

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1299

AN ACT

AMENDING SECTION 11-292, ARIZONA REVISED STATUTES; RELATING TO COUNTY
LONG-TERM CARE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 11-292, Arizona Revised Statutes, is amended to
3 read:

4 11-292. Medical care; definition

5 A. The board of supervisors, subject to the applicable provisions of
6 title 42, chapter 17, articles 2 and 3, shall include in its annual budget an
7 amount equal to fifty per cent of the amount budgeted by the county board of
8 supervisors or the amount expended, whichever is less, for the
9 hospitalization and medical care of the indigent sick pursuant to this
10 article for fiscal year 1980-1981, except for Yuma and La Paz counties. The
11 contribution amounts of those counties shall be equal to the amount Yuma
12 county would have made pursuant to this subsection if a division had not
13 occurred apportioned between the counties. The office of the auditor general
14 shall determine the amount Yuma county would otherwise have included if a
15 division had not occurred and shall then determine the contribution amounts
16 of Yuma and La Paz counties based on the proportionate share of the estimated
17 population in these counties as of July 1, 1982.

18 B. For fiscal year 1994-1995, and for each fiscal year thereafter, the
19 state treasurer shall withhold an amount sufficient to meet the county
20 portion of the nonfederal costs of providing long-term care system services,
21 pursuant to title 36, chapter 29, article 2, excluding services to the
22 developmentally disabled, from monies otherwise payable to the county under
23 section 42-5029, subsection D, paragraph 2. This amount and the state
24 portion of the nonfederal costs shall be specified in the annual
25 appropriation for the maintenance and operation of the Arizona health care
26 cost containment system. For fiscal years 1994-1995, 1995-1996 and
27 1996-1997, monies shall be withheld from each county based on the following
28 percentages derived from a state auditor general's certified audit of fiscal
29 year 1987-1988 county long-term care and home health care expenditures,
30 except that amounts withheld shall be adjusted to reflect amounts paid by
31 counties pursuant to section 36-2952:

32	1. Apache:	0.22%
33	2. Cochise:	2.49%
34	3. Coconino:	0.66%
35	4. Gila:	2.56%
36	5. Graham:	0.64%
37	6. Greenlee:	0.34%
38	7. La Paz:	0.34%
39	8. Maricopa:	56.55%
40	9. Mohave:	2.73%
41	10. Navajo:	0.91%
42	11. Pima:	20.55%

1	12. Pinal:	5.09%
2	13. Santa Cruz:	1.05%
3	14. Yavapai:	3.12%
4	15. Yuma:	2.75%

5 C. In each fiscal year, of the total amount that is specified in the
6 annual appropriation as the nonfederal portion of the cost of providing
7 long-term care services, excluding services to the developmentally disabled,
8 and that represents an increase from the amount that was specified in the
9 annual appropriation for the prior fiscal year, the state shall pay fifty per
10 cent of the increase. The remaining nonfederal portion of the costs shall be
11 apportioned among the counties according to the proportion that each county's
12 net nonfederal expenditures for long-term care services, excluding services
13 to the developmentally disabled, bears to the total nonfederal expenditure
14 for all counties two fiscal years earlier, with the following adjustments in
15 the following order:

16 1. If the resulting net county contribution when expressed as an
17 imputed property tax rate per one hundred dollars of net assessed value
18 exceeds ninety cents, the county's contribution shall be reduced so that the
19 imputed property tax rate equals ninety cents and the difference shall be
20 paid by the state.

21 2. Any county with a native American population that represents at
22 least twenty per cent of the county's total population according to the most
23 recent United States decennial census shall contribute an amount equal to the
24 prior fiscal year's contribution plus fifty per cent of the difference
25 between the prior year's contribution were it calculated using the percentage
26 in subsection B of this section and the current year's contribution as if its
27 share of the total nonfederal portion of the long-term care costs had been
28 calculated using the percentage prescribed in subsection B of this section
29 and the state shall pay any difference from the amount otherwise required by
30 this subsection.

31 3. If, after making the adjustments in this subsection, a county would
32 contribute more than if its contribution were calculated using the percentage
33 prescribed in subsection B of this section multiplied by the total nonfederal
34 costs of long-term care services, excluding services to the developmentally
35 disabled, the county's contribution shall be reduced to the sum of its prior
36 year's contribution plus fifty per cent of the difference between the prior
37 year's contribution were it calculated using the percentage in subsection B
38 of this section and the current year's contribution as if its share of the
39 total nonfederal portion of long-term care costs had been calculated using
40 the percentage prescribed in subsection B of this section and the state shall
41 pay any difference from the amount otherwise required by this subsection.

