

AHCCCS 2017 Legislative Report



Summary of AHCCCS 2017 Legislative Report

The Fifty-third Legislature, First Regular Session adjourned Sine Die on May 10, 2017, after having been in session for 122 days. The below summarizes impactful legislation, provisions of the SFY 2018 budget, newly established study committees, and changes to reporting requirements.

Legislation

General Effective Date: August 9, 2017

Total bills introduced: 1,079

Bills Passed: 353

Bills Signed: 342

Bills Vetoed: 11

- *HB 2084*– Ensures timely access to care for tribal members by allowing admittance to a mental health treatment facility located off tribal lands pending recognition of a tribal court order in Superior Court (passed unanimously).¹
- *HB 2307* – Allows the board of pharmacy to release program data to AHCCCS for the purpose of performing a drug utilization review for controlled substances.
- *HB 2493* – Permits a pharmacist to dispense naloxone or any other FDA approved opioid antagonist by way of a standing order, rather than without a prescription.²
- *SB 1031* – The study committee on incompetent, nonrestorable and dangerous defendants is continued through June 30, 2018.
- *SB 1235* – Expands the scope of practice of licensed Podiatrists to include partial-foot amputations.
- *SB 1269* – Expands the scope of practice of licensed Pharmacists to include the following:
 - Dispensing a one-time emergency refill for each prescription used to treat an ongoing medical condition if certain conditions are met;
 - Prescribing and administering oral fluoride varnish if certain conditions are met; and
 - Prescribing and dispensing tobacco cessation drug therapies if certain conditions are met.
- *SB 1440* – Establishes the internal AHCCCS clinical oversight review committee.

SFY 2018 Budget Package

For July 1, 2017, through June 30, 2018

- List of AHCCCS-covered services expanded to include the following, with a planned implementation date of October 1, 2017, and requiring State Plan Amendments (A.R.S. 36-2907):
 - *Adult emergency dental services up to \$1,000 annually; and*
 - *Occupational Therapy for adults in an outpatient setting (inpatient already covered).*
- Funding for 5 AHCCCS FTEs related to efforts to combat the opioid epidemic (2 clinical & 3 OIG).
- Funding to increase certain provider rates (mostly HCBS) in order to minimize impacts of Prop 206.
- \$200,000 appropriated to conduct a network adequacy study relating to Prop 206 impacts.
- Additional funding and increased fee authority for DHS to expand the newborn screening panel to include SCID - \$0 appropriated to AHCCCS to cover additional SCID testing.

¹ AHCCCS ran this legislation. It was sponsored by Rep. Eddie Farnsworth, Chairman of the House Judiciary Committee.

² Dr. Salek is drafting the standing order.

- Under A.R.S. 36-2985, if this state’s CHIP FMAP becomes less than one hundred percent, the Administration shall immediately notify the Governor, the President of the Senate and the Speaker of the House of Representatives and shall immediately stop processing all new applications.

Study Committees

The AHCCCS Director or designee shall serve on the following:

- Incompetent, nonrestorable and dangerous defendants study committee; and
- Drug overdose review team.

New Reports

- Prop 206 Network Adequacy, due on or before February 1, 2018.
- Clinical Oversight Review Committee, due on or before February 1, 2018, and February 1st annually thereafter.

Eliminated Reports

- Retroactive Capitation Rate Changes
- Budget Formatting
- DSRIP
- TPL for Behavioral Health Services
- CAH Payments
- Native Americans Report
- Health Insurer Fee

Retained Reports

- Capitation Rate Changes
- Capitation Rate Expenditure Plan
- Fiscal Impact Analysis of Policy Changes Greater than \$500,000
- NF Supplemental Payments
- Arnold v. Sarn
- DSH Payments
- GME
- SNCP
- Reconciliation Payments
- FTEs
- 340B – now due annually
- ALTCS County Share
- DSH Payments (MIHS & ASH)
- 1115 Demonstration Credits
- Non-Emergency Use of the Emergency Department
- Hospital Chargemaster
- Inpatient Psychiatric Treatment
- Long-term Care System Fund

Legislation

Enacted Legislation

HB 2084	tribal courts; involuntary commitment orders (Rep. Farnsworth)
Disposition	Enacted; Chapter 89
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • A mental health treatment facility may admit a patient for involuntary treatment pending the filing of a tribal court's involuntary commitment order with the clerk of the superior court. • The mental health treatment facility must discharge the patient if the tribal court order is not filed with the clerk of the superior court by the close of business on the next day that the court is open after the admission of the patient. If that day is a tribal holiday, the tribal court order must be filed with the clerk of the superior court by the close of business on the following day.

HB 2186	ombudsman-citizens aid; reports (Rep. Thorpe)
Disposition	Enacted; Chapter 30
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • Each state government that maintains a generally accessible internet website, or for which a generally accessible website is maintained, shall include a link on that website to the website of the ombudsman-citizens aide and a statement that reads as follows: "The ombudsman-citizens aide helps citizens to resolve ongoing issues with state agencies".

HB 2196	residential care institutions; employment (Rep. Carter)
Disposition	Enacted; Chapter 134
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • An adult residential care institution subclass that is authorized to provide recidivism reduction services may employ recidivism reduction staff who are exempt from the requirements of section 36-411, subsection e to assist in the delivery of recidivism reduction services. • An applicant for employment is exempt from the requirements of section 36-411, subsection e if the applicant does both of the following: <ol style="list-style-type: none"> 1. Successfully completes treatment for recidivism reduction as prescribed by rule. 2. Passes a background and screening evaluation conducted by the adult residential care institution as prescribed by rule that demonstrates that the individual is not a threat to the health or safety of staff or residents of the adult residential care institution. • As prescribed by rule, only adult residents of an adult residential care institution who have been referred to receive recidivism reduction services may receive services from recidivism reduction staff. • An adult resident of an adult residential care institution may be referred for

	recidivism reduction services if the adult resident is one or more of the following: <ol style="list-style-type: none"> 1. Charged with or convicted of one or more criminal offenses. 2. Referred by a court, prosecutor or probation officer. 3. Approved for placement at the adult residential care institution by a health care professional who is licensed pursuant to title 32 and whose scope of practice includes recidivism reduction services.
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HB 2307	controlled substances prescription monitoring program (Rep. Carter)
Disposition	Enacted; Chapter 61
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • Requires each medical practitioner regulatory board to notify medical practitioners who register under the federal Controlled Substances Act of the practitioner's responsibility to register with the Board of Pharmacy and be granted access to the database, instead of each board being required to notify the Board of Pharmacy and the Board of Pharmacy notifying the practitioners. • A person who is authorized to access the Controlled Substances Prescription Monitoring Program may do so only using that person's assigned identifier, rather than the identifier of another person. • Allows the Board of Pharmacy to release program data to AHCCCS for the purpose of performing a drug utilization review for controlled substances.

