

State of Arizona
House of Representatives
Forty-ninth Legislature
Third Special Session
2009

HOUSE BILL 2013

CHAPTER 10

AN ACT

AMENDING SECTIONS 12-302, 23-722.01, 35-701 AND 36-405, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-414; AMENDING SECTION 36-550.06, ARIZONA REVISED STATUTES; AMENDING SECTION 36-882, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, CHAPTER 8, SECTION 8; AMENDING SECTION 36-897.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, CHAPTER 8, SECTION 10; AMENDING SECTIONS 36-1161 AND 36-2907, ARIZONA REVISED STATUTES; REPEALING SECTIONS 36-2930 AND 36-2981.01, ARIZONA REVISED STATUTES; AMENDING SECTIONS 38-651, 41-1954, 46-136, 46-217 AND 46-295, ARIZONA REVISED STATUTES; REPEALING LAWS 2007, CHAPTER 263, SECTION 42; AMENDING LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 1, SECTION 3; MAKING APPROPRIATIONS; RELATING TO HEALTH AND WELFARE BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 12-302, Arizona Revised Statutes, is amended to
3 read:

4 12-302. Extension of time for payment of fees and costs; relief
5 from default for nonpayment; deferral or waiver of
6 court fees and costs; definitions

7 A. The court or any judge may for good cause shown extend the time for
8 paying any court fees and costs required by law or may relieve against a
9 default caused by nonpayment of a fee within the time provided by law, but no
10 fees paid shall be refunded.

11 B. The supreme court shall adopt forms and procedures for deferral or
12 waiver of court fees and costs.

13 C. Except as provided in subsection E of this section, the court shall
14 grant an application for deferral of court fees and costs if the applicant
15 establishes by affidavit, including supporting documentation, that the
16 applicant either:

17 1. Is receiving benefits pursuant to one or more of the following
18 programs:

19 (a) The temporary assistance for needy families program established by
20 section 403 of title 4 of the social security act as it exists after August
21 21, 1996.

22 (b) The food stamp program (7 United States Code sections 2011 through
23 2029).

24 ~~(c) The general assistance program pursuant to title 46, chapter 2,~~
25 ~~article 2.~~

26 2. Is receiving benefits pursuant to the supplemental security income
27 program (42 United States Code sections 1381 through 1385).

28 3. Has an income that is insufficient or barely sufficient to meet the
29 daily essentials of life and that includes no allotment that could be
30 budgeted for the fees and costs that are required to gain access to the
31 court. In considering insufficient income pursuant to this paragraph, the
32 court may consider the following as evidence of insufficient income:

33 (a) The applicant has a gross income that as computed on a monthly
34 basis is one hundred fifty per cent or less of the current poverty level
35 established by the United States department of health and human services.
36 Gross monthly income includes the applicant's share of community property
37 income.

38 (b) The applicant's income is considered to be sufficient, but the
39 applicant provides proof of extraordinary expenses, including medical
40 expenses, costs of care for elderly or disabled family members or other
41 expenses that are deemed extraordinary, that reduce the applicant's gross
42 monthly income to at or below one hundred fifty per cent of the current
43 poverty level established by the United States department of health and human
44 services.

1 D. ~~Upon~~ ON proof that the applicant is permanently unable to pay fees
2 or costs, the court shall waive them. For THE purposes of this subsection,
3 "permanently unable to pay" means the applicant's income and liquid assets
4 are insufficient or barely sufficient to meet the daily essentials of life
5 and the income and liquid assets are unlikely to change in the foreseeable
6 future.

7 E. Except in cases of dissolution of marriage, legal separation,
8 annulment or establishment, enforcement or modification of child support, and
9 notwithstanding subsection A of this section or chapter 9, article 4 of this
10 title, if the applicant is an inmate who is confined to a correctional
11 facility operated by the state department of corrections and who initiates a
12 civil action or proceeding, the inmate is responsible for the full payment of
13 actual court fees and costs. On filing the civil action or proceeding, the
14 clerk of the court shall assess and, when monies exist, collect as a partial
15 payment of any court fees and costs required by law a first time payment of
16 twenty per cent. Thereafter the state department of corrections shall
17 withhold twenty per cent of all deposits into the prisoner's spendable
18 account administered by the department until the actual court fees and costs
19 are collected in full. The state department of corrections shall annually
20 forward any monies withheld to the clerk of the court of each court of
21 jurisdiction before January 31. If a prisoner is released before the full
22 fees and costs are collected, the state department of corrections shall
23 forward the amount of fees and costs collected through the date of the
24 prisoner's release. The clerk of the court of each court of jurisdiction is
25 responsible for sending the state department of corrections a copy of the
26 order mandating the amount of fees and costs to be paid. This subsection
27 does not prohibit an applicant from filing a civil action or proceeding if
28 the applicant is unable to pay the filing fees.

29 F. At the time an applicant signs and submits the application for
30 deferral to the court, the applicant shall acknowledge under oath and sign a
31 consent to judgment. By signing the consent to judgment, the applicant
32 consents to judgment being entered against the applicant for all fees and
33 costs that are deferred but that remain unpaid after thirty calendar days
34 following the entry of final judgment or order. A consent judgment may be
35 entered against the applicant unless one of the following applies:

36 1. The applicant has an established schedule of payment in effect and
37 is current with payments.

38 2. A supplemental application for further deferral or waiver has been
39 filed and is pending.

40 3. In response to a supplemental application, the court orders that
41 the fees and costs be further deferred or waived.

42 4. Within twenty days of the date the court denies the supplemental
43 application, the applicant either pays the fees or requests a hearing on the
44 court's final order denying further deferral or waiver. If the applicant
45 requests a hearing, the court shall not enter a consent judgment unless a

1 hearing is held, further deferral or waiver is denied and payment has not
2 been made within the time prescribed by the court.

3 G. An applicant who is granted a deferral or waiver or a party to the
4 action who knows of any change in the financial circumstances of the
5 applicant shall promptly notify the court of the change in the applicant's
6 financial circumstances during the pendency of the action that affects the
7 applicant's ability to pay court fees and costs. If within ten days after
8 notice and a hearing the court determines that the applicant's financial
9 circumstances have changed and that the applicant no longer meets the
10 eligibility requirements of this section, the court shall order the applicant
11 to pay the deferred or waived fees and costs.

12 H. The following court fees and costs may be deferred or waived,
13 except that the county shall pay the fees and costs in paragraphs 6 and 7 of
14 this subsection on the granting of an application for deferral or waiver and
15 an applicant who has been granted a deferral shall reimburse the county for
16 the fees and costs in paragraphs 6 and 7 of this subsection:

17 1. Filing fees.

18 2. Fees for issuance of either a summons or subpoena.

19 3. Fees for obtaining one certified copy of a temporary order in a
20 domestic relations case.

21 4. Fees for obtaining one certified copy of a final order, judgment or
22 decree in all civil proceedings.

23 5. Sheriff, marshal, constable and law enforcement fees for service of
24 process if any of the following applies:

25 (a) The applicant established by affidavit that the applicant has
26 attempted without success to obtain voluntary acceptance of service of
27 process.

28 (b) The applicant's attempt to obtain voluntary acceptance of service
29 of process would be futile or dangerous.

30 (c) An order of protection or an injunction against harassment in
31 favor of the applicant and against the party sought to be served exists and
32 is enforceable.

33 6. The fee for service by publication if service is required by law
34 and if the applicant establishes by affidavit specific facts to show that the
35 applicant has exercised due diligence in attempting to locate the person to
36 be served and has been unable to do so.

37 7. Court reporter's fees for the preparation of court transcripts if
38 the court reporter is employed by the court.

39 8. Appeal preparation and filing fees at all levels of appeal and
40 photocopy fees for the preparation of the record on appeal pursuant to
41 sections 12-119.01, 12-120.31 and 12-2107 and section 12-284, subsection A.

42 I. If the case is appealed, the initial deferral or waiver remains in
43 effect unless there is a change in the applicant's financial circumstances.
44 If a case is appealed an applicant may be required to submit to the appellate
45 court a new application for a deferral or waiver of the court fees and costs.

1 J. If a judgment is rendered for court fees and costs, the court fees
2 and costs deferred but unpaid and the expenses paid by the county under this
3 section shall be included in the judgment and shall be paid directly to the
4 clerk of the court by the party against whom the court fees and costs were
5 assessed.

6 K. A waiver of court fees or costs shall not be granted for:

7 1. Matters that are filed as class actions pursuant to rule 23 of the
8 Arizona rules of civil procedure.

9 2. Civil actions other than cases of dissolution of marriage, legal
10 separation, annulment or establishment, enforcement or modification of child
11 support that are filed by persons who at the time of filing the application
12 are incarcerated as a result of a felony conviction in an out-of-state
13 correctional facility or in a jail waiting to be transported to a state
14 department of corrections facility.

15 L. This section does not limit the court's discretion in deferring,
16 waiving or ordering the county to pay any fees and costs as may be necessary
17 and appropriate.

18 M. For the purposes of this section:

19 1. "Deferral" means either postponement of an obligation to pay fees
20 or establishment of a schedule for payment of fees.

21 2. "Further deferral" means the establishment of a schedule for
22 payment of fees.

23 Sec. 2. Section 23-722.01, Arizona Revised Statutes, is amended to
24 read:

25 23-722.01. Employer reporting; exceptions; retention of
26 records; unauthorized disclosure; civil penalty;
27 new hire directory; definitions

28 A. Subject to the requirements of subsection E, the department of
29 economic security shall implement a program to require all employers doing
30 business in this state to report the following to the department of economic
31 security:

32 1. The hiring of any employee who resides or works in this state.

33 2. The rehiring or returning to work of any employee who was laid off,
34 furloughed, separated, granted a leave without pay or terminated from
35 employment.

36 B. The department of economic security shall eliminate all unnecessary
37 reporting in the information requested to reduce the burden of employers.

38 C. Employers shall report by submitting a W-4 form or an equivalent
39 form at the option of the employer. The information may be submitted
40 magnetically, electronically or by first class mail, telefacsimile or any
41 other means that are authorized by the department of economic security.

42 D. Employers shall submit the reports within twenty days after the
43 employee is hired or rehired or returns to work. Employers who submit
44 reports magnetically or electronically shall submit the reports in two

1 monthly transmissions not more than sixteen days apart. The report shall
2 contain all of the following:

3 1. The employee's name, address and social security number.

4 2. The employer's name, address and federal tax identification number.

5 E. An employer who has employees who are employed in two or more
6 states and who transmits new hire reports magnetically or electronically may
7 comply with the new hire reporting requirements by designating one state in
8 which the employer has employees to transmit the report. An employer who has
9 employees in two or more states shall notify the United States secretary of
10 health and human services of the state to which the employer shall send
11 reports.

12 F. Except as provided in subsection L, the department of economic
13 security or its agent may use the information collected pursuant to this
14 section only for the following purposes:

15 1. The administration and enforcement of child support pursuant to
16 title IV-D of the social security act. Except as provided by federal law,
17 the information collected shall only be used to locate a person to establish
18 paternity and to establish, modify and enforce support obligations. The
19 information may be disclosed to an agent under contract with the department
20 of economic security to carry out this purpose. The information may also be
21 disclosed to agencies of this state, political subdivisions of this state,
22 federal agencies involved with support and other states and their political
23 subdivisions seeking to locate persons to enforce support pursuant to title
24 IV-D of the social security act.

25 2. The identification and prevention of benefit fraud in assistance
26 programs under title 46, chapter 2, ~~articles 2 and~~ ARTICLE 5.

27 3. The administration of employment security services pursuant to this
28 chapter and workers' compensation programs pursuant to chapter 6 of this
29 title.

30 G. The information collected pursuant to this section shall not be
31 disclosed pursuant to title 39, chapter 1. An employee or agent of this
32 state who discloses any information collected pursuant to this section
33 without authorization is subject to a civil penalty of one thousand dollars
34 for each offense. The department of economic security may impose and collect
35 the penalty and shall deposit any collections in the state general fund. Any
36 unauthorized release of information is cause for the administrative
37 discipline of the employee or agent.

38 H. The department shall operate a state directory of new hires
39 comprised of information received from employers. The department shall enter
40 information received from employers into the state directory of new hires
41 within five business days after receipt. The information shall be forwarded
42 to the national directory of new hires within three business days after entry
43 into the state directory of new hires. For the purposes of this section, a
44 business day is a day when state offices are open for regular business.

1 I. The department of economic security shall conduct, directly or by
2 contract, an automated comparison of social security numbers reported by
3 employers pursuant to this section and the social security numbers on record
4 in the state case registry of child support orders.

5 J. If a comparison conducted pursuant to subsection I reveals a match
6 of the social security number of an obligor required to pay support in a
7 title IV-D case, the department, within two business days, shall issue an
8 income withholding order to the employer of the person obligated to pay
9 support directing the employer to withhold the ordered amount from the income
10 of the employee.

11 K. This section does not allow the department to impose penalties on
12 employers for failing to comply with this section's reporting requirements.

13 L. The department of economic security and the Arizona health care
14 cost containment system administration may use the information collected
15 pursuant to this section to verify eligibility under title XIX of the social
16 security act.

