



# Health System Alliance of Arizona

## **Legislative Summary**

**2016 Legislative Session**

**June 15, 2016**

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## 2016 Legislative Membership

### *Senate Members*

<u>Member</u>	<u>District</u>
Andy Biggs <i>President</i>	12
Steve Yarbrough <i>Majority Leader</i>	17
Gail Griffin <i>Majority Whip</i>	14
Katie Hobbs <i>Minority Leader</i>	24
Steve Farley <i>Assistant Minority Leader</i>	9
Martin Quezada <i>Minority Whip</i>	29
Lupe Contreras <i>Minority Whip</i>	19
Nancy Barto	15
Carlyle Begay	7
David Bradley	10
Judy Burges	22
Olivia Cajero Bedford	3
Andrea Dalessandro	2
Jeff Dial	18
Susan Donahue	5
Adam Driggs	28
David C. Farnsworth	16
John Kavanagh	23
Debbie Lesko	21
Barbara McGuire	8
Robert Meza	30
Catherine Miranda	27
Lynne Pancrazi	4
Steve Pierce	1
Andrew C. Sherwood	26
Don Shooter	13
Steve Smith	11
Bob Worsley	25
Kimberly Yee	

## 2016 Legislative Membership

### *House of Representatives Members*

<u>Member</u>	<u>District</u>
David M. Gowan Sr. <i>Speaker of the House</i>	14
Bob Robson <i>Speaker Pro Tempore</i>	18
Steve Montenegro <i>Majority Leader</i>	13
David Livingston <i>Majority Whip</i>	22
Eric Meyer <i>Minority Leader</i>	28
Bruce Wheeler Assistant Minority Leader	10
Rebecca Rios <i>Minority Whip</i>	27
J. Christopher Ackerley	2
John M. Allen	15
Lela Alston	24
Richard C. Andrade	29
Brenda Barton	6
Jennifer D. Benally	7
Reginald Bolding Jr.	27
Sonny Borrelli	5
Russell "Rusty" Bowers	25
Paul Boyer	20
Kate Brophy McGee	28
Noel W. Campbell	1
Mark A. Cardenas	19
Heather Carter	15
Ken Clark	24
Regina Cobb	5
Doug Coleman	16
Diego Espinoza	19
Karen Fann	1
Eddie Farnsworth	12
Charlene R. Fernandez	4
Mark Finchem	11
Randall Friese	9
Rosanna Gabaldón	2
Sally Ann Gonzales	3

<b>Rick Gray</b>	<b>21</b>
<b>Albert Hale</b>	<b>7</b>
<b>Anthony Kern</b>	<b>20</b>
<b>Matthew A. Kopec</b>	<b>9</b>
<b>Jonathan R. Larkin</b>	<b>30</b>
<b>Jay Lawrence</b>	<b>23</b>
<b>Vince Leach</b>	<b>11</b>
<b>Phil Lovas</b>	<b>22</b>
<b>Stefanie Mach</b>	<b>10</b>
<b>Debbie McCune Davis</b>	<b>30</b>
<b>Juan Jose Mendez</b>	<b>26</b>
<b>Javan D. "J.D." Mesnard</b>	<b>17</b>
<b>Darin Mitchell</b>	<b>13</b>
<b>Jill Norgaard</b>	<b>18</b>
<b>Justin Olson</b>	<b>25</b>
<b>Lisa A. Otondo</b>	<b>4</b>
<b>Warren H. Petersen</b>	<b>12</b>
<b>Celeste Plumlee</b>	<b>26</b>
<b>Franklin M. Pratt</b>	<b>8</b>
<b>Tony Rivero</b>	<b>21</b>
<b>Macario Saldade</b>	<b>3</b>
<b>Thomas "T.J." Shope</b>	<b>8</b>
<b>David W. Stevens</b>	<b>14</b>
<b>Bob Thorpe</b>	<b>6</b>
<b>Kelly Townsend</b>	<b>16</b>
<b>Michelle B. Ugenti-Rita</b>	<b>23</b>
<b>Ceci Velasquez</b>	<b>29</b>
<b>Jeff Weninger</b>	<b>17</b>

## **Budget**

### **HB2704 budget reconciliation; health (Effective August 6, 2016)**

#### ***AHCCCS Covered Services***

- Individuals who are enrolled in the Arizona Long-Term Care System (ALTCS) may receive up to \$1000 per year in dental benefits.
- The AHCCCS podiatry benefit is restored.

#### ***State Agency Reporting Requirements***

- AHCCCS must prepare a report on the non-emergency use of the emergency room by December 1, 2016.
- AHCCCS must prepare a report on the availability of inpatient psychiatric treatment for both adults and children through the Regional Behavioral Health Authority (RBHA) by January 2, 2016.

