

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

HOUSE BILL 2459

AN ACT

AMENDING SECTIONS 36-2921 AND 48-2203, ARIZONA REVISED STATUTES; MAKING
APPROPRIATIONS; RELATING TO MEDICALLY UNDERSERVED PROGRAMS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-2921, Arizona Revised Statutes, is amended to
3 read:

4 36-2921. Tobacco tax allocation

5 A. Subject to the availability of monies in the medically needy
6 account established pursuant to section 36-774 the administration shall use
7 the monies in the account in the following order:

8 1. The administration shall withdraw the amount necessary to pay the
9 state share of costs for providing health care services to any person who is
10 eligible pursuant to section 36-2901, paragraph 4, subdivisions (a), (c) and
11 (h) and who becomes eligible for a heart, lung, heart-lung, liver or
12 autologous and allogeneic bone marrow transplant pursuant to section 36-2907,
13 subsection A, paragraph 11, subdivision (d) as determined by the
14 administrator and to any person who is eligible pursuant to section 36-2901,
15 paragraph 4, subdivision (b) and who becomes eligible for a lung or
16 heart-lung transplant pursuant to section 36-2907, subsection A, paragraph
17 11, subdivision (b), as determined by the administrator.

18 2. Beginning on August 1, 1995 and on the first day of each month
19 until July 1, 1998, the sum of one million two hundred fifty thousand dollars
20 shall be transferred from the medically needy account to the medical services
21 stabilization fund for uses as prescribed in section 36-2922.

22 3. The administration shall withdraw the sum of nine million two
23 hundred fifty-one thousand one hundred dollars in fiscal year 1998-1999 for
24 deposit in the children's health insurance program fund established by
25 section 36-2995 to pay the state share of the children's health insurance
26 program established pursuant to article 4 of this chapter.

27 4. From and after August 1, 1995 and each year thereafter, the
28 administration shall transfer the following monies to the department of
29 health services to be allocated as follows if the department awards a
30 contract:

31 (a) Five million dollars, for the mental health grant program
32 established pursuant to section 36-3414.

33 (b) Six million dollars, for primary care services established
34 pursuant to section 36-2907.05.

35 (c) Five million dollars, for grants to the qualifying community
36 health centers established pursuant to section 36-2907.06, subsection A.

37 5. The administration shall transfer up to five hundred thousand
38 dollars for fiscal years 1997-1998, 1998-1999 and 1999-2000 for pilot
39 programs providing detoxification services in counties having a population of
40 five hundred thousand persons or less according to the most recent United
41 States decennial census.

42 6. The administration shall transfer up to two hundred fifty thousand
43 dollars annually for fiscal years 1995-1996, 1996-1997, 1997-1998, 1998-1999
44 and 1999-2000 for telemedicine pilot programs designed to facilitate the

1 provision of medical services to persons living in medically underserved
2 areas as provided in section 36-2352.

3 7. The administration shall transfer up to two hundred fifty thousand
4 dollars annually beginning in fiscal year 1996-1997 for contracts by the
5 department of health services with nonprofit organizations that primarily
6 assist in the management of end stage renal disease and related problems.
7 Contracts shall not include payments for transportation of patients for
8 dialysis.

9 8. Contingent on the existence of a premium sharing demonstration
10 project fund, beginning October 1, 1996 and until September 30, 1999, the
11 administration shall withdraw the sum of twenty million dollars in each of
12 fiscal years 1996-1997, 1997-1998 and 1998-1999 for deposit in the premium
13 sharing demonstration project fund established by section 36-2923 to provide
14 health care services to any person who is eligible for an Arizona health care
15 cost containment system premium sharing demonstration program enacted by the
16 legislature. The Arizona health care cost containment system premium sharing
17 demonstration program enacted by the legislature shall not be an entitlement
18 program. Beginning on October 1, 1997, the administration shall annually
19 withdraw monies from the medically needy account not to exceed four per cent
20 of the sum of any monies transferred pursuant to this paragraph for
21 administrative costs associated with the premium sharing demonstration
22 project. Administrative costs in excess of two per cent shall be funded from
23 the interest payments from the twenty million dollars withdrawn from the
24 medically needy account to fund the premium sharing program pursuant to this
25 paragraph.

26 9. Subject to the availability of monies, the Arizona health care cost
27 containment system administration shall transfer to the department of health
28 services up to five million dollars in fiscal years 1996-1997 and 1997-1998
29 and two million five hundred thousand dollars in fiscal year 1998-1999 for
30 providing nonentitlement funding for a basic children's medical services
31 program established by section 36-2907.08. The administration may also
32 withdraw and transfer to the department amounts for program evaluation and
33 for administrative costs as prescribed in section 36-2907.08.