17 M. For the purposes of this section:

18 1. "Employee" means a person who is employed within the meaning of
19 chapter 24 of the internal revenue code of 1986. Employee does not include
20 an employee of a federal or state agency performing intelligence or
21 counterintelligence functions if the head of the agency has determined that
22 reporting with respect to the employee could endanger the safety of the
23 employee or compromise an ongoing investigation or intelligence mission.

24 2. "Employer" has the same meaning prescribed in section 3401(d) of
25 the internal revenue code of 1986 and includes any governmental entity and
26 any labor organization.

27 Sec. 3. Section 35-701, Arizona Revised Statutes, is amended to read:
28 35-701. Definitions

29 In this chapter, unless the context otherwise requires:

30 1. "Corporation" means any corporation organized as an authority as
31 provided in this chapter.

32 2. "Designated area" means any area of this state which is either
33 designated pursuant to section 36-1479 as a slum or blighted area as defined
34 in section 36-1471, designated by regulation as a pocket of poverty or a
35 neighborhood strategy area by the United States department of housing and
36 urban development pursuant to title I of the housing and community
37 development act of 1977 (P.L. 95-128; 42 United States Code sections 5301
38 through 5320), as amended, and the department of housing and urban
39 development act (P.L. 89-174; 42 United States Code section 3535(d)) or
40 designated by the United States department of housing and urban development
41 as an empowerment or enterprise zone pursuant to the federal omnibus budget
42 reconciliation act of 1993 (P.L. 103-66; 26 United States Code section
43 1391(g)) or an area certified as an enterprise zone pursuant to section
44 41-1524, subsection B.

45 3. "Governing body" means:

1 (a) The board or body in which the general legislative powers of the
2 municipality or the county are vested.

3 (b) The Arizona board of regents with respect to a corporation formed
4 with the permission of the Arizona board of regents.

5 4. "Income" means gross earnings from wages, salary, commissions,
6 bonuses or tips from all jobs, net earnings from such person's or family's
7 own nonfarm business, professional practice or partnership, and net earnings
8 from such person's or family's own farm. Income includes income, other than
9 earnings, that consists of amounts received from social security or railroad
10 retirement, interest, dividends, veterans payments, pensions and other
11 regular payments, public assistance or welfare payments, including aid for
12 dependent children, old age assistance, ~~general assistance~~ and aid to the
13 blind or totally disabled, but excluding separate payments for hospital or
14 other medical care.

15 5. "Manufactured house" means a structure that is manufactured in a
16 factory after June 15, 1976, that is delivered to a homesite in more than one
17 section and that is placed on a permanent foundation. The dimensions of the
18 completed house shall not be less than twenty feet by forty feet, the roof
19 must be sloping, the siding and roofing must be the same as those found in
20 site-built houses and the house must be eligible for thirty year real estate
21 mortgage financing.

22 6. "Municipality" or "county" means the Arizona board of regents or
23 any incorporated city or town, including charter cities, or any county in
24 this state in which a corporation may be organized and in which it is
25 contemplated the corporation will function.

26 7. "Persons of low and moderate income" means, for the purposes of
27 financing owner-occupied single family dwelling units in areas which the
28 municipality has found, pursuant to section 36-1479, to be slum or blighted
29 areas, as defined in section 36-1471, persons and families whose income does
30 not exceed two and one-half times the median family income of this state. In
31 all other areas it means persons and families whose income does not exceed
32 one and one-half times the median family income of this state.

33 8. "Project" means any land, any building or any other improvement and
34 all real and personal properties, including machinery and equipment whether
35 or not now in existence or under construction and whether located within or
36 without this state or the municipality or county approving the formation of
37 the corporation, that are suitable for any of the following:

38 (a) With respect to a corporation formed with the permission of a
39 municipality or county other than the Arizona board of regents:

40 (i) Any enterprise for the manufacturing, processing or assembling of
41 any agricultural or manufactured products.

42 (ii) Any commercial enterprise for the storing, warehousing,
43 distributing or selling of products of agriculture, mining or industry, or of
44 processes related thereto, including research and development.

1 (iii) Any office building or buildings for use as corporate or company
2 headquarters or regional offices or the adaptive use for offices of any
3 building within this state that is on the national register of historic
4 places or rehabilitation of residential buildings located in registered
5 historic neighborhoods.

6 (iv) A health care institution as defined in section 36-401.

7 (v) Residential real property for dwelling units located within the
8 municipality or county approving the formation of the corporation and, in the
9 case of a county, whether or not also within a municipality that is within
10 the county.

11 (vi) Repairing or rehabilitating single family dwelling units or
12 constructing or repairing residential fences and walls.

13 (vii) Convention or trade show facilities.

14 (viii) Airports, docks, wharves, mass commuting facilities, parking
15 facilities or storage or training facilities directly related to any of the
16 facilities as provided in this item.

17 (ix) Sewage or solid waste disposal facilities or facilities for the
18 furnishing of electric energy, gas or water.

19 (x) Industrial park facilities.

20 (xi) Air or water pollution control facilities.

21 (xii) Any educational institution that is operated by a nonprofit
22 educational organization that is exempt from taxation under section 501(c)(3)
23 of the United States internal revenue code and that is not otherwise funded
24 by state monies, any educational institution or organization that is
25 established under title 15, chapter 1, article 8 and that is owned by a
26 nonprofit organization, any private nonsectarian school or any private
27 nonsectarian organization established for the purpose of funding a joint
28 technological education school district.

29 (xiii) Research and development facilities.

30 (xiv) Commercial enterprises, including facilities for office,
31 recreational, hotel, motel and service uses if the facilities authorized by
32 this item are to be located in a designated area.

33 (xv) A child welfare agency, as defined in section 8-501, owned and
34 operated by a nonprofit organization.

35 (xvi) A transportation facility constructed or operated pursuant to
36 title 28, chapter 22, article 1 or 2.

37 (xvii) A museum operated by a nonprofit organization.

38 (xviii) Facilities owned or operated by a nonprofit organization
39 described in section 501(c) of the United States internal revenue code of
40 1986.

41 (xix) New or existing correctional facilities within this state.

42 (b) With respect to a corporation formed with the permission of the
43 Arizona board of regents, any facility consisting of classrooms, lecture
44 halls or conference centers or any facility for research and development or
45 for manufacturing, processing, assembling, marketing, storing and

1 transferring items developed through or connected with research and
2 development or in which the results of such research and development are
3 utilized, but only if the facility is located in an area designated as a
4 research park by the Arizona board of regents.

5 9. "Property" means any land, improvements thereon, buildings and any
6 improvements thereto, machinery and equipment of any and all kinds necessary
7 to a project and any other personal properties deemed necessary in connection
8 with a project.

9 10. "Research park" means an area of land that has been designated by
10 the Arizona board of regents as a research park for a university and that, at
11 the date of designation, is owned by this state or by the Arizona board of
12 regents.

13 11. "Single family dwelling unit" includes any new, used or
14 manufactured house that meets the insuring requirements of the federal
15 housing administration, the veterans administration or any other insuring
16 entity of the United States government or any private mortgage insurance or
17 surety company that is approved by the federal home loan mortgage corporation
18 or the federal national mortgage association.

19 Sec. 4. Section 36-405, Arizona Revised Statutes, is amended to read:

20 36-405. Powers and duties of the director

21 A. The director shall adopt rules to establish minimum standards and
22 requirements for the construction, modification and licensure of health care
23 institutions necessary to assure the public health, safety and welfare. The
24 standards and requirements shall relate to the construction, equipment,
25 sanitation, staffing for medical, nursing and personal care services, and
26 record keeping pertaining to the administration of medical, nursing and
27 personal care services, in accordance with generally accepted practices of
28 health care. The director shall use the current standards adopted by the
29 joint commission on accreditation of hospitals and the commission on
30 accreditation of the American osteopathic association or those adopted by any
31 recognized accreditation organization approved by the department as
32 guidelines in prescribing minimum standards and requirements under this
33 section.

34 B. The director may, by rule, MAY:

35 1. Classify and subclassify health care institutions according to
36 character, size, range of services provided, medical or dental specialty
37 offered, duration of care and standard of patient care required for the
38 purposes of licensure. Classes of health care institutions may include
39 hospitals, infirmaries, outpatient treatment centers, health screening
40 services centers and residential care facilities. Whenever the director
41 reasonably deems distinctions in rules and standards to be appropriate among
42 different classes or subclasses of health care institutions the director may
43 make such distinctions.

44 2. Prescribe standards for determining a health care institution's
45 substantial compliance with licensure requirements.

- 1 3. Prescribe the criteria for the licensure inspection process.
2 4. Prescribe standards for the selection of health care related
3 demonstration projects.
4 5. Prescribe standards for training programs for assisted living
5 facilities.
6 6. ESTABLISH AND COLLECT NONREFUNDABLE FEES FOR HEALTH CARE
7 INSTITUTIONS FOR LICENSE APPLICATIONS, INITIAL LICENSES, RENEWAL LICENSES AND
8 ARCHITECTURAL DRAWING REVIEWS.
9 C. The director may:
10 1. Grant, deny, suspend and revoke approval of training programs for
11 assisted living facilities.
12 2. Impose a civil penalty pursuant to section 36-431.01 against a
13 training program that violates this chapter or rules adopted pursuant to this
14 chapter.
15 ~~D. The director shall establish and collect the following~~
16 ~~nonrefundable fees for health care institutions:~~
17 ~~1. Fees of not to exceed fifty dollars for a license application.~~
18 ~~2. Architectural drawing review fees of not to exceed the following~~
19 ~~amounts:~~
20 ~~(a) For a project with a cost of less than one hundred thousand~~
21 ~~dollars, fifty dollars.~~
22 ~~(b) For a project with a cost of one hundred thousand dollars or more~~
23 ~~and less than five hundred thousand dollars, one hundred dollars.~~
24 ~~(c) For a project with a cost of five hundred thousand dollars or~~
25 ~~more, one hundred fifty dollars.~~
26 ~~3. Initial license and license renewal fees of not to exceed the~~
27 ~~following amounts:~~
28 ~~(a) For a facility with no licensed capacity, one hundred dollars.~~
29 ~~(b) For a facility with a licensed capacity of one to fifty nine beds,~~
30 ~~one hundred dollars, plus an additional fee in the amount of the licensed~~
31 ~~capacity times ten dollars.~~
32 ~~(c) For a facility with a licensed capacity of sixty to ninety nine~~
33 ~~beds, two hundred dollars, plus an additional fee in the amount of the~~
34 ~~licensed capacity times ten dollars.~~
35 ~~(d) For a facility with a licensed capacity of one hundred to one~~
36 ~~hundred forty nine beds, three hundred dollars, plus an additional fee in the~~
37 ~~amount of the licensed capacity times ten dollars.~~
38 ~~(e) For a facility with a licensed capacity of one hundred fifty beds~~
39 ~~or more, five hundred dollars, plus an additional fee in the amount of the~~
40 ~~licensed capacity times ten dollars.~~
41 D. BEGINNING JANUARY 1, 2010, NINETY PER CENT OF THE FEES COLLECTED
42 PURSUANT TO THIS SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND
43 35-147, IN THE HEALTH SERVICES LICENSING FUND ESTABLISHED BY SECTION 36-414
44 AND TEN PER CENT OF THE FEES COLLECTED PURSUANT TO THIS SECTION SHALL BE
45 DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE STATE GENERAL FUND.

1 E. Subsection ~~D~~ B, PARAGRAPH 6 of this section does not apply to a
2 health care institution operated by a state agency pursuant to state or
3 federal law or to adult foster care residential settings.

4 Sec. 5. Title 36, chapter 4, article 1, Arizona Revised Statutes, is
5 amended by adding section 36-414, to read:

6 36-414. Health services licensing fund; exemption

7 A. THE HEALTH SERVICES LICENSING FUND IS ESTABLISHED CONSISTING OF
8 MONIES DEPOSITED PURSUANT TO SECTIONS 36-405, 36-882 AND 36-897.01. THE
9 DEPARTMENT OF HEALTH SERVICES SHALL ADMINISTER THE FUND.

10 B. MONIES IN THE FUND ARE SUBJECT TO LEGISLATIVE APPROPRIATION.

11 C. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190
12 RELATING TO LAPSING OF APPROPRIATIONS.

13 Sec. 6. Section 36-550.06, Arizona Revised Statutes, is amended to
14 read:

15 36-550.06. Client eligibility

16 A. The seriously mentally ill are eligible for services under this
17 article if they comply with the eligibility screening and application process
18 prescribed in section 36-3408, and UNDER ANY OF THE FOLLOWING CIRCUMSTANCES:

19 1. They voluntarily seek the services. ~~†-or~~

20 ~~2. A court appointed guardian requests, in accordance with section~~
21 ~~36-547.04, subsection B, that they receive the services; or~~

22 2. THE DEPARTMENT RECEIVES A REQUEST FOR THESE SERVICES FROM A
23 GUARDIAN WHO IS AUTHORIZED TO CONSENT TO INPATIENT TREATMENT PURSUANT TO
24 SECTION 14-5312.01.

25 3. A court orders that they receive the services. ~~†-or~~

26 4. The chief medical officer of the Arizona state hospital recommends
27 they receive such services.

28 B. Programs and services identified in section 36-550.05 may include
29 purchase of care support payments to persons to supplement social security,
30 supplemental security income, ~~general assistance~~ or veterans administration
31 disability payments, and client fees when available.