#### ***Capitation Rates***

- The AHCCCS capitation rate increase is capped at 1.5% for both Fiscal Years 2017 and 2018.

#### ***340B Reimbursement***

- 340B covered entities, not including hospital owned or operated facilities (except community health centers) must 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 must include a professional fee and the lesser of either the actual acquisition cost, or the 340B ceiling price.
- AHCCCS is required to report on the feasibility of applying the 340B pricing requirements to hospitals from both a cost and technological perspective no later than November 1, 2016.

#### ***DSRIP Fund***

- The Delivery System Incentive Payment (DSRIP) Fund is established and shall be used to pay the costs associated with the DSRIP program.

## **AHCCCS**

### **HB2599 AHCCCS; provider participation; exclusions (Effective August 6, 2016)**

The AHCCCS Director is required to exclude any individual or entities that meet the federal basis for exclusion. Additionally, the Director is required to exclude any provider who is found to have met the basis for discretionary exclusion as defined in federal law;

committed any act in violation of state statute; failed to disclose required information; made a false statement or misrepresentation of material fact; failed to ensure that services delivered were economical, medically necessary and met sound quality standards; was found liable for a patient death or injury as a result of neglect; engaged in the unlawful disposal of medical waste; submitted a claim for an abortion in violation of state and federal law; failed to segregate taxpayer dollars from abortions, including overhead expenses; and failed to comply with mandatory reporting requirements.

## **LICENSURE**

### **HB2109 pharmacists; licensure (Effective August 6, 2016)**

Pharmacists from other jurisdictions that relocate and apply for licensure in Arizona are no longer required to be in good standing for at least one year in their home jurisdiction.

### **HB2225 radiologic technology; out-of-state licensed practitioners (Effective August 6, 2016)**

A radiologic technologist is permitted to act under the direction of any practitioner licensed in any state, territory or district in the United States (previously only Arizona).

### **HB2359 physician assistants; continuing medical education (Effective August 6, 2016)**

Licensed physician assistants may satisfy the continuing education requirement for license renewal if, at the time of renewal, the licensee holds a certification from a certification body approved by the Board.

### **HB2362 nurse compact licensure (The Earlier of December 31, 2018 or Enactment in 26 States)**

The current Nurse Licensure Compact is repealed. An updated Nurse Licensure Compact is enacted which continues to allow nurses who hold a multistate license from another compact state to apply that multistate licensure to practice in Arizona. Qualifying nurses may also obtain a multistate license in Arizona and apply that licensure to practice in other states.

### **HB2364 medical board; licensure renewal (Effective August 6, 2016)**

A licensee may apply for a license renewal within two years after their previous licensure expiration date, provided they submit the Board an approved licensure renewal application; pay renewal and late fees; provide proof of completion of continuing education requirements; and provide a notarized statement describing any medical practice the individual engaged in after the expiration of their previous license.

### **HB2502 medical licensure compact (Effective Dates: Provisional Licensure July 1, 2017, Compact Licensure August 6, 2016)**

Physicians who are relocating to Arizona may obtain a Provisional Medical License for a period up to 250 consecutive days, provided the physician holds an active and unrestricted license in another state; has never had their license revoked suspended or surrendered due to a disciplinary action in their home state; is not the subject of an unresolved complaint; and fulfills the application and fee requirements. Additionally, physicians who hold a license in good standing in a participating medical compact state may obtain an expedited license upon relocation to Arizona.

### **HB2503 psychologists; licensure compact (Effective Upon Enactment in Seven States)**

Qualifying psychologists who hold a multistate compact license in another state may practice telepsychology in Arizona or obtain a temporary license to practice in-person, face-to-face psychology in Arizona.

### **HB2504 physical therapy licensure compact (Effective Upon Enactment in Ten States)**

The Physical Therapy Licensure Compact is enacted, which allows physical therapists in good standing with the licensure board in their home state to obtain a multistate compact license and practice in other compact states.

### **SB1096 medical radiologic technology (Effective August 6, 2016)**

Physician assistants are no longer required to obtain an additional license in order to operate a diagnostic x-ray machine. The Director of the Arizona Radiation Regulatory Agency (ARRA) is permitted to determine licensure requirements for practical technologists in bone densitometry, radiation therapy technologists, mammographic technologists, nuclear medicine technologists, bone densitometry technologists, computed tomography technologists, radiologic assistants and any new radiologic modality technologists. An out-of-state school of radiologic technology that is approved by the Joint Review Committee on Education in Radiologic Technology, the American Registry of Radiologic Technologists or the Nuclear Medicine Technology Certification Board may be acceptable courses of study for a radiologic technologist, radiation therapy technologist or nuclear medicine technologist. ARRA is continued until July 1, 2018.