HB 2493	dispensing opioids; drug overdose review team (Rep. Carter)
Disposition	Enacted; Chapter 234
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • Permits a pharmacist to dispense naloxone or any other FDA approved opioid antagonist by way of a standing order, rather than without a prescription. • Removes the requirement that a pharmacist instruct an individual to whom they are dispensing naloxone to summon emergency services before its administration. • Provides that a medical professional may not require a person to provide in writing evidence that statutory requirements have been met in order to receive a prescription for naloxone. • "Standing order" means a signed prescription order that authorizes the pharmacist to dispense naloxone hydrochloride or any other opioid antagonist for emergency purposes and that is issued by a medical practitioner licensed in this state or a state or county health officer who is a medical practitioner licensed in this state. • Establishes a 21 person review team tasked with developing a drug overdose fatalities data collection system, developing protocols for drug overdose investigations, and determining changes needed to decrease the incidence of preventable drug overdose fatalities.

SB 1004	human rights committee; membership (Sen. Barto)
Disposition	Enacted; Chapter 184
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • Makes various changes to the HRC on persons with developmental disabilities. • Specific to AHCCCS and the HRC on the mentally ill, it expands the list of members who are appointed by the director to include those with expertise in criminal justice and public safety. • Provides that each HRC may hold one or more community forums annually to receive comments regarding the experiences of individuals living with serious mental illness, and their family members and caregivers, across the care continuum. • Requires the appropriate department director to provide committee members the opportunity to review potential changes to rules or policies that may affect the committee.

SB 1031	Dangerous; incompetent defendants; study committee (Sen. Borrelli)
Disposition	Enacted; Chapter 103
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • The study committee on incompetent, nonrestorable and dangerous defendants is continued through June 30, 2018. • The director of AHCCCS or the director's designee shall serve on the committee.

SB 1055	expedited rulemaking (Sen. Griffin)
Disposition	Enacted; Chapter 185
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • The list of circumstances under which an agency may conduct expedited rulemaking is amended to include if the rule implements, without material change, a course of action that is proposed in a five year review report approved by the council pursuant to A.R.S. 41-1056 within one hundred eighty days of the date that the agency files the proposed expedited rulemaking with the Secretary of State, or if the rulemaking adopts rules of another agency that has been or imminently will be consolidated into the agency. • The expedited rulemaking becomes effective immediately on the filing of the notice, rather than 30 days following publication.

SB 1072	administrative decisions; scope of review (Sen. Petersen)
Disposition	Enacted; Chapter 329
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> • Requires the courts to award fees and other expenses in a successful civil action challenging an agency decision if the following occur: <ul style="list-style-type: none"> ○ The civil action is brought on the grounds that the agency decision is not

	<p>authorized by statute, violates the United States Constitution or violates the Arizona Constitution;</p> <ul style="list-style-type: none"> ○ The civil action is brought by a party other than the state, city, town or county; and ○ The agency or commission is statutorily exempt from rulemaking. <ul style="list-style-type: none"> ● The court may only affirm, reverse, modify or vacate and remand an agency action after reviewing the administrative record and supplementing evidence presented at the evidentiary hearing. ● The court shall affirm the agency action unless the court concludes that the agency's action is contrary to law, is not supported by substantial evidence, is arbitrary and capricious or is an abuse of discretion.
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SB 1235	podiatry; amputation (Sen. Barto)
Disposition	Enacted; Chapter 82
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> ● Expands the scope of practice of licensed Podiatrists to include partial-foot amputations.

SB 1269	pharmacists; scope of practice (Sen. Barto)
Disposition	Enacted; Chapter 117
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> ● Expands the scope of practice of licensed Pharmacists to include the following: <ul style="list-style-type: none"> ○ To dispense a one-time emergency refill for each prescription used to treat an ongoing medical condition if certain conditions are met; ○ Prescribe and administer oral fluoride varnish if certain conditions are met; and ○ Prescribe and dispense tobacco cessation drug therapies if certain conditions are met. <ul style="list-style-type: none"> ▪ Limits prescriptive authority to nicotine-replacement tobacco cessation drug therapies.

SB 1293	private vocational program license; exemption (Sen. David Farnsworth)
Disposition	Enacted; Chapter 206
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> ● The list of exemptions from private vocation program licensing requirements is expanded to include a private instructional program or course that is less than 24 hours in length and that charges a fee of less than \$1,000. ● Applies to Direct Care Workers.

SB 1368	newborn screening; fees (Sen. Allen)
Disposition	Enacted; Chapter 339
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> The maximum fee the Department of Health Services may charge for the first specimen and hearing test in the newborn screening program is increased to \$36, from \$30.

SB 1434	art therapy services; contracting requirements (Sen. Barto)
Disposition	Enacted; Chapter 242
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> Permits AHCCCS to contract for art therapy services, directly or through a contractor, so long as the therapist: <ul style="list-style-type: none"> Holds an active national certification; or Is a master's level art therapy graduate who is seeking to qualify for national registration or board certification and is under the active supervision of a board-certified art therapist. Does not require AHCCCS, DES, or DHS to contract or reimburse for art therapy services.

SB 1437	agencies; review; GRRC; occupational regulation (Sen. Barto)
Disposition	Enacted; Chapter 138
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> Requires agencies to limit all occupational regulations to regulations demonstrated to be necessary to specifically fulfill a public health, safety or welfare concern. Any person harmed by an occupational regulation is authorized to petition an agency to repeal or modify any occupational regulation within the agency's jurisdiction, and the agency is required to take action within 90 days after the petition is filed. Each agency and the Secretary of State is required to post prominently on the website a notice of an individual's right to petition the council for review. If there is a rejection or modification of a conclusion of law, the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.

SB 1440	AHCCCS; clinical oversight committee (Sen. Barto)
Disposition	Enacted; Chapter 207
Effective Date	August 9, 2017
Summary	<ul style="list-style-type: none"> Establishes the internal AHCCCS clinical oversight review committee. The committee shall do all of the following:

	<ul style="list-style-type: none"> ○ Meet at least once every three months; ○ Review clinical data specific to populations and initiatives being undertaken by the administration; ○ Analyze and review clinical quality performance metrics that are indicative of overall system performance and make recommendations on metrics that may enhance system performance, clinical outcomes and member experience; ○ Advise the director on challenges, successes and data trends and identify potential service delivery improvements; ○ For behavioral health services, solicit additional information and perspectives related to the clinical data or clinical quality performance metrics reviewed by the committee from patients, patient advocates and other informed parties; and ○ On or before 2/1/18 and by 2/1 of each year thereafter, provide a report on a summary of topics reviewed by the committee in the preceding year and any recommendations relating to quality performance metrics stemming from the committee's activities.
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Failed Legislation – Included in Budget

SB 1030	AHCCCS; covered services; occupational therapy (Sen. Barto)
Disposition	Failed to pass out of the House
Effective Date	N/A
Summary	<ul style="list-style-type: none"> • The list of covered services under A.R.S. 36-2907 is expanded to include Occupational Therapy in an outpatient setting.

