



STATE OF ARIZONA  
OFFICE OF THE GOVERNOR

DOUGLAS A. DUCEY  
GOVERNOR

EXECUTIVE OFFICE

May 3, 2018

The Honorable Michele Reagan  
Secretary of State  
1700 W. Washington, 7<sup>th</sup> Floor  
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2<sup>nd</sup> Regular Session, which I signed on May 3, 2018:

SB 1520 general appropriations act; 2018-2019  
SB 1522 capital outlay; appropriations; 2018-2019  
SB 1523 criminal justice; budget reconciliation; 2018-2019  
SB 1524 budget procedures; budget reconciliation; 2018-2019  
SB 1525 environment; budget reconciliation; 2018-2019  
SB 1527 higher education; budget reconciliation; 2018-2019  
SB 1528 higher education; budget reconciliation; 2018-2019  
SB 1529 revenues; budget reconciliation; 2018-2019  
HB 2659 health; budget reconciliation; 2018-2019  
HB 2663 K-12 education; budget reconciliation; 2018-2019

Sincerely,

Douglas A. Ducey  
Governor  
State of Arizona

cc: Senate Secretary  
Chief Clerk of the House of Representatives  
Arizona News Service

House Engrossed  
**FILED**

**MICHELE REAGAN**  
**SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 284**  
**HOUSE BILL 2659**

AN ACT

AMENDING SECTION 30-654, ARIZONA REVISED STATUTES; REPEALING SECTION 30-658, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 28, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-2805; REPEALING SECTION 32-2823, ARIZONA REVISED STATUTES; AMENDING SECTION 36-414, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 29, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2905.03; REPEALING SECTION 36-2921, ARIZONA REVISED STATUTES; AMENDING SECTION 36-2922, ARIZONA REVISED STATUTES; AMENDING LAWS 2017, CHAPTER 309, SECTION 13; APPROPRIATING MONIES; RELATING TO HEALTH 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 30-654, Arizona Revised Statutes, is amended to  
3 read:

4 30-654. Powers and duties of the department

5 A. The department may:

6 1. Accept grants or other contributions from the federal government  
7 or other sources, public or private, to be used by the department to carry  
8 out any of the purposes of this chapter.

9 2. Do all things necessary, within the limitations of this chapter,  
10 to carry out the powers and duties of the department.

11 3. Conduct an information program, including:

12 (a) Providing information on the control and regulation of sources  
13 of radiation and related health and safety matters, on request, to members  
14 of the legislature, the executive offices, state departments and agencies  
15 and county and municipal governments.

16 (b) Providing such published information, audiovisual  
17 presentations, exhibits and speakers on the control and regulation of  
18 sources of radiation and related health and safety matters to the state's  
19 educational system at all educational levels as may be arranged.

20 (c) Furnishing to citizen groups, on request, speakers and such  
21 audiovisual presentations or published materials on the control and  
22 regulation of sources of radiation and related health and safety matters  
23 as may be available.

24 (d) Conducting, sponsoring or cosponsoring and actively  
25 participating in the professional meetings, symposia, workshops, forums  
26 and other group informational activities concerned with the control and  
27 regulation of sources of radiation and related health and safety matters  
28 when representation from this state at such meetings is determined to be  
29 important by the department.

30 B. The department shall:

31 1. Regulate the use, storage and disposal of sources of radiation.

32 2. Establish procedures for purposes of selecting any proposed  
33 permanent disposal site located within this state for low-level  
34 radioactive waste.

35 3. Coordinate with the department of transportation and the  
36 corporation commission in regulating the transportation of sources of  
37 radiation.

38 4. Assume primary responsibility for and provide necessary  
39 technical assistance to handle any incidents, accidents and emergencies  
40 involving radiation or sources of radiation occurring within this state.

41 5. Adopt rules deemed necessary to administer this chapter in  
42 accordance with title 41, chapter 6.

43 6. Adopt uniform radiation protection and radiation dose standards  
44 to be as nearly as possible in conformity with, and in no case  
45 inconsistent with, the standards contained in the regulations of the

1 United States nuclear regulatory commission and the standards of the  
2 United States public health service. In the adoption of the standards,  
3 the department shall consider the total occupational radiation exposure of  
4 individuals, including that from sources that are not regulated by the  
5 department.

