

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

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

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

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

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

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

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

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

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

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

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

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

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

40 1. For physicians and dentists:

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

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

45 ~~(c) For the third year of service, a maximum of twenty-two thousand~~
46 ~~dollars.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 36-2173. Obstetrical practitioners; underserved areas; payment
44 of insurance premiums; prioritization

45 A. A physician or ~~a mid-level practitioner~~ AN ADVANCE PRACTICE
46 PROVIDER who provides obstetrical services in rural areas of this state may

1 apply for and receive financial assistance to offset medical malpractice
2 premium expenses.

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

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

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

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

13 4. Personally incur malpractice insurance costs.

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

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

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

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

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

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

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

45 Sec. 4. Section 36-2174, Arizona Revised Statutes, is amended to read:

1 36-2174. Rural private primary care provider loan repayment
2 program: private practice: rules

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

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

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

24 B. Except as provided in section 36-2172, subsection B, paragraph 2,
25 the program established pursuant to this section and loan repayment contracts
26 made pursuant to this section shall comply with the requirements of section
27 36-2172.

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

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

34 Sec. 5. Repeal

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

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

38 36-2907.05. Primary care programs: definition

39 A. Subject to the availability of monies ~~as prescribed in section~~
40 ~~36-2921~~, the administration shall enter into an intergovernmental agreement
41 pursuant to title 11, chapter 7, article 3 with the department of health
42 services to establish community based primary care programs to contract with
43 providers to provide comprehensive primary care services to low-income
44 at-risk residents of this state and to provide primary care services to
45 indigent or uninsured Arizonans. The department may contract with public and
46 nonprofit private entities to provide primary health care services through

1 mobile medical clinics to indigent or uninsured Arizonans in rural areas as
2 defined in section 36-2171 or in medically underserved areas as prescribed by
3 section 36-2352.

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

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

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

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

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

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

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

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

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

25 4. Preventive health services.

26 5. Preventive dental services.

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

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

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

37 2. Comprehensive primary care services including well woman care, well
38 child care, immunizations, treatment of minor ~~illness~~ ILLNESSES and health
39 education and referral.

40 3. Prenatal care services.

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

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

45 6. Outreach services that are designed to identify persons in need.

1 8. Transportation for patients to and from the qualifying community
2 health center if these patients would not receive care without this
3 assistance.

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

6 C. Each contract shall require that the qualifying community health
7 center provide the services prescribed in subsection A of this section to
8 persons who the center determines:

9 1. Are residents of this state.

10 2. Are without medical insurance policy coverage.

11 3. Do not have a family income of more than two hundred ~~per cent~~
12 ~~PERCENT~~ of the federal poverty guidelines ~~as established annually by the~~
13 ~~United States department of health and human services.~~

14 4. Have provided verification that the person is not eligible for
15 enrollment in the Arizona health care cost containment system pursuant to
16 this chapter.

17 5. Have provided verification that the person is not eligible for
18 medicare.

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

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

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

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

42 H. Contracts established pursuant to subsection A of this section
43 shall require qualifying community health center contractors to submit
44 information as required pursuant to section 36-2907.07 for program
45 evaluations.

1 I. For the purposes of this section, "qualifying community health
2 center" means a community-based primary care facility that provides medical
3 care in medically underserved areas as provided in section 36-2352, or in
4 medically underserved areas or medically underserved populations as
5 designated by the United States department of health and human services,
6 through the employment of physicians, professional nurses, physician
7 assistants or other health care technical and paraprofessional personnel.

8 Sec. 8. Rulemaking

9 For the purposes of implementing this act, the department of health
10 services is exempt from the rulemaking requirements of title 41, chapter 6,
11 Arizona Revised Statutes, until December 31, 2016, except that the department
12 shall provide public notice and an opportunity for public comment before
13 adopting the rules. The department shall include in the rulemaking
14 requirements for the prioritization of state residents, requirements of
15 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.