### **SB1300 respiratory care examiners (Effective August 6, 2016)**

Board procedures and licensure requirements are updated and the requirement to license respiratory care technicians is repealed. The Board is required to license respiratory care therapists. The Board will establish a confidential program for the monitoring and rehabilitation of licensees that are chemically dependent. Licensees that are chemically dependent may enter into confidential monitoring agreements on the condition that the licensee participate in an approved rehabilitation program. The licensee is prohibited from practicing during the duration of this program. Should the licensee fail to comply with the terms of this agreement, the case will be made public record and reported to the Board.



The Board may reinstate a lapsed license if the applicant completes the application and pays all applicable fees within 90 days of the expiration of the license.

#### **SB1444 board of nursing; licensure; complaints (Effective July 1, 2016)**

The Board of Nursing is required to revoke the license of any licensee who has been convicted of a felony, with the exception of a class six Felony, who has not received an absolute discharge of the felony charge. Licensees who have been convicted of a class six felony are prohibited from practicing unless the felony is converted to a misdemeanor. Individuals who have been convicted of a felony are prohibited from licensure reinstatement for at least three years (previously five years).

#### **HEALTH INFORMATION**

#### **HB2144 informed consent; genetic testing (Effective August 6, 2016)**

Individuals may only order or release the results of a genetic test with the written, informed consent of the patient, or of an individual who is authorized to provide consent on the patient's behalf.

#### **HB2307 anatomical gifts; procurement organizations; licensure (Effective August 6, 2016)**

An organ procurement organization must meet licensure requirements through the Arizona Department of Health Services unless the organization is a federally designated procurement entity; is regulated by the United States Food and Drug Administration; is an organ storage facility; is affiliated with an educational institution that uses the organs for the education of students in a degree program for health professionals; or is affiliated with a hospital for the recovery of anatomical gifts for the purpose of education; research; or quality improvement and assurance.

#### **HB2363 personal information; records; exception (Effective August 6, 2016)**

"Business Associates" as defined by HIPAA are exempt from notification requirements for compromised personal information and from regulations regarding the discard and disposal of paper records and documents containing personal identifiable information.

#### **SB1169 mental health power of attorney (Effective August 6, 2016)**

Healthcare directives may not be revoked when a patient has been deemed incapable of making decisions about a directive. Licensed neurologists are included amongst the practitioners who are authorized to determine if a person is capable of making healthcare decisions. A guardian is no longer required to present a facility with a sworn statement under penalty of perjury that they presented a certified copy or a true and correct copy of a certified copy, letters of guardianship with mental health authority that authorize the guardian to admit the ward to a level one behavioral health facility and that the letters of guardianship are currently effective and have not been revoked, terminated or rescinded. If

a patient who is residing in an inpatient psychiatric facility declares a desire to disqualify their agent, or revoke their power of attorney, and requests to be discharged from the facility in writing, the facility must either discharge the patient or initiate court proceedings within 48 hours (or the next court day) of the request.

#### **SB1442 mental health services; information disclosure (Effective August 6, 2016)**

Statutory provisions related to the release of protected health information are clarified to reference provisions of HIPAA and make it easier for patients, family members and providers to understand the condition under which protected health information may be communicated to a patient's friends and family members.

### **INSURANCE**

#### **HB2264 insurance; prescription eye drops; refills (Effective January 1, 2018)**

Insurers that provide coverage for eye drops to treat glaucoma and ocular hypertension are prohibited from denying coverage for refills of the eye drops when all medical necessity conditions are met.

#### **HB2306 health care providers; family members; coverage (Effective July 1, 2017)**

Insurers are required to provide coverage for lawful healthcare services that are provided to a patient by a licensed practitioner, regardless of any familial relationship between the practitioner and the patient, provided the service would be covered if the patient were not related to the practitioner.

#### **SB1363 insurance coverage; telemedicine (Effective January 1, 2018)**

Health insurers are required to provide coverage for telemedicine statewide, rather than only in rural areas, beginning January 1, 2018.

### **PROVISION OF HEALTHCARE SERVICES**

#### **HB2265 epinephrine; auto injectors (Effective August 6, 2016)**

Medical providers and pharmacies may prescribe and provide a supply of epinephrine auto injectors to authorized entities who participate in a training program that is approved by the Arizona Department of Health Services.