34 10. Subject to the availability of monies, the sum of one million
35 dollars shall be transferred annually to the health crisis fund for use as
36 prescribed in section 36-797.

37 11. Subject to the availability of monies, the Arizona health care cost
38 containment system administration shall transfer to the aging and adult
39 administration in the department of economic security the sum of five hundred
40 thousand dollars annually beginning in fiscal year 1997-1998 for services
41 provided pursuant to section 46-192, subsection A, paragraph 4. Services
42 shall be used for persons who meet the low income eligibility criteria
43 developed by the aging and adult administration.

44 12. Subject to the availability of monies, the Arizona health care cost
45 containment system administration shall transfer to the department of health

1 services the sum of two hundred thousand dollars annually beginning in fiscal
2 year 1998-1999 for contracts entered into pursuant to section 36-132,
3 subsection D, with hospitals that are licensed by the department of health
4 services and that perform nonrenal organ transplant operations. These
5 contracts shall not include payments for transportation to and from treatment
6 facilities.

7 13. Subject to the availability of monies, the Arizona health care cost
8 containment system administration shall annually transfer to the department
9 of health services the sum of one hundred eleven thousand two hundred dollars
10 to implement the rural private primary care provider loan repayment program
11 established pursuant to section 36-2174. The department shall not use these
12 monies for administrative costs. The transfers made pursuant to this
13 paragraph are exempt from the provisions of section 35-190 relating to
14 lapsing of appropriations.

15 14. SUBJECT TO THE AVAILABILITY OF MONIES, THE ARIZONA HEALTH CARE COST
16 CONTAINMENT SYSTEM ADMINISTRATION SHALL TRANSFER ANNUALLY TO THE DEPARTMENT
17 OF HEALTH SERVICES THE SUM OF ONE HUNDRED FIFTY THOUSAND DOLLARS TO ASSIST
18 HEALTH SERVICE DISTRICTS IN PERFORMING THEIR SERVICES AND TO ASSIST
19 APPLICANTS WHO WISH TO ESTABLISH NEW DISTRICTS PURSUANT TO TITLE 48, CHAPTER
20 16.

21 B. The department of health services shall establish an accounting
22 procedure to ensure that all funds transferred pursuant to this section are
23 maintained separately from any other funds.

24 C. The administration shall annually withdraw monies from the
25 medically needy account in the amount necessary to reimburse the department
26 of health services for administrative costs to implement each program
27 established pursuant to subsection A of this section not to exceed four per
28 cent of the amount transferred for each program.

29 D. The administration shall annually withdraw monies from the
30 medically needy account in the amount necessary to reimburse the department
31 of health services for the evaluations as prescribed by section 36-2907.07.

32 E. The administration shall annually report, no later than November 1,
33 to the director of the joint legislative budget committee the annual revenues
34 deposited in the medically needy account and the estimated expenditures
35 needed in the subsequent year to provide funding for services provided in
36 subsection A, paragraph 1 of this section. The administration shall
37 immediately report to the director of the joint legislative budget committee
38 if at any time the administration estimates that the amount available in the
39 medically needy account will not be sufficient to fund the maximum
40 allocations established in this section.

41 Sec. 2. Section 48-2203, Arizona Revised Statutes, is amended to read:

42 48-2203. Formation of district; district impact statement;
43 petition; hearing; notice; definition

44 A. Any person proposing to create a district shall prepare a district
45 impact statement and submit the statement, with the petition prescribed in

1 subsection B of this section, to the board of supervisors of the county in
2 which the district is to be located. If a proposed district is located in
3 more than one county, the impact statement shall be submitted to the board of
4 supervisors of the county in which the majority of the assessed valuation of
5 the property within the area of the proposed district is located. The boards
6 of supervisors of any other counties in which a portion of the district is
7 located shall provide information and assistance to the responsible board of
8 supervisors. If the person proposing to create a district pursuant to this
9 section is unable to complete the district impact statement, the board of
10 supervisors may assist in the completion of the impact statement if requested
11 to do so, provided the bond required in section 48-2204 is in an amount
12 sufficient to cover any additional cost to the county. The district impact
13 statement shall contain at least the following information:

14 1. A description of the boundaries of the proposed district and a
15 detailed, accurate map of the area to be included in the district.

16 2. An estimate of the assessed valuation within the proposed district.

17 3. An estimate of the change in the property tax liability, as a
18 result of the proposed district, of a typical resident of the proposed
19 district.

20 4. A list and explanation of benefits that will result from the
21 proposed district.

22 5. A list and explanation of the injuries that will result from the
23 proposed district.