Budget Legislation

SB 1522 - general appropriations act; 2017-2018 (Sen. Yarbrough)

Item	Page #	Appropriation
FTEs	7	\$2,326.3
Operating Lump Sum	7	\$95.7 M
DES Eligibility	7	\$88.9 M
Prop 204 AHCCCS Administration (Acute/BH)	7	\$12.8 M
Prop 204 DES Eligibility	7	\$44.4 M
Medical Services	Page #	Appropriation
Traditional Medicaid Services	7	\$4 B
Prop 204 Services	7	\$2.9 B
Adult Expansion Services	7	\$484.3 M
Children’s Rehabilitative Services	7	\$270.7 M
KidsCare Services	7	\$112 M
ALTCS Services	7	\$1.5 B
Behavioral Health Services	Page #	Appropriation
Traditional Services	7	\$1 B
Proposition 204 Services	7	\$649.6 M
Adult Expansion Services	7	\$77.4 M
CMDP Program	7	\$217.7 M
Crisis Services	7	\$16.4 M
Non-Medicaid SMI Services	7	\$78.8 M
Supported Housing	7	\$5.3 M
Hospital Payments	Page #	Appropriation
DSH Payments	7	\$5.1 M
DSH Voluntary Match	7	\$0
Rural Hospitals	7	\$22.7 M
Graduate Medical Education	7	\$265.7 M
Safety Net Care Pool	7	\$75 M
Total Appropriation & Expenditure Authority	7	\$12 B
APPROPRIATED FUND SOURCES:		
State General Fund	7	\$1.8 B
Budget Neutrality Compliance Fund	7	\$3.7 M
Children’s Health Insurance Program Fund	8	\$117.7 M
Prescription Drug Rebate Fund - State	8	\$145.5 M
Substance Abuse Services Fund	8	\$2.3 M
Tobacco Products Tax Fund- Emergency Health Services Account	8	\$19.2 M
Tobacco Tax & Healthcare Fund- Medically Needy Account	8	\$73 M
EXPENDITURE AUTHORITY	8	\$9.8 B

Medical and Behavioral Health Services

- Provides that prior to making fee-for-service program changes that pertain to fee-for-service categories AHCCCS must report the expenditure plan for review by JLBC (Page 8, Section 12).
- Requires the Administration to report capitation rate changes for the following fiscal year to JLBC on or before March 1, 2018 (Page 8, Section 12):
 - Before implementation of any changes in capitation rates, the Administration shall report its expenditure plan for review by JLBC.
- Requires the Administration to report proposed policy changes that would impact the amount, sufficiency, duration and scope of health care services and who may provide services (Page 8, Section 12):
 - The Administration must prepare a fiscal analysis on the impact of proposed changes on the following year's capitation rates.
 - If the analysis suggests additional state costs equal to or greater than \$500K, the Administration shall submit the proposed policy changes to JLBC.
- Stipulates it is the intent of the legislature that the percentage attributable to administration and profit for the RBHAs be nine percent of the overall capitation rate (Page 9, Section 12).
- The Administration shall transfer up to \$1,200,000 from the traditional Medicaid services line item for FY 2017-2018 to the attorney general for costs associated with tobacco settlement litigation (Page 9, Section 12).
- The Administration shall transfer \$436,000 from the traditional Medicaid services line item for FY 2017-2018 to the Department of Revenue for enforcement costs associated with the March 13, 2013 master settlement agreement with tobacco companies (Page 9, Section 12).
- The Administration shall transfer \$1,200,000 from the non-Medicaid Seriously Mentally Ill services line item for FY 2017-2018 to the Department of Health Services for the costs of prescription medications for persons with a serious mental illness at the Arizona State Hospital (Page 9, Section 12).
- On or before December 31, 2017, and June 30, 2018, the Administration shall report to JLBC on the progress in implementing the Arnold v. Sarn lawsuit settlement (Page 9, Section 12):
 - See "Reporting Requirements" section for further details.

Long-term Care

- Any federal monies that pass through the Administration to DES for use in long-term administration care for persons with developmental disabilities does not count against ALTCS expenditure authority (Page 9, Section 12).
- The county portion of the FY 2017-2018 nonfederal portion of the costs of providing long-term care system services is \$264,673,200. This amount is included in the expenditure authority fund source (Page 9, Section 12).
- Provides that any supplemental payments received in excess of \$108,974,800 for nursing facilities that serve Medicaid patients are appropriated in FY 2017-2018 (Page 9, Section 12):
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended.

Payments to Hospitals

- Stipulates that the \$5,087,100 appropriation for disproportionate share payments for FY 2017-2018 includes \$4,202,300 for Maricopa County Healthcare District and \$884,800 for private qualifying disproportionate share hospitals (Page 10, Section 12).
- Provides that any monies received for DSH payments in excess of \$0 are appropriated in FY 2017-2018 (Page 10, Section 12):
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended.
- Provides that any monies for GME received in excess of \$265,729,800 are appropriated in FY 2017-2018 (Page 10, Section 12):
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended.
- Provides that any monies for SNCP received in excess of \$75,000,000 are appropriated in FY 2017-2018 (Page 10, Section 12):
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended.

Other

- On or before January 5, 2018, the Administration shall report to the director of JLBC the total amount of Medicaid reconciliation payments and penalties received on or before that date since July 1, 2017 (Page 11, Section 12).
- The nonappropriated portion of the prescription drug rebate fund is included in the federal portion of the expenditure authority fund source (Page 11, Section 12).

Additional Provisions

- In addition to any other appropriations made in FY 2016-2017, the appropriation to the Administration is increased by \$63,225,800 from the CHIP fund established by 36-2995 in FY 2016-2017 (Page 68, Section 106).
- In addition to any other appropriations made in FY 2016-2017, the sum of \$66,454,800 is increased from the Administration appropriation from the expenditure authority in FY 2016-2017. The total includes the following changes by fund (Page 68, Section 106):
 - \$70,854,300 decrease from the federal Medicaid authority; and
 - \$137,309,100 increase from the prescription drug rebate fund – in lieu of federal funds established by 36-2930.
- In addition to the appropriation made by Laws 2016, chapter 117, section 35, the sum of \$7,720,800 from the state general fund and the sum of \$17,739,200 from developmental disabilities Medicaid expenditure authority are appropriated in FY 2016-2017 to DES for division of developmental disabilities service provider rate cost increases resulting from the enactment of Proposition 206 (Page 69, Section 108).
- In addition to the appropriation made by Laws 2016, chapter 117, section 35, the sum of \$427,000 is appropriated from the state general fund in FY 2016-2017 to DES for division of developmental disabilities state-only home and community based services provider rate cost increases resulting from the enactment of Proposition 206 (Page 69, Section 108).
- On or before February 1, 2018, the Administration shall submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Director of

OSPB and the Director of JLBC on the impact of provider cost increases resulting from the enactment of Proposition 206, on the adequacy of the provider network for enrollees in ALTCS. The analysis of the provider network adequacy shall be delineated by geographic service area. The report shall include recommendations on how this state may address any deficiencies in provider network adequacy identified in the analysis (Page 71, Section 113):

