Society, Tucson
Scott Radomsky, MD, Treasurer, Pima County Pediatric Society, Tucson
Paid for by Pima County Pediatric Society

Church Women United's involvement in healthcare became personalized by the death on Sept 5, 1995 of a Tucson mother, the sole support of two children and a disabled parent. Four doctor's offices turned her away, saying her minimum wage job, which left her family well below the poverty level, meant she made too much to qualify for AHCCCS healthcare. "Too much" meant more than \$5120 a year. When the fifth doctor finally saw her, the cancer had spread too far.

Four months later we were invited to join an initiative to the people to raise eligibility levels, making AHCCCS health insurance available to all Arizonans living in poverty, including, for the first time, those with jobs. We said yes. And at the 1996 election, the people of Arizona said Yes to the Healthy Arizona Initiative-1, in every county and with an historic, resounding 73% affirmation.

But even after the people speak, politicians can fail to follow through. One year seemed slow but reasonable. Two years was too long to wait to see the doctor. On the third year, we tired of pleading. After four years, sickened by inaction and denial, return to the polls.

Miraculously, we conceived a bypass to this obstinate delay: a new initiative which would change nothing the people approved in 1996, would not displace other programs or create a raft of new ones. Healthy Arizona-2 corrals the tobacco lawsuit settlement, due to bring Arizona \$3 billion over 25 years. With a lawsuit about healthcare for the poor paid for by Arizona, what could be more just and appropriate?

Since that young mother, we've seen so many others: young couples, folks nearing retirement, stricken by ill health, devastated financially, waiting to see the doctor.

Say No to endless delay and broken promises.

Vote for 204.

Vera Lander, Chair, Leader Enrichment, Church Women United, Tucson
Peg Lucius, President, Tucson Chapter, Church Women United, Tucson
Beverly S. Wolfard, Executive Committee, Phoenix Chapter, Church Women United, Phoenix

Paid for by Church Women United in Tucson

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

The Arizona Coalition for Human Services includes over 200 health and human service organizations in our membership. We participated in the original group of citizens, human services and health care professionals, and consumers which developed the Healthy Arizona Initiative in 1996 (Prop 203). Health Care for the working poor was an idea whose time had come. We saw our hard work gathering signatures and educating voters result in a nearly 3 to 1 margin in favor of Healthy Arizona. Despite voter approval, the initiative was not implemented. The problems it planned to address still persist.

Arizona is tied with Texas for the greatest number of uninsured citizens. Today, we have a unique opportunity to make a difference in the lives of these citizens. Healthy Arizona 2 concentrates the Tobacco Litigation Settlement money on the major health issue in Arizona, the lack of health insurance for one-quarter of our people. By raising the level of eligibility of AHCCCS to 100% of the federal poverty level, newly insured persons may go to the doctor when health problems begin. They do not have to wait until their condition becomes an emergency. Coverage will include older adults, single persons, and families, anyone whose income falls below the official poverty line. In addition, a group of health prevention, nutrition, and health education programs will receive much-needed expanded funding.

Healthy Arizona 2 is a focused, simple initiative which enables low income Arizonans to receive medical care using the already existing health care system. Any monies left from the Tobacco Litigation Settlement after implementation of Healthy Arizona would be available for other health needs. We believe that it represents the most effective use of these resources and would make the greatest difference for the wellbeing of the people of Arizona.

Suzy Bourque, Co-President, Arizona Coalition for Human Services, Tucson
Ann W. Nichols, Co-President, Arizona Coalition for Human Services, Tucson

Paid for by Arizona Coalition for Human Services

"Healthy Arizona 2 is the only initiative on the ballot that helps solve the major health problem in the state – inadequate health insurance for its citizens. Healthy Arizona is the only initiative that significantly impacts this problem by insuring a large number of currently uninsured people (over 100,000 estimated) at a meaningful level (under 100% of the Federal Poverty Level) and covering both children and adults with no children under 18 (vs. limiting adult coverage to parents of insured children). It also addresses six basic health education, nutrition and prevention programs that were previously enacted by the Legislature, but never adequately funded. It is the only health initiative to come from a group of concerned citizens and is exactly what an initiative should be: a citizen effort to address a problem inadequately addressed by elected government. Unfortunately, Healthy Arizona 2 was made necessary by the failure of the state to implement Healthy Arizona 1, passed overwhelmingly by the people in 1996, and repeats those exact same provisions with money from the Tobacco Settlement Fund and the protection of the 1998 Voter Protection Act. Equally unfortunately, legislatively projected cost estimates advanced in the language describing the initiative, in the opinion of the initiative's backers, are totally inaccurate and misleading and are designed to mislead and confuse voters. To the contrary, this initiative will produce federal matching funds (a return of our tax dollars) and leave settlement money to be spent for other programs. It is time to respond: "The voters have spoken!" and, once again, pass Healthy Arizona 2. This time the money is dedicated and, because it will be constitutionally protected, it can't be ignored by state government."

