

State of Arizona  
House of Representatives  
Forty-fifth Legislature  
First Special Session  
2001

CHAPTER 1

**HOUSE BILL 2001**

AN ACT

AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2901.06; AMENDING SECTION 36-2903.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2001, CHAPTER 344, SECTION 41; AMENDING SECTION 36-2928, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2001, CHAPTER 344, SECTION 71; REPEALING LAWS 2001, CHAPTER 344, SECTIONS 120, 121, 126 AND 127; AMENDING LAWS 2001, CHAPTER 344, SECTION 131; MAKING APPROPRIATIONS; 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 Statutes,  
3 is amended by adding section 36-2901.06, to read:

4 36-2901.06. Emergency services; noncitizens; qualified aliens

5 A. BEGINNING ON OCTOBER 1, 2001 AND SUBJECT TO THE AVAILABILITY OF  
6 MONIES, A QUALIFIED ALIEN OR A NONCITIZEN WHO IS NOT ELIGIBLE FOR EMERGENCY  
7 SERVICES PURSUANT TO TITLE XIX OF THE SOCIAL SECURITY ACT MAY APPLY TO THE  
8 ADMINISTRATION FOR COVERAGE OF AN EMERGENCY SERVICE IF NECESSARY TO TREAT AN  
9 EMERGENCY MEDICAL CONDITION AS DEFINED IN SECTION 1903(v) OF THE SOCIAL  
10 SECURITY ACT IF THE PERSON IS A RESIDENT OF THIS STATE AND MEETS ONE OF THE  
11 FOLLOWING REQUIREMENTS:

12 1. THE PERSON HAS A HOUSEHOLD ADJUSTED GROSS INCOME LEVEL OF NOT MORE  
13 THAN FORTY PER CENT OF THE FEDERAL POVERTY GUIDELINES.

14 2. MEETS THE INCOME AND RESOURCE REQUIREMENTS OF SECTION 36-2901.04.

15 B. IN ADDITION TO THE INCOME REQUIREMENTS PRESCRIBED IN SUBSECTION A  
16 OF THIS SECTION, A PERSON MUST MEET THE ELIGIBILITY AND DOCUMENTATION  
17 REQUIREMENTS PRESCRIBED BY THE ADMINISTRATION FOR PERSONS WHO ARE ELIGIBLE  
18 FOR SERVICES PURSUANT TO SECTION 36-2901.03 OR 36-2901.04.

19 Sec. 2. Section 36-2903.03, Arizona Revised Statutes, as amended by  
20 Laws 2001, chapter 344, section 41, is amended effective from and after  
21 September 30, 2001, to read:

22 36-2903.03. United States citizenship and qualified alien  
23 requirements for eligibility; definition

24 A. A person who is applying for eligibility under this chapter shall  
25 provide verification of United States citizenship or documented verification  
26 of qualified alien status.

27 B. A qualified alien may apply for eligibility pursuant to section  
28 36-2901, paragraph 6, subdivision (a) and, if otherwise eligible for title  
29 XIX, may receive all services pursuant to section 36-2907 if the qualified  
30 alien meets at least one of the following requirements:

31 1. Is designated as one of the exception groups under 8 United States  
32 Code section 1613(b).

33 2. Has been a qualified alien for at least five years.

34 3. Has been continuously present in the United States since August 21,  
35 1996.

36 C. Notwithstanding any other law, persons who were residing in the  
37 United States under color of law on or before August 21, 1996, and who were  
38 receiving services under this article based on eligibility criteria  
39 established under the supplemental security income program, may apply for  
40 state funded services and, if otherwise eligible for supplemental security  
41 income-medical assistance only coverage except for United States citizenship  
42 or qualified alien requirements, may be enrolled with the system and receive  
43 all services pursuant to section 36-2907.

44 D. A person who is a qualified alien who does not meet the  
45 requirements of subsection B of this section or who is a noncitizen who does

1 not claim and provide verification of qualified alien status may apply for  
2 title XIX eligibility under section 36-2901, paragraph 6, subdivision (a)  
3 and, if otherwise eligible for title XIX, may receive only emergency services  
4 pursuant to section 1903(v) of the social security act.

