

Senate Engrossed House Bill

FILED

**JANICE K. BREWER
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-seventh Legislature
Second Regular Session
2006

CHAPTER 212

HOUSE BILL 2719

AN ACT

AMENDING SECTION 36-2943, ARIZONA REVISED STATUTES; 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. Section 36-2943, Arizona Revised Statutes, is amended to
3 read:

4 36-2943. Provider subcontracts; hospital reimbursement

5 A. Subcontracts for services rendered by providers pursuant to section
6 36-2940 shall be awarded through competitive statewide proposals in as nearly
7 the same manner as ~~practical to~~ that provided in section 41-2534. If there
8 is not a sufficient number of qualified proposals, a subcontract may be
9 negotiated with a provider and shall be awarded pursuant to section 41-2536.
10 In order to deliver covered services to members enrolled or expected to be
11 enrolled in the system within a county, the program contractor may negotiate
12 and award without bid a provider subcontract if during the contract year
13 there is an insufficient number of subcontracts awarded to providers. The
14 term of the subcontract shall not extend beyond the next bid and subcontract
15 award process as provided in this section, and the subcontract shall be at
16 rates no greater than the weighted average rates for the appropriate level of
17 care paid to similar providers in the same county. This section does not
18 allow a program contractor to forego the competitive bid process pursuant to
19 section 41-2534 unless there is an unanticipated increase in members enrolled
20 in the system or a decrease in available beds brought about by the closure of
21 a facility operated by a provider ~~which~~ THAT is unable to be absorbed by
22 current contracting providers located in the same general area. ~~Prior to~~
23 BEFORE soliciting subcontracts without the competitive bid process, the
24 program contractor shall receive approval from the director.

25 B. Hospitals ~~which~~ THAT render care to members shall be paid by the
26 program contractor as prescribed in section 36-2903.01, or such lower rate as
27 may be negotiated by the program contractor.

28 C. The director may ensure through the subcontracts pursuant to
29 subsection A of this section that at least ten per cent of the members are
30 provided services pursuant to this article on a capitation basis.

31 D. A CLAIM FOR AN AUTHORIZED SERVICE SUBMITTED BY A LICENSED SKILLED
32 NURSING FACILITY, AN ASSISTED LIVING ARIZONA LONG-TERM CARE SYSTEM PROVIDER
33 OR A HOME AND COMMUNITY BASED ARIZONA LONG-TERM CARE SYSTEM PROVIDER THAT
34 RENDERS CARE TO MEMBERS PURSUANT TO THIS ARTICLE SHALL BE ADJUDICATED WITHIN
35 THIRTY CALENDAR DAYS AFTER RECEIPT BY THE PROGRAM CONTRACTOR. ANY CLEAN
36 CLAIM FOR AN AUTHORIZED SERVICE PROVIDED TO A MEMBER THAT IS NOT PAID WITHIN
37 THIRTY CALENDAR DAYS AFTER THE CLAIM IS RECEIVED ACCRUES INTEREST AT THE RATE
38 OF ONE PER CENT PER MONTH FROM THE DATE THE CLAIM IS SUBMITTED. THE INTEREST
39 IS PRORATED ON A DAILY BASIS AND MUST BE PAID BY THE PROGRAM CONTRACTOR AT
40 THE TIME THE CLEAN CLAIM IS PAID.

APPROVED BY THE GOVERNOR APRIL 25, 2006.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2006.