Andy Nichols, Tucson

The Healthy Arizona Coalition would like to respond to the legislative council analysis of Healthy Arizona 2.

- Healthy Arizona is a fiscally responsible solution to a growing problem of the uninsured population in Arizona. It was initially proposed by the then Governor Symington as a cost savings measure because it will enable the state to draw down new federal dollars on a 2:1 matching basis.
- Other states insure at 100% of the federal poverty level or above without facing undue fiscal consequences. Arizona, with its skyrocketing number of uninsured faces a different set of economic consequences that the legislative council omits in mentioning. 40% of all personal bankruptcies are a result of a health care crisis faced without insurance.

We feel the legislative council made a serious effort in their analysis to confuse the voter. They refused to implement this bill legislatively and now they are trying to fool us again by writing a biased report in what is supposed to be an objective analysis.

It's time to get past this politicking. It is time to just do it. Vote yes on Healthy Arizona Initiative 2.

Dr. Eve Shapiro, Chair, Healthy Arizona Initiative 2, Tucson

Dr. Reuben Merideth, Treasurer, Healthy Arizona Initiative 2, Tucson

Paid for by Healthy Arizona Initiative Committee

When the people speak, we have the right to expect something to happen. We voted for this in 1996, but politicians didn't fund it, saying, through four years of budget surpluses, "There is no money." Well, now there is money, and the excuses look pretty feeble. Anyone with plans to spend this windfall should take a number and get in line.

When families are sick, they don't go to programs— they go to their doctor. Doctor's office care is the right medicine, and putting AHCCCS health insurance first for funding, means getting back two of Arizona's federal dollars for each state dollar, tripling the Fund, for worthwhile programs next year.

Vote YES.

Claudia Ellquist, Tucson

The Arizona Association of Community Health Centers fully supports the Healthy Arizona 2 Initiative in its goal of making all of Arizona's working poor eligible for health insurance through the state.

The Arizona Association of Community Health Centers has as its core mission to promote and facilitate the development and delivery of community-oriented, affordable, high-quality, culturally effective, accessible primary health care in the state of Arizona. Our member clinics serve approximately 20% of the AHCCCS population in Arizona. We also serve the overwhelming majority of the current working poor population that will benefit from the increase of AHCCCS to 100% of the federal poverty level.

Community Health Center patients that will be eligible for AHCCCS if Healthy Arizona 2 is implemented, currently only receive primary care services from our member clinics. Though our patients receive the highest-quality primary care services, they have no access to affordable specialty or inpatient services that are periodically needed. Raising the AHCCCS eligibility limit will allow these patients to receive the full spectrum of services necessary to keep all members of their family healthy.

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

The low-income working people of Arizona deserve the opportunity to continue working, and have access to medical care. They deserved this opportunity four years ago when the people, by a 72% margin, first voted for this initiative. **We cannot continue to ignore the will of the people or the health of our working poor.** Arizona must keep the promise - healthcare not welfare. We urge a yes vote on November 7, 2000 on the Healthy Arizona 2 Initiative.

Al Gugenberger, President, AACHC Board of Directors, Phoenix Linda Gorey, Secretary, AACHC Board of Directors, Phoenix
Paid for by Arizona Association of Community Health Centers, Inc.

As a nurse practicing in Arizona, I am very concerned about the plight of the working poor who don't have health insurance. I strongly urge you to vote "YES" on Proposition 204 the Healthy Arizona II Initiative to provide comprehensive health insurance coverage for all of Arizona's working poor.