5 E. In determining the eligibility for all qualified aliens pursuant  
6 to this chapter, the income and resources of any person who executed an  
7 affidavit of support pursuant to section 213A of the immigration and  
8 nationality act on behalf of the qualified alien and the income and resources  
9 of the spouse, if any, of the sponsoring individual shall be counted at the  
10 time of application and for the redetermination of eligibility for the  
11 duration of the attribution period as specified in federal law.

12 F. A PERSON WHO IS A QUALIFIED ALIEN OR A NONCITIZEN AND WHO IS NOT  
13 ELIGIBLE FOR TITLE XIX MAY APPLY FOR THE STATE EMERGENCY SERVICES PROGRAM AS  
14 PRESCRIBED IN SECTION 36-2901.06 AND, IF ELIGIBLE, MAY RECEIVE ONLY EMERGENCY  
15 SERVICES.

16 ~~F.~~ G. For purposes of this section, "qualified alien" means an  
17 individual who is one of the following:

18 1. Defined as a qualified alien under 8 United States Code section  
19 1641.

20 2. Defined as a qualified alien by the attorney general of the United  
21 States under the authority of Public Law 104-208, section 501.

22 3. An Indian described in 8 United States Code section 1612 (b)(2)(e).  
23 Sec. 3. Section 36-2928, Arizona Revised Statutes, as added by Laws  
24 2001, chapter 344, section 71, is amended effective from and after September  
25 30, 2001, to read:

26 36-2928. Budget neutrality compliance fund; nonlapsing

27 A. The budget neutrality compliance fund is established consisting of  
28 third party liability recoveries pursuant to section 36-2913, county  
29 contributions deposited pursuant to section 11-292, subsection P and section  
30 11-300, subsection D and appropriations. The administration shall administer  
31 the fund. Monies in the fund are continuously appropriated and do not revert  
32 to the state general fund.

33 B. On notice from the administration, the state treasurer shall invest  
34 and divest monies in the fund as provided by section 35-313, and monies  
35 earned from investment shall be credited to the Arizona tobacco litigation  
36 settlement fund established by section 36-2901.02.

37 C. The administration shall use any remaining fund monies to pay for  
38 expenditures made pursuant to section 36-2901.02, subsection B, paragraph 1  
39 if sufficient monies are not available in the Arizona tobacco litigation  
40 settlement fund established by section 36-2901.02, except that the  
41 administration shall use fund monies deposited pursuant to section 11-292,  
42 subsection Q for any direct and indirect eligibility costs associated with  
43 the expansion of program services.

44 D. On or before June 30 of each year, the administration shall  
45 transfer from the Arizona tobacco litigation settlement fund established by

1 section 36-2901.02 an amount necessary to reimburse the fund established  
2 pursuant to this section for its expenditures made to cover costs associated  
3 with the expanded definition of eligibility pursuant to section 36-2901.01,  
4 36-2901.04 OR 36-2903.03.

5 E. Notwithstanding subsection C of this section, in fiscal year  
6 2001-2002, the administration shall use ~~fifty-three million seven hundred~~  
7 FORTY-SIX MILLION SEVEN HUNDRED THIRTY-SIX thousand dollars of fund monies  
8 for maintenance of effort for the state match for persons who are determined  
9 eligible pursuant to section 36-2901.01 or, 36-2901.04 OR 36-2903.03.  
10 Beginning in fiscal year 2002-2003 and each fiscal year thereafter, the  
11 administration shall adjust this amount for inflation based on the GDP price  
12 deflator as defined in section 41-563.

13 Sec. 4. Repeal

14 Laws 2001, chapter 344, sections 120, 121, 126 and 127 are repealed.

15 Sec. 5. Laws 2001, chapter 344, section 131 is amended to read:

16 Sec. 131. Retroactivity

17 A. Sections ~~96, AND 97, 126 and 127~~ of this act are effective  
18 retroactively to May 1, 2001.

19 B. Section 98 of this act is effective retroactively to July 1, 2001.

20 Sec. 6. Exemption from rule making

21 A. The Arizona health care cost containment system administration is  
22 exempt from the rule making requirements of title 41, chapter 6, Arizona  
23 Revised Statutes, for one year from the effective date of this act to enact  
24 the requirements of this act.