6 7. Adopt rules for personnel monitoring under the close supervision  
7 of technically competent people in order to determine compliance with  
8 safety rules adopted under this chapter.

9 8. Adopt a uniform system of labels, signs and symbols and the  
10 posting of the labels, signs and symbols to be affixed to radioactive  
11 products, especially those transferred from person to person.

12 9. By rule, require adequate training and experience of persons  
13 ~~utilizing~~ USING sources of radiation with respect to the hazards of  
14 excessive exposure to radiation in order to protect health and safety.

15 10. Adopt standards for the storage of radioactive material and for  
16 security against unauthorized removal.

17 11. Adopt standards for the disposal of radioactive materials into  
18 the air, water and sewers and burial in the soil in accordance with 10  
19 Code of Federal Regulations part 20.

20 12. Adopt rules that are applicable to the shipment of radioactive  
21 materials in conformity with and compatible with those established by the  
22 United States nuclear regulatory commission, the department of  
23 transportation, the United States ~~treasury~~ DEPARTMENT OF THE TREASURY and  
24 the United States postal service.

25 13. In individual cases, impose additional requirements to protect  
26 health and safety or grant necessary exemptions that will not jeopardize  
27 health or safety, or both.

28 14. Make recommendations to the governor and furnish such technical  
29 advice as required on matters relating to the utilization and regulation  
30 of sources of radiation.

31 15. Conduct or cause to be conducted off-site radiological  
32 environmental monitoring of the air, water and soil surrounding any fixed  
33 nuclear facility, any uranium milling and tailing site and any uranium  
34 leaching operation, and maintain and report the data or results obtained  
35 by the monitoring as deemed appropriate by the department.

36 16. Develop and utilize information resources concerning radiation  
37 and radioactive sources.

38 17. Prescribe by rule a schedule of fees to be charged to  
39 categories of licensees and registrants of radiation sources, including  
40 academic, medical, industrial, waste, distribution and imaging categories.  
41 The fees shall cover a significant portion of the reasonable costs  
42 associated with processing the application for license or registration,  
43 renewal or amendment of the license or registration and the costs of  
44 inspecting the licensee or registrant activities and facilities, including  
45 the cost to the department of employing clerical help, consultants and

1 persons possessing technical expertise and using analytical  
2 instrumentation and information processing systems.

3 18. Adopt rules establishing radiological standards, personnel  
4 standards and quality assurance programs to ensure the accuracy and safety  
5 of screening and diagnostic mammography.

6 C. ~~ATT~~ THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146  
7 AND 35-147, THE FIRST \$300,000 IN fees collected ~~under~~ EACH FISCAL YEAR  
8 PURSUANT TO subsection B, paragraph 17 of this section ~~shall be deposited,~~  
9 ~~pursuant to sections 35-146 and 35-147,~~ AND SECTION 32-2805 in the state  
10 general fund. THE DEPARTMENT SHALL DEPOSIT, PURSUANT TO SECTIONS 35-146  
11 AND 35-147, NINETY PERCENT OF THE REMAINING MONIES RECEIVED FROM FEES  
12 COLLECTED PURSUANT TO SUBSECTION B, PARAGRAPH 17 OF THIS SECTION AND  
13 SECTION 32-2805 IN THE HEALTH SERVICES LICENSING FUND ESTABLISHED BY  
14 SECTION 36-414 AND TEN PERCENT OF THE REMAINING MONIES RECEIVED FROM FEES  
15 COLLECTED PURSUANT TO SUBSECTION B, PARAGRAPH 17 OF THIS SECTION AND  
16 SECTION 32-2805 IN THE STATE GENERAL FUND.

17 Sec. 2. Repeal; transfer of monies

18 A. Section 30-658, Arizona Revised Statutes, is repealed.

19 B. All unexpended and unencumbered monies remaining in the  
20 radiation regulatory fee fund established by section 30-658, Arizona  
21 Revised Statutes, as repealed by subsection A of this section, are  
22 transferred to the health services licensing fund established by section  
23 36-414, Arizona Revised Statutes, on the effective date of this section.