#### **HB2442 behavioral health; urgent need; children (Effective March 24, 2016)**

Foster and adoptive parents may obtain urgent behavioral health services for their foster or adoptive child who is in need of behavioral health services through an expedited process established by the Regional Behavioral Health Authority (RBHA). If a foster or adoptive child is hospitalized due to threatening behavior before the RBHA responds to coordinate care, the RBHA must reimburse the hospital for all medically necessary services provided during the stay, including any costs associated with days that the child does not meet the

criteria for an inpatient admission, but the hospital is unable to discharge the child because the RBHA has not authorized a safe and appropriate placement outside of the hospital.

#### **SB1104 medical examiner; jurisdiction; death reporting (Effective August 6, 2016)**

The death of a person is required to be reported to a peace officer if the death occurs in any custodial agency, rather than just a prison; if there is an unexplained or unexpected death of a child; if the death occurs as a result of an accident related to a person's job; or if the death is suspected to be caused by an unreported or undiagnosed disease believed to be a threat to public safety.

#### **SB1327 hospitals; dieticians; prescriptions; diet; orders (Effective August 6, 2016)**

A licensed hospital may allow a registered dietician or other qualified nutrition professional to issue diet orders, enteral feeding, nutritional supplementation or parenteral nutrition.

#### **SB1445 health care services; patient education (Effective August 6, 2016)**

State agencies, regulatory boards and any contracted entities whose purpose is to carry out the function of the agency or board are prohibited from disciplining a health provider for providing information on lawful healthcare services to their patients, including the off-label use of a medication. This prohibition does not apply to hospitals and does not prohibit a regulatory board from taking action if a practitioner engages in unprofessional conduct.

#### **SB1460 pharmacy board; manufacturers; dietary supplements (Effective August 6, 2016)**

The State Board of Pharmacy is permitted to issue a certificate of free sale to any entity that is licensed by the Board who manufactures and wishes to sell food and dietary supplements domestically and internationally.

#### **SB1474 human fetus; embryo; prohibited actions (Effective August 6, 2016)**

The statutes governing the handling of a human fetus are rewritten to prohibit an individual from using a fetus or embryo or any part, organ or fluid of the fetus or embryo resulting from an abortion in animal or human research, experimentation or study or for transplantation, except for diagnostic or remedial procedures for the purpose of determining the life or health of the human fetus or embryo or the mother; or a pathological study. A person may not participate in, aid or abet the sale, transfer, distribution, other unlawful disposition, acceptance, use or attempted use of a human fetus or embryo or any part, organ or fluid of the human fetus or embryo resulting from an abortion. The physician-patient privilege does not prevent the production of documents or records relevant to an investigation of a violation. The Director of Health Services is permitted to revoke the license of any health care facility where there is a violation of these prohibitions.

#### **SCR1005 rights of caregivers; recognition (No Effective Date)**

This Senate Resolution urges the whole Legislature to recognize the rights of caregivers who care for individuals with a serious mental illness.

## **PHARMACY**

### **HB2310 biological products; prescription orders (Effective December 31, 2016)**

A pharmacist may substitute a biosimilar for a biologic prescription if the FDA has determined that the biosimilar is an appropriate substitute; the prescribing physician does not prescribe in writing that the substitution is prohibited; the patient is advised of the substitution; and the pharmacist either makes a written record of the substitution in the pharmacy record, shared medical record or pharmacy benefit system, or provides notification to the prescriber by fax, telephone or electronic means.

### **HB2355 opioid antagonists; prescription; dispensing; administration (Effective August 6, 2016)**

Physicians, nurses and other authorized prescribers may prescribe Naloxone to a person at risk of an opioid overdose, a family member or individual in a position to assist someone experiencing an overdose, or a community organization that serves people at risk of an overdose. Pharmacists may dispense Naloxone to a person at risk of an opioid overdose, a family member or individual in a position to assist someone experiencing an overdose, or a community organization that serves people at risk of an overdose without a prescription.

### **HB2692 insurance; pharmacy benefit; audit procedures (Effective August 6, 2016)**

Pharmacies must be provided at least a fourteen-day notice in advance of an audit that includes a description of the audit itself. Auditors must not conduct audits during the first five days of the month without the pharmacy's consent. Audit findings and recoupments must be based on actual under or overpayments and not clerical errors or dispensing fees. Preliminary audit findings must be provided to the pharmacy within sixty days of completion. Pharmacies must also be provided thirty days to appeal an unfavorable audit finding. Recoupments and chargebacks may not be conducted during the course of the appeal. Audit results are confidential except as provided in state and federal law.

### **SB1112 pharmacists; scope of practice (Effective August 6, 2016)**

Licensed pharmacists may administer influenza vaccinations to children who are age three or older without a prescription, primary series booster vaccines to adolescents as approved by the Center for Disease Control and immunizations or