- The sum of \$200,000 is appropriated from the prescription drug rebate fund established by section 36-2930, in FY 2017-2018 to the Administration to complete the provider network adequacy analysis.
- The sums of \$10,000,000 from the state general fund and \$23,036,000 from developmental disabilities Medicaid expenditure authority are appropriated in FY 2017-2018 to DES for onetime assistance to address developmental disabilities provider cost increases resulting from the enactment of Proposition 206 (Page 75, Section 118).
- Notwithstanding any other law, on or before June 30, 2017, the following amounts from the following sources are transferred to the state general fund for the purpose of providing adequate support and maintenance for agencies of this state (Page 79, Section 138):
 - Arizona health care cost containment system: Prescription drug rebate fund - state - \$30,000,000.
- The following amounts are appropriated from the state general fund in FY 2017-2018 for adjustments to Arizona financial information system charges (Page 84, Section 148):
 - AHCCCS: \$106,300.
- Stipulates it is the intent of the legislature that all departments, agencies, and budget units receiving appropriations continue to report actual, estimated, and requested expenditures by budget programs and budget classes in a format similar to the budget programs and budget classes used for budgetary purposes in prior years (Page 85, Section 150).
- On or before October 1, 2017, each agency, including the judiciary and universities, shall submit a report to the director of JLBC on the number of filled appropriated and non-appropriated FTE positions, by fund source, as of September 1, 2017 (Page 86, Section 152).

SB 1527 health; budget reconciliation; 2017-2018 (Sen. Yarbrough)

Item	Summary
Emergency Department Use – Section 3, p. 1	<ul style="list-style-type: none"> • On or before December 1, 2017 and on or before December 1 of each year thereafter, the Administration shall report to the directors of JLBC and OSPB on the use of emergency departments for nonemergency purposes by members.
Covered Health and Medical Services – Section 4, p. 2	<ul style="list-style-type: none"> • The list of covered services under 36-2907 is expanded to include: <ul style="list-style-type: none"> ○ Occupational Therapy in an outpatient setting; and ○ For persons who are at least twenty-one years of age, emergency dental care and extractions in an annual amount of not more than \$1,000.
340B Drug Pricing – Section 5, p. 6	<ul style="list-style-type: none"> • Beginning the later of January 1, 2017, or on approval by CMS: <ul style="list-style-type: none"> ○ 340B covered entities shall submit point of sale prescription and physician-administered drug claims for members for drugs that are identified in the 340B pricing file, whether or not the drugs are purchased under the 340B drug pricing program. The claims shall include a professional fee and the lesser of either: <ul style="list-style-type: none"> ▪ The actual acquisition cost. ▪ The 340B ceiling price. ○ The Administration or contractor shall reimburse claims for drugs that are identified in the 340B pricing file and that are dispensed by 340B covered entities or administered by 340B covered entity providers, whether or not the drugs are purchased under the 340B drug pricing program, at the amount submitted to paragraph 1 of this subsection plus a professional fee as determined by the Administration unless a contract between the 340B covered entity and the Administration or a contractor specifies a different professional fee. ○ The Administration and its contractors may not reimburse any contracted pharmacy for drugs dispensed as part of the 340B drug pricing program. The Administration and its contractors shall reimburse contracted pharmacies for drugs that are not purchased, dispensed, or administered as part of or subject to the 340B drug pricing program. A contracted pharmacy shall be reimbursed at the price and professional fee set forth in the contract between the contracted pharmacy and the Administration or its contractors. • This section does not require the Administration or its contractors to reimburse a pharmacy that does not have a contract with the Administration or its contractors. • This section does not apply to licensed hospitals and outpatient facilities that are owned or operated by a licensed hospital. • On or before <u>November 1</u>, the Administration shall report to the Governor, President of the Senate, Speaker of the House, and JLBC regarding the technological feasibility and costs of applying this section to licensed hospitals and outpatient facilities that are owned or operated by a licensed hospital.
Long-term Care System Fund – Section 6, p. 7	<ul style="list-style-type: none"> • See last section for changes. • The department shall establish and maintain a department long-term care system fund, which is a separate fund to distinguish its revenues and its expenditures pursuant to this article from other programs funded or administered by the department. Subject to legislative appropriation, the fund shall be used to pay administrative and program costs associated with the operation of the system. The

	<p>department long-term care system fund shall be divided as follows:</p> <ul style="list-style-type: none"> ○ An account for eligibility determination pursuant to section 36-2933, if the administration enters into an interagency agreement with the department pursuant to section 36-2933, subsection E. ○ An account for the provision of long-term care services as prescribed in section 36-2939, subsections A and B. <ul style="list-style-type: none"> ● The department long-term care system fund shall be composed of: <ul style="list-style-type: none"> ○ Monies paid by the administration pursuant to the contract. ○ Amounts paid by third-party payors. ○ Gifts, donations and grants from any source. ○ State appropriations for the department long-term care system pursuant to this article. ○ Interest on monies deposited in the long-term care system fund. ● The department shall submit a prospective long-term care budget as prescribed by the administration. ● The administration shall prescribe a uniform accounting system for the fund established pursuant to subsection A of this section. Technical assistance shall be provided by the administration to the department in order to facilitate the implementation of the uniform accounting system. ● The department shall submit an annual audited financial and programmatic report for the preceding fiscal year as required by the administration. The report shall include beginning and ending fund balances, revenues and expenditures, including specific identification of administrative costs for the system. The report shall include the number of members served by the system and the cost incurred for various types of services provided to members in a format prescribed by the director. ● The department shall submit additional utilization and financial reports as required by the director. ● The director shall make at least an annual review of the department's records and accounts. ● All monies from capitated payments in the department long-term care system fund that are unexpended and unencumbered at the end of the fiscal year revert to the state general fund on or before June 30 of the following fiscal year. The transfer amount may be adjusted for reported but unpaid claims and estimated incurred but unreported claims, subject to approval by the administration. The transfer amount may not be adjusted to pay non-Medicaid claims incurred by the division of developmental disabilities.
<p>CHIP: Notice of Program Suspension – Section 7, p. 8</p>	<ul style="list-style-type: none"> ● If this state’s federal medical assistance percentage for the CHIP program is less than 100%, the Administration shall immediately notify the Governor, the President of the Senate and the Speaker of the House of Representatives and shall immediately stop processing all new applications.
<p>CHIP: Powers and Duties of Director – Section 8, p. 12</p>	<ul style="list-style-type: none"> ● If the CHIP program is suspended due to the FMAP for CHIP falling below 100%, rather than suspended or terminated pursuant to section 36-2985, an applicant or member is not entitled to contest the denial, suspension or termination of eligibility for the program.
<p>Freestanding Children’s</p>	<p>Laws 2013, first special session, chapter 10, section 15 is amended to read:</p> <ul style="list-style-type: none"> ● The Administration, subject to the approval of CMS, and pursuant to section