24 Sec. 3. Title 32, chapter 28, article 1, Arizona Revised Statutes,  
25 is amended by adding section 32-2805, to read:

26 32-2805. Fees; deposit

27 THE DEPARTMENT SHALL DEPOSIT ALL FEES COLLECTED PURSUANT TO THIS  
28 CHAPTER AS PRESCRIBED BY SECTION 30-654, SUBSECTION C.

29 Sec. 4. Repeal; transfer of monies

30 A. Section 32-2823, Arizona Revised Statutes, is repealed.

31 B. All unexpended and unencumbered monies remaining in the state  
32 radiologic technologist certification fund established by section 32-2823,  
33 Arizona Revised Statutes, as repealed by subsection A of this section, are  
34 transferred to the health services licensing fund established by section  
35 36-414, Arizona Revised Statutes, on the effective date of this section.

36 Sec. 5. Section 36-414, Arizona Revised Statutes, is amended to  
37 read:

38 36-414. Health services licensing fund; exemption

39 A. The health services licensing fund is established consisting of  
40 monies deposited pursuant to sections 30-654, 32-2805, 36-405, 36-851.01,  
41 36-882, 36-897.01 and 36-1903. The department of health services shall  
42 administer the fund.

43 B. Monies in the fund are subject to legislative appropriation.

44 C. Monies in the fund are exempt from the provisions of section  
45 35-190 relating to lapsing of appropriations.



1 is equal to the deficiency to pay the increases in the cost of providing  
2 levels of service.

3 F. For the purposes of this section, "levels of service" means the  
4 provider payment methodology, eligibility criteria and covered services  
5 established pursuant to this article and in effect on July 1, 1993.

6 Sec. 9. Laws 2017, chapter 309, section 13 is amended to read:

7 Sec. 13. AHCCCS; disproportionate share payments

8 A. Disproportionate share payments for fiscal year 2017-2018 made  
9 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
10 include:

11 1. ~~\$108,874,800~~ \$113,818,500 for a qualifying nonstate operated  
12 public hospital. The Maricopa county special health care district shall  
13 provide a certified public expense form for the amount of qualifying  
14 disproportionate share hospital expenditures made on behalf of this state  
15 to the Arizona health care cost containment system administration on or  
16 before May 1, 2018 for all state plan years as required by the Arizona  
17 health care cost containment system section 1115 waiver standard terms and  
18 conditions. The administration shall assist the district in determining  
19 the amount of qualifying disproportionate share hospital expenditures.  
20 Once the administration files a claim with the federal government and  
21 receives federal financial participation based on the amount certified by  
22 the Maricopa county special health care district, if the certification is  
23 equal to or less than ~~\$108,874,800~~ \$113,818,500 and the administration  
24 determines that the revised amount is correct pursuant to the methodology  
25 used by the administration pursuant to section 36-2903.01, Arizona Revised  
26 Statutes, the administration shall notify the governor, the president of  
27 the senate and the speaker of the house of representatives, shall  
28 distribute \$4,202,300 to the Maricopa county special health care district  
29 and shall deposit the balance of the federal financial participation in  
30 the state general fund. If the certification provided is for an amount  
31 less than ~~\$108,874,800~~ \$113,818,500 and the administration determines that  
32 the revised amount is not correct pursuant to the methodology used by the  
33 administration pursuant to section 36-2903.01, Arizona Revised Statutes,  
34 the administration shall notify the governor, the president of the senate  
35 and the speaker of the house of representatives and shall deposit the  
36 total amount of the federal financial participation in the state general  
37 fund. If the certification provided is for an amount greater than  
38 ~~\$108,874,800~~ \$113,818,500, the administration shall distribute \$4,202,300  
39 to the Maricopa county special health care district and shall deposit  
40 ~~\$71,890,300~~ \$75,345,400 of the federal financial participation in the  
41 state general fund. The administration may make additional  
42 disproportionate share hospital payments to the Maricopa county special  
43 health care district pursuant to section 36-2903.01, subsection P, Arizona  
44 Revised Statutes, and subsection B of this section.

