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

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

36-2171. Definitions
In this chapter, unless the context otherwise requires:

1. “ADVANCE PRACTICE PROVIDER” MEANS A PHYSICIAN ASSISTANT AS DEFINED IN SECTION 32-2501 OR A REGISTERED NURSE PRACTITIONER AS DEFINED IN SECTION 32-1601.

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

3. “Department” means the department of health services.

4. “Mid-level provider” means a physician assistant as defined in section 32-2501, a registered nurse practitioner as defined in section 32-1601 or a registered nurse practitioner who is certified by the state board of nursing as a qualified nurse midwife.

5. “PHARMACIST” HAS THE SAME MEANING PRESCRIBED IN SECTION 32-1901.

6. “Rural” means either OF THE FOLLOWING:
   (a) A county with a population of less than four hundred thousand persons according to the most recent United States decennial census.
   (b) A census county division with less than fifty thousand persons in a county with a population of four hundred thousand or more persons according to the most recent United States decennial census.

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

36-2172. Primary care provider loan repayment program; purpose; eligibility; default; use of monies
A. The primary care provider loan repayment program is established in the department to pay off portions of education loans taken out by physicians, dentists, and mid-level PHARMACISTS, ADVANCE PRACTICE PROVIDERS AND BEHAVIORAL HEALTH providers.

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

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

2. Demonstrate current or prospective employment with a public or nonprofit entity located and providing services in a federally designated health professional shortage area in this state as designated under 42 Code of Federal Regulations section 62.52.
3. Contract with the department to serve and be qualified to serve in 
GENERAL dentistry, family practice MEDICINE, pediatrics, obstetrics, or 
internal medicine, GERIATRICS, PSYCHIATRY, PHARMACY OR BEHAVIORAL HEALTH.

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

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

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

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

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

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

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

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

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

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

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

1. For physicians and dentists:
   (a) For the first year TWO YEARS of service, a maximum of twenty 
SIXTY-FIVE thousand dollars.
   {b} For the second year of service, a maximum of twenty-thousand 
dollars.
   {c} For the third year of service, a maximum of twenty-two thousand 
dollars.
(d) For the fourth year of service, a maximum of twenty-five thousand dollars.

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

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

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

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

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

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

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

J. FOR SUBSEQUENT YEARS, A MAXIMUM OF TWENTY-FIVE THOUSAND DOLLARS.

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

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

L. THE DEPARTMENT MAY USE MONIES TO DEVELOP PROGRAMS SUCH AS RESIDENT-TO-SERVICE LOAN REPAYMENT AND EMPLOYER RECRUITMENT ASSISTANCE TO INCREASE PARTICIPATION IN THE PRIMARY CARE PROVIDER LOAN REPAYMENT PROGRAM.

THE DEPARTMENT MAY USE PRIVATE DONATIONS, GRANTS AND FEDERAL MONIES TO IMPLEMENT, SUPPORT, PROMOTE OR MAINTAIN THE PROGRAM.

Sec. 3. Section 36-2173, Arizona Revised Statutes, is amended to read:

36-2173. Obstetrical practitioners; underserved areas; payment of insurance premiums; prioritization

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

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

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

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

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

4. Personally incur malpractice insurance costs.

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

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

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

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

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

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

F. The health care provider shall submit a report to the department
that contains statistical information required by the department and that
identifies the number of women to whom the provider has provided medical
services during childbirth, the women's ages, the number of prenatal visits
each woman received, the number of these women who are enrolled in the
Arizona health care cost containment system and the women's insurance status.

Sec. 4. Section 36-2174, Arizona Revised Statutes, is amended to read:
A. Subject to the availability of monies, the department shall establish a rural private primary care provider loan repayment program for physicians, dentists, pharmacists, behavioral health providers and mid-level advance practice providers with current or prospective rural primary care practices located in federally designated health professional shortage areas or medically underserved areas in this state, as prescribed in section 36-2352. To be eligible to participate in the program, an applicant shall agree to provide organized, discounted, sliding fee scale services for medically uninsured individuals from families with annual incomes below two hundred percent of the federal poverty guidelines as established annually by the United States Department of Health and Human Services. The department shall approve the sliding fee scale used by the provider. The provider shall assure notice to consumers of the availability of these services. The department shall give preference to applicants who agree to serve in rural areas. For the purposes of this subsection, “rural” means either of the following:

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

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

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

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

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

Sec. 5. Repeal
Section 36-2175, Arizona Revised Statutes, is repealed.
Sec. 6. Section 36-2907.05, Arizona Revised Statutes, is amended to read:

36-2907.05. Primary care programs; definition
A. Subject to the availability of monies as prescribed in section 36-2921, the administration shall enter into an intergovernmental agreement pursuant to title 11, chapter 7, article 3 with the department of health services to establish community based primary care programs to contract with providers to provide comprehensive primary care services to low-income at-risk residents of this state and to provide primary care services to indigent or uninsured Arizonans. The department may contract with public and nonprofit private entities to provide primary health care services through
mobile medical clinics to indigent or uninsured Arizonans in rural areas as defined in section 36-2171 or in medically underserved areas as prescribed by section 36-2352.