<p>Hospitals – Section 9, p. 12</p>	<p>36-2903, subsection B, paragraph 1, may authorize any political subdivision of this state to provide monies necessary to qualify for federal matching monies in order to provide matching monies for uncompensated care payments to freestanding children's hospitals with one hundred beds or more.</p> <ul style="list-style-type: none"> • The Administration shall not increase in a given federal fiscal year the total of the payments made pursuant to this section plus the amount of disproportionate share hospital payments made to the same freestanding children's hospital by more than three percent per year above the total of the payments made to the hospital pursuant to Laws 2011, chapter 234, section 2, as amended by Laws 2013, first special session, chapter 10, section 14, in federal fiscal year 2012-2013 plus the disproportionate share hospital payments in federal fiscal year 2012-2013. • This section is repealed from and after December 31, 2020.
<p>FY 2017-2018 ALTCS County Contributions – Section 10, p. 13</p>	<ul style="list-style-type: none"> • Establishes the ALTCS County Contributions for FY2017-2018 as follows: <ul style="list-style-type: none"> ○ Apache: \$657,500 ○ Cochise: \$5,241,100 ○ Coconino: \$1,974,000 ○ Gila: \$2,208,500 ○ Graham: \$1,561,800 ○ Greenlee: \$28,000 ○ LaPaz: \$526,000 ○ Maricopa: \$165,477,400 ○ Mohave: \$8,350,800 ○ Navajo: \$2,721,500 ○ Pima: \$40,974,000 ○ Pinal: \$15,344,200 ○ Santa Cruz: \$2,040,600 ○ Yavapai: \$8,840,500 ○ Yuma: \$8,727,300 • If ALTCS costs exceed the amount specified in the General Appropriations Act, authorizes the State Treasurer to collect the difference between the amount collected and the county share of the actual costs from the counties.
<p>Disproportionate Share Payments – Section 13, p. 15</p>	<ul style="list-style-type: none"> • Establishes FY 2017-2018 DSH distributions as follows: <ul style="list-style-type: none"> ○ \$108,874,800 for qualifying non-state operated public hospitals. ○ \$28,474,900 for ASH. ○ \$884,800 for private qualifying DSH hospitals: <ul style="list-style-type: none"> ▪ Limits payments to mandatory DSH qualifying hospitals; or Hospitals in Yuma County with at least 300 beds.
<p>AHCCCS Transfers – Section 14, p. 17</p>	<ul style="list-style-type: none"> • On or before December 31, 2018, notwithstanding any other law, for FY 2017-2018 the Administration shall transfer to the counties the portion, if any, as may be necessary to comply with section 10201(c)(6) of the PPACA (P.L. 111-148), regarding the counties' proportional share of this state's contribution.
<p>County Acute Care Contributions – Section 15, p. 17</p>	<ul style="list-style-type: none"> • Establishes the Acute Care County Contributions for FY2017-2018 as follows: <ul style="list-style-type: none"> ○ Apache: \$268,800 ○ Cochise: \$2,214,800 ○ Coconino: \$742,900 ○ Gila: \$1,413,200 ○ Graham: \$536,200

	<ul style="list-style-type: none"> ○ Greenlee: \$190,700 ○ LaPaz: \$212,100 ○ Maricopa: \$18,783,100 ○ Mohave: \$1,237,700 ○ Navajo: \$310,800 ○ Pima: \$14,951,800 ○ Pinal: \$2,715,600 ○ Santa Cruz: \$482,800 ○ Yavapai: \$1,427,800 ○ Yuma: \$1,325,100 ● Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section. ● Establishes payment procedures to comply with the requirements of this section and stipulates legislative intent that Maricopa County’s contribution shall be reduced each year in accordance with changes in the GDP price deflator.
Hospitalization & Medical Care Contributions – Section 16, p. 18	<ul style="list-style-type: none"> ● Establishes county withholding for Hospitalization & Medical Care for FY2017-2018 as follows: <ul style="list-style-type: none"> ○ Apache: \$87,300 ○ Cochise: \$162,700 ○ Coconino: \$160,500 ○ Gila: \$65,900 ○ Graham: \$46,800 ○ Greenlee: \$12,000 ○ LaPaz: \$24,900 ○ Mohave: \$187,400 ○ Navajo: \$122,800 ○ Pima: \$1,115,900 ○ Pinal: \$218,300 ○ Santa Cruz: \$51,600 ○ Yavapai: \$206,200 ○ Yuma: \$183,900 ● Authorizes the State Treasurer to withhold county funds as necessary to meet the requirements of this section. ● Establishes payment procedures to comply with the requirements of this section. ● Allocates \$2,646,200 of amounts withheld for the county Acute Care contribution for hospitalization and medical care services administered by AHCCCS in FY 2017-2018.
Prop 204 County Expenditure Limitations – Section 17, p. 19	<ul style="list-style-type: none"> ● County contributions for the administrative costs of implementing sections 36-2901.01 and 36-2901.04, that are made pursuant to section 11-292, subsection O, are excluded from the county expenditure limitations.
Risk Contingency Rate Setting – Section 19, p. 20	<ul style="list-style-type: none"> ● For the contract year beginning October 1, 2017 through September 30, 2018, the Administration may continue the risk contingency rate setting and funding for all managed care organizations that were imposed from October 1, 2010 through September 30, 2011.

<p>Medicare Liability Waiver – Section 20, p. 20</p>	<ul style="list-style-type: none"> • The Administration may participate in any special disability workload section 1115 demonstration waiver offered by CMS. • Any credits provided by the section 1115 demonstration waiver process are to be used in the FY when those credits are made available to fund the state share of any medical assistance expenditures that qualify for federal financial participation under the Medicaid program. • The Administration shall report the receipt of any credits to the director of JLBC on or before December 31, 2017 and June 30, 2018.
<p>Hospital Charge Master Transparency Joint Report – Section 21, p. 20</p>	<ul style="list-style-type: none"> • On or before January 2, 2018, the Directors of AHCCCS and the Department of Health Services shall submit a joint report on hospital charge master transparency.
<p>Inpatient Psychiatric Treatment Report – Section 22, p. 20</p>	<ul style="list-style-type: none"> • On or before January 2, 2018, the Administration shall report to JLBC on the availability of inpatient psychiatric treatment both for adults and for children and adolescents who receive services from the regional behavioral health authorities. <ul style="list-style-type: none"> ○ See “Reporting Requirements” section for further details.
<p>Legislative Intent – Section 25, p. 21</p>	<ul style="list-style-type: none"> • It is the intent of the legislature that for fiscal year 2017-2018 the Administration implement a program within available appropriation.