25 B. Before adopting a proposed rule, the administration and the  
26 department shall hold at least one public meeting in an urban county and one  
27 public meeting in a rural county.

28 Sec. 7. Appropriations; purpose; adjustment

29 A. The sum of \$15,277,400 is appropriated from the state general fund  
30 and \$43,624,900 is appropriated in total expenditure authority for fiscal  
31 year 2001-2002 to the Arizona health care cost containment system for  
32 disproportionate share hospital payments.

33 B. The fiscal year 2001-2002 disproportionate share payment of  
34 \$43,624,900 is based on the federal fiscal year 2001-2002 authorized  
35 expenditure level of \$28,347,500. If the final federal expenditure  
36 authorization is an amount different from the estimate, the governor shall  
37 direct the Arizona health care cost containment system administration,  
38 subject to the availability of monies and subject to review of the joint  
39 legislative budget committee, to proportionately adjust authorization amounts  
40 among the identified recipients of the disproportionate share hospital  
41 payment. Before the final payment, the governor shall provide notification  
42 to the president of the senate, the speaker of the house of representatives,  
43 the chairmen of the house and senate appropriations committees and the staff  
44 director of the joint legislative budget committee of the adjusted federal

1 authorized expenditure level and the proposed distribution plan for these  
2 monies.

3 C. The appropriation for disproportionate share payments for fiscal  
4 year 2001-2002 made pursuant to section 36-2903.01, subsection P, Arizona  
5 Revised Statutes, as amended by Laws 2001, chapter 84, section 2, chapter 96,  
6 section 1 and chapter 344, section 39, includes \$15,150,000 for private  
7 qualifying disproportionate share hospitals and \$28,474,900 for deposit in  
8 the Arizona state hospital fund.

9 Sec. 8. Appropriations; purpose; adjustment

10 A. The sum of \$15,277,400 is appropriated from the state general fund  
11 and \$43,624,900 is appropriated in total expenditure authority for fiscal  
12 year 2002-2003 to the Arizona health care cost containment system for  
13 disproportionate share hospital payments.

14 B. The fiscal year 2002-2003 disproportionate share payment of  
15 \$43,624,900 is based on the federal fiscal year 2002-2003 authorized  
16 expenditure level of \$28,347,500. If the final federal expenditure  
17 authorization is an amount different from the estimate, the governor shall  
18 direct the Arizona health care cost containment system administration,  
19 subject to the availability of monies and subject to review of the joint  
20 legislative budget committee, to proportionately adjust authorization amounts  
21 among the identified recipients of the disproportionate share hospital  
22 payment. Before the final payment, the governor shall provide notification  
23 to the president of the senate, the speaker of the house of representatives,  
24 the chairmen of the house and senate appropriations committees and the staff  
25 director of the joint legislative budget committee of the adjusted federal  
26 authorized expenditure level and the proposed distribution plan for these  
27 monies.

28 C. The appropriation for disproportionate share payments for fiscal  
29 year 2002-2003 made pursuant to section 36-2903.01, subsection P, Arizona  
30 Revised Statutes, as amended by Laws 2001, chapter 84, section 2, chapter 96,  
31 section 1 and chapter 344, section 39, includes \$15,150,000 for private  
32 qualifying disproportionate share hospitals and \$28,474,900 for deposit in  
33 the Arizona state hospital fund.

34 Sec. 9. Appropriations; purpose; exemption

35 A. The sum of \$12,222,400 is appropriated from the state general fund  
36 in fiscal year 2001-2002 to the Arizona health care cost containment system  
37 administration for the state emergency services program established pursuant  
38 to section 36-2901.06, Arizona Revised Statutes.

39 B. The sum of \$20,000,000 is appropriated from the state general fund  
40 in fiscal year 2002-2003 to the Arizona health care cost containment system  
41 administration for the state emergency services program established pursuant  
42 to section 36-2901.06, Arizona Revised Statutes.

43 C. The sum of \$7,777,600 is appropriated from the medical services  
44 stabilization fund established by section 36-2922, Arizona Revised Statutes,

1 in fiscal year 2001-2002 to the Arizona health care cost containment system  
2 administration for emergency services provided pursuant to this act.