1           2. \$28,474,900 for the Arizona state hospital. The Arizona state  
 2 hospital shall provide a certified public expense form for the amount of  
 3 qualifying disproportionate share hospital expenditures made on behalf of  
 4 this state to the administration on or before March 31, 2018. The  
 5 administration shall assist the Arizona state hospital in determining the  
 6 amount of qualifying disproportionate share hospital expenditures. Once  
 7 the administration files a claim with the federal government and receives  
 8 federal financial participation based on the amount certified by the  
 9 Arizona state hospital, the administration shall distribute the entire  
 10 amount of federal financial participation to the state general fund. If  
 11 the certification provided is for an amount less than \$28,474,900, the  
 12 administration shall notify the governor, the president of the senate and  
 13 the speaker of the house of representatives and shall distribute the  
 14 entire amount of federal financial participation to the state general  
 15 fund. The certified public expense form provided by the Arizona state  
 16 hospital shall contain both the total amount of qualifying  
 17 disproportionate share hospital expenditures and the amount limited by  
 18 section 1923(g) of the social security act.

19           3. \$884,800 for private qualifying disproportionate share  
 20 hospitals. The Arizona health care cost containment system administration  
 21 shall make payments to hospitals consistent with this appropriation and  
 22 the terms of the section 1115 waiver, but payments are limited to those  
 23 hospitals that either:

24           (a) Meet the mandatory definition of disproportionate share  
 25 qualifying hospitals under section 1923 of the social security act.

26           (b) Are located in Yuma county and contain at least three hundred  
 27 beds.

28           B. After the distributions made pursuant to subsection A of this  
 29 section, the allocations of disproportionate share hospital payments made  
 30 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
 31 shall be made available first to qualifying private hospitals located  
 32 outside of the Phoenix metropolitan statistical area and the Tucson  
 33 metropolitan statistical area before being made available to qualifying  
 34 hospitals within the Phoenix metropolitan statistical area and the Tucson  
 35 metropolitan statistical area.

36           Sec. 10. ALTCS; county contributions; fiscal year 2018-2019

37           A. Notwithstanding section 11-292, Arizona Revised Statutes, county  
 38 contributions for the Arizona long-term care system for fiscal year  
 39 2018-2019 are as follows:

40	1. Apache	\$ 644,500
41	2. Cochise	\$ 5,288,900
42	3. Coconino	\$ 1,935,200
43	4. Gila	\$ 2,239,000
44	5. Graham	\$ 1,578,400
45	6. Greenlee	\$ 49,000

1	7. La Paz	\$ 599,500
2	8. Maricopa	\$170,486,100
3	9. Mohave	\$ 8,479,400
4	10. Navajo	\$ 2,668,000
5	11. Pima	\$ 41,749,300
6	12. Pinal	\$ 13,853,200
7	13. Santa Cruz	\$ 2,084,400
8	14. Yavapai	\$ 8,334,500
9	15. Yuma	\$ 8,565,400

10 B. If the overall cost for the Arizona long-term care system  
11 exceeds the amount specified in the general appropriations act for fiscal  
12 year 2018-2019, the state treasurer shall collect from the counties the  
13 difference between the amount specified in subsection A of this section  
14 and the counties' share of the state's actual contribution. The counties'  
15 share of the state's contribution shall comply with any federal  
16 maintenance of effort requirements. The director of the Arizona health  
17 care cost containment system administration shall notify the state  
18 treasurer of the counties' share of the state's contribution and report  
19 the amount to the director of the joint legislative budget committee. The  
20 state treasurer shall withhold from any other monies payable to a county  
21 from whatever state funding source is available an amount necessary to  
22 fulfill that county's requirement specified in this subsection. The state  
23 treasurer may not withhold distributions from the Arizona highway user  
24 revenue fund pursuant to title 28, chapter 18, article 2, Arizona Revised  
25 Statutes. The state treasurer shall deposit the amounts withheld pursuant  
26 to this subsection and amounts paid pursuant to subsection A of this  
27 section in the long-term care system fund established by section 36-2913,  
28 Arizona Revised Statutes.

29 Sec. 11. Competency restoration treatment; city, town and  
30 county reimbursement; fiscal year 2018-2019;  
31 deposit; tax distribution withholding

32 A. Notwithstanding section 13-4512, Arizona Revised Statutes, if  
33 this state pays the costs of a defendant's inpatient, in custody  
34 competency restoration treatment pursuant to section 13-4512, Arizona  
35 Revised Statutes, the city, town or county shall reimburse the department  
36 of health services for one hundred percent of these costs for fiscal year  
37 2018-2019.

