

REFERENCE TITLE: AHCCCS; diabetes; self-management training

State of Arizona  
Senate  
Forty-fifth Legislature  
First Regular Session  
2001

# **SB 1204**

Introduced by  
Senators Gerard, Hartley, Solomon: Hellon, Nichols

AN ACT

AMENDING SECTION 36-2907, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-2907, Arizona Revised Statutes, is amended to  
3 read:

4 36-2907. Covered health and medical services; definitions;  
5 modifications; related delivery of service  
6 requirements

7 A. Unless modified pursuant to this section, the following health and  
8 medical services shall be provided pursuant to provider contracts awarded  
9 under this article:

10 1. Inpatient hospital services that are ordinarily furnished by a  
11 hospital for the care and treatment of inpatients, that are medically  
12 necessary and that are provided under the direction of a physician or a  
13 primary care practitioner. For the purposes of this section, "inpatient  
14 hospital services" excludes services in an institution for tuberculosis or  
15 mental diseases.

16 2. Outpatient health services ~~which~~ THAT are medically necessary and  
17 ordinarily provided in hospitals, clinics, offices and other health care  
18 facilities by licensed health care providers. Outpatient health services  
19 include services provided by or under the direction of a physician or a  
20 primary care practitioner but do not include occupational therapy, or speech  
21 therapy for eligible persons who are twenty-one years of age or older.

22 3. Other laboratory and X-ray services ordered by a physician or a  
23 primary care practitioner.

24 4. Medications ~~which~~ THAT are medically necessary and ordered on  
25 prescription by a physician or a dentist licensed pursuant to title 32,  
26 chapter 11.

27 5. Emergency dental care and extractions.

28 6. Medical supplies, equipment and prosthetic devices, not including  
29 hearing aids, ordered by a physician or a primary care practitioner or  
30 dentures ordered by a dentist licensed pursuant to title 32, chapter 11.  
31 Beginning on July 1, 1998, suppliers of durable medical equipment shall  
32 provide the administration with complete information about the identity of  
33 each person who has an ownership or controlling interest in their business  
34 and shall comply with federal bonding requirements in a manner prescribed by  
35 the administration.

36 7. Treatment of medical conditions of the eye excluding eye  
37 examinations for prescriptive lenses and the provision of prescriptive  
38 lenses.

39 8. Early and periodic health screening and diagnostic services as  
40 required by section 1905(r) of title XIX of the social security act, as  
41 amended by section 6043 of the omnibus budget reconciliation act of 1989, for  
42 eligible persons under the age of twenty-one years with treatment benefits  
43 limited to those otherwise specified in this chapter.

44 9. Family planning services that do not include abortion or abortion  
45 counseling. If a prepaid capitated provider elects not to provide family

1 planning services, this election does not disqualify the provider from  
2 delivering all other covered health and medical services under this chapter.  
3 In that event, the administration may contract directly with another  
4 provider, including an outpatient surgical center or a noncontracting  
5 provider, to deliver family planning services to a member who is enrolled  
6 with the prepaid capitated provider that elects not to provide family  
7 planning services.

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

11 11. Transplants as authorized in this paragraph that are medically  
12 necessary and not experimental, as determined by the administration. The  
13 following transplants are authorized:

14 (a) For individuals eligible for services pursuant to section 36-2901,  
15 paragraph 4, subdivision (b), medically necessary heart, liver, kidney,  
16 cornea and autologous and allogeneic bone marrow transplants and  
17 immunosuppressant medications for these transplants ordered on prescription  
18 by a physician licensed pursuant to title 32, chapter 13 or 17.

19 (b) For individuals eligible for services pursuant to section 36-2901,  
20 paragraph 4, subdivision (b), medically necessary lung and heart-lung  
21 transplants and immunosuppressant medications for these transplants ordered  
22 on prescription by a physician licensed pursuant to title 32, chapter 13 or  
23 17 but only if monies are available pursuant to section 36-2921, subsection  
24 A, paragraph 1.

25 (c) For individuals eligible for services pursuant to section 36-2901,  
26 paragraph 4, subdivisions (a), (c) and (h), medically necessary kidney and  
27 cornea transplants and immunosuppressant medications for these transplants  
28 ordered on prescription by a physician licensed pursuant to title 32, chapter  
29 13 or 17.