32 Sec. 7. Section 36-882, Arizona Revised Statutes, as amended by Laws
33 2009, chapter 8, section 8, is amended to read:

34 36-882. License; posting; transfer prohibited; fees;
35 provisional license; renewal

36 A. A child care facility shall not receive any child for care,
37 supervision or training unless the facility is licensed by the department of
38 health services.

39 B. An application for a license shall be made on a written or
40 electronic form prescribed by the department and shall include:

41 1. Information required by the department for the proper
42 administration of this chapter and rules adopted pursuant to this chapter.

43 2. The name and business or residential address of each controlling
44 person.

1 3. An affirmation by the applicant that no controlling person has been
2 denied a certificate to operate a child care group home or a license to
3 operate a child care facility for the care of children in this state or
4 another state or has had a license to operate a child care facility or a
5 certificate to operate a child care group home revoked for reasons that
6 relate to the endangerment of the health and safety of children.

7 C. An application for an initial license shall include:

8 1. The form that is required pursuant to section 36-883.02, subsection
9 C and that is completed by the applicant.

10 2. A copy of a valid fingerprint clearance card issued to the
11 applicant pursuant to section 41-1758.07.

12 3. If the applicant's facility is located within one-fourth mile of
13 any agricultural land, the names and addresses of the owners and lessees of
14 the agricultural land and a copy of the agreement required pursuant to
15 subsection D of this section.

16 D. The department shall deny any license that affects agricultural
17 land regulated pursuant to section 3-365, except that the owner of the
18 agricultural land may agree to comply with the buffer zone requirements of
19 section 3-365. If the owner agrees in writing to comply with the buffer zone
20 requirements and records the agreement in the office of the county recorder
21 as a restrictive covenant running with the title to the land, the department
22 may license the child care facility to be located within the affected buffer
23 zone. The agreement may include any stipulations regarding the child care
24 facility, including conditions for future expansion of the facility and
25 changes in the operational status of the facility that will result in a
26 breach of the agreement. This subsection shall not apply to the issuance or
27 renewal of a license for a child care facility located in the same location
28 for which a child care facility license was previously issued.

29 E. On receipt of an application for an initial license, the department
30 shall inspect the applicant's physical space, activities and standards of
31 care. If the department determines that the applicant and the applicant's
32 facility are in substantial compliance with this chapter and rules adopted
33 pursuant to this chapter and the applicant agrees to carry out a plan
34 acceptable to the department to eliminate any deficiencies, the department
35 shall issue an initial license to the applicant.

36 ~~F. The fee for an initial application for licensure is one hundred
37 fifty dollars and is not refundable. The application fee is for the first
38 full licensure period, including any provisional period. The application fee
39 for renewal of a license is one hundred fifty dollars and is not refundable.
40 An applicant for renewal who fails to submit the application forty five days
41 before the expiration of the license is subject to a fifty dollar late filing
42 fee. The department shall deposit, pursuant to sections 35-146 and 35-147,
43 late filing fees in the state general fund.~~

44 F. THE DIRECTOR, BY RULE, MAY ESTABLISH AND COLLECT NONREFUNDABLE FEES
45 FOR CHILD CARE FACILITIES FOR INITIAL AND RENEWAL LICENSE APPLICATIONS AND

1 FOR LATE FILING OF APPLICATIONS. BEGINNING JANUARY 1, 2010, NINETY PER CENT
2 OF THE FEES COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED, PURSUANT
3 TO SECTIONS 35-146 AND 35-147, IN THE HEALTH SERVICES LICENSING FUND
4 ESTABLISHED BY SECTION 36-414 AND TEN PER CENT OF THE FEES COLLECTED PURSUANT
5 TO THIS SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147,
6 IN THE STATE GENERAL FUND.

7 G. A license is valid for three years from the date of issuance and
8 shall specify the following:

- 9 1. The name of the applicant.
- 10 2. The exact address where the applicant will locate the facility.
- 11 3. The maximum number and age limitations of children that shall be
12 cared for at any one time.
- 13 4. The classification of services that the facility is licensed to
14 provide.

15 H. The department may issue a provisional license, not to exceed six
16 months, to an applicant or a licensed child care facility if:

- 17 1. The facility changes director.
- 18 2. The department determines that an applicant for an initial license
19 or a licensed child care facility is not in substantial compliance with this
20 chapter and rules adopted pursuant to this chapter and the immediate
21 interests of children, families and the general public are best served if the
22 child care facility or the applicant is given an opportunity to correct
23 deficiencies.

24 I. A provisional license shall state the reason for the provisional
25 status.

26 J. On the expiration of a provisional license, the department shall
27 issue a regular license for the remainder of the license period if the
28 department determines that the licensee and the child care facility are in
29 substantial compliance with this chapter and rules adopted pursuant to this
30 chapter and the applicant agrees to carry out a plan acceptable to the
31 department to eliminate any deficiencies.

32 K. Except as provided in section 36-893, subsection A, on receipt of a
33 renewal application that complies with this chapter and rules adopted
34 pursuant to this chapter, the department shall issue a renewal license to the
35 child care facility.

36 L. The licensee shall notify the department in writing within ten days
37 of any change in the child care facility's director.

38 M. The license is not transferable from person to person and is valid
39 only for the quarters occupied at the time of issuance.

40 N. The license shall be conspicuously posted in the child care
41 facility.

42 O. The licensee shall conspicuously post a schedule of fees charged
43 for services and the established policy for a refund of fees for services not
44 rendered.

1 P. The licensee shall keep current department inspection reports at
2 the child care facility and shall make them available to parents on request.
3 The licensee shall conspicuously post a notice that identifies the location
4 where these inspection reports are available for review.

5 Q. The department of health services shall notify the department of
6 public safety if the department of health services receives credible evidence
7 that a licensee who possesses a valid fingerprint clearance card either:

8 1. Is arrested for or charged with an offense listed in section
9 41-1758.07, subsection B.

10 2. Falsified information on any form required by section 36-883.02.

11 Sec. 8. Section 36-897.01, Arizona Revised Statutes, as amended by
12 Laws 2009, chapter 8, section 10, is amended to read:

13 36-897.01. Certification; application; fees; rules;
14 fingerprinting; renewal

15 A. A child care group home shall be certified by the department. An
16 application for a certificate shall be made on a written or electronic form
17 prescribed by the department and shall contain all information required by
18 the department.

19 B. If a child care group home is within one-fourth mile of agriculture
20 land, the application shall include the names and addresses of the owners and
21 lessees of any agricultural land within one-fourth mile of the facility.
22 Within ten days after receipt of an application for a certificate, the
23 department shall notify the owners and lessees of agricultural land as listed
24 on the application. The department shall deny a certificate that affects
25 agricultural land regulated pursuant to section 3-365, except that the owner
26 of the agricultural land may agree to comply with the buffer zone
27 requirements of section 3-365. If the owner agrees in writing to comply with
28 the buffer zone requirements and records the agreement in the office of the
29 county recorder as a restrictive covenant running with the title to the land,
30 the department may issue a certificate to the child care group home to be
31 located within the affected buffer zone. The agreement may include any
32 stipulations regarding the child care group home, including conditions for
33 future expansion of the facility and changes in the operational status of the
34 facility that will result in a breach of the agreement. This subsection
35 applies to the renewal of a certificate for a child care group home located
36 in the same location if the child care group home certificate was not
37 previously issued under this subsection.

38 ~~C. An application for an initial certificate shall be accompanied by a~~
39 ~~nonrefundable application fee of thirty dollars.~~

40 C. THE DIRECTOR, BY RULE, MAY ESTABLISH AND COLLECT NONREFUNDABLE FEES
41 FOR CHILD CARE GROUP HOMES FOR INITIAL AND RENEWAL CERTIFICATE APPLICATIONS
42 AND FOR LATE FILING FEES. BEGINNING JANUARY 1, 2010, NINETY PER CENT OF THE
43 FEES COLLECTED PURSUANT TO THIS SECTION SHALL BE DEPOSITED, PURSUANT TO
44 SECTIONS 35-146 AND 35-147, IN THE HEALTH SERVICES LICENSING FUND ESTABLISHED
45 BY SECTION 36-414 AND TEN PER CENT OF THE FEES COLLECTED PURSUANT TO THIS

1 SECTION SHALL BE DEPOSITED, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE
2 STATE GENERAL FUND.

3 D. The department shall issue an initial certificate if the department
4 determines that the applicant and the applicant's child care group home are
5 in substantial compliance with the requirements of this article and
6 department rules and the facility agrees to carry out a plan acceptable to
7 the director to eliminate any deficiencies.

8 E. A certificate is valid for three years and may be renewed for
9 successive three-year periods by submitting a renewal application as
10 prescribed by the department and submitting a nonrefundable renewal
11 application fee of ~~thirty dollars~~ ESTABLISHED PURSUANT TO SUBSECTION C OF
12 THIS SECTION. An applicant for renewal who fails to submit the application
13 forty-five days before the expiration of the certificate is subject to a
14 ~~twenty-five dollar~~ late filing fee ESTABLISHED PURSUANT TO SUBSECTION C OF
15 THIS SECTION. ~~Late filing fees collected pursuant to this subsection shall~~
16 ~~be deposited, pursuant to sections 35-146 and 35-147, in the state general~~
17 ~~fund.~~

18 F. In order to ensure that the equipment and services of a child care
19 group home and the good character of an applicant are conducive to the
20 welfare of children, the department by rule shall establish the criteria for
21 granting, denying, suspending and revoking a certificate.

22 G. The director shall adopt rules and prescribe forms as may be
23 necessary for the proper administration and enforcement of this article.

24 H. The certificate shall be conspicuously posted in the child care
25 group home for viewing by parents and the public.

26 I. Current department inspection reports shall be kept at the child
27 care group home and shall be made available to parents on request.

28 J. A certificate is not transferable and is valid only for the
29 location occupied at the time it is issued.

30 K. An application for an initial certificate shall include:

31 1. The form that is required pursuant to section 36-897.03, subsection
32 B and that is completed by the applicant.

33 2. A copy of a valid fingerprint clearance card issued to the
34 applicant pursuant to section 41-1758.07.

35 L. Except as provided in section 36-897.10, subsection A, on receipt
36 of a renewal application that complies with this chapter and rules adopted
37 pursuant to this chapter, the department shall issue a renewal certificate to
38 the child care group home.

39 M. The department of health services shall notify the department of
40 public safety if the department of health services receives credible evidence
41 that a person who possesses a valid fingerprint clearance card either:

42 1. Is arrested for or charged with an offense listed in section
43 41-1758.07, subsection B.

44 2. Falsified information on any form required by section 36-897.03.

1 1. Inpatient hospital services that are ordinarily furnished by a
2 hospital for the care and treatment of inpatients and that are provided under
3 the direction of a physician or a primary care practitioner. For the
4 purposes of this section, inpatient hospital services ~~excludes~~ EXCLUDE
5 services in an institution for tuberculosis or mental diseases unless
6 authorized under an approved section 1115 waiver.

7 2. Outpatient health services that are ordinarily provided in
8 hospitals, clinics, offices and other health care facilities by licensed
9 health care providers. Outpatient health services include services provided
10 by or under the direction of a physician or a primary care practitioner but
11 do not include occupational therapy, or speech therapy for eligible persons
12 who are twenty-one years of age or older.

13 3. Other laboratory and x-ray services ordered by a physician or a
14 primary care practitioner.

15 4. Medications that are ordered on prescription by a physician or a
16 dentist licensed pursuant to title 32, chapter 11. Beginning January 1,
17 2006, persons who are dually eligible for title XVIII and title XIX services
18 must obtain available medications through a medicare licensed or certified
19 medicare advantage prescription drug plan, a medicare prescription drug plan
20 or any other entity authorized by medicare to provide a medicare part D
21 prescription drug benefit.

22 5. Emergency dental care and extractions for persons who are at least
23 twenty-one years of age.

24 6. Medical supplies, equipment and prosthetic devices, not including
25 hearing aids OR DENTURES, ordered by a physician or a primary care
26 practitioner ~~or dentures ordered by a dentist licensed pursuant to title 32,~~
27 ~~chapter 11.~~ Suppliers of durable medical equipment shall provide the
28 administration with complete information about the identity of each person
29 who has an ownership or controlling interest in their business and shall
30 comply with federal bonding requirements in a manner prescribed by the
31 administration.

32 7. For persons who are at least twenty-one years of age, treatment of
33 medical conditions of the eye excluding eye examinations for prescriptive
34 lenses and the provision of prescriptive lenses.

35 8. Early and periodic health screening and diagnostic services as
36 required by section 1905(r) of title XIX of the social security act for
37 members who are under twenty-one years of age.

38 9. Family planning services that do not include abortion or abortion
39 counseling. If a contractor elects not to provide family planning services,
40 this election does not disqualify the contractor from delivering all other
41 covered health and medical services under this chapter. In that event, the
42 administration may contract directly with another contractor, including an
43 outpatient surgical center or a noncontracting provider, to deliver family
44 planning services to a member who is enrolled with the contractor that elects
45 not to provide family planning services.

1 10. Podiatry services performed by a podiatrist licensed pursuant to
2 title 32, chapter 7 and ordered by a primary care physician or primary care
3 practitioner.