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

42 C. Each city, town and county shall reimburse these costs as  
43 specified in subsection A of this section within thirty days after a  
44 request by the department of health services. If the city, town or county  
45 does not make the reimbursement, the superintendent of the Arizona state

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

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

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

15 Sec. 12. AHCCCS; disproportionate share payments

16 A. Disproportionate share payments for fiscal year 2018-2019 made  
17 pursuant to section 36-2903.01, subsection 0, Arizona Revised Statutes,  
18 include:

19 1. \$113,818,500 for a qualifying nonstate operated public hospital.  
20 The Maricopa county special health care district shall provide a certified  
21 public expense form for the amount of qualifying disproportionate share  
22 hospital expenditures made on behalf of this state to the Arizona health  
23 care cost containment system administration on or before May 1, 2019 for  
24 all state plan years as required by the Arizona health care cost  
25 containment system section 1115 waiver standard terms and conditions. The  
26 administration shall assist the district in determining the amount of  
27 qualifying disproportionate share hospital expenditures. Once the  
28 administration files a claim with the federal government and receives  
29 federal financial participation based on the amount certified by the  
30 Maricopa county special health care district, if the certification is  
31 equal to or less than \$113,818,500 and the administration determines that  
32 the revised amount is correct pursuant to the methodology used by the  
33 administration pursuant to section 36-2903.01, Arizona Revised Statutes,  
34 the administration shall notify the governor, the president of the senate  
35 and the speaker of the house of representatives, shall distribute  
36 \$4,202,300 to the Maricopa county special health care district and shall  
37 deposit the balance of the federal financial participation in the state  
38 general fund. If the certification provided is for an amount less than  
39 \$113,818,500 and the administration determines that the revised amount is  
40 not correct pursuant to the methodology used by the administration  
41 pursuant to section 36-2903.01, Arizona Revised Statutes, the  
42 administration shall notify the governor, the president of the senate and  
43 the speaker of the house of representatives and shall deposit the total  
44 amount of the federal financial participation in the state general fund.  
45 If the certification provided is for an amount greater than \$113,818,500,

1 the administration shall distribute \$4,202,300 to the Maricopa county  
2 special health care district and shall deposit \$75,254,400 of the federal  
3 financial participation in the state general fund. The administration may  
4 make additional disproportionate share hospital payments to the Maricopa  
5 county special health care district pursuant to section 36-2903.01,  
6 subsection P, Arizona Revised Statutes, and subsection B of this section.

7 2. \$28,474,900 for the Arizona state hospital. The Arizona state  
8 hospital shall provide a certified public expense form for the amount of  
9 qualifying disproportionate share hospital expenditures made on behalf of  
10 this state to the administration on or before March 31, 2019. The  
11 administration shall assist the Arizona state hospital in determining the  
12 amount of qualifying disproportionate share hospital expenditures. Once  
13 the administration files a claim with the federal government and receives  
14 federal financial participation based on the amount certified by the  
15 Arizona state hospital, the administration shall distribute the entire  
16 amount of federal financial participation to the state general fund. If  
17 the certification provided is for an amount less than \$28,474,900, the  
18 administration shall notify the governor, the president of the senate and  
19 the speaker of the house of representatives and shall distribute the  
20 entire amount of federal financial participation to the state general  
21 fund. The certified public expense form provided by the Arizona state  
22 hospital shall contain both the total amount of qualifying  
23 disproportionate share hospital expenditures and the amount limited by  
24 section 1923(g) of the social security act.

25 3. \$884,800 for private qualifying disproportionate share  
26 hospitals. The Arizona health care cost containment system administration  
27 shall make payments to hospitals consistent with this appropriation and  
28 the terms of the section 1115 waiver, but payments are limited to those  
29 hospitals that either:

30 (a) Meet the mandatory definition of disproportionate share  
31 qualifying hospitals under section 1923 of the social security act.

32 (b) Are located in Yuma county and contain at least three hundred  
33 beds.

34 B. After the distributions made pursuant to subsection A of this  
35 section, the allocations of disproportionate share hospital payments made  
36 pursuant to section 36-2903.01, subsection P, Arizona Revised Statutes,  
37 shall be made available first to qualifying private hospitals located  
38 outside of the Phoenix metropolitan statistical area and the Tucson  
39 metropolitan statistical area before being made available to qualifying  
40 hospitals within the Phoenix metropolitan statistical area and the Tucson  
41 metropolitan statistical area.