30 (d) For individuals eligible for services pursuant to section 36-2901,  
31 paragraph 4, subdivisions (a), (c) and (h), medically necessary heart, liver,  
32 heart-lung, lung and autologous and allogeneic bone marrow transplants and  
33 immunosuppressant medications for these transplants ordered on prescription  
34 by a physician licensed pursuant to title 32, chapter 13 or 17, but only if  
35 monies are available pursuant to section 36-2921, subsection A, paragraph 1.

36 (e) For persons who are eligible for services pursuant to section  
37 36-2901, paragraph 4, subdivision (a), (b), (c) ~~and~~ OR (h), any other  
38 transplant authorized by the director but only if monies are available  
39 pursuant to section 36-2921, subsection A, paragraph 1.

40 12. Medically necessary ambulance and nonambulance transportation.

41 13. OUTPATIENT SELF-MANAGEMENT TRAINING AND EDUCATION, INCLUDING  
42 MEDICAL NUTRITION THERAPY, FOR THE TREATMENT OF INSULIN-DEPENDENT DIABETES,  
43 INSULIN-USING DIABETES, GESTATIONAL DIABETES AND NONINSULIN-USING DIABETES.  
44 THE TRAINING AND EDUCATION MUST BE PROVIDED BY A CERTIFIED, REGISTERED OR  
45 LICENSED HEALTH CARE PROVIDER WHO HAS EXPERTISE IN DIABETES.

- 1           14. THE FOLLOWING EQUIPMENT AND SUPPLIES FOR THE TREATMENT OF DIABETES:  
2           (a) BLOOD GLUCOSE MONITORS.  
3           (b) BLOOD GLUCOSE MONITORS FOR THE LEGALLY BLIND.  
4           (c) TEST STRIPS FOR GLUCOSE MONITORS AND VISUAL READING AND URINE  
5 TESTING STRIPS.  
6           (d) INSULIN PREPARATIONS AND GLUCAGON.  
7           (e) INSULIN CARTRIDGES.  
8           (f) DRAWING UP DEVICES AND MONITORS FOR THE VISUALLY IMPAIRED.  
9           (g) INJECTION AIDS.  
10          (h) INSULIN CARTRIDGES FOR THE LEGALLY BLIND.  
11          (i) SYRINGES AND LANCETS INCLUDING AUTOMATIC LANCING DEVICES.  
12          (j) PRESCRIBED ORAL AGENTS FOR CONTROLLING BLOOD SUGAR THAT ARE  
13 INCLUDED ON THE PLAN FORMULARY.  
14          (k) TO THE EXTENT COVERAGE IS REQUIRED UNDER MEDICARE, PODIATRIC  
15 APPLIANCES FOR PREVENTION OF COMPLICATIONS ASSOCIATED WITH DIABETES.  
16          (l) ANY OTHER DEVICE, MEDICATION, EQUIPMENT OR SUPPLY FOR WHICH  
17 COVERAGE IS REQUIRED UNDER MEDICARE. THE COVERAGE REQUIRED IN THIS  
18 SUBDIVISION IS EFFECTIVE SIX MONTHS AFTER THE COVERAGE IS REQUIRED UNDER  
19 MEDICARE.  
20          B. The system shall pay nonproviders only for health and medical  
21 services as prescribed in subsection A of this section and as prescribed by  
22 rule.  
23          C. The director shall adopt such rules as are necessary to limit, to  
24 the extent possible, the scope, duration and amount of services, including  
25 maximum limitations for inpatient services ~~which~~ THAT are consistent with  
26 federal regulations under title XIX of the social security act (P.L. 89-97;  
27 79 Stat. 344; 42 United States Code section 1396 (1980)). To the extent  
28 possible and practicable, these rules shall provide for the prior approval of  
29 medically necessary services provided pursuant to this chapter.  
30          D. The director shall make available home health services in lieu of  
31 hospitalization pursuant to provider contracts awarded under this article.  
32 For the purposes of this subsection, "home health services" means the  
33 provision of nursing services, home health aide services or medical supplies,  
34 equipment and appliances, ~~which~~ THAT are provided on a part-time or  
35 intermittent basis by a licensed home health agency within a member's  
36 residence based on the orders of a physician or a primary care  
37 practitioner. Beginning on July 1, 1998, home health agencies shall comply  
38 with the federal bonding requirements in a manner prescribed by the  
39 administration.  
40          E. The director shall adopt rules for the coverage of behavioral  
41 health services for persons who are eligible under section 36-2901, paragraph  
42 4, subdivision (b) and persons who are eligible for services under section  
43 1903(v) of the social security act. The administration shall contract with  
44 the department of health services for the delivery of all medically necessary  
45 behavioral health services to persons who are eligible under rules adopted

