

Senate Engrossed

FILED

MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 3

SENATE BILL 1194

AN ACT

AMENDING SECTIONS 36-2171, 36-2172, 36-2173 AND 36-2174, ARIZONA REVISED STATUTES; REPEALING SECTION 36-2175, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-2907.05 AND 36-2907.06, ARIZONA REVISED STATUTES; RELATING TO MEDICALLY UNDERSERVED AREAS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-2171, Arizona Revised Statutes, is amended to

3 read:

4 36-2171. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "ADVANCE PRACTICE PROVIDER" MEANS A PHYSICIAN ASSISTANT AS DEFINED
7 IN SECTION 32-2501 OR A REGISTERED NURSE PRACTITIONER AS DEFINED IN SECTION
8 32-1601.

9 2. "BEHAVIORAL HEALTH PROVIDER" MEANS A PHYSICIAN WHO IS A
10 BOARD-CERTIFIED OR BOARD-ELIGIBLE PSYCHIATRIST, A PSYCHOLOGIST, A PHYSICIAN
11 ASSISTANT OR A REGISTERED NURSE PRACTITIONER WHO IS CERTIFIED TO PRACTICE AS
12 A BEHAVIORAL HEALTH SPECIALIST OR A PERSON WHO IS LICENSED PURSUANT TO TITLE
13 32 AS A CLINICAL SOCIAL WORKER, PROFESSIONAL COUNSELOR OR MARRIAGE AND FAMILY
14 THERAPIST.

15 ~~1.~~ 3. "Department" means the department of health services.

16 ~~2.~~ "Mid-level provider" means a physician assistant as defined in
17 section 32-2501, a registered nurse practitioner as defined in section
18 32-1601 or a registered nurse practitioner who is certified by the state
19 board of nursing as a qualified nurse midwife.

20 4. "PHARMACIST" HAS THE SAME MEANING PRESCRIBED IN SECTION 32-1901.

21 ~~3.~~ 5. "Rural" means either OF THE FOLLOWING:

22 (a) A county with a population of less than four hundred thousand
23 persons according to the most recent United States decennial census.

24 (b) A census county division with less than fifty thousand persons in
25 a county with a population of four hundred thousand or more persons according
26 to the most recent United States decennial census.

27 Sec. 2. Section 36-2172, Arizona Revised Statutes, is amended to read:

28 36-2172. Primary care provider loan repayment program; purpose;
29 eligibility; default; use of monies

30 A. The primary care provider loan repayment program is established in
31 the department to pay off portions of education loans taken out by
32 physicians, dentists, and ~~mid-level~~ PHARMACISTS, ADVANCE PRACTICE PROVIDERS
33 AND BEHAVIORAL HEALTH providers.

34 B. The department shall prescribe application and eligibility
35 requirements that are consistent with the requirements of the national health
36 service corps loan repayment program (42 Code of Federal Regulations
37 part 62). To be eligible to participate in the primary care provider loan
38 repayment program, an applicant shall meet all of the following requirements:

39 1. Have completed the final year of a course of study or program
40 approved by recognized accrediting agencies for higher education in a health
41 profession licensed pursuant to title 32 or hold an active license in a
42 health profession licensed pursuant to title 32.

43 2. Demonstrate current or prospective employment with a public or
44 nonprofit entity located and providing services in a federally designated

1 health professional shortage area in this state as designated under 42 Code
2 of Federal Regulations section 62.52.

3 3. Contract with the department to serve and be qualified to serve in
4 GENERAL dentistry, family practice MEDICINE, pediatrics, obstetrics, or
5 internal medicine, GERIATRICS, PSYCHIATRY, PHARMACY OR BEHAVIORAL HEALTH.

6 C. In addition to the requirements of subsection B of this section, an
7 applicant who is a physician shall meet both of the following requirements:

8 1. Have completed a professional residency program in family practice
9 MEDICINE, pediatrics, obstetrics, or internal medicine OR PSYCHIATRY OR A
10 FELLOWSHIP, RESIDENCY OR CERTIFICATION PROGRAM IN GERIATRICS.

11 2. Contract with the department to serve for at least two years.

12 D. ~~A mid-level~~ AN ADVANCE PRACTICE provider, BEHAVIORAL HEALTH
13 PROVIDER or dentist who participates in the primary care provider loan
14 repayment program shall INITIALLY contract with the department to provide
15 services pursuant to this section for at least two years.

