

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

SENATE BILL 1537

AN ACT

AMENDING SECTION 36-2921, 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 36-2921, 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. BEGINNING IN FISCAL YEAR 2001-2002, the administration shall
38 transfer up to ~~five~~ THREE hundred SEVENTY-FIVE thousand dollars ANNUALLY for
39 ~~fiscal years 1997-1998, 1998-1999 and 1999-2000 for pilot~~ programs providing
40 detoxification services in counties having a population of five hundred
41 thousand persons or less according to the most recent United States decennial
42 census. OF THE MONIES TRANSFERRED PURSUANT TO THIS PARAGRAPH, TWO HUNDRED
43 FIFTY THOUSAND DOLLARS SHALL BE DISTRIBUTED TO A PROGRAM THAT PROVIDES
44 DETOXIFICATION TREATMENT AND SERVICES THROUGH A LONG-TERM SOCIAL MODEL
45 DETOXIFICATION PROGRAM THAT EMPHASIZES REHABILITATION AND ONE HUNDRED

1 TWENTY-FIVE THOUSAND DOLLARS SHALL BE DISTRIBUTED TO A PROGRAM THAT PROVIDES
2 SHORT-TERM DETOXIFICATION TREATMENT AND SERVICES AND IS PART OF A CONTINUUM
3 OF DETOXIFICATION TREATMENT.

4 6. The administration shall transfer up to two hundred fifty thousand
5 dollars annually for fiscal years 1995-1996, 1996-1997, 1997-1998, 1998-1999
6 and 1999-2000 for telemedicine pilot programs designed to facilitate the
7 provision of medical services to persons living in medically underserved
8 areas as provided in section 36-2352.

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

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

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

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

43 11. Subject to the availability of monies, the Arizona health care cost
44 containment system administration shall transfer to the aging and adult
45 administration in the department of economic security the sum of five hundred

1 thousand dollars annually beginning in fiscal year 1997-1998 for services
2 provided pursuant to section 46-192, subsection A, paragraph 4. Services
3 shall be used for persons who meet the low income eligibility criteria
4 developed by the aging and adult administration.

5 12. Subject to the availability of monies, the Arizona health care cost
6 containment system administration shall transfer to the department of health
7 services the sum of two hundred thousand dollars annually beginning in fiscal
8 year 1998-1999 for contracts entered into pursuant to section 36-132,
9 subsection D, with hospitals that are licensed by the department of health
10 services and that perform nonrenal organ transplant operations. These
11 contracts shall not include payments for transportation to and from treatment
12 facilities.

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

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.