4 11. Nonexperimental transplants approved for title XIX reimbursement.

5 12. Ambulance and nonambulance transportation.

6 B. Beginning on October 1, 2002, circumcision of newborn males is not
7 a covered health and medical service.

8 C. The system shall pay noncontracting providers only for health and
9 medical services as prescribed in subsection A of this section and as
10 prescribed by rule.

11 D. The director shall adopt rules necessary to limit, to the extent
12 possible, the scope, duration and amount of services, including maximum
13 limitations for inpatient services that are consistent with federal
14 regulations under title XIX of the social security act (P.L. 89-97; 79 Stat.
15 344; 42 United States Code section 1396 (1980)). To the extent possible and
16 practicable, these rules shall provide for the prior approval of medically
17 necessary services provided pursuant to this chapter.

18 E. The director shall make available home health services in lieu of
19 hospitalization pursuant to contracts awarded under this article. For the
20 purposes of this subsection, "home health services" means the provision of
21 nursing services, home health aide services or medical supplies, equipment
22 and appliances, which are provided on a part-time or intermittent basis by a
23 licensed home health agency within a member's residence based on the orders
24 of a physician or a primary care practitioner. Home health agencies shall
25 comply with the federal bonding requirements in a manner prescribed by the
26 administration.

27 F. The director shall adopt rules for the coverage of behavioral
28 health services for persons who are eligible under section 36-2901, paragraph
29 6, subdivision (a). The administration shall contract with the department of
30 health services for the delivery of all medically necessary behavioral health
31 services to persons who are eligible under rules adopted pursuant to this
32 subsection. The division of behavioral health in the department of health
33 services shall establish a diagnostic and evaluation program to which other
34 state agencies shall refer children who are not already enrolled pursuant to
35 this chapter and who may be in need of behavioral health services. In
36 addition to an evaluation, the division of behavioral health shall also
37 identify children who may be eligible under section 36-2901, paragraph 6,
38 subdivision (a) or section 36-2931, paragraph 5 and shall refer the children
39 to the appropriate agency responsible for making the final eligibility
40 determination.

41 G. The director shall adopt rules for the provision of transportation
42 services and rules providing for copayment by members for transportation for
43 other than emergency purposes. Prior authorization is not required for
44 medically necessary ambulance transportation services rendered to members or

1 eligible persons initiated by dialing telephone number 911 or other
2 designated emergency response systems.

3 H. The director may adopt rules to allow the administration, at the
4 director's discretion, to use a second opinion procedure under which surgery
5 may not be eligible for coverage pursuant to this chapter without
6 documentation as to need by at least two physicians or primary care
7 practitioners.

8 I. If the director does not receive bids within the amounts budgeted
9 or if at any time the amount remaining in the Arizona health care cost
10 containment system fund is insufficient to pay for full contract services for
11 the remainder of the contract term, the administration, on notification to
12 system contractors at least thirty days in advance, may modify the list of
13 services required under subsection A of this section for persons defined as
14 eligible other than those persons defined pursuant to section 36-2901,
15 paragraph 6, subdivision (a). The director may also suspend services or may
16 limit categories of expense for services defined as optional pursuant to
17 title XIX of the social security act (P.L. 89-97; 79 Stat. 344; 42 United
18 States Code section 1396 (1980)) for persons defined pursuant to section
19 36-2901, paragraph 6, subdivision (a). Such reductions or suspensions do not
20 apply to the continuity of care for persons already receiving these services.

21 J. Additional, reduced or modified hospitalization and medical care
22 benefits may be provided under the system to enrolled members who are
23 eligible pursuant to section 36-2901, paragraph 6, subdivision (b), (c), (d)
24 or (e).

25 K. All health and medical services provided under this article shall
26 be provided in the geographic service area of the member, except:

27 1. Emergency services and specialty services provided pursuant to
28 section 36-2908.

29 2. That the director may permit the delivery of health and medical
30 services in other than the geographic service area in this state or in an
31 adjoining state if the director determines that medical practice patterns
32 justify the delivery of services or a net reduction in transportation costs
33 can reasonably be expected. Notwithstanding the definition of physician as
34 prescribed in section 36-2901, if services are procured from a physician or
35 primary care practitioner in an adjoining state, the physician or primary
36 care practitioner shall be licensed to practice in that state pursuant to
37 licensing statutes in that state similar to title 32, chapter 13, 15, 17 or
38 25 and shall complete a provider agreement for this state.

39 L. Covered outpatient services shall be subcontracted by a primary
40 care physician or primary care practitioner to other licensed health care
41 providers to the extent practicable for purposes including, but not limited
42 to, making health care services available to underserved areas, reducing
43 costs of providing medical care and reducing transportation costs.

44 M. The director shall adopt rules that prescribe the coordination of
45 medical care for persons who are eligible for system services. The rules

1 shall include provisions for the transfer of patients, the transfer of
2 medical records and the initiation of medical care.

3 Sec. 11. Repeal; temporary medical coverage program; reversion

4 A. Section 36-2930, Arizona Revised Statutes, is repealed.

5 B. Any monies remaining in the temporary medical coverage program fund
6 on the effective date of this act revert to the state general fund.

7 Sec. 12. Repeal; KidsCare parents; retroactivity

8 A. Section 36-2981.01, Arizona Revised Statutes, is repealed.

9 B. This section is effective retroactively to from and after September
10 30, 2009.

11 Sec. 13. Section 38-651, Arizona Revised Statutes, is amended to read:

12 38-651. Expenditure of monies for health and accident
13 insurance; definition

14 A. The department of administration may expend public monies
15 appropriated for such purpose to procure health and accident coverage for
16 full-time officers and employees of the THIS state and its departments and
17 agencies. The department of administration may adopt rules which THAT
18 provide that if an employee dies while the employee's surviving spouse's
19 health insurance is in force, the surviving spouse shall be IS entitled to no
20 more than thirty-six months of extended coverage at one hundred two per cent
21 of the group rates by paying the premiums. No public monies may be expended
22 to pay all or any part of the premium of health insurance continued in force
23 by the surviving spouse. The department of administration shall seek a
24 variety of plans, including indemnity health insurance, hospital and medical
25 service plans, dental plans and health maintenance organizations. On a
26 recommendation of the department of administration and the review of the
27 joint legislative budget committee, the department of administration may
28 self-insure for the purposes of this subsection. If the department of
29 administration self-insures, the department may contract directly with
30 preferred provider organizations, physician and hospital networks, indemnity
31 health insurers, hospital and medical service plans, dental plans and health
32 maintenance organizations. If the department self-insures, the department
33 shall provide that the self-insurance program include all health coverage
34 benefits that are mandated pursuant to title 20. The self-insurance program
35 shall include provisions to provide for the protection of the officers and
36 employees, including grievance procedures for claim or treatment denials,
37 creditable coverage determinations, dissatisfaction with care and access to
38 care issues. The department of administration by rule shall designate and
39 adopt performance standards, including cost competitiveness, utilization
40 review issues, network development and access, conversion and implementation,
41 report timeliness, quality outcomes and customer satisfaction for qualifying
42 plans. The qualifying plans for which the standards are adopted include
43 indemnity health insurance, hospital and medical service plans, closed panel
44 medical and dental plans and health maintenance organizations, and for
45 eligibility of officers and employees to participate in such plans. Any

1 indemnity health insurance or hospital and medical service plan designated as
2 a qualifying plan by the department of administration must be open for
3 enrollment to all permanent full-time state employees, except that any plan
4 established prior to June 6, 1977 may be continued as a separate plan. Any
5 closed panel medical or dental plan or health maintenance organization
6 designated as the qualifying plan by the department of administration must be
7 open for enrollment to all permanent full-time state employees residing
8 within the geographic area or area to be served by the plan or organization.
9 Officers and employees may select coverage under the available options.

10 B. The department of administration may expend public monies
11 appropriated for such purpose to procure health and accident coverage for the
12 dependents of full-time officers and employees of the THIS state and its
13 departments and agencies. The department of administration shall seek a
14 variety of plans, including indemnity health insurance, hospital and medical
15 service plans, dental plans and health maintenance organizations. On a
16 recommendation of the department of administration and the review of the
17 joint legislative budget committee, the department of administration may
18 self-insure for the purposes of this subsection. If the department of
19 administration self-insures, the department may contract directly with
20 preferred provider organizations, physician and hospital networks, indemnity
21 health insurers, hospital and medical service plans, dental plans and health
22 maintenance organizations. If the department self-insures, the department
23 shall provide that the self-insurance program include all health coverage
24 benefits that are mandated pursuant to title 20. The self-insurance program
25 shall include provisions to provide for the protection of the officers and
26 employees, including grievance procedures for claim or treatment denials,
27 creditable coverage determinations, dissatisfaction with care and access to
28 care issues. The department of administration by rule shall designate and
29 adopt performance standards, including cost competitiveness, utilization
30 review issues, network development and access, conversion and implementation,
31 report timeliness, quality outcomes and customer satisfaction for qualifying
32 plans. The qualifying plans for which the standards are adopted include
33 indemnity health insurance, hospital and medical service plans, closed panel
34 medical and dental plans and health maintenance organizations, and for
35 eligibility of the dependents of officers and employees to participate in
36 such plans. Any indemnity health insurance or hospital and medical service
37 plan designated as a qualifying plan by the department of administration must
38 be open for enrollment to all permanent full-time state employees, except
39 that any plan established prior to June 6, 1977 may be continued as a
40 separate plan. Any closed panel medical or dental plan or health maintenance
41 organization designated as a qualifying plan by the department of
42 administration must be open for enrollment to all permanent full-time state
43 employees residing within the geographic area or area to be served by the
44 plan or organization. Officers and employees may select coverage under the
45 available options.

1 C. The department of administration may designate the Arizona health
2 care cost containment system established by title 36, chapter 29 as a
3 qualifying plan for the provision of health and accident coverage to
4 full-time state officers and employees and their dependents. The Arizona
5 health care cost containment system shall not be the exclusive qualifying
6 plan for health and accident coverage for state officers and employees either
7 on a statewide or regional basis.

8 D. Except as provided in section 38-652, public monies expended
9 pursuant to this section each month shall not exceed:

10 1. Five hundred dollars multiplied by the number of officers and
11 employees who receive individual coverage.

12 2. One thousand two hundred dollars multiplied by the number of
13 married couples if both members of the couple are either officers or
14 employees and each receives individual coverage or family coverage.

15 3. One thousand two hundred dollars multiplied by the number of
16 officers or employees who receive family coverage if the spouses of the
17 officers or employees are not officers or employees.

18 E. Subsection D of this section:

19 1. Establishes a total maximum expenditure of public monies pursuant
20 to this section.

21 2. Does not establish a minimum or maximum expenditure for each
22 individual officer or employee.

23 F. In order to ensure that an officer or employee does not suffer a
24 financial penalty or receive a financial benefit based on the officer's or
25 employee's age, gender or health status, the department of administration
26 shall consider implementing the following:

27 1. Requests for proposals for health insurance that specify that the
28 carrier's proposed premiums for each plan be based on the expected age,
29 gender and health status of the entire pool of employees and officers and
30 their family members enrolled in all qualifying plans and not on the age,
31 gender or health status of the individuals expected to enroll in the
32 particular plan for which the premium is proposed.

33 2. Recommendations from a legislatively established study group on
34 risk adjustments relating to a system for reallocating premium revenues among
35 the contracting qualifying plans to the extent necessary to adjust the
36 revenues received by any carrier to reflect differences between the average
37 age, gender and health status of the enrollees in that carrier's plan or
38 plans and the average age, gender and health status of all enrollees in all
39 qualifying plans.

40 G. Each officer or employee shall certify on the initial application
41 for family coverage that ~~such~~ THE officer or employee is not receiving more
42 than the contribution for which eligible pursuant to subsection D of this
43 section. Each officer or employee shall also provide ~~such~~ THE certification
44 on any change of coverage or marital status.

1 H. If a qualifying health maintenance organization is not available to
2 an officer or employee within fifty miles of the officer's or employee's
3 residence and the officer or employee is enrolled in a qualifying plan, the
4 officer or employee shall be offered the opportunity to enroll with a health
5 maintenance organization when the option becomes available. If a health
6 maintenance organization is available within fifty miles and it is determined
7 by the department of administration that there is an insufficient number of
8 medical providers in the organization, the department may provide for a
9 change in enrollment from plans designated by the director when additional
10 medical providers join the organization.

11 I. Notwithstanding ~~the provisions of~~ subsection H of this section,
12 officers and employees who enroll in a qualifying plan and reside outside the
13 area of a qualifying health maintenance organization shall be offered the
14 option to enroll with a qualified health maintenance organization offered
15 through their provider under the same premiums as if they lived within the
16 area boundaries of the qualified health maintenance organization, ~~provided~~
17 ~~that~~ IF:

18 1. All medical services are rendered and received at an office
19 designated by the qualifying health maintenance organization or at a facility
20 referred by the health maintenance organization.

21 2. All nonemergency or nonurgent travel, ambulatory and other expenses
22 from the residence area of the officer or employee to the designated office
23 of the qualifying health maintenance organization or the facility referred by
24 the health maintenance organization ~~shall be~~ ARE the responsibility of and at
25 the expense of the officer or employee.