Reporting Requirements

SB 1437	agencies; review; GRRC; occupational regulation (Sen. Barto)
Report Requirements	<ul style="list-style-type: none"> • If there is a rejection or modification of a conclusion of law, the written justification shall be sent to the President of the Senate and the Speaker of the House of Representatives.
SB 1440	AHCCCS; clinical oversight committee (Sen. Barto)
Report Requirements	<ul style="list-style-type: none"> • On or before 2/1/18 and 2/1 of each year thereafter, provide a report on a summary of topics reviewed by the committee in the preceding year and any recommendations relating to quality performance metrics stemming from the committee's activities.
SB 1522	general appropriations act; 2017-2018 (Sen. Yarbrough)
Report Requirements	<ul style="list-style-type: none"> • <i>Capitation Rate Changes:</i> On or before March 1, 2018, AHCCCS shall report to JLBC on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum may not be more than two percent. <ul style="list-style-type: none"> ○ Before implementation of any changes in capitation rates, AHCCCS shall report its expenditure plan for review by JLBC. • <i>Fiscal Impact Analysis:</i> Before the Administration implements any change in policy affecting the amount, sufficiency, duration and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. <ul style="list-style-type: none"> ○ If the fiscal impact analysis demonstrates that this change will result in additional state costs of \$500,000 or more for any fiscal year, the Administration shall submit the policy change for review by JLBC. • <i>NF Supplemental Payments:</i> Any supplemental payments received in excess of \$108,974,800 for nursing facilities that serve Medicaid patients in fiscal year 2017-2018, including any federal matching monies, are appropriated to the administration in fiscal year 2017-2018. <ul style="list-style-type: none"> ○ Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision. • <i>Arnold v. Sarn:</i> On or before December 31, 2017, and June 30, 2018, the Administration shall report to JLBC on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report shall include at a minimum: <ul style="list-style-type: none"> ○ The Administration's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa county for supported housing services for 1,200 class members, supported employment services for 750 class members, 8 assertive community treatment teams and

- consumer operated services for 1,500 class members.
 - The administration shall also report by fund source the amounts it plans to use to pay for expanded services.
- *DSH Payments:* Any monies received for disproportionate share payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, in fiscal year 2017-2018 by the Administration in excess of \$0 are appropriated to the Administration in fiscal year 2017-2018.
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision.
- *GME:* Any monies for graduate medical education received in fiscal year 2017-2018, including any federal matching monies, by the Administration in excess of \$265,729,800 are appropriated to the Administration in fiscal year 2017-2018.
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision.
- *SNCP:* Any monies received in excess of \$75,000,000 for the safety net care pool by the Administration in fiscal year 2017-2018, including any federal matching monies, are appropriated to the Administration in fiscal year 2017-2018.
 - Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision.
- *Reconciliation Payments:* On or before January 5, 2018, the Administration shall report to the director of JLBC the total amount of Medicaid reconciliation payments and penalties received on or before that date since July 1, 2017. On June 30, 2018, the Administration shall report the same information for all of fiscal year 2017-2018.
- *Proposition 206:* On or before February 1, 2018, the Administration shall submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, the Director of OSPB and the Director of JLBC on the impact of provider cost increases resulting from the enactment of proposition 206, on the adequacy of the provider networks for enrollees in the Arizona long-term care system established by section 36-2932.
 - The analysis of the provider network adequacy shall be delineated by geographic service area.
 - The report shall include recommendations on how this state may address any deficiencies in provider network adequacy identified in the analysis.
 - The sum of \$200,000 is appropriated from the prescription drug rebate fund in FY 2017-2018 to the Administration to complete the provider network adequacy analysis.
- *FTEs:* On or before October 1, 2017, AHCCCS shall submit a report to the director of JLBC on the number of filled appropriated and non-appropriated FTE positions, by fund source, as of September 1, 2017.

SB 1527	health; budget reconciliation; 2017-2018 (Sen. Yarbrough)
Report Requirements	<ul style="list-style-type: none"> • <i>340B</i>: On or before November 1, the Administration shall report to the Governor, the President of the Senate, the Speaker of the House of Representatives and JLBC regarding the technological feasibility and costs of applying the 340B drug pricing provisions to licensed hospitals and outpatient facilities that are owned or operated by a licensed hospital. • <i>CHIP FMAP</i>: If this state’s federal medical assistance percentage for the CHIP program is less than 100%, the Administration shall immediately notify the Governor, the President of the Senate and the Speaker of the House of Representatives and shall immediately stop processing all new applications. • <i>ALTCS County Share</i>: If the overall cost for the Arizona long-term care system exceeds the amount specified in the general appropriations act for fiscal year 2017-2018, the Administration shall notify the state treasurer of the counties' share of the state's contribution and report the amount to the director of JLBC. • <i>MIHS DSH Payments</i>: Maricopa county special health care district disproportionate share payment certification: <ul style="list-style-type: none"> ○ If the certification is equal to or less than \$108,874,800 and it is determined that the revised amount is correct pursuant to the methodology used by the Administration pursuant to section 36-2903.01, the Administration shall notify the Governor, the President of the Senate and the Speaker of the House of Representatives. • <i>ASH DSH Payments</i>: Arizona State Hospital disproportionate share payment certification: <ul style="list-style-type: none"> ○ If the certification provided is for an amount less than \$28,474,900, the Administration shall notify the Governor, the President of the Senate and the Speaker of the House of Representatives. • <i>1115 Demonstration Credits</i>: The Administration shall report the receipt of any special disability workload 1115 demonstration waiver credits to the director of JLBC on or before December 31, 2017 and June 30, 2018. • <i>Emergency Department Use</i>: On or before December 1, 2017, and on or before December 1 of each year thereafter, the Administration shall report to the directors of JLBC and OSPB on the use of emergency departments for nonemergency purposes by AHCCCS enrollees. • <i>Hospital Charge Master</i>: On or before January 1, 2018, the Administration and the Department of Health Services shall submit a joint report on hospital charge master transparency to the Governor, the Speaker of the House of Representatives and the President of the Senate, and shall provide a copy to the Secretary of State. <ul style="list-style-type: none"> ○ The report shall provide a summary of the current charge master reporting process, a summary of hospital billed charges compared to costs and examples of how charge masters or hospital prices are reported and used in other states, and recommendations to improve Arizona’s use of hospital charge master information, including reporting and oversight changes. • <i>Inpatient Psychiatric Treatment</i>: On or before January 2, 2018, the Administration shall report to the director of JLBC on the availability of inpatient psychiatric treatment both for adults and for children and adolescents who receive services

	<p>from the Regional Behavioral Health Authorities. The report shall include all of the following information:</p> <ul style="list-style-type: none"> ○ The total number of inpatient psychiatric treatment beds available and the occupancy rate for those beds; ○ Expenditures on inpatient psychiatric treatment; ○ The total number of individuals in this state who are sent out of state for inpatient psychiatric care; and ○ The prevalence of psychiatric boarding or the holding of psychiatric patients in emergency rooms for at least twenty-four hours before transferring the patient to a psychiatric facility. <p>The report shall provide the information specified above separately for adults who are at least twenty-two years of age and for children and adolescents who are twenty-one years of age or younger.</p>
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Study Committees

SB 1031	Dangerous; incompetent defendants; study committee (Sen. Borrelli)
Study Committee	<ul style="list-style-type: none"> ● The study committee on incompetent, nonrestorable and dangerous defendants is established and includes the AHCCCS director or director’s designee.
HB 2493	dispensing opioids; drug overdose review team (Rep. Carter)
Summary	<ul style="list-style-type: none"> ● Establishes a 21 person review team tasked with developing a drug overdose fatalities data collection system, developing protocols for drug overdose investigations, and determining changes needed to decrease the incidence of preventable drug overdose fatalities. ● The AHCCCS director or the director’s designee shall serve on the review team.