42 Sec. 13. AHCCCS transfer; counties; federal monies

43 On or before December 31, 2019, notwithstanding any other law, for  
44 fiscal year 2018-2019 the Arizona health care cost containment system  
45 administration shall transfer to the counties the portion, if any, as may

1 be necessary to comply with section 10201(c)(6) of the patient protection  
2 and affordable care act (P.L. 111-148), regarding the counties'  
3 proportional share of this state's contribution.

4 Sec. 14. County acute care contribution; fiscal year  
5 2018-2019

6 A. Notwithstanding section 11-292, Arizona Revised Statutes, for  
7 fiscal year 2018-2019 for the provision of hospitalization and medical  
8 care, the counties shall contribute the following amounts:

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

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

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

1 D. The state treasurer shall deposit the amounts paid pursuant to  
2 subsection C of this section and amounts withheld pursuant to subsection B  
3 of this section in the Arizona health care cost containment system fund  
4 and the long-term care system fund established by section 36-2913, Arizona  
5 Revised Statutes.

6 E. If payments made pursuant to subsection C of this section exceed  
7 the amount required to meet the costs incurred by the Arizona health care  
8 cost containment system for the hospitalization and medical care of those  
9 persons defined as an eligible person pursuant to section 36-2901,  
10 paragraph 6, subdivisions (a), (b) and (c), Arizona Revised Statutes, the  
11 director of the Arizona health care cost containment system administration  
12 may instruct the state treasurer either to reduce remaining payments to be  
13 paid pursuant to this section by a specified amount or to provide to the  
14 counties specified amounts from the Arizona health care cost containment  
15 system fund and the long-term care system fund established by section  
16 36-2913, Arizona Revised Statutes.

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

22 Sec. 15. Proposition 204 administration; exclusion; county  
23 expenditure limitations

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

28 Sec. 16. AHCCCS; risk contingency rate setting

29 Notwithstanding any other law, for the contract year beginning  
30 October 1, 2018 and ending September 30, 2019, the Arizona health care  
31 cost containment system administration may continue the risk contingency  
32 rate setting for all managed care organizations and the funding for all  
33 managed care organizations administrative funding levels that were imposed  
34 for the contract year beginning October 1, 2010 and ending September 30,  
35 2011.

36 Sec. 17. AHCCCS; social security administration; medicare  
37 liability waiver; report of credits

38 The Arizona health care cost containment system may participate in  
39 any special disability workload section 1115 demonstration waiver offered  
40 by the centers for medicare and medicaid services. Any credits provided  
41 by the section 1115 demonstration waiver process are to be used in the  
42 fiscal year when those credits are made available to fund the state share  
43 of any medical assistance expenditures that qualify for federal financial  
44 participation under the medicaid program. The Arizona health care cost  
45 containment system administration shall report the receipt of any credits

1 to the director of the joint legislative budget committee on or before  
2 December 31, 2018 and June 30, 2019.

3 Sec. 18. Hospital charge master transparency; joint report

4 On or before January 2, 2019, the director of the Arizona health  
5 care cost containment system administration and the director of the  
6 department of health services shall submit a joint report on hospital  
7 charge master transparency to the governor, the speaker of the house of  
8 representatives and the president of the senate and shall provide a copy  
9 to the secretary of state. The report shall provide a summary of the  
10 current charge master reporting process, a summary of hospital billed  
11 charges compared to costs and examples of how charge masters or hospital  
12 prices are reported and used in other states. The report shall include  
13 recommendations to improve this state's use of hospital charge master  
14 information, including reporting and oversight changes.

15 Sec. 19. Inpatient psychiatric treatment; report

16 A. On or before January 2, 2019, the director of the Arizona health  
17 care cost containment system administration shall submit a report to the  
18 director of the joint legislative budget committee on the availability of  
19 inpatient psychiatric treatment both for adults and for children and  
20 adolescents who receive services from the regional behavioral health  
21 authorities. The report shall include all of the following information:

22 1. The total number of inpatient psychiatric treatment beds  
23 available and the occupancy rate for those beds.