26 3. All emergency or urgent travel, ambulatory and other expenses from
27 the residence area of the officer or employee to the designated office of the
28 qualifying health maintenance organization or the facility referred by the
29 health maintenance organization ~~shall be~~ ARE paid pursuant to any agreement
30 between the health maintenance organization and the officer or employee
31 living outside the area of the qualifying health maintenance organization.

32 J. The department of administration shall allow any school district in
33 this state that meets the requirements of section 15-388, a charter school in
34 this state that meets the requirements of section 15-187.01 or a city, town,
35 county, community college district, special taxing district, authority or
36 public entity organized pursuant to the laws of this state that meets the
37 requirements of section 38-656 to participate in the health and accident
38 coverage prescribed in this section, except that participation is only
39 allowed in a health plan that is offered by the department and that is
40 subject to title 20, chapter 1, article 1. A school district, a charter
41 school, a city, a town, a county, a community college district, a special
42 taxing district, an authority or any public entity organized pursuant to the
43 laws of this state rather than ~~the~~ THIS state shall pay directly to the
44 benefits provider the premium for its employees.

1 K. The department of administration shall determine the actual
2 administrative and operational costs associated with school districts,
3 charter schools, cities, towns, counties, community college districts,
4 special taxing districts, authorities and public entities organized pursuant
5 to the laws of this state participating in the state health and accident
6 insurance coverage. These costs shall be allocated to each school district,
7 charter school, city, town, county, community college district, special
8 taxing district, authority and public entity organized pursuant to the laws
9 of this state based ~~upon~~ ON the total number of employees participating in
10 the coverage. This subsection only applies to a health plan that is offered
11 by the department and that is subject to title 20, chapter 1, article 1.

12 L. Insurance providers contracting with ~~the~~ THIS state shall
13 separately maintain records that delineate claims and other expenses
14 attributable to participation of a school district, charter school, city,
15 town, county, community college district, special taxing district, authority
16 and public entity organized pursuant to the laws of this state in the state
17 health and accident insurance coverage and, by November 1 of each year, shall
18 report to the department of administration the extent to which state costs
19 are impacted by participation of school districts, charter schools, cities,
20 towns, counties, community college districts, special taxing districts,
21 authorities and public entities organized pursuant to the laws of this state
22 in the state health and accident insurance coverage. By December 1 of each
23 year, the director of the department of administration shall submit a report
24 to the president of the senate and the speaker of the house of
25 representatives detailing the information provided to the department by the
26 insurance providers and including any recommendations for possible
27 legislative action.

28 M. Notwithstanding subsection J of this section, any school district
29 in this state that meets the requirements of section 15-388, a charter school
30 in this state that meets the requirements of section 15-187.01 or a city,
31 town, county, community college district, special taxing district, authority
32 or public entity organized pursuant to the laws of this state that meets the
33 requirements of section 38-656 may apply to the department of administration
34 to participate in the self-insurance program that is provided by this section
35 pursuant to rules adopted by the department. A participating entity shall
36 reimburse the department for all premiums and administrative or other
37 insurance costs. The department shall actuarially prescribe the annual
38 premium for each participating entity to reflect the actual cost of each
39 participating entity.

40 N. Any person that submits a bid to provide health and accident
41 coverage pursuant to this section shall disclose any court or administrative
42 judgments or orders issued against that person within the last ten years
43 before the submittal.

44 O. FOR THE PURPOSES OF THIS SECTION, BEGINNING OCTOBER 1, 2009,
45 "DEPENDENT" MEANS A SPOUSE UNDER THE LAWS OF THIS STATE, A CHILD WHO IS UNDER

1 NINETEEN YEARS OF AGE OR A CHILD WHO IS UNDER TWENTY-THREE YEARS OF AGE AND
2 WHO IS A FULL-TIME STUDENT.

3 Sec. 14. Section 41-1954, Arizona Revised Statutes, is amended to
4 read:

5 41-1954. Powers and duties

6 A. In addition to the powers and duties of the agencies listed in
7 section 41-1953, subsection E, the department shall:

8 1. Administer the following services:

9 (a) Employment services, which shall include manpower programs and
10 work training, field operations, technical services, unemployment
11 compensation, community work and training and other related functions in
12 furtherance of programs under the social security act, as amended, the
13 Wagner-Peyser act, as amended, the federal unemployment tax act, as amended,
14 33 United States Code, the family support act of 1988 (P.L. 100-485) and
15 other related federal acts and titles.

16 (b) Individual and family services, which shall include a section on
17 aging, services to children, youth and adults and other related functions in
18 furtherance of social service programs under the social security act, as
19 amended, title IV, grants to states for aid and services to needy families
20 with children and for child-welfare services, title XX, grants to states for
21 services, the older Americans act, as amended, the family support act of 1988
22 (P.L. 100-485) and other related federal acts and titles.

23 (c) Income maintenance services, which shall include categorical
24 assistance programs, special services unit, child support collection
25 services, establishment of paternity services, maintenance and operation of a
26 state case registry of child support orders, a state directory of new hires,
27 a support payment clearinghouse and other related functions in furtherance of
28 programs under the social security act, title IV, grants to states for aid
29 and services to needy families with children and for child-welfare services,
30 title XX, grants to states for services, as amended, and other related
31 federal acts and titles.

32 (d) Rehabilitation services, which shall include vocational
33 rehabilitation services and sections for the blind and visually impaired,
34 communication disorders, correctional rehabilitation and other related
35 functions in furtherance of programs under the vocational rehabilitation act,
36 as amended, the Randolph-Sheppard act, as amended, and other related federal
37 acts and titles.

38 (e) Administrative services, which shall include the coordination of
39 program evaluation and research, interagency program coordination and
40 in-service training, planning, grants, development and management,
41 information, legislative liaison, budget, licensing and other related
42 functions.

43 (f) Manpower planning, which shall include a state manpower planning
44 council for the purposes of the federal-state-local cooperative manpower
45 planning system and other related functions in furtherance of programs under

1 the comprehensive employment and training act of 1973, as amended, and other
2 related federal acts and titles.

3 (g) Economic opportunity services, which shall include the furtherance
4 of programs prescribed under the economic opportunity act of 1967, as
5 amended, and other related federal acts and titles.

6 (h) Mental retardation and other developmental disability programs,
7 with emphasis on referral and purchase of services. The program shall
8 include educational, rehabilitation, treatment and training services and
9 other related functions in furtherance of programs under the developmental
10 disabilities services and facilities construction act, Public Law 91-517, and
11 other related federal acts and titles.

12 (i) Nonmedical home and community based services and functions
13 including department designated case management, housekeeping services, chore
14 services, home health aid, personal care, visiting nurse services, adult day
15 care or adult day health, respite sitter care, attendant care, home delivered
16 meals and other related services and functions.

17 2. Provide a coordinated system of initial intake, screening,
18 evaluation and referral of persons served by the department.

19 3. Adopt rules it deems necessary or desirable to further the
20 objectives and programs of the department.

21 4. Formulate policies, plans and programs to effectuate the missions
22 and purposes of the department.

23 5. Employ, determine the conditions of employment and prescribe the
24 duties and powers of administrative, professional, technical, secretarial,
25 clerical and other persons as may be necessary in the performance of its
26 duties, contract for the services of outside advisors, consultants and aides
27 as may be reasonably necessary and reimburse department volunteers,
28 designated by the director, for expenses in transporting clients of the
29 department on official business.

30 6. Make contracts and incur obligations within the general scope of
31 its activities and operations subject to the availability of funds.

32 7. Contract with or assist other departments, agencies and
33 institutions of the state, local and federal governments in the furtherance
34 of its purposes, objectives and programs.

35 8. Be designated as the single state agency for the purposes of
36 administering and in furtherance of each federally supported state plan.

37 9. Accept and disburse grants, matching funds and direct payments from
38 public or private agencies for the conduct of programs which are consistent
39 with the overall purposes and objectives of the department.

40 10. Provide information and advice on request by local, state and
41 federal agencies and by private citizens, business enterprises and community
42 organizations on matters within the scope of its duties subject to the
43 departmental rules on the confidentiality of information.

44 11. Establish and maintain separate financial accounts as required by
45 federal law or regulations.

1 12. Advise with and make recommendations to the governor and the
2 legislature on all matters concerning its objectives.

3 13. Have an official seal which shall be judicially noticed.

4 14. Annually estimate the current year's population of each county,
5 city and town in this state, using the periodic census conducted by the
6 United States department of commerce, or its successor agency, as the basis
7 for such estimates and deliver such estimates to the economic estimates
8 commission before December 15.

9 15. Estimate the population of any newly annexed areas of a political
10 subdivision as of July 1 of the fiscal year in which the annexation occurs
11 and deliver such estimates as promptly as is feasible after the annexation
12 occurs to the economic estimates commission.

13 16. Establish and maintain a statewide program of services for persons
14 who are both hearing impaired and visually impaired and coordinate
15 appropriate services with other agencies and organizations to avoid
16 duplication of these services and to increase efficiency. The department of
17 economic security shall enter into agreements for the utilization of the
18 personnel and facilities of the department of economic security, the
19 department of health services and other appropriate agencies and
20 organizations in providing these services.

21 17. Establish and charge fees for deposit in the department of economic
22 security prelayoff assistance services fund to employers who voluntarily
23 participate in the services of the department which provide job service and
24 retraining for persons who have been or are about to be laid off from
25 employment. The department shall charge only those fees necessary to cover
26 the costs of administering the job service and retraining services.

27 18. Establish a focal point for addressing the issue of hunger in
28 Arizona and provide coordination and assistance to public and private
29 nonprofit organizations which aid hungry persons and families throughout this
30 state. Specifically such activities shall include:

31 (a) Collecting and disseminating information regarding the location
32 and availability of surplus food for distribution to needy persons, the
33 availability of surplus food for donation to charity food bank organizations,
34 and the needs of charity food bank organizations for surplus food.

35 (b) Coordinating the activities of federal, state, local and private
36 nonprofit organizations that provide food assistance to the hungry.

37 (c) Accepting and disbursing federal monies, and any state monies
38 appropriated by the legislature, to private nonprofit organizations in
39 support of the collection, receipt, handling, storage and distribution of
40 donated or surplus food items.

41 (d) Providing technical assistance to private nonprofit organizations
42 that provide or intend to provide services to the hungry.

43 (e) Developing a state plan on hunger which, at a minimum, identifies
44 the magnitude of the hunger problem in this state, the characteristics of the
45 population in need, the availability and location of charity food banks and

1 the potential sources of surplus food, assesses the effectiveness of the
2 donated food collection and distribution network and other efforts to
3 alleviate the hunger problem, and recommends goals and strategies to improve
4 the status of the hungry. The state plan on hunger shall be incorporated
5 into the department's state comprehensive plan prepared pursuant to section
6 41-1956.

7 (f) Establishing a special purpose advisory council on hunger pursuant
8 to section 41-1981.

9 19. Establish an office to address the issue of homelessness and to
10 provide coordination and assistance to public and private nonprofit
11 organizations that prevent homelessness or aid homeless individuals and
12 families throughout this state. These activities shall include:

13 (a) Promoting and participating in planning for the prevention of
14 homelessness and the development of services to homeless persons.

15 (b) Identifying and developing strategies for resolving barriers in
16 state agency service delivery systems that inhibit the provision and
17 coordination of appropriate services to homeless persons and persons in
18 danger of being homeless.

19 (c) Assisting in the coordination of the activities of federal, state
20 and local governments and the private sector that prevent homelessness or
21 provide assistance to homeless people.

22 (d) Assisting in obtaining and increasing funding from all appropriate
23 sources to prevent homelessness or assist in alleviating homelessness.

24 (e) Serving as a clearinghouse on information regarding funding and
25 services available to assist homeless persons and persons in danger of being
26 homeless.

27 (f) Developing an annual state comprehensive homeless assistance plan
28 to prevent and alleviate homelessness.

29 (g) Submitting an annual report by January 1, 1992 and each year
30 thereafter to the governor, the president of the senate and the speaker of
31 the house of representatives on the status of homelessness and efforts to
32 prevent and alleviate homelessness.

33 20. Cooperate with the Arizona-Mexico commission in the governor's
34 office and with researchers at universities in this state to collect data and
35 conduct projects in the United States and Mexico on issues that are within
36 the scope of the department's duties and that relate to quality of life,
37 trade and economic development in this state in a manner that will help the
38 Arizona-Mexico commission to assess and enhance the economic competitiveness
39 of this state and of the Arizona-Mexico region.

40 B. If the department has responsibility for the care, custody or
41 control of a child or is paying the cost of care for a child, it may serve as
42 representative payee to receive and administer social security and veterans
43 administration benefits and other benefits payable to such child.
44 Notwithstanding any law to the contrary, the department:

1 1. Shall deposit, pursuant to sections 35-146 and 35-147, such monies
2 as it receives to be retained separate and apart from the state general fund
3 on the books of the department of administration.

4 2. May use such monies to defray the cost of care and services
5 expended by the department for the benefit, welfare and best interests of the
6 child and invest any of the monies that the director determines are not
7 necessary for immediate use.

8 3. Shall maintain separate records to account for the receipt,
9 investment and disposition of funds received for each child.