Attachments

Attachment 1	
Line Item Comparison	<ul style="list-style-type: none"> ● Compares the line item appropriations from the SFY 2017 budget to the SFY 2018 budget.
Attachment 2	
Reporting Requirements	<ul style="list-style-type: none"> ● Compares the reporting requirements from the SFY 2017 budget package to the SFY 2018 package, including what was retained, eliminated, or modified.

Attachment 1

SB 1522 - general appropriations act; 2017-2018 (Sen. Yarbrough)			
Item	SFY 17 Appropriation	SFY 18 Appropriation	Delta
FTEs	2,326.30	2,326.30	-
Operating Lump Sum	\$91.4 M	\$95.7 M	\$4.3 M
DES Eligibility	\$54.9 M	\$88.9 M	\$34 M
Prop 204 Acute Care Administration	\$6.8 M	\$12.8 M (AHCCCS Administration)	\$0.2 M
Prop 204 Behavioral Health Administration	\$5.8 M		
Prop 204 DES Eligibility	\$38.4 M	\$44.4 M	\$6 M
Medical Services	Appropriation		
Traditional Medicaid Services	\$3.9 B	\$4 B	\$0.1 B
Prop 204 Services	\$2.8 B	\$2.9 B	\$0.1 B
Adult Expansion Services	\$462.3 M	\$484.3 M	\$22 M
Children's Rehabilitative Services	\$275.4 M	\$270.7 M	(\$4.7 M)
KidsCare Services	\$2 M	\$112 M	\$110 M
ALTCS Services	\$1.4 B	\$1.5 B	\$0.1 B
Behavioral Health Services	Appropriation		
Traditional Services	\$960.2 M	\$1 B	\$55.4 M
Proposition 204 Services	\$612.8 M	\$649.6 M	\$36.8 M
Adult Expansion Services	\$77.7 M	\$77.4 M	(\$0.3 M)
CMDP Program	\$208 M	\$217.7 M	\$9.7 M
Crisis Services	\$16.4 M	\$16.4 M	-
Non-Medicaid SMI Services	\$78.8 M	\$78.8 M	-
Supported Housing	\$5.3 M	\$5.3 M	-
Hospital Payments	Appropriation		
DSH Payments	\$5.1 M	\$5.1 M	-
DSH Voluntary Match	\$19.9 M	\$0	(\$19.9 M)
Rural Hospitals	\$22.7 M	\$22.7 M	-
GME	\$163 M	\$265.7 M	\$102.7 M
SNCP	\$137 M	\$75 M	(\$62 M)
Total Appropriation & Expenditure Authority	\$11.4 B	\$12 B	\$0.6 B
APPROPRIATED FUND SOURCES:			
State General Fund	\$1.8 B	\$1.8 B	-
Budget Neutrality Compliance Fund	\$3.6 M	\$3.7 M	\$0.1 M
Children's Health Insurance Program Fund	\$3.7 M	\$117.7 M	\$114 M
Prescription Drug Rebate Fund - State	\$113.8 M	\$145.5 M	\$31.7 M
Substance Abuse Services Fund	\$2.3 M	\$2.3 M	-
Tobacco Products Tax Fund- Emergency Health Services Account	\$18.7 M	\$19.2 M	\$0.5 M
Tobacco Tax & Healthcare Fund-Medically Needy Account	\$73 M	\$73 M	-
EXPENDITURE AUTHORITY	\$9.4 B	\$9.9 B	\$0.5 B

Attachment 2

Item	HB 2695 - general appropriations act; 2016-2017 (Rep. Montenegro)	SFY 2018 Status (SB 1522)
Capitation Rate Changes	On or before March 1, 2017, AHCCCS shall report to JLBC on preliminary actuarial estimates of the capitation rate changes for the following fiscal year along with the reasons for the estimated changes. For any actuarial estimates that include a range, the total range from minimum to maximum may not be more than two percent	Retained - Due on or before March 1, 2018.
Capitation Rate Expenditure Plan	Before implementation of any changes in capitation rates, AHCCCS shall report its expenditure plan for review by JLBC	Retained
Fiscal Impact Analysis	Before the Administration implements any change in policy affecting the amount, sufficiency, and scope of health care services and who may provide services, the administration shall prepare a fiscal impact analysis on the potential effects of this change on the following year's capitation rates. o If the fiscal impact analysis demonstrates that this change will result in additional state costs of \$500,000 or more for any fiscal year, the Administration shall submit the policy change for review by JLBC.	Retained
Retroactive Capitation Rate Changes	On or before December 1, 2016, the Administration shall report to the directors of JLBC and OSPB on estimates of retroactive capitation rate changes to calendar year 2015 rates for reimbursement of the Affordable Care Act health insurer fee. These amendments to rates are not subject to JLBC review	Eliminated
NF Supplemental Payments	Any supplemental payments received in excess of \$71,950,100 for nursing facilities that serve Medicaid patients in fiscal year 2016-2017, including any federal matching monies, are appropriated to the administration in fiscal year 2016-2017. o Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision	Retained - Any payment received in excess of \$108,974,800.
Arnold v. Sarn	On or before December 31, 2016, and June 30, 2017, the Administration shall report to JLBC on the progress in implementing the Arnold v. Sarn lawsuit settlement. The report shall include at a minimum: o The Administration's progress toward meeting all criteria specified in the 2014 joint stipulation, including the development and estimated cost of additional behavioral health service capacity in Maricopa county for supported housing services for 1,200 class members, supported employment services for 750 class members, 8 assertive community treatment teams and consumer operated services for 1,500 class members. o The administration shall also report by fund source the amounts it plans to use to pay for expanded services	Retained - Due on or before December 31, 2017, and June 30, 2018.
DSH Payments	Any monies received for disproportionate share payments from political subdivisions of this state, tribal governments and any university under the jurisdiction of the Arizona board of regents, and any federal monies used to match those payments, in fiscal year 2016-2017 by the Administration in excess of \$19,896,000 are appropriated to the Administration in fiscal year 2016-2017. o Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision	Retained - Any monies received in excess of \$0.
GME	Any monies for graduate medical education received in fiscal year 2016-2017, including any federal matching monies, by the Administration in excess of \$162,992,600 are appropriated to the Administration in fiscal year 2016-2017. o Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision	Retained - Any monies received in excess of \$265,729,800.
SNCP	Any monies received in excess of \$137,000,000 for the safety net care pool by the Administration in fiscal year 2016-2017, including any federal matching monies, are appropriated to the Administration in fiscal year 2016-2017. o Before the expenditure of these increased monies, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this provision	Retained - Any monies received in excess of \$75,000,000.
Reconciliation Payments	On or before January 6, 2017, the Administration shall report to the director of JLBC the total amount of Medicaid reconciliation payments and penalties received on or before that date since July 1, 2016. On June 30, 2017, the Administration shall report the same information for all of fiscal year 2016-2017	Retained - Due on or before January 5, 2018, and June 30, 2018.
Report Formatting	AHCCCS shall report actual, estimated, and requested expenditures by budget programs and budget classes in a format similar to the budget programs and budget classes used for budgetary purposes in prior years	Eliminated
FTEs	On or before October 1, 2016, AHCCCS shall submit a report to the director of JLBC on the number of filled appropriated and non-appropriated FTE positions, by fund source, as of September 1, 2016	Retained - Due on or before October 1, 2017
Item	HB 2704 - budget reconciliation; health; 2016-2017 (Rep. Montenegro)	SFY 2018 Status (SB 1527)
340B	On or before November 1, 2016, the Administration shall report to the Governor, the President of the Senate, the Speaker of the House of Representatives and JLBC regarding the technological feasibility and costs of applying the 340B drug pricing provisions to licensed hospitals and outpatient facilities that are owned or operated by a licensed hospital	Retained - Due annually on or before November 1.
DSRIP	Before initial deposit of monies in the fund the Administration shall submit an expenditure plan for review by JLBC	Eliminated
TPL for BH Services	On or before December 31, 2016, AHCCCS shall report to the directors of JLBC and OSPB on the efforts to increase third-party liability payments for behavioral health services	Eliminated
ALTCS County Share	If the overall cost for the Arizona long-term care system exceeds the amount specified in the general appropriations act for fiscal year 2016-2017, the Administration shall notify the state treasurer of the counties' share of the state's contribution and report the amount to the director of JLBC	Retained
DSH Payments	Maricopa county special health care district disproportionate share payment certification: o If the certification is equal to or less than \$113,818,500 and it is determined that the revised amount is not correct pursuant to the methodology used by the Administration pursuant to section 36-2903.01, the Administration shall notify the Governor, the President of the Senate and the Speaker of the House of Representatives	Retained - If certification is for an amount less than \$108,874,800.
DSH Payments for ASH	Arizona State Hospital disproportionate share payment certification: o If the certification provided is for an amount less than \$28,474,900, the Administration shall notify the Governor, the President of the Senate and the Speaker of the House of Representatives	Retained
CAH Payments	Before the expenditure of any monies received for critical access hospital payments or federal monies used to match these payments, the Administration shall notify JLBC and OSPB of the amount of monies that will be expended under this section	Eliminated
1115 Demonstration Credits	The Administration shall report the receipt of any special disability workload 1115 demonstration waiver credits to the director of JLBC on or before December 31, 2016 and June 30, 2017	Retained - Due on or before December 31, 2017, and June 30, 2018.