16 E. In making recommendations for the primary care provider loan
17 repayment program, the department shall give priority to applicants who:

18 1. Intend to practice in rural areas most in need of primary care
19 services. ~~In determining the areas most in need of primary care services,~~
20 ~~the department shall consider areas that are either designated as medically~~
21 ~~underserved by the department or~~

22 2. Have been assigned to a ~~high degree of shortage group~~ HIGH-NEED
23 HEALTH PROFESSIONAL-SHORTAGE AREA pursuant to 42 Code of Federal Regulations
24 section 62.52.

25 3. MEET CRITERIA ESTABLISHED IN RULE TO DETERMINE PRIORITY CONSISTENT
26 WITH THE NATIONAL HEALTH SERVICE CORPS LOAN REPAYMENT PROGRAM (42 CODE OF
27 FEDERAL REGULATIONS PART 62, SUBPART B).

28 F. All loan repayment contract obligations are subject to the
29 availability of monies and legislative appropriation. The department may
30 cancel or suspend a loan repayment contract based on unavailability of monies
31 for the program. The department is not liable for any claims, actual damages
32 or consequential damages arising out of a cancellation or suspension of a
33 contract.

34 G. This section does not prevent the department from encumbering an
35 amount that is sufficient to assure ENSURE payment of each primary care
36 provider loan for ~~a period of up to two years~~ THE SERVICES RENDERED DURING A
37 CONTRACT PERIOD.

38 H. The department shall issue program monies to pay primary care
39 provider loans that are limited to the amount of principal, interest and
40 related expenses of educational loans, NOT TO EXCEED THE PROVIDER'S TOTAL
41 STUDENT LOAN INDEBTEDNESS, according to the following schedule:

42 1. For physicians and dentists:

43 (a) For the first year TWO YEARS of service, a maximum of twenty
44 SIXTY-FIVE thousand dollars.

1 ~~(b) For the second year of service, a maximum of twenty thousand~~
2 ~~dollars.~~

3 ~~(c) For the third year of service, a maximum of twenty two thousand~~
4 ~~dollars.~~

5 ~~(d) For the fourth year of service, a maximum of twenty five thousand~~
6 ~~dollars.~~

7 (b) FOR SUBSEQUENT YEARS, A MAXIMUM OF THIRTY-FIVE THOUSAND DOLLARS.

8 2. For ~~mid-level~~ ADVANCE PRACTICE providers, PHARMACISTS AND
9 BEHAVIORAL HEALTH PROVIDERS:

10 (a) For the first year TWO YEARS of service, a maximum of seven FIFTY
11 thousand five hundred dollars.

12 ~~(b) For the second year of service, a maximum of seven thousand five~~
13 ~~hundred dollars.~~

14 ~~(c) For the third year of service, a maximum of nine thousand dollars.~~

15 ~~(d) For the fourth year of service, a maximum of ten thousand five~~
16 ~~hundred dollars.~~

17 I. ~~A physician, dentist or mid-level provider who enters into an~~
18 ~~original contract may apply for additional contracts for one or two years,~~
19 ~~subject to approval by the department.~~

20 (b) FOR SUBSEQUENT YEARS, A MAXIMUM OF TWENTY-FIVE THOUSAND DOLLARS.

21 J. I. A participant in the primary care provider loan repayment
22 program who breaches the loan repayment contract by failing to begin or to
23 complete the obligated services is liable for liquidated damages in an amount
24 equivalent to ~~twice the total uncredited amount of the loan repayment~~
25 ~~contracted for on a prorated monthly basis~~ THE AMOUNT THAT WOULD BE OWED FOR
26 DEFAULT AS PRESCRIBED BY THE FEDERAL GRANTS TO STATES FOR LOAN REPAYMENT
27 PROGRAM OR AS DETERMINED AND AUTHORIZED BY THE DEPARTMENT. The department
28 may waive the liquidated damages provisions of this subsection if it
29 determines that death or permanent physical disability accounted for the
30 failure of the participant to fulfill the contract. The department may
31 prescribe additional conditions for default, cancellation, waiver or
32 suspension that are consistent with the national health service corps loan
33 repayment program (42 Code of Federal Regulations sections 62.27 and 62.28).

34 K. J. Notwithstanding section 41-192, the department may retain legal
35 counsel and commence whatever actions are necessary to collect loan payments
36 and charges if there is a default or a breach of a contract entered into
37 pursuant to this section.