24 2. Expenditures on inpatient psychiatric treatment.

25 3. The total number of individuals in this state who are sent out  
26 of state for inpatient psychiatric care.

27 4. The prevalence of psychiatric boarding or the holding of  
28 psychiatric patients in emergency rooms for at least twenty-four hours  
29 before transferring the patients to a psychiatric facility.

30 B. The report shall provide the information specified in subsection  
31 A of this section separately for adults who are at least twenty-two years  
32 of age and for children and adolescents who are twenty-one years of age or  
33 younger.

34 Sec. 20. Department of health services; fees; increase;  
35 intent; rulemaking exemption

36 A. Notwithstanding any other law, the director of the department of  
37 health services may increase fees in fiscal year 2018-2019 for services  
38 provided by the bureau of radiation control in fiscal year 2018-2019.

39 B. It is the intent of the legislature that the revenue generated  
40 by the fees collected pursuant to subsection A of this section not exceed  
41 \$561,000.

42 C. The department of health services shall deposit monies received  
43 from any fees increased pursuant to subsection A of this section in the  
44 health services licensing fund established by section 36-414, Arizona  
45 Revised Statutes, as amended by this act.

1 D. The department of health services is exempt from the rulemaking  
2 requirements of title 41, chapter 6, Arizona Revised Statutes, until  
3 July 1, 2019 for the purpose of increasing fees pursuant to this section.

4 Sec. 21. Department of health services; disease control  
5 research fund; AIDS reporting and surveillance

6 Notwithstanding section 36-273, Arizona Revised Statutes, the  
7 department of health services may use the amount appropriated to the  
8 department in fiscal year 2018-2019 from the disease control research fund  
9 established by section 36-274, Arizona Revised Statutes, for AIDS  
10 reporting and surveillance.

11 Sec. 22. Health services lottery monies fund; use; fiscal  
12 year 2018-2019

13 Notwithstanding sections 5-572 and 36-108.01, Arizona Revised  
14 Statutes, monies in the health services lottery monies fund established by  
15 section 36-108.01, Arizona Revised Statutes, may be used for the purposes  
16 specified in the fiscal year 2018-2019 general appropriations act.

17 Sec. 23. Department of health services; health research  
18 account; Alzheimer's disease research

19 Notwithstanding section 36-773, Arizona Revised Statutes, the  
20 department of health services may use the amount appropriated to the  
21 department in fiscal year 2018-2019 from the health research account  
22 established by section 36-773, Arizona Revised Statutes, for Alzheimer's  
23 disease research.

24 Sec. 24. AHCCCS; department of health services; opioid  
25 epidemic monies; joint report

26 On or before January 1, 2019, the Arizona health care cost  
27 containment system and the department of health services shall jointly  
28 report to the joint legislative budget committee how grant monies for  
29 states to address the opioid epidemic included in the Consolidated  
30 Appropriations Act, 2018 (P.L. 115-141) will supplement the monies  
31 appropriated to the Arizona health care cost containment system  
32 administration pursuant to Laws 2018, first special session, chapter 1.

33 Sec. 25. Intent; implementation of program

34 It is the intent of the legislature that for fiscal year 2018-2019  
35 the Arizona health care cost containment system administration implement a  
36 program within the available appropriation.

37 Sec. 26. Retroactivity

38 A. Laws 2017, chapter 309, section 13, as amended by this act,  
39 applies retroactively to from and after June 30, 2017.

40 B. Section 36-2905.03, Arizona Revised Statutes, as added by this  
41 act, applies retroactively to from and after June 30, 2018.

**APPROVED BY THE GOVERNOR MAY 3, 2018**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 3, 2018**

Passed the House May 2, 20 18

Passed the Senate May 3, 20 18

by the following vote: 34 Ayes,

by the following vote: 16 Ayes,

25 Nays, 1 Not Voting

13 Nays, 1 Not Voting

[Signature]  
Speaker of the House  
 Pro Tempore

[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

3rd day of May, 20 18

at 5:54 o'clock A. M.

[Signature]  
Secretary to the Governor

Approved this 3rd day of

May, 2018

at 5:13 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 3 day of May, 20 18

at 5:58 o'clock P. M.

[Signature]  
Secretary of State

H.B. 2659