10 4. On termination of the department's responsibility for the child,
11 shall release any funds remaining to the child's credit in accordance with
12 the requirements of the funding source or in the absence of such requirements
13 shall release the remaining funds to:

14 (a) The child, if the child is at least eighteen years of age or is
15 emancipated.

16 (b) The person responsible for the child if the child is a minor and
17 not emancipated.

18 C. Subsection B of this section does not pertain to benefits payable
19 to or for the benefit of a child receiving services under title 36.

20 D. Volunteers reimbursed for expenses pursuant to subsection A,
21 paragraph 5 of this section are not eligible for workers' compensation under
22 title 23, chapter 6.

23 E. In implementing the temporary assistance for needy families program
24 pursuant to Public Law 104-193, the department shall provide for cash
25 assistance to two parent families if both parents are able to work only upon
26 documented participation by both parents in work activities described in
27 title 46, chapter 2, article 5, except that payments may be made to families
28 who do not meet the participation requirements if:

29 1. It is determined on an individual case basis that they have
30 emergency needs.

31 2. The family is determined to be eligible for diversion from
32 long-term cash assistance pursuant to title 46, chapter 2, article 5.

33 F. The department shall provide for cash assistance under temporary
34 assistance for needy families pursuant to Public Law 104-193 to two parent
35 families for no longer than six months if both parents are able to work,
36 except that additional assistance may be provided on an individual case basis
37 to families with extraordinary circumstances. The department shall establish
38 by rule the criteria to be used to determine eligibility for additional cash
39 assistance.

40 ~~G. The department may establish a representative payee program to~~
41 ~~provide representative payee services to manage social security or~~
42 ~~supplemental security income benefits for persons who are receiving general~~
43 ~~assistance benefits pursuant to section 46-233 and who require the services~~
44 ~~of a representative payee to manage social security or supplemental security~~
45 ~~income benefits. The department may use not more than an average of eight~~

1 ~~hundred fifty dollars for any one person annually from monies appropriated~~
2 ~~for general assistance benefits for the purpose of paying persons or agencies~~
3 ~~to provide representative payee services.~~

4 H. G. The department shall adopt the following discount medical
5 payment system no later than October 1, 1993 for persons who the department
6 determines are eligible and who are receiving rehabilitation services
7 pursuant to subsection A, paragraph 1, subdivision (d) of this section:

8 1. For inpatient hospital admissions and outpatient hospital services
9 the department shall reimburse a hospital according to the tiered per diem
10 rates and outpatient cost-to-charge ratios established by the Arizona health
11 care cost containment system pursuant to section 36-2903.01, subsection H.

12 2. The department's liability for a hospital claim under this
13 subsection is subject to availability of funds.

14 3. A hospital bill is considered received for purposes of paragraph 5
15 of this subsection upon initial receipt of the legible, error-free claim form
16 by the department if the claim includes the following error-free
17 documentation in legible form:

- 18 (a) An admission face sheet.
- 19 (b) An itemized statement.
- 20 (c) An admission history and physical.
- 21 (d) A discharge summary or an interim summary if the claim is split.
- 22 (e) An emergency record, if admission was through the emergency room.
- 23 (f) Operative reports, if applicable.
- 24 (g) A labor and delivery room report, if applicable.

25 4. The department shall require that the hospital pursue other third
26 party payors before submitting a claim to the department. Payment received
27 by a hospital from the department pursuant to this subsection is considered
28 payment by the department of the department's liability for the hospital
29 bill. A hospital may collect any unpaid portion of its bill from other third
30 party payors or in situations covered by title 33, chapter 7, article 3.

31 5. For inpatient hospital admissions and outpatient hospital services
32 rendered on and after October 1, 1997, if the department receives the claim
33 directly from the hospital, the department shall pay a hospital's rate
34 established according to this section subject to the following:

35 (a) If the hospital's bill is paid within thirty days of the date the
36 bill was received, the department shall pay ninety-nine per cent of the rate.

37 (b) If the hospital's bill is paid after thirty days but within sixty
38 days of the date the bill was received, the department shall pay one hundred
39 per cent of the rate.

40 (c) If the hospital's bill is paid any time after sixty days of the
41 date the bill was received, the department shall pay one hundred per cent of
42 the rate plus a fee of one per cent per month for each month or portion of a
43 month following the sixtieth day of receipt of the bill until the date of
44 payment.

1 6. For medical services other than those for which a rate has been
2 established pursuant to section 36-2903.01, subsection H, the department
3 shall pay according to the Arizona health care cost containment system capped
4 fee-for-service schedule adopted pursuant to section 36-2904, subsection L or
5 any other established fee schedule the department determines reasonable.

6 ~~I~~ H. The department shall not pay claims for services pursuant to
7 this section that are submitted more than nine months after the date of
8 service for which the payment is claimed.

9 ~~J~~ I. To assist in the location of persons or assets for the purpose
10 of establishing paternity, establishing, modifying or enforcing child support
11 obligations and other related functions, the department has access, including
12 automated access if the records are maintained in an automated ~~data-base~~
13 DATABASE, to records of state and local government agencies, including:

- 14 1. Vital statistics, including records of marriage, birth and divorce.
- 15 2. State and local tax and revenue records, including information on
16 residence address, employer, income and assets.
- 17 3. Records concerning real and titled personal property.
- 18 4. Records of occupational and professional licenses.
- 19 5. Records concerning the ownership and control of corporations,
20 partnerships and other business entities.
- 21 6. Employment security records.
- 22 7. Records of agencies administering public assistance programs.
- 23 8. Records of the motor vehicle division of the department of
24 transportation.
- 25 9. Records of the state department of corrections.
- 26 10. Any system used by a state agency to locate a person for motor
27 vehicle or law enforcement purposes, including access to information
28 contained in the Arizona criminal justice information system.

29 ~~K~~ J. Notwithstanding subsection ~~J~~ I of this section, the department
30 or its agents shall not seek or obtain information on the assets of an
31 individual unless paternity is presumed pursuant to section 25-814 or
32 established.

33 ~~L~~ K. Access to records of the department of revenue pursuant to
34 subsection ~~J~~ I of this section shall be provided in accordance with section
35 42-2003.

36 ~~M~~ L. The department also has access to certain records held by
37 private entities with respect to child support obligors or obligees, or
38 individuals against whom such an obligation is sought. The information shall
39 be obtained as follows:

- 40 1. In response to a child support subpoena issued by the department
41 pursuant to section 25-520, the names and addresses of these persons and the
42 names and addresses of the employers of these persons, as appearing in
43 customer records of public utilities and cable television companies.
- 44 2. Information on these persons held by financial institutions.

1 ~~N~~. Pursuant to department rules, the department may compromise or
2 settle any support debt owed to the department if the director or an
3 authorized agent determines that it is in the best interest of the state and
4 after considering each of the following factors:

- 5 1. The obligor's financial resources.
- 6 2. The cost of further enforcement action.
- 7 3. The likelihood of recovering the full amount of the debt.

8 ~~0~~. N. Notwithstanding any law to the contrary, a state or local
9 governmental agency or private entity is not subject to civil liability for
10 the disclosure of information made in good faith to the department pursuant
11 to this section.

12 Sec. 15. Section 46-136, Arizona Revised Statutes, is amended to read:
13 46-136. Powers of state department regarding work projects for
14 unemployed persons

15 A. The state department may institute work projects for the employment
16 of needy unemployed persons being granted public assistance. The nature of
17 the work projects shall be determined by the state department and the
18 governing body of the county, municipal government or school district
19 involved;— to be projects necessary and desirable to the community including
20 projects designed to improve health and public safety. County or municipal
21 governments, including school districts, shall cooperate in such projects by
22 furnishing supervision, transportation and payment of industrial commission
23 insurance.

24 B. The state department shall act as the official agency for the state
25 in any social welfare activity initiated by the federal government and shall
26 administer state funds appropriated or made available for the relief of
27 dependent persons, except as otherwise provided by law.

28 C. The state department shall expend from ~~appropriations available for~~
29 ~~general assistance, or from~~ any amounts otherwise available by law;— amounts
30 as THAT, in the discretion of the director, are determined necessary for such
31 purpose in conjunction with any agency or department of the federal
32 government for the purpose of receiving and distributing food stamps offered
33 to public welfare agencies for needy persons. The amount so determined may
34 be expended by the department in payment of expenses necessarily incurred by
35 reason of the receipt or distribution of such food stamps.

36 Sec. 16. Section 46-217, Arizona Revised Statutes, is amended to read:
37 46-217. Finger imaging program; temporary assistance to needy
38 families

39 A. The department shall establish a finger imaging program.

40 B. Every adult applicant for,— OR adult recipient or eligible minor
41 parent recipient of ~~general assistance or~~ temporary assistance for needy
42 families as a condition of eligibility for assistance is required to be
43 finger imaged as required by this section.

44 C. Finger images obtained pursuant to this section shall be used only
45 for the purposes of determining eligibility for temporary assistance for

1 needy families and ~~general assistance~~ and preventing multiple enrollments in
2 assistance programs and may not be accessed by any other agency of this state
3 for another purpose.

4 D. The department shall adopt rules:

5 1. Setting forth the finger imaging requirements and any exceptions to
6 these requirements for physical or other impairment.

7 2. For administratively appealing multiple enrollment determinations.

8 E. An applicant for or recipient of temporary assistance for needy
9 families ~~or general assistance~~ is not eligible for this assistance unless the
10 adult applicant, adult recipient or eligible minor parent provides finger
11 images pursuant to the finger imaging program.

12 F. If an adult applicant for, OR adult recipient or eligible minor
13 parent recipient of temporary assistance for needy families ~~or general~~
14 ~~assistance~~ refuses to comply with the finger imaging requirements the
15 department shall deny these benefits to the assistance unit.

16 G. If an adult applicant for, OR adult recipient or eligible minor
17 parent recipient of temporary assistance for needy families ~~or general~~
18 ~~assistance~~ complies with the finger imaging requirements and meets all other
19 eligibility requirements, the department shall approve these benefits. If
20 the finger image of an applicant, adult recipient or eligible minor parent
21 for assistance matches another finger image on file, a fraud investigator
22 shall be notified and the applicant or recipient shall be made aware of the
23 match. If a finger image is not accessed within a one year period, it shall
24 be purged from the file. If the investigator verifies the fraud, the
25 department shall terminate benefits. The applicant or recipient may appeal
26 this termination pursuant to section 46-205. If the match is appealed, the
27 finger image match shall be verified by a trained individual before the
28 termination of benefits.

29 H. The director of the department of economic security shall report to
30 the chairperson of the senate appropriations committee and the chairperson of
31 the house of representatives appropriations committee on February 15, 1997,
32 and each year thereafter as to the actual and projected savings from reduced
33 caseloads in the temporary assistance for needy families ~~or general~~
34 ~~assistance programs~~ PROGRAM directly attributable to the finger imaging
35 program prescribed by this section.

36 Sec. 17. Section 46-295, Arizona Revised Statutes, is amended to read:

37 46-295. Recovery of public assistance from legally responsible
38 persons; fund; definition

39 A. If a recipient of public assistance has a person WHO IS legally
40 responsible for that person's support AND who is presently able to reimburse
41 the department for public assistance provided, the department, through the
42 attorney general or county attorney, shall proceed in the following order
43 against:

44 1. The spouse of a recipient.

45 2. The former spouse of a recipient.

1 3. A father or mother not presently receiving public assistance.

2 4. Any other legally responsible person.

3 B. If a recipient of public assistance receives an overpayment of
4 support or is determined ineligible pursuant to section ~~46-233, 46-234,~~
5 46-292 or 46-293, the department may recover the support incorrectly paid
6 during that time period. The department shall deposit monies recovered in
7 the public assistance collections fund established pursuant to this section.

8 C. On request of the department, the attorney general or county
9 attorney shall commence an action in the superior court in the county where
10 the recipient of public assistance resides or in the superior court in
11 Maricopa county, against the persons in the order specified in subsection A
12 of this section, to recover the assistance granted and to secure an order
13 requiring payment of amounts that become due in the future for which the
14 person is liable.

15 D. The public assistance collections fund is established consisting of
16 monies received pursuant to this section and section 41-2752. The department
17 shall administer the fund. Subject to legislative appropriation, the
18 department shall use fund monies to improve public assistance collection
19 activities. The department shall deposit, pursuant to sections 35-146 and
20 35-147, twenty-five per cent of the monies collected pursuant to this section
21 in the public assistance collections fund and seventy-five per cent of the
22 monies collected pursuant to this section in the state general fund.
23 Notwithstanding this subsection, pursuant to sections 35-146 and 35-147, the
24 department shall deposit fifty per cent of the monies collected pursuant to
25 section 41-2752 in the public assistance fund and the remaining fifty per
26 cent of the monies collected pursuant to section 41-2752 shall be deposited
27 in the state general fund.

28 E. For the purposes of this section, "public assistance" includes
29 monies paid by the department to or for the benefit of a dependent child and
30 foster care maintenance paid pursuant to 42 United States Code sections 670
31 through 676.

32 Sec. 18. Repeal

33 Laws 2007, chapter 263, section 42 is repealed.

34 Sec. 19. Laws 2009, first special session, chapter 1, section 3 is
35 amended to read:

36 Sec. 3. Appropriation reductions; fiscal year 2008-2009

37 Notwithstanding any other law, the following state general fund amounts
38 are reduced from appropriations made to state agencies in fiscal year
39 2008-2009 as listed below:

40 1. Department of administration - \$7,624,900.