38 K. THE DIRECTOR OF THE DEPARTMENT MAY AUTHORIZE THE PROGRAM TO BE
39 IMPLEMENTED INDEPENDENT OF THE FEDERAL GRANTS FOR STATE LOAN REPAYMENT
40 PROGRAM BASED ON THE NEEDS OF THIS STATE.

41 L. THE DEPARTMENT MAY USE MONIES TO DEVELOP PROGRAMS SUCH AS
42 RESIDENT-TO-SERVICE LOAN REPAYMENT AND EMPLOYER RECRUITMENT ASSISTANCE TO
43 INCREASE PARTICIPATION IN THE PRIMARY CARE PROVIDER LOAN REPAYMENT PROGRAM.
44 THE DEPARTMENT MAY USE PRIVATE DONATIONS, GRANTS AND FEDERAL MONIES TO
45 IMPLEMENT, SUPPORT, PROMOTE OR MAINTAIN THE PROGRAM.

1 Sec. 3. Section 36-2173, Arizona Revised Statutes, is amended to read:
2 36-2173. Obstetrical practitioners; underserved areas; payment
3 of insurance premiums; prioritization

4 A. A physician or a ~~mid-level practitioner~~ AN ADVANCE PRACTICE
5 PROVIDER who provides obstetrical services in rural areas of this state may
6 apply for and receive financial assistance to offset medical malpractice
7 premium expenses.

8 B. To be qualified for assistance, a person shall apply to the
9 department on a form and in a manner prescribed by the department and shall
10 meet the following requirements:

11 1. Have current obstetrical delivery privileges at one or more
12 hospitals that are located in rural areas of this state and that are not
13 operated by the federal government.

14 2. Have a contract with the Arizona health care cost containment
15 system ADMINISTRATION for obstetrical services with one or more of the
16 system's prepaid contractors.

17 3. Be licensed under title 32, chapter 13, 15, 17 or 25.

18 4. Personally incur malpractice insurance costs.

19 C. The department shall establish an index that uses indicators to
20 determine a score for each applicant service area. These indicators shall
21 include:

22 1. The availability of obstetrical services based on a population to
23 provider ratio.

24 2. The area's geographic accessibility to obstetrical services.

25 3. The percentage of the area's population that is at or below a
26 designated federal poverty level.

27 D. The department shall identify physicians and ~~mid-level~~ ADVANCE
28 PRACTICE providers who are practicing in medically underserved areas and
29 shall notify them of the eligibility for assistance under this section. A
30 physician or ~~mid-level~~ ADVANCE PRACTICE provider shall submit an application
31 for assistance within thirty days of receiving the notification. The
32 department shall offer assistance to qualified applicants based on the
33 ranking of the area in which the applicant serves as established under
34 subsection C OF THIS SECTION. The applicant shall enter into a contract with
35 the department under which the applicant agrees to remain in practice in the
36 specific area for one year. These contracts are exempt from the requirements
37 of title 41, chapter 23.

38 E. Family physicians and ~~mid-level~~ ADVANCE PRACTICE providers who
39 perform less than fifty-one deliveries per year and who are required to pay
40 an additional premium to perform obstetrical services are eligible to receive
41 an amount of not more than five thousand dollars. Family physicians and
42 obstetricians who perform more than fifty deliveries per year are eligible to
43 receive an amount of not more than ten thousand dollars.

44 F. The health care provider shall submit a report to the department
45 that contains statistical information required by the department and that

1 identifies the number of women to whom the provider has provided medical
2 services during childbirth, the women's ages, the number of prenatal visits
3 each woman received, the number of these women who are enrolled in the
4 Arizona health care cost containment system and the women's insurance status.

5 Sec. 4. Section 36-2174, Arizona Revised Statutes, is amended to read:
6 36-2174. Rural private primary care provider loan repayment

7 program; private practice; rules

8 A. Subject to the availability of monies, the department of health
9 services shall establish a rural private primary care provider loan repayment
10 program for physicians, dentists, PHARMACISTS, BEHAVIORAL HEALTH PROVIDERS
11 and mid-level ADVANCE PRACTICE providers with current or prospective rural
12 primary care practices located in FEDERALLY DESIGNATED HEALTH PROFESSIONAL
13 SHORTAGE AREAS OR medically underserved areas in this state, as prescribed in
14 section 36-2352. To be eligible to participate in the program, an applicant
15 shall agree to provide organized, discounted, sliding fee scale services for
16 medically uninsured individuals from families with annual incomes below two
17 hundred per cent PERCENT of the federal poverty guidelines as established
18 annually by the United States department of health and human services. The
19 department shall approve the sliding fee scale used by the provider. The
20 provider shall assure ENSURE notice to consumers of the availability of these
21 services. The department shall give preference to applicants who agree to
22 serve in rural areas. ~~For the purposes of this subsection, "rural" means~~
23 ~~either of the following:~~