24 B. A petition requesting that a health service district be established
25 by the board of supervisors in the county in which the district is to be
26 located shall be filed with the clerk of the board if signed by ten per cent
27 of the qualified electors within the proposed district and signed by persons
28 owning collectively more than ~~twenty-five~~ TEN per cent of the assessed
29 valuation of the property in the area of the proposed district. The petition
30 shall be verified by one of the petitioners and shall be accompanied by a
31 plat or sketch indicating the approximate areas and boundaries of the
32 district.

33 C. The petition shall set forth:

34 1. The name of the proposed district.

35 2. That the public health, comfort, convenience, necessity or welfare
36 will be promoted by the establishment of the district.

37 3. The boundaries of the district.

38 4. A general outline of the facilities and services to be offered by
39 the district.

40 5. Other matters as required by this article.

41 D. Additional petitions with additional signatures may be filed before
42 the hearing on the original petition and shall be considered as having been
43 filed with the original petition.

44 E. A petition with the required number of signatures shall not be
45 declared void on account of alleged defect, but the board of supervisors

1 shall permit a petition to be amended in form and substance to conform to the
2 facts and requirements of this section.

3 F. The clerk of each county shall maintain a list of property owners
4 in the county who want to be notified of any proposed health service district
5 affecting their current tax structure.

6 G. The petition shall be presented to the board of supervisors, and
7 the board shall enter an order setting the time, at least three but not more
8 than five weeks from the date of the order, at which time a hearing on the
9 petition shall be held by the board, and directing that notice of the hearing
10 shall be published once a week for at least two consecutive weeks before the
11 date of the hearing in a newspaper of general circulation in the proposed
12 district.

13 H. The clerk shall notify all property owners on the list regarding
14 the pending hearing at least two but not more than three weeks from the date
15 the board of supervisors ordered the hearing.

16 I. For purposes of this section "assessed valuation" does not include
17 the assessed valuation of property that is owned by a county.

18 Sec. 3. Appropriations; purpose

19 The sum of \$1,500,000 is appropriated from the medically needy account
20 established pursuant to section 36-774, Arizona Revised Statutes, in each of
21 fiscal years 2001-2002 and 2002-2003 to the department of health services for
22 capital project grants to public and private nonprofit entities that provide
23 health services in rural areas as defined in section 36-2171, Arizona Revised
24 Statutes, or in medically underserved areas as prescribed in section 36-2352,
25 Arizona Revised Statutes, including the purchase, lease, lease-purchase,
26 construction, establishment or equipping a medical clinic or
27 clinics. Capital projects may include the purchase or lease of land,
28 buildings, mobile medical or dental clinics, equipment and furnishings, and
29 other costs associated with the construction, expansion or renovation of
30 facilities to expand primary care or dental services as provided by section
31 36-774, subsection C, paragraph 1, Arizona Revised Statutes. The maximum
32 amount of any medical capital project grant is \$500,000. The maximum amount
33 of any dental capital project is \$350,000. The department of health services
34 shall give preference to applicants that serve rural areas as defined in
35 section 36-2171, Arizona Revised Statutes, for one-half of the sum
36 transferred in each fiscal year. When reviewing the applications for rural
37 areas, the department of health services shall give highest preference to
38 applicants that serve medically underserved areas and that provide matching
39 or in-kind contributions. The department of health services shall avoid
40 duplication of capital project components that are funded pursuant to section
41 36-2907.05, Arizona Revised Statutes. A recipient is eligible for only one
42 capital project grant in any two-year period and is limited to the maximum of
43 two capital project grants pursuant to this section.

44 Sec. 4. Appropriations; purpose

1 The sum of \$1,500,000 is appropriated from the medically needy account
2 established by section 36-774, Arizona Revised Statutes, in each of fiscal
3 years 2001-2002 and 2002-2003 to the department of health services for
4 capital project grants to public and private nonprofit hospitals that provide
5 health care services in rural areas as defined in section 36-2171, Arizona
6 Revised Statutes, or in medically underserved areas as prescribed in section
7 36-2352, Arizona Revised Statutes. Capital projects may include the purchase
8 or lease of land, buildings, equipment and furnishings, and other costs
9 associated with the construction, expansion or renovation of facilities to
10 expand health care services as provided by section 36-774, subsection C,
11 paragraph 1, Arizona Revised Statutes. The department of health services
12 shall give preference to applicants that serve rural areas as defined in
13 section 36-2171, Arizona Revised Statutes, for one-half of the sum
14 transferred in each fiscal year. When reviewing the applications for rural
15 areas, the department of health services shall give highest preference to
16 applicants that serve medically underserved areas and that provide matching
17 or in-kind contributions.