Under Proposition 204 the cost of health insurance for the working poor will be paid by the tobacco companies through payments to Arizona. Thus, we have the funds available without raising taxes to do what Arizona voters have already demanded.

According to the Morrison institute, Arizona should use its share of the Tobacco Settlement on one major healthcare problem. That approach makes Proposition 204 better for the working poor than Proposition 200. Proposition 200 resembles the "piecemeal" approach (small amounts of money for lots of bureaucracies without solving any of the problems) that the State Legislature took with the state Tobacco Tax money since 1994. In short, Proposition 204 is better than Proposition 200 because it provides more healthcare services to more people.

By the way, that same State Legislature who messed up the use of state Tobacco Tax money is telling you that we can't afford Proposition 204 The Healthy Arizona II Initiative. But four months earlier, the legislative staff said the Tobacco Settlement provides plenty of money to provide health insurance for the working poor.

The sad truth is, our State Legislature cannot be trusted to keep the promise of healthcare that the people made to working poor Arizonans four years ago. Let the Legislature know you will not tolerate their efforts to thwart the will of the people through "smoke and mirrors" and alarmist, politically motivated cost estimates. I urge all Arizonans to vote YES on Proposition 204, The Healthy Arizona II initiative on November 7, 2000.

Marion J. Levett, R.N., Casa Grande

The Green Party of Arizona endorses the Healthy Arizona 2 Initiative.

The voters originally passed this initiative in 1996. Arizona residents approved this sensible measure with overwhelming enthusiasm, and with good reason-it allows more of our families in poverty to have access to health care

The gap between the have's and the have-not's of healthcare is expanding at an alarming rate. The voters in 1996 clearly demonstrated that the people of Arizona are responding to the healthcare industry's withdrawal of healthcare support. And make no mistake about it, the devery titled Healthy Children, Healthy Families initiative is no replacement. That initiative funnels funds away from those who need it most-the families of the working poor.

By contrast, Healthy Arizona 2 is pure and simple. It will use the tobacco lawsuit money to provide health services to families who fall through the cracks. Currently in Arizona, a worker supporting a family of 4 must make about \$2 an hour or less to qualify for AHOCSS. This measure will expand coverage to all Arizonans that earn less than the federal poverty level.

Vote YES on Prop 204.

Michael Jay Green, Green Party Candidate, U.S. Congress, District 5, Tucson

Chris Ford, Green Party Candidate, Legislative District 11, Senate, Tucson

John Scudder, Green Party Candidate, Legislative District 25, House, Phoenix

Peter Hormel, Green Party Candidate, Pima County Attorney, Tucson

Paid for by Green Party

William Crosby, Green Party Candidate, Legislative District 9, House, Tucson

Bill Moeller, Green Party Candidate, Legislative District 11, House, Tucson

Susan K. Campbell, Green Party Candidate, Pima County Superintendent of Schools, Tucson

Jack Strasburg, Green Party Candidate, Legislative District 10, House, Tucson

Mary "Katie" Bolger, Green Party Candidate, Legislative District 14, House, Tucson

Dave Croteau, Green Party Candidate, Pima County Sheriff, Tucson

Common Cause urges "Yes" on Proposition 204, the Healthy Arizona Initiative.

This initiative would put tobacco funds where they belong, in Arizona's public health system. While we believe this initiative is an improvement on the competing measure, called "Healthy Children, Healthy Families," we urge voters who may like the thrust of both measures but are uncertain which to support, to, by all means, vote yes for both. If both are approved, any conflicting provisions will be resolved in favor of the measure with the most votes. The use of the tobacco funds for health care will be assured.

Arizona Common Cause is a nonpartisan group of over 3,000 Arizona families with a long history of working for open, clean and sensible self-government.

Miriam Neiman, Treasurer, Arizona Common Cause, Sun City Dennis Burke, Executive Officer, Arizona Common Cause, Phoenix
Paid for by Arizona Common Cause

ARGUMENTS "AGAINST" PROPOSITION 204

Proposition 204 is not in the best interest of Arizona's citizens and will not provide the benefits that it claims. Proposition 204 takes all of the money Arizona will receive from the tobacco settlement in the future and spends it on new programs, effectively tripling the AHCCCS program.