41 2. Office of administrative hearings - \$128,500.

42 3. Arizona department of agriculture - \$1,164,000.

43 4. Arizona health care cost containment system - \$24,931,100.

44 Notwithstanding any other law, \$29,497,100 is reduced from federal
45 title XIX expenditure authority in fiscal year 2008-2009.

- 1 5. Commission on the arts - \$402,300.
- 2 6. Attorney general - \$1,500,000.
- 3 The attorney general shall report by April 1, 2009 estimated fiscal
- 4 year 2008-2009 revenues and expenditures for the legal services cost
- 5 allocation fund to the governor's office of strategic planning and budgeting
- 6 and the joint legislative budget committee staff. These two offices shall
- 7 jointly determine whether any shortfall exists in fund revenues in comparison
- 8 to ninety per cent of the attorney general's appropriation. If the two
- 9 offices report a shortfall to the governor, the speaker of the house of
- 10 representatives and the president of the senate by May 1, 2009, any lump sum
- 11 reduction for fiscal year 2008-2009 enacted for the attorney general's budget
- 12 after January 1, 2009 shall be adjusted downward by the amount of the
- 13 shortfall.
- 14 7. State capital postconviction defender office - \$87,100.
- 15 8. State board for charter schools - \$82,900.
- 16 9. Department of commerce - \$738,500.
- 17 10. Corporation commission - \$428,100.
- 18 11. State department of corrections - \$21,851,900.
- 19 12. Arizona criminal justice commission - \$117,200.
- 20 13. Arizona state schools for the deaf and the blind - \$738,000.
- 21 14. Department of economic security - \$83,301,400.
- 22 15. Department of education - \$9,582,000.
- 23 16. Department of emergency and military affairs - \$1,352,600.
- 24 17. Department of environmental quality - \$4,088,300.
- 25 18. State board of equalization - \$32,800.
- 26 19. Board of executive clemency - \$50,000.
- 27 20. Department of financial institutions - \$380,900.
- 28 21. Department of fire, building and life safety - \$358,700.
- 29 22. Arizona geological survey - \$110,300.
- 30 23. Government information technology agency - \$2,193,900.
- 31 24. Office of the governor - \$351,100.
- 32 25. Governor's office of strategic planning and budgeting - \$219,900.
- 33 26. Department of health services - \$26,157,500.
- 34 ~~By May 1, 2009, the department of health services shall issue a request~~
- 35 ~~for proposals for a statewide poison control center.~~
- 36 27. Arizona historical society - \$324,100.
- 37 28. Prescott historical society - \$76,300.
- 38 29. Arizona commission of Indian affairs - \$23,400.
- 39 30. Department of insurance - \$737,000.
- 40 31. Judiciary - supreme court - \$1,072,200.
- 41 32. Judiciary - court of appeals - \$50,400.
- 42 33. Judiciary - superior court - \$2,447,700.
- 43 34. Department of juvenile corrections - \$2,500,000.
- 44 35. State land department - \$2,944,800.
- 45 36. Auditor general - \$1,750,300.

- 1 37. Joint legislative budget committee - \$143,000.
- 2 38. Legislative council - \$541,500.
- 3 39. Arizona state library, archives & public records - \$737,900.
- 4 40. Senate - \$401,200.
- 5 41. Department of liquor licenses and control - \$347,500.
- 6 42. State mine inspector - \$62,400.
- 7 43. Department of mines and mineral resources - \$47,400.
- 8 44. Arizona navigable stream adjudication commission - \$18,100.
- 9 45. State board of nursing - \$69,700.
- 10 46. Arizona state parks board - \$4,656,100.
- 11 47. Personnel board - \$37,200.
- 12 48. Arizona pioneers' home - \$24,000.
- 13 49. Department of public safety - \$6,948,100.
- 14 50. Arizona department of racing - \$262,300.
- 15 51. Radiation regulatory agency - \$116,300.
- 16 52. State real estate department - \$423,700.
- 17 53. Department of revenue - \$7,391,900.
- 18 54. School facilities board - \$394,900.
- 19 55. Secretary of state - \$150,000.
- 20 56. State board of tax appeals - \$15,600.
- 21 57. Department of transportation - \$8,500.
- 22 58. State treasurer - \$275,400.
- 23 59. Universities - all campuses - \$141,500,000.

24 On or before March 2, 2009, the Arizona board of regents shall report
25 to the joint legislative budget committee the final allocation of the
26 \$141,500,000. The final allocation shall not increase differences in per
27 student funding among the universities.

- 28 60. Department of veterans' services - \$210,000.
- 29 61. Department of water resources - \$5,785,800.
- 30 62. Department of weights and measures - \$159,400.

31 Sec. 20. Competency restoration treatment; city and county
32 reimbursement; fiscal year 2009-2010; deposit; tax
33 withholding

34 A. Notwithstanding section 13-4512, Arizona Revised Statutes, if this
35 state pays the costs of a defendant's inpatient competency restoration
36 treatment pursuant to section 13-4512, Arizona Revised Statutes, the city or
37 county shall reimburse the department of health services for one hundred per
38 cent of these costs for fiscal year 2009-2010.

39 B. The department of health services shall deposit the reimbursements,
40 pursuant to sections 35-146 and 35-147, Arizona Revised Statutes, in the
41 Arizona state hospital fund established by section 36-545.08, Arizona Revised
42 Statutes.

43 C. Each city and county shall make the reimbursements for these costs
44 as specified in subsection A of this section within thirty days after a
45 request by the department of health services. If the city or county does not

1 make the reimbursement, the superintendent of the Arizona state hospital
2 shall notify the state treasurer of the amount owed and the treasurer shall
3 withhold the amount, including any additional interest as provided in section
4 42-1123, Arizona Revised Statutes, from any transaction privilege tax
5 distributions to the city or county. The treasurer shall deposit the
6 withholdings, pursuant to sections 35-146 and 35-147, Arizona Revised
7 Statutes, in the Arizona state hospital fund established by section
8 36-545.08, Arizona Revised Statutes.

9 D. Notwithstanding any other law, a county may meet any statutory
10 funding requirements of this section from any source of county revenue
11 designated by the county, including funds of any countywide special taxing
12 district in which the board of supervisors serves as the board of directors.

13 E. County contributions made pursuant to this section are excluded
14 from the county expenditure limitations.

15 Sec. 21. State employee health benefits; retroactivity

16 A. Beginning October 1, 2009, for fiscal year 2009-2010, the
17 department of administration shall not implement a differentiated health
18 insurance premium based on the integrated or nonintegrated status of a health
19 insurance provider available through the state employee health insurance
20 program.

21 B. This section is effective retroactively to from and after September
22 30, 2009.

23 Sec. 22. AHCCCS; reimbursement rates; retroactivity

24 A. Notwithstanding any other law, for rates effective October 1, 2009
25 through September 30, 2010, the Arizona health care cost containment system
26 administration shall not increase the inpatient hospital per diem rates,
27 inpatient hospital outlier thresholds or aggregate outpatient hospital fee
28 schedule rates above the rates in effect on September 30, 2009, except that
29 the administration shall continue the phase-in of outlier cost-to-charge
30 ratios as required by section 36-2903.01, subsection H, paragraph 10, Arizona
31 Revised Statutes.

32 B. Notwithstanding any other law, in addition to any rate adjustments
33 made pursuant to subsection A of this section, for rates effective October 1,
34 2009 through September 30, 2010, the Arizona health care cost containment
35 system administration may reduce noninstitutional provider rates up to five
36 per cent.

37 C. This section is effective retroactively to from and after September
38 30, 2009.

39 Sec. 23. AHCCCS; disproportionate share payments

40 Disproportionate share payments for fiscal year 2009-2010 made pursuant
41 to section 36-2903.01, subsection P, Arizona Revised Statutes, include:

42 1. \$89,877,700 for a qualifying nonstate operated public hospital.
43 The Maricopa county special health care district shall provide a certified
44 public expense form for the amount of qualifying disproportionate share
45 hospital expenditures made on behalf of this state to the administration on

1 or before May 1, 2010 for all state plan years as required by the Arizona
2 health care cost containment system 1115 waiver standard terms and
3 conditions. The administration shall assist the district in determining the
4 amount of qualifying disproportionate share hospital expenditures. Once the
5 administration files a claim with the federal government and receives federal
6 funds participation based on the amount certified by the Maricopa county
7 special health care district, if the certification is equal to or greater
8 than \$89,877,700, the administration shall distribute \$4,202,300 to the
9 Maricopa county special health care district and deposit the balance of the
10 federal funds participation in the state general fund. If the certification
11 provided is for an amount less than \$89,877,700, and the administration
12 determines that the revised amount is correct pursuant to the methodology
13 used by the administration pursuant to section 36-2903.01, Arizona Revised
14 Statutes, the administration shall notify the governor, the president of the
15 senate and the speaker of the house of representatives, shall distribute
16 \$4,202,300 to the Maricopa county special health care district and shall
17 deposit the balance of the federal funds participation in the state general
18 fund. If the certification provided is for an amount less than \$89,877,700
19 and the administration determines that the revised amount is not correct
20 pursuant to the methodology used by the administration pursuant to section
21 36-2903.01, Arizona Revised Statutes, the administration shall notify the
22 governor, the president of the senate and the speaker of the house of
23 representatives and shall deposit the total amount of the federal funds
24 participation in the state general fund.

25 2. \$28,474,900 for the Arizona state hospital. The Arizona state
26 hospital shall provide a certified public expense form for the amount of
27 qualifying disproportionate share hospital expenditures made on behalf of the
28 state to the administration on or before March 31, 2010. The administration
29 shall assist the Arizona state hospital in determining the amount of
30 qualifying disproportionate share hospital expenditures. Once the
31 administration files a claim with the federal government and receives federal
32 funds participation based on the amount certified by the Arizona state
33 hospital, the administration shall distribute the entire amount of federal
34 financial participation to the state general fund. If the certification
35 provided is for an amount less than \$28,474,900, the administration shall
36 notify the governor, the president of the senate and the speaker of the house
37 of representatives and shall distribute the entire amount of federal
38 financial participation to the state general fund. The certified public
39 expense form provided by the Arizona state hospital shall contain both the
40 total amount of qualifying disproportionate share hospital expenditures and
41 the amount limited by section 1923(g) of the social security act.

42 3. \$26,147,700 for private qualifying disproportionate share
43 hospitals.

1 Sec. 24. County acute care contribution; fiscal year 2009-2010

2 A. Notwithstanding section 11-292, Arizona Revised Statutes, for
 3 fiscal year 2009-2010 for the provision of hospitalization and medical care,
 4 the counties shall contribute the following amounts:

5	1. Apache	\$ 268,800
6	2. Cochise	\$ 2,214,800
7	3. Coconino	\$ 742,900
8	4. Gila	\$ 1,413,200
9	5. Graham	\$ 536,200
10	6. Greenlee	\$ 190,700
11	7. La Paz	\$ 212,100
12	8. Maricopa	\$21,035,400
13	9. Mohave	\$ 1,237,700
14	10. Navajo	\$ 310,800
15	11. Pima	\$14,951,800
16	12. Pinal	\$ 2,715,600
17	13. Santa Cruz	\$ 482,800
18	14. Yavapai	\$ 1,427,800
19	15. Yuma	\$ 1,325,100

20 B. If a county does not provide funding as specified in subsection A
 21 of this section, the state treasurer shall subtract the amount owed by the
 22 county to the Arizona health care cost containment system fund and the
 23 long-term care system fund established by section 36-2913, Arizona Revised
 24 Statutes, from any payments required to be made by the state treasurer to
 25 that county pursuant to section 42-5029, subsection D, paragraph 2, Arizona
 26 Revised Statutes, plus interest on that amount pursuant to section 44-1201,
 27 Arizona Revised Statutes, retroactive to the first day the funding was due.
 28 If the monies the state treasurer withholds are insufficient to meet that
 29 county's funding requirements as specified in subsection A of this section,
 30 the state treasurer shall withhold from any other monies payable to that
 31 county from whatever state funding source is available an amount necessary to
 32 fulfill that county's requirement. The state treasurer shall not withhold
 33 distributions from the highway user revenue fund pursuant to title 28,
 34 chapter 18, article 2, Arizona Revised Statutes.

35 C. Payment of an amount equal to one-twelfth of the total amount
 36 determined pursuant to subsection A of this section shall be made to the
 37 state treasurer on or before the fifth day of each month. On request from
 38 the director of the Arizona health care cost containment system
 39 administration, the state treasurer shall require that up to three months'
 40 payments be made in advance, if necessary.

41 D. The state treasurer shall deposit the amounts paid pursuant to
 42 subsection C of this section and amounts withheld pursuant to subsection B of
 43 this section in the Arizona health care cost containment system fund and the
 44 long-term care system fund established by section 36-2913, Arizona Revised
 45 Statutes.