42 4. AFTER MAKING ALL OF THE ADJUSTMENTS IN THIS SUBSECTION, A STATEWIDE
43 PER CAPITA COUNTY CONTRIBUTION SHALL BE CALCULATED BY SUMMING THE
44 CONTRIBUTIONS FOR ALL COUNTIES AND THEN DIVIDING THE RESULTING TOTAL BY THE
45 TOTAL STATE POPULATION. EACH COUNTY'S PER CAPITA CONTRIBUTION FOR LONG-TERM

1 CARE SERVICES SHALL BE CALCULATED USING THE COUNTY'S POPULATION AND THE
2 ESTIMATED COSTS FOR THE COUNTY AS CALCULATED PURSUANT TO THIS SUBSECTION AND
3 AFTER APPLYING THE ADJUSTMENTS IN PARAGRAPHS 1, 2 AND 3 OF THIS SUBSECTION. A
4 COUNTY'S CONTRIBUTION SHALL BE REDUCED SO THAT A COUNTY'S PER CAPITA
5 CONTRIBUTION EQUALS THE STATEWIDE PER CAPITA CONTRIBUTION IF THE COUNTY MEETS
6 ALL OF THE FOLLOWING CRITERIA:

7 (a) HAS A POPULATION OF LESS THAN ONE HUNDRED THOUSAND PERSONS.

8 (b) HAS A PER CAPITA CONTRIBUTION THAT IS GREATER THAN THE STATEWIDE
9 CONTRIBUTION AS CALCULATED PURSUANT TO THIS PARAGRAPH.

10 THE STATE SHALL PAY ANY DIFFERENCE FROM THE AMOUNT OTHERWISE REQUIRED BY THIS
11 SUBSECTION. FOR THE PURPOSES OF THIS PARAGRAPH, "POPULATION" MEANS THE
12 DEPARTMENT OF ECONOMIC SECURITY POPULATION ESTIMATE FOR THE MOST RECENT
13 FISCAL YEAR THAT HAS BEEN APPROVED BY THE DIRECTOR OF THE DEPARTMENT OF
14 ECONOMIC SECURITY.

15 D. The director of the Arizona health care cost containment system
16 administration shall notify each county of the amount determined pursuant to
17 subsection A of this section to be included in its annual budget no later
18 than May 1 of each year.

19 E. If a county does not provide funding as specified in subsection A
20 of this section, the state treasurer shall subtract the amount owed to the
21 Arizona health care cost containment system fund by the county from any
22 payments required to be made by the state treasurer to that county pursuant
23 to section 42-5029, subsection D, paragraph 2, plus interest on that amount
24 pursuant to section 44-1201 retroactive to the first day the funding was due.
25 If the monies the state treasurer withholds are insufficient to meet that
26 county's funding requirement as specified in subsection A of this section,
27 the state treasurer shall withhold from any other monies payable to that
28 county from whatever state funding source is available an amount necessary to
29 fulfill that county's requirement. The state treasurer shall not withhold
30 distributions from the highway user revenue fund pursuant to title 28,
31 chapter 18, article 2.

32 F. Each month payment of an amount equal to one-twelfth of the total
33 amount determined pursuant to subsection A of this section shall be made to
34 the state treasurer. Beginning October 1, 1989, payment of this amount shall
35 be made to the state treasurer on or before the fifth day of each
36 month. Upon request from the director of the Arizona health care cost
37 containment system administration, the state treasurer shall require that up
38 to three months' payments be made in advance, if necessary.

39 G. The state treasurer shall deposit the amounts paid pursuant to
40 subsection F of this section and amounts withheld pursuant to subsection E of
41 this section in the Arizona health care cost containment system fund
42 established pursuant to section 36-2913.

1 H. If payments made pursuant to subsection F of this section exceed
2 the amount required to meet the costs incurred by the Arizona health care
3 cost containment system for the hospitalization and medical care of a person
4 who is defined as an eligible person pursuant to section 36-2901, paragraph
5 6, subdivision (a), the director of the Arizona health care cost containment
6 system administration may instruct the state treasurer either to reduce
7 remaining payments to be paid pursuant to this section by a specified amount
8 or to provide to the counties specified amounts from the Arizona health care
9 cost containment system fund.