1 pursuant to this subsection. The division of behavioral health in the  
2 department of health services shall establish a diagnostic and evaluation  
3 program to which other state agencies shall refer children who are not  
4 already enrolled pursuant to this chapter and who may be in need of  
5 behavioral health services. In addition to an evaluation, the division of  
6 behavioral health shall also identify children who may be eligible under  
7 section 36-2901, paragraph 4, subdivision (b) or section 36-2931, paragraph 5  
8 and shall refer the children to the appropriate agency responsible for making  
9 the final eligibility determination. Behavioral health services for persons  
10 who are eligible under section 36-2901, paragraph 4, subdivisions (a), (c),  
11 (h) and (j) are limited to emergency care in settings approved by the  
12 director and in accordance with administration rules.

13 F. The director shall adopt rules for the provision of transportation  
14 services for members and persons who are entitled to retroactive emergency  
15 coverage under section 36-2909 and rules providing for copayment by members  
16 for transportation for other than emergency purposes. Prior authorization  
17 shall not be required for medically necessary ambulance transportation  
18 services rendered to members or eligible persons initiated by dialing  
19 telephone number 911 or other designated emergency response systems.

20 G. The director may adopt rules to allow the administration, at the  
21 director's discretion, to utilize a second opinion procedure under which  
22 surgery may not be eligible for coverage pursuant to this chapter without  
23 documentation as to need by at least two physicians or primary care  
24 practitioners.

25 H. If the director does not receive bids within the amounts budgeted  
26 or if at any time the amount remaining in the Arizona health care cost  
27 containment system fund is insufficient to pay for full contract services for  
28 the remainder of the contract term, the administration may, ~~upon~~ ON  
29 notification to system providers and counties at least thirty days in  
30 advance, modify the list of services required under subsection A of this  
31 section for persons defined as eligible other than those persons defined  
32 pursuant to section 36-2901, paragraph 4, subdivision (b). The director may  
33 also suspend services or may limit categories of expense for services defined  
34 as optional pursuant to title XIX of the social security act (P.L. 89-97; 79  
35 Stat. 344; 42 United States Code section 1396 (1980)) for persons defined  
36 pursuant to section 36-2901, paragraph 4, subdivision (b). Such reductions  
37 or suspensions shall not apply to the continuity of care for persons already  
38 receiving such services. Any decision to reduce services for members other  
39 than those persons defined pursuant to section 36-2901, paragraph 4,  
40 subdivisions (a), (b), (c) and (h) shall be made independently from any other  
41 modification of services. If such services are reduced, modified or  
42 suspended pursuant to this subsection, counties shall not be required to  
43 provide the affected services to members or eligible persons.

44 I. Additional, reduced or modified hospitalization and medical care  
45 benefits may be provided under the system to enrolled members who are

1 eligible pursuant to section 36-2901, paragraph 4, subdivision (d), (e), (f)  
2 or (g).  
3 J. All health and medical services provided under this article shall  
4 be provided in the county of residence of the member, except:  
5 1. Emergency services and specialty services provided pursuant to  
6 section 36-2908.  
7 2. That the director may permit the delivery of health and medical  
8 services in other than the county of residence in this state or in an  
9 adjoining state if he determines that medical practice patterns justify the  
10 delivery of services in other than the county of residence or a net reduction  
11 in transportation costs can reasonably be expected. Notwithstanding section  
12 36-2901, paragraph 8, if services are procured from a physician or primary  
13 care practitioner in an adjoining state, the physician or primary care  
14 practitioner shall be licensed to practice in that state pursuant to  
15 licensing statutes in that state similar to title 32, chapter 13, 15, 17 or  
16 25.  
17 K. Covered outpatient services shall be subcontracted by a primary  
18 care physician or primary care practitioner to other licensed health care  
19 providers to the extent practicable for purposes including, but not limited  
20 to, making health care services available to underserved areas, reducing  
21 costs of providing medical care and reducing transportation costs.  
22 L. The director shall adopt rules ~~which~~ TO prescribe the coordination  
23 of medical care for persons who are eligible for both system covered services  
24 and county services. The rules shall include provisions for the transfer of  
25 patients, the transfer of medical records and the initiation of medical care.