1 E. If payments made pursuant to subsection C of this section exceed
2 the amount required to meet the costs incurred by the Arizona health care
3 cost containment system for the hospitalization and medical care of those
4 persons defined as an eligible person pursuant to section 36-2901, paragraph
5 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the director of
6 the Arizona health care cost containment system administration may instruct
7 the state treasurer either to reduce remaining payments to be paid pursuant
8 to this section by a specified amount or to provide to the counties specified
9 amounts from the Arizona health care cost containment system fund and the
10 long-term care system fund.

11 F. It is the intent of the legislature that the Maricopa county
12 contribution pursuant to subsection A of this section be reduced in each
13 subsequent year according to the changes in the GDP price deflator. For the
14 purposes of this subsection, "GDP price deflator" has the same meaning
15 prescribed in section 41-563, Arizona Revised Statutes.

16 Sec. 25. Hospitalization and medical care contribution; fiscal
17 year 2009-2010

18 A. Notwithstanding any other law, for fiscal year 2009-2010, beginning
19 with the second monthly distribution of transaction privilege tax revenues,
20 the state treasurer shall withhold one-eleventh of the following amounts from
21 state transaction privilege tax revenues otherwise distributable, after any
22 amounts withheld for the county long-term care contribution or the county
23 administration contribution pursuant to section 11-292, subsection 0, Arizona
24 Revised Statutes, for deposit in the Arizona health care cost containment
25 system fund established by section 36-2913, Arizona Revised Statutes, for the
26 provision of hospitalization and medical care:

27	1. Apache	\$ 87,300
28	2. Cochise	\$ 162,700
29	3. Coconino	\$ 160,500
30	4. Gila	\$ 65,900
31	5. Graham	\$ 46,800
32	6. Greenlee	\$ 12,000
33	7. La Paz	\$ 24,900
34	8. Mohave	\$ 187,400
35	9. Navajo	\$ 122,800
36	10. Pima	\$1,115,900
37	11. Pinal	\$ 218,300
38	12. Santa Cruz	\$ 51,600
39	13. Yavapai	\$ 206,200
40	14. Yuma	\$ 183,900

41 B. If the monies the state treasurer withholds are insufficient to
42 meet that county's funding requirement as specified in subsection A of this
43 section, the state treasurer shall withhold from any other monies payable to
44 that county from whatever state funding source is available an amount
45 necessary to fulfill that county's requirement. The state treasurer shall

1 not withhold distributions from the highway user revenue fund pursuant to
2 title 28, chapter 18, article 2, Arizona Revised Statutes.

3 C. On request from the director of the Arizona health care cost
4 containment system administration, the state treasurer shall require that up
5 to three months' payments be made in advance.

6 D. In fiscal year 2009-2010, the sum of \$2,646,200 withheld pursuant
7 to subsection A of this section is allocated for the county acute care
8 contribution for the provision of hospitalization and medical care services
9 administered by the Arizona health care cost containment system
10 administration.

11 E. County contributions made pursuant to this section are excluded
12 from the county expenditure limitations.

13 Sec. 26. Proposition 204 administration; county expenditure
14 limitation

15 County contributions for the administrative costs of implementing
16 sections 36-2901.01 and 36-2901.04, Arizona Revised Statutes, that are made
17 pursuant to section 11-292, subsection 0, Arizona Revised Statutes, are
18 excluded from the county expenditure limitations.

19 Sec. 27. Department of economic security; drug testing; TANF
20 cash benefits recipients

21 During fiscal year 2009-2010, the department of economic security shall
22 screen and test each adult recipient who is otherwise eligible for temporary
23 assistance for needy families cash benefits and who the department has
24 reasonable cause to believe engages in the illegal use of controlled
25 substances. Any recipient who is found to have tested positive for the use
26 of a controlled substance that was not prescribed for the recipient by a
27 licensed health care provider is ineligible to receive benefits for a period
28 of one year.

29 Sec. 28. AHCCCS; capitation payments; suspension

30 A. Notwithstanding any other law, the Arizona health care cost
31 containment system shall suspend one hundred per cent of the June 2010
32 capitation payments for one month for acute care health care plans that have
33 at least one hundred thousand members enrolled in May 2010 and fifty per cent
34 of the June 2010 capitation payments for one month for acute care health care
35 plans that have less than one hundred thousand members enrolled in May 2010.

36 B. Notwithstanding sections 35-342 and 44-1201, Arizona Revised
37 Statutes, delinquent payments to health care plans that are made pursuant to
38 subsection A of this section and that are due in June 2010 bear interest at a
39 rate of five-tenths of one per cent a year.

40 Sec. 29. Hospital provider assessments; analysis; report;
41 retroactivity

42 A. The Arizona health care cost containment system administration
43 shall analyze a variety of methods for provider assessments for federally
44 matched programs, shall examine the potential for enhanced revenue generated
45 based on hospital patient stays, shall review what has been done in other

1 states and shall consider a distribution formula for all hospital providers.
2 The Arizona health care cost containment system administration shall report
3 to the president of the senate, the speaker of the house of representatives
4 and the governor on its findings on or before October 1, 2009.

5 B. This section is effective retroactively to from and after September
6 30, 2009.

7 Sec. 30. AHCCCS; ambulance rates; fiscal year 2009-2010

8 For fiscal year 2009-2010, section 36-2239, subsections D, F and G,
9 Arizona Revised Statutes, do not apply to a remuneration made pursuant to the
10 Arizona health care cost containment system.

11 Sec. 31. Department of health services; behavioral health
12 services; priority; liability

13 A. For fiscal year 2009-2010, the department of health services when
14 allocating the available appropriated monies to behavioral health services
15 shall establish a list of priority services for the nontitle XIX behavioral
16 health population and post this list on its website. The department shall
17 provide at least thirty days notice before changing the list of priorities.

18 B. During fiscal year 2009-2010, behavioral health providers and
19 contractors with the division of behavioral health services shall not be
20 liable for failing or refusing to provide uncompensated or underfunded
21 nonemergency, nontitle XIX behavioral health services to persons who are not
22 seriously mentally ill.

23 Sec. 32. Sexually violent persons; city and county
24 reimbursement; fiscal year 2009-2010; deposit; tax
25 withholding

26 A. Notwithstanding any other law, if this state pays the costs of a
27 commitment of an individual determined to be sexually violent by the court,
28 the city or county shall reimburse the department of health services for
29 twenty-five per cent of these costs for fiscal year 2009-2010.

30 B. The department of health services shall deposit the reimbursements,
31 pursuant to sections 35-146 and 35-147, Arizona Revised Statutes, in the
32 Arizona state hospital fund established by section 36-545.08, Arizona Revised
33 Statutes.

34 C. Each city and county shall make the reimbursements for these costs
35 as specified in subsection A of this section within thirty days after a
36 request by the department of health services. If the city or county does not
37 make the reimbursement, the superintendent of the Arizona state hospital
38 shall notify the state treasurer of the amount owed and the treasurer shall
39 withhold the amount, including any additional interest as provided in section
40 42-1123, Arizona Revised Statutes, from any transaction privilege tax
41 distributions to the city or county. The treasurer shall deposit the
42 withholdings, pursuant to sections 35-146 and 35-147, Arizona Revised
43 Statutes, in the Arizona state hospital fund established by section
44 36-545.08, Arizona Revised Statutes.

1 D. Notwithstanding any other law, a county may meet any statutory
2 funding requirements of this section from any source of county revenue
3 designated by the county, including funds of any countywide special taxing
4 district in which the board of supervisors serves as the board of directors.

5 E. County contributions made pursuant to this section are excluded
6 from the county expenditure limitations.

7 Sec. 33. Appropriation; department of health services

8 The sum of \$4,493,400 is appropriated in fiscal year 2009-2010 from the
9 health services licensing fund established by section 36-414, Arizona Revised
10 Statutes, as added by this act, to the department of health services for
11 assurance and licensure expenditures.

12 Sec. 34. AHCCCS; patient costs; reinsurance; retroactivity

13 A. Notwithstanding any other law, for the contract year beginning
14 October 1, 2009 and ending September 30, 2010, the Arizona health care cost
15 containment system administration may reduce by one level the thresholds
16 beyond which patient costs are paid by reinsurance.

17 B. This section is effective retroactively to from and after September
18 30, 2009.

19 Sec. 35. AHCCCS; risk contingency rate setting; retroactivity

20 A. Notwithstanding any other law, for the contract year beginning
21 October 1, 2009 and ending September 30, 2010, the Arizona health care cost
22 containment system administration may reduce the risk contingency rate
23 setting for all managed care organizations by fifty per cent and may impose a
24 five and eighty-eight one-hundredths per cent reduction on funding for all
25 managed care organizations administrative funding levels.

26 B. This section is effective retroactively to from and after September
27 30, 2009.

28 Sec. 36. Department of health services; continuing fee
29 authority

30 A. Notwithstanding any other law, beginning on the effective date of
31 this act through December 31, 2009, the department of health services has
32 continuing authority to collect the following nonrefundable fees from health
33 care institutions:

34 1. Fees of not to exceed fifty dollars for a license application.

35 2. Architectural drawing review fees of not to exceed the following
36 amounts:

37 (a) For a project with a cost of less than one hundred thousand
38 dollars, fifty dollars.

39 (b) For a project with a cost of one hundred thousand dollars or more
40 and less than five hundred thousand dollars, one hundred dollars.

41 (c) For a project with a cost of five hundred thousand dollars or
42 more, one hundred fifty dollars.

43 3. Initial license and license renewal fees of not to exceed the
44 following amounts:

1 (a) For a facility with no licensed capacity, one hundred dollars.

2 (b) For a facility with a licensed capacity of one to fifty-nine beds,
3 one hundred dollars, plus an additional fee in the amount of the licensed
4 capacity times ten dollars.

5 (c) For a facility with a licensed capacity of sixty to ninety-nine
6 beds, two hundred dollars, plus an additional fee in the amount of the
7 licensed capacity times ten dollars.

8 (d) For a facility with a licensed capacity of one hundred to one
9 hundred forty-nine beds, three hundred dollars, plus an additional fee in the
10 amount of the licensed capacity times ten dollars.

11 (e) For a facility with a licensed capacity of one hundred fifty beds
12 or more, five hundred dollars, plus an additional fee in the amount of the
13 licensed capacity times ten dollars.

14 B. Notwithstanding any other law, beginning on the effective date of
15 this act through December 31, 2009, the department of health services has
16 continuing authority to collect the following nonrefundable fees from child
17 care facilities:

18 1. For an initial application for licensure, one hundred fifty
19 dollars.

20 2. For a renewal application of a license, one hundred fifty dollars

21 3. For a late filing fee for a renewal application, fifty dollars.

22 C. Notwithstanding any other law, beginning on the effective date of
23 this act through December 31, 2009, the department of health services has
24 continuing authority to collect the following nonrefundable fees from child
25 care group homes:

26 1. For an application for an initial certificate, thirty dollars.

27 2. For a renewal application, thirty dollars.

28 3. For a late filing fee for a renewal application, twenty-five
29 dollars.

30 Sec. 37. Exemption from rule making

31 For the purposes establishing licensing fees pursuant to sections
32 36-405, 36-882 and 36-897.01, Arizona Revised Statutes, as amended by this
33 act, the department of health services is exempt from the rule making
34 requirements of title 41, chapter 6, Arizona Revised Statutes, for eighteen
35 months after the effective date of this act.

36 Sec. 38. Intent

37 It is the intent of the legislature that the additional revenue
38 generated beginning January 1, 2010 through June 30, 2010 by the fees
39 authorized in sections 36-405, 36-882 and 36-897.01, Arizona Revised
40 Statutes, as amended by this act, not exceed \$5,000,000.

41 Sec. 39. Intent; false claims act; savings

42 It is the intent of the legislature that the Arizona health care cost
43 containment system administration comply with the federal false claims act
44 and maximize savings in, and continue to consider best available technologies
45 in detecting fraud in, the administration's programs.

1 Sec. 40. Child care assistance eligibility: report

2 Notwithstanding section 46-803, Arizona Revised Statutes, for fiscal
3 year 2009-2010, the department of economic security may reduce maximum income
4 eligibility levels for child care assistance in order to manage within
5 appropriated and available monies. The department of economic security shall
6 notify the joint legislative budget committee of any change in maximum income
7 eligibility levels for child care within fifteen days after implementing the
8 change.

9 Sec. 41. Conforming legislation

10 The legislative council staff shall prepare proposed legislation
11 conforming the Arizona Revised Statutes to the provisions of this act for
12 consideration in the forty-ninth legislature, second regular session.

13 Sec. 42. Retroactivity

14 A. Section 36-2907, Arizona Revised Statutes, as amended by this act,
15 applies retroactively to from and after September 30, 2009.

16 B. Section 38-651, Arizona Revised Statutes, as amended by this act,
17 applies retroactively to from and after September 30, 2009.

APPROVED BY THE GOVERNOR SEPTEMBER 4, 2009

FILED IN THE OFFICE OF THE SECRETARY OF STATE SEPTEMBER 4, 2009

Passed the House July 31, 20 09

Passed the Senate August 12, 20 09

by the following vote: 35 Ayes,

by the following vote: 16 Ayes,

11 Nays, 14 Not Voting

8 Nays, 6 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

20 day of August, 20 09

at 2:38 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 4th day of

September

at 12:21 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this 4th day of September, 20 09

Third Special Session
H.B. 2013

at 3:40 o'clock P. M.

[Signature]
Secretary of State