By spending 100% of the money, this proposition ensures that the future cost increases associated with these vastly expanded programs will have to be funded from other state revenue sources. Since it also prohibits any future plan reductions, it ensures that these programs will require additional funding. As the tobacco settlement amount is expected to fluctuate based on a number of factors, it serves as an uncertain source of primary funding for these programs.

Proposition 204 also has another very disturbing side effect. With an increase in government-provided insurance coverage, companies that currently provide insurance to their employees will see less of a reason to do so. Many may drop their insurance coverage, causing a substantial increase in uninsured Arizonans. Those who become eligible for benefits under the new expanded AHCCCS programs will increase further the total cost of these new programs, thereby requiring even more taxpayer dollars.

Proposition 204 is not good policy. Please join me and vote "No."

Carol Springer, Arizona State Treasurer, Prescott

There are two initiatives on the ballot dealing with Arizona's tobacco settlement money. If both pass, the one with the most votes wins. Both attempt to solve some of Arizona's serious problems, but a close look at Proposition 204 reveals that it isn't what it claims to be.

PROPOSITION 204 CREATES NEW PROBLEMS FOR ARIZONANS AND WON'T SOLVE THE HEALTH CARE PROBLEM.

Vote No! on Proposition 204.

Proposition 204 claims it will use tobacco settlement money to provide health care to everyone below the federal poverty level. **BUT WHAT HAPPENS WHEN THE TOBACCO MONEY RUNS OUT? IN 2007, THE TOBACCO MONEY WON'T COVER ALL THE HEALTH-CARE COSTS IN PROPOSITION 204 AND THE ARIZONA TAXPAYER WILL BE LEFT HOLDING THE BILL.** The sponsors tell us that the state government will have to apply to Washington for a waiver to reduce the cost, but the federal government has already said they won't approve a waiver.

THAT LEAVES ARIZONANS FACING A TAX INCREASE OR DRAMATIC CUTS IN OTHER GOVERNMENT SERVICES LIKE EDUCATION OR PUBLIC SAFETY IF PROPOSITION 204 PASSES.

WHY DIDN'T THEY TELL US THE TRUTH ABOUT PROPOSITION 204?

Proposition 204 claims it will fund children's and public health programs. **IN FACT, IT WILL PUT CAPS ON THOSE PROGRAMS AND PREVENT THEM FROM RECEIVING THE FUNDING THEY TRULY NEED. THESE PROGRAMS ONLY RECEIVE FUNDING AFTER HEALTH COVERAGE HAS BEEN PROVIDED FOR ALL THOSE BELOW THE FEDERAL POVERTY LEVEL. AFTER A FEW YEARS, THERE WILL BE NO SURPLUS AND PROPOSITION 204 WILL BE NOTHING MORE THAN AN EMPTY PROMISE.**

VOTE NO! ON A TAX INCREASE.

VOTE NO! ON EMPTY PROMISES.

VOTE NO! ON PROPOSITION 204.

Grant Woods, Former Arizona Attorney General, Phoenix

Paid for by Healthy Children, Healthy Families

BALLOT FORMAT

PROPOSITION 204

PROPOSED BY INITIATIVE PETITION

OFFICIAL TITLE

REPEALING SECTION 36-2901.01, ARIZONA REVISED STATUTES; AMENDING TITLE 35, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING A NEW SECTION 36-2901.01 AND SECTION 36-2901.02; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

DESCRIPTIVE TITLE

FUNDS THE HEALTHY ARIZONA INITIATIVE PASSED IN 1996; INCREASES ELIGIBILITY OF WORKING POOR AT FEDERAL POVERTY LEVEL FOR HEALTH CARE COVERAGE THROUGH AHCCCS (ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM); FUNDS HEALTH EDUCATION, NUTRITION AND PREVENTION PROGRAMS; FUNDS PREMIUM SHARING AND OTHER HEALTH CARE PROGRAMS WITH TOBACCO LITIGATION SETTLEMENT MONIES.

PROPOSITION 204

A "yes" vote shall have the effect of providing funding for the 1996 Healthy Arizona Initiative, increasing healthcare coverage eligibility for Arizona's working poor at the federal poverty level and funding previously authorized preventative health education, nutrition and prevention programs using the tobacco litigation settlement money.	YES <input type="checkbox"/>
A "no" vote shall have the effect of not requiring appropriation of tobacco settlement money to support these programs.	NO <input type="checkbox"/>