24 1. ~~A county with a population of less than four hundred thousand~~
25 ~~persons according to the most recent United States decennial census.~~

26 2. ~~A census county division with less than fifty thousand persons in a~~
27 ~~county with a population of four hundred thousand or more persons according~~
28 ~~to the most recent United States decennial census.~~

29 B. Except as provided in section 36-2172, subsection B, paragraph 2,
30 the program established pursuant to this section and loan repayment contracts
31 made pursuant to this section shall comply with the requirements of section
32 36-2172.

33 C. The department of health services may apply for and receive private
34 donations and grant monies to implement the rural private primary care
35 provider loan repayment program established pursuant to this section.

36 D. THE DEPARTMENT SHALL ADOPT RULES TO CANCEL OR SUSPEND A LOAN
37 REPAYMENT CONTRACT, IMPOSE A PENALTY FOR DEFAULT OR FIND A PERSON IN DEFAULT
38 OF A CONTRACT.

39 Sec. 5. Repeal

40 Section 36-2175, Arizona Revised Statutes, is repealed.

41 Sec. 6. Section 36-2907.05, Arizona Revised Statutes, is amended to
42 read:

43 36-2907.05. Primary care programs; definition

44 A. Subject to the availability of monies as prescribed in section
45 36-2921, the administration shall enter into an intergovernmental agreement

1 pursuant to title 11, chapter 7, article 3 with the department of health
2 services to establish community based primary care programs to contract with
3 providers to provide comprehensive primary care services to low-income
4 at-risk residents of this state and to provide primary care services to
5 indigent or uninsured Arizonans. The department may contract with public and
6 nonprofit private entities to provide primary health care services through
7 mobile medical clinics to indigent or uninsured Arizonans in rural areas as
8 defined in section 36-2171 or in medically underserved areas as prescribed by
9 section 36-2352.

10 B. The community based primary care programs as established pursuant
11 to this section shall include at least the following:

12 1. Outreach services that are designed to identify individuals in
13 need.

14 2. Comprehensive primary care services that are provided in community
15 sites including well child care, immunizations, treatment of minor ~~illness~~
16 ILLNESSES and health education and referral.

17 3. Tracking and follow-up services to assist individuals in obtaining
18 care that is not available through the primary care programs.

19 C. As a condition of receiving a contract, each community based
20 primary care program shall agree to submit information that is required to
21 conduct program evaluations pursuant to section 36-2907.07.

22 D. The community based primary care programs as established pursuant
23 to this section may provide, subject to available funding, the following
24 services:

25 1. Medical care provided through licensed primary care physicians and
26 licensed mid-level providers ~~as defined in section 36-2171.~~

27 2. Diagnostic laboratory or imaging services that are necessary to
28 complete preliminary diagnosis and treatment, including referral services.

29 3. Pharmacy services that are necessary to initiate treatment,
30 including referral services.

31 4. Preventive health services.

32 5. Preventive dental services.

33 E. The community based primary care programs shall be administered
34 directly by the department of health services. Contracts established
35 pursuant to subsection A of this section shall be signed by the department
36 and the contractor ~~prior to~~ BEFORE the transmission of any tobacco tax and
37 health care fund monies to the contractor.

38 F. If the department of health services enters into a contract with a
39 mobile medical clinic to provide services pursuant to subsection A of this
40 section, ~~then~~ the mobile medical clinic shall provide at least the following:

41 1. Medical care provided through licensed primary care physicians and
42 licensed mid-level providers ~~as defined in section 36-2171.~~

43 2. Comprehensive primary care services including well woman care, well
44 child care, immunizations, treatment of minor ~~illness~~ ILLNESSES and health
45 education and referral.