3 D. The Arizona health care cost containment system administration may  
4 use appropriations made pursuant to this section to pay approved claims for  
5 emergency services provided to persons who are eligible pursuant to section  
6 11-297, 36-2903.03 or 36-2905, Arizona Revised Statutes, before October 1,  
7 2001.

8 E. The appropriations made pursuant to subsections A and C of this  
9 section are exempt from the provisions of section 35-190, Arizona Revised  
10 Statutes, relating to lapsing of appropriations, except that all monies  
11 remaining unencumbered or unexpended on June 30, 2003 revert to the state  
12 general fund.

13 F. The appropriations made pursuant to subsection B of this section  
14 is exempt from the provisions of section 35-190, Arizona Revised Statutes,  
15 relating to lapsing of appropriations, except that all monies remaining  
16 unencumbered or unexpended on June 30, 2004 revert to the state general fund.

17 Sec. 10. Appropriation; purpose; exemption

18 A. The sum of \$105,055,900 is appropriated from the state general fund  
19 in fiscal year 2001-2002 to the Arizona health care cost containment system  
20 administration for deposit in the budget neutrality compliance fund  
21 established by section 36-2928, Arizona Revised Statutes.

22 B. The appropriation made in subsection A of this section is exempt  
23 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
24 lapsing of appropriations.

25 Sec. 11. Appropriation; purpose; exemption

26 A. The sum of \$109,883,800 is appropriated from the state general fund  
27 in fiscal year 2002-2003 to the Arizona health care cost containment system  
28 administration for deposit in the budget neutrality compliance fund  
29 established by section 36-2928, Arizona Revised Statutes.

30 B. The appropriation made in subsection A of this section is exempt  
31 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
32 lapsing of appropriations.

33 Sec. 12. Appropriation; purpose; exemption

34 A. The sum of \$5,467,000 is appropriated from the state general fund  
35 in fiscal year 2002-2003 to the medical services stabilization fund  
36 established by section 36-2922, Arizona Revised Statutes, as amended by Laws  
37 2001, chapter 344, section 69, to repay the fund for costs it incurs in  
38 fiscal year 2001-2002 relating to the state emergency services program.

39 B. The appropriation made in subsection A of this section is exempt  
40 from the provisions of section 35-190, Arizona Revised Statutes, relating to  
41 lapsing of appropriations.

42 Sec. 13. Retroactivity

43 A. Sections 7, 8 and 9 of this act are effective retroactively to July  
44 1, 2001.

1           B. Sections 1 through 6 and section 12 of this act are effective  
2 retroactively to from and after September 30, 2001.

3           Sec. 14. Emergency

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

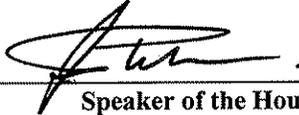
**APPROVED BY THE GOVERNOR SEPTEMBER 28, 2001.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE SEPTEMBER 28, 2001.**

Passed the House September 24, 2001,

by the following vote: 53 Ayes,

4 Nays, 3 Not Voting



Speaker of the House

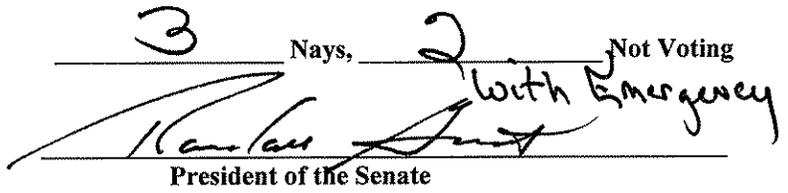


Chief Clerk of the House

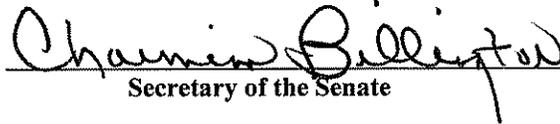
Passed the Senate September 26, 2001,

by the following vote: 25 Ayes,

3 Nays, 2 Not Voting

 with Emergency

President of the Senate



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

26 day of September, 2001,

at 10:35 o'clock A M.



Secretary to the Governor

Approved this 28 day of

September, 2001,

at 4:45 o'clock P M.



Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State  
this 28 day of September, 2001,

at 4:45 o'clock P M.



Secretary of State

H.B. 2001  
FIRST SPECIAL SESSION