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

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

2. Comprehensive primary care services that are provided in community sites including well child care, immunizations, treatment of minor illnesses and health education and referral.

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

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

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

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

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

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

4. Preventive health services.

5. Preventive dental services.

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

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

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

2. Comprehensive primary care services including well woman care, well child care, immunizations, treatment of minor illnesses and health education and referral.

3. Prenatal care services.

4. Diagnostic laboratory and imaging services that are necessary to complete a diagnosis and treatment, including referral services.

5. Pharmacy services that are necessary to complete treatment, including referral services.

6. Outreach services that are designed to identify persons in need.
7. Tracking and follow-up services to assist persons to obtain care that is not available through the primary care programs.

8. Community development activities to assist communities in organizing to work with school health systems, the public health department and other health partners.

9. Community development activities to assist communities in establishing means to provide permanent health care services, including community clinics.

G. As a condition of receiving a contract, each mobile medical clinic shall agree to submit information that is required to conduct program evaluations pursuant to section 36-2907.07 and to display on the mobile medical clinic wording that identifies the source of funding.

H. The department of health services shall directly administer any contracts entered into with mobile medical clinics pursuant to subsection A of this section. Contracts established pursuant to subsection A of this section shall be signed by the department and the contractor before transmitting any tobacco tax and health care fund monies to the contractor.

I. The department of health services may give preference to mobile medical clinics that have a history of delivering primary care services in conjunction with community development.

J. FOR THE PURPOSES OF THIS SECTION, "MID-LEVEL PROVIDER" MEANS A PHYSICIAN ASSISTANT AS DEFINED IN SECTION 32-2501, A REGISTERED NURSE PRACTITIONER AS DEFINED IN SECTION 32-1601 OR A REGISTERED NURSE PRACTITIONER WHO IS CERTIFIED BY THE STATE BOARD OF NURSING AS A QUALIFIED NURSE MIDWIFE.

Sec. 7. Section 36-2907.06, Arizona Revised Statutes, is amended to read:

36-2907.06. Qualifying community health centers; contracts; requirements; definition

A. Subject to the availability of monies, the administration shall enter into an intergovernmental agreement pursuant to title 11, chapter 7, article 3 with the department of health services to contract with qualifying community health centers to provide primary health care services to indigent or uninsured Arizonans. The department of health services shall enter into one-year contracts with qualifying community health centers for the centers to provide the following primary health care services:

1. Medical care provided through licensed primary care physicians and licensed mid-level providers as defined in section 36-2171 36-2907.05.
2. Prenatal care services.
3. Diagnostic laboratory and imaging services that are necessary to complete a diagnosis and treatment, including referral services.
4. Pharmacy services that are necessary to complete treatment, including referral services.
5. Preventive health services.
6. Preventive dental services.
7. Emergency services performed at the qualifying community health center.
8. Transportation for patients to and from the qualifying community health center if these patients would not receive care without this assistance.

B. A contract entered into pursuant to subsection A of this section may include urgent care services for walk-in patients.

C. Each contract shall require that the qualifying community health center provide the services prescribed in subsection A of this section to persons who the center determines:
   1. Are residents of this state.
   2. Are without medical insurance policy coverage.
   3. Do not have a family income of more than two hundred percent of the federal poverty guidelines as established annually by the United States department of health and human services.
   4. Have provided verification that the person is not eligible for enrollment in the Arizona health care cost containment system pursuant to this chapter.
   5. Have provided verification that the person is not eligible for medicare.

D. The department of health services shall directly administer the program and issue requests for proposals for the contracts prescribed in this section. Contracts established pursuant to subsection A of this section shall be signed by the department and the contractor before the transmission of any tobacco tax and health care fund monies to the contractor.

E. Persons who meet the eligibility criteria established in subsection C or H of this section shall be charged for services based upon a sliding fee schedule approved by the department of health services.

F. In awarding contracts, the department of health services may give preference to qualifying community health centers that have a sliding fee schedule. Monies shall be used for the number of patients that exceeds the number of uninsured sliding fee schedule patients that the qualifying community health center served during fiscal year 1994. Each qualifying community health center shall make its sliding fee schedule available to the public on request. The contract shall require the qualifying community health center to apply a sliding fee schedule to all of its uninsured patients.

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

H. Contracts established pursuant to subsection A of this section shall require qualifying community health center contractors to submit information as required pursuant to section 36-2907.07 for program evaluations.
I. For the purposes of this section, "qualifying community health center" means a community-based primary care facility that provides medical care in medically underserved areas as provided in section 36-2352, or in medically underserved areas or medically underserved populations as designated by the United States department of health and human services, through the employment of physicians, professional nurses, physician assistants or other health care technical and paraprofessional personnel.

Sec. 8. Rulemaking

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

APPROVED BY THE GOVERNOR FEBRUARY 24, 2015.