- 1 3. Diagnostic laboratory and imaging services that are necessary to
- 2 complete a diagnosis and treatment, including referral services.
- 3 4. Pharmacy services that are necessary to complete treatment,
- 4 including referral services.
- 5 5. Preventive health services.
- 6 6. Preventive dental services.
- 7 7. Emergency services performed at the qualifying community health
- 8 center.
- 9 8. Transportation for patients to and from the qualifying community
- 10 health center if these patients would not receive care without this
- 11 assistance.
- 12 B. A contract entered into pursuant to subsection A of this section
- 13 may include urgent care services for walk-in patients.
- 14 C. Each contract shall require that the qualifying community health
- 15 center provide the services prescribed in subsection A of this section to
- 16 persons who the center determines:
- 17 1. Are residents of this state.
- 18 2. Are without medical insurance policy coverage.
- 19 3. Do not have a family income of more than two hundred per cent
- 20 PERCENT of the federal poverty guidelines as established annually by the
- 21 United States department of health and human services.
- 22 4. Have provided verification that the person is not eligible for
- 23 enrollment in the Arizona health care cost containment system pursuant to
- 24 this chapter.
- 25 5. Have provided verification that the person is not eligible for
- 26 medicare.
- 27 D. The department of health services shall directly administer the
- 28 program and issue requests for proposals for the contracts prescribed in this
- 29 section. Contracts established pursuant to subsection A of this section
- 30 shall be signed by the department and the contractor before the transmission
- 31 of any tobacco tax and health care fund monies to the contractor.
- 32 E. Persons who meet the eligibility criteria established in subsection
- 33 C or H of this section shall be charged for services based ~~upon~~ ON a sliding
- 34 fee schedule approved by the department of health services.
- 35 F. In awarding contracts, the department of health services may give
- 36 preference to qualifying community health centers that have a sliding fee
- 37 schedule. Monies shall be used for the number of patients that exceeds the
- 38 number of uninsured sliding fee schedule patients that the qualifying
- 39 community health center served during fiscal year 1994. Each qualifying
- 40 community health center shall make its sliding fee schedule available to the
- 41 public on request. The contract shall require the qualifying community
- 42 health center to apply a sliding fee schedule to all of its uninsured
- 43 patients.

1 G. The department of health services may examine the records of each
2 qualifying community health center and conduct audits necessary to determine
3 that the eligibility determinations were performed accurately and to verify
4 the number of uninsured patients served by the qualifying community health
5 center as a result of receiving tobacco tax and health care fund monies by
6 the contract established pursuant to subsection A of this section.

7 H. Contracts established pursuant to subsection A of this section
8 shall require qualifying community health center contractors to submit
9 information as required pursuant to section 36-2907.07 for program
10 evaluations.

11 I. For the purposes of this section, "qualifying community health
12 center" means a community-based primary care facility that provides medical
13 care in medically underserved areas as provided in section 36-2352, or in
14 medically underserved areas or medically underserved populations as
15 designated by the United States department of health and human services,
16 through the employment of physicians, professional nurses, physician
17 assistants or other health care technical and paraprofessional personnel.

18 Sec. 8. Rulemaking

19 For the purposes of implementing this act, the department of health
20 services is exempt from the rulemaking requirements of title 41, chapter 6,
21 Arizona Revised Statutes, until December 31, 2016, except that the department
22 shall provide public notice and an opportunity for public comment before
23 adopting the rules. The department shall include in the rulemaking
24 requirements for the prioritization of state residents, requirements of
25 part-time providers and the provision of services by telemedicine.

APPROVED BY THE GOVERNOR FEBRUARY 24, 2015

FILED IN THE OFFICE OF THE SECRETARY OF STATE FEBRUARY 24, 2015

Passed the House February 19, 2015,

Passed the Senate February 16, 2015,

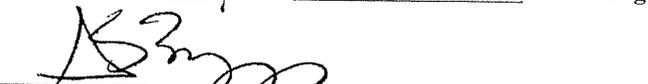
by the following vote: 57 Ayes,

by the following vote: 29 Ayes,

0 Nays, 3 Not Voting

0 Nays, 1 Not Voting





Speaker of the House

President of the Senate

Jim Drake
Chief Clerk of the House

Charmine Bellenton
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

20th day of February, 2015,

at 9:37 o'clock A. M.

Miota Lyngman
Secretary to the Governor

Approved this 24th day of

February, 2015,

at 10:38 o'clock A. M.

Jon C. Ducey
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 24th day of Feb, 2015,

at 3:45 o'clock P M.

Michelle Reagan
Secretary of State

S.B. 1194