Native Americans Report	<p>On or before December 1, 2016, the Administration shall submit a report for review to JLBC on Medicaid payments for health care services for the Native American population in this state. The report shall include:</p> <ul style="list-style-type: none"> o An estimate of the Administration's annual total fund expenditures on acute care, long-term care and behavioral health services for Native Americans in this state, including an estimate of total state expenditures on such services. The Administration shall provide separate estimates of total Medicaid fee-for-service expenditures and total Medicaid capitation expenditures for services furnished to Native Americans in this state. o An assessment of the state fiscal implications associated with federal policy guidance issued by CMS in the state health official letter #16-002 dated February 26, 2016. The assessment shall include an estimate of the state fiscal impact of the following policies addressed in the letter: <ul style="list-style-type: none"> § The one hundred percent federal matching assistance percentage for services furnished by non-Indian health service providers to Native Americans in this state through a written care coordination agreement. § The one hundred percent federal matching assistance percentage for services furnished by an Indian Health Service facility or tribal facility that did not previously qualify for a one hundred percent federal matching assistance percentage, including home and community-based services, transportation services and other nonfacility-based services. o A report on the Administration's strategies to encourage written care coordination agreements, as prescribed in the state health official letter #16-002 dated February 26, 2016, between Indian health service providers and non-Indian health service providers. o An analysis of the impact of the federal policy guidance issued by CMS in the state health official letter #16-002 dated February 26, 2016 on access to care, continuity of care and population health for Native Americans in this state 	Eliminated
ED Use	On or before December 1, 2016, the Administration shall report to the directors of JLBC and OSPB on the use of emergency departments for nonemergency purposes by AHCCCS enrollees	Retained - Due on or before December 1, 2017, and on or before December 1 of each year
Hospital Charge Master	<p>On or before January 1, 2017, the Administration and the Department of Health Services shall submit a joint report on hospital charge master transparency to the Governor, the Speaker of the House of Representatives and the President of the Senate, and shall provide a copy to the Secretary of State:</p> <ul style="list-style-type: none"> o The report shall provide a summary of the current charge master reporting process, a summary of hospital billed charges compared to costs and examples of how charge masters or hospital prices are reported and used in other states, and recommendations to improve Arizona's use of hospital charge master information, including reporting and oversight changes 	Retained - Due on or before January 2, 2018.
Inpatient Psychiatric Treatment	<p>On or before January 2, 2017, the Administration shall report to the director of JLBC on the availability of inpatient psychiatric treatment both for adults and for children and adolescents who receive services from the Regional Behavioral Health Authorities. The report shall include all of the following information:</p> <ul style="list-style-type: none"> o The total number of inpatient psychiatric treatment beds available and the occupancy rate for those beds; o Expenditures on inpatient psychiatric treatment; o The total number of individuals in this state who are sent out of state for inpatient psychiatric care; and o The prevalence of psychiatric boarding or the holding of psychiatric patients in emergency rooms for at least twenty-four hours before transferring the patient to a psychiatric facility. <p>The report shall provide the information specified above separately for adults who are at least twenty-two years of age and for children and adolescents who are twenty-one years of age or younger</p>	Retained - Due on or before January 2, 2018.
Long-Term Care System Fund	All monies from capitated payments in the department long-term care system fund that are unexpended and unencumbered at the end of the fiscal year revert to the state general fund on or before June 30 of the following fiscal year. The transfer amount may be adjusted for reported but unpaid claims and estimated incurred but unreported claims, subject to approval by the administration. THE TRANSFER AMOUNT MAY NOT BE ADJUSTED TO PAY NONMEDICAID CLAIMS INCURRED BY THE DIVISION OF DEVELOPMENTAL DISABILITIES.	Retained - Due on or before June 30 of the following fiscal year
Item	SB 1522 - general appropriations act; 2017-2018 (Sen. Yarbrough)	Due Date
Prop 206 - Network Adequacy	<p>On or before February 1, 2018, the Arizona health care cost containment system administration shall submit a report to the governor, the president of the senate, the speaker of the house of representatives, the director of the governor's office of strategic planning and budgeting and the director of the joint legislative budget committee on the impact of provider cost increases resulting from the enactment of proposition 206, election of November 8, 2016, on the adequacy of the provider network for enrollees in the Arizona long-term care system established by section 36-2932, Arizona Revised Statutes. The analysis of the provider network adequacy shall be delineated by geographic service area. The report shall include recommendations on how this state may address any deficiencies in provider network adequacy identified in the analysis.</p> <ul style="list-style-type: none"> o The sum of \$200,000 is appropriated from the prescription drug rebate fund established by section 36-2930, Arizona Revised Statutes, in fiscal year 2017-2018 to the Arizona health care cost containment system administration to complete the provider network adequacy analysis described in subsection A of this section. 	New report due on or before February 1, 2018