10 I. The amount of the county contribution to the Arizona health care
11 cost containment system fund established in section 36-2913 shall not exceed
12 thirty-three per cent of the amount that the system administration expended
13 in the county for fiscal year 1983-1984. For the purposes of this
14 subsection, system administration expenditures in a county for fiscal year
15 1983-1984 are the total capitation and fee for service amounts paid by the
16 system administration to providers in a county before February 1, 1986 for
17 services rendered during fiscal year 1983-1984 to persons eligible for the
18 system.

19 J. The state treasurer shall deposit amounts withheld pursuant to
20 subsection E of this section in the Arizona health care cost containment
21 system fund established by section 36-2913.

22 K. The state treasurer shall deposit the monies withheld from the
23 counties and contributed by the state pursuant to subsection B of this
24 section in the long-term care system fund established by section 36-2913, in
25 twelve equal monthly installments. The monthly installments shall be
26 deposited in the fund by the state treasurer by the fourth working day of
27 each month.

28 L. By July 1 or within sixty days after enactment of the annual
29 appropriation for the maintenance and operation of the Arizona health care
30 cost containment system, whichever is later, and after consulting with the
31 joint legislative budget committee and the governor's office of strategic
32 planning and budgeting, the state treasurer shall notify each county of the
33 amount to be withheld pursuant to subsection B of this section.

34 M. If the monies deposited in the long-term care system fund pursuant
35 to subsection K of this section are insufficient to meet the funding
36 requirement as specified in the annual appropriation for the maintenance and
37 operation of the Arizona health care cost containment system pursuant to
38 subsection B of this section, the state treasurer shall withhold from any
39 other monies payable to that county from any available state funding source,
40 other than the highway user revenue fund, the amount required to fulfill
41 fifty per cent of the funding requirement and shall deposit the monies in the
42 long-term care system fund. The state shall pay the remaining fifty per cent
43 of the funding requirement.

1 N. If any monies in the funds for the purpose of title 36, chapter 29,
2 article 2 remain unexpended at the end of the fiscal year, the director of
3 the Arizona health care cost containment system administration shall specify
4 to the state treasurer the amount to be withdrawn from the long-term care
5 system fund. Of the amount specified, the state treasurer shall distribute
6 fifty per cent to the counties pursuant to subsection B or C of this section.
7 The remaining fifty per cent shall be distributed to the state.

8 O. The board of supervisors of a county that is a program contractor
9 pursuant to section 36-2940 shall include in its annual budget, subject to
10 title 42, chapter 17, articles 2 and 3, monies received from the Arizona
11 health care cost containment system fund and long-term care system fund for
12 the purposes of title 36, chapter 29, article 2.

13 P. Notwithstanding any law to the contrary, beginning in fiscal year
14 2005-2006 and in each fiscal year thereafter, the state treasurer shall
15 withhold a total of two million three hundred ninety-five thousand four
16 hundred dollars for the county contribution for the administrative costs of
17 implementing sections 36-2901.01 and 36-2901.04 beginning with the second
18 monthly distribution of transaction privilege tax revenues otherwise
19 distributable after subtracting any amounts withheld for the county long-term
20 care contribution. Beginning in fiscal year 2006-2007, the state treasurer
21 shall adjust the amount withheld according to the annual changes in the GDP
22 price deflator and as calculated by the joint legislative budget committee
23 staff. Beginning in fiscal year 2006-2007, the joint legislative budget
24 committee shall calculate an additional adjustment of the allocation required
25 by this subsection based on changes in the population as reported by the
26 department of economic security. For the purposes of this subsection, "GDP
27 price deflator" has the same meaning prescribed in section 41-563. Each
28 county's annual contribution is as follows:

- 29 1. Apache, 3.296 per cent.
- 30 2. Cochise, 6.148 per cent.
- 31 3. Coconino, 6.065 per cent.
- 32 4. Gila, 2.491 per cent.
- 33 5. Graham, 1.7110 per cent.
- 34 6. Greenlee, 0.455 per cent.
- 35 7. La Paz, 0.9430 per cent.
- 36 8. Mohave, 7.079 per cent.
- 37 9. Navajo, 4.640 per cent.
- 38 10. Pima, 42.168 per cent.
- 39 11. Pinal, 8.251 per cent.
- 40 12. Santa Cruz, 1.950 per cent.
- 41 13. Yavapai, 7.794 per cent.
- 42 14. Yuma, 6.949 per cent.

1 Q. The state treasurer shall deposit the amounts paid pursuant to
2 subsection P of this section in the budget neutrality compliance fund
3 established by section 36-2928.

4 R. For the purposes of this section, "net assessed value" includes the
5 values used to determine voluntary contributions collected pursuant to title
6 9, chapter 4, article 3 and title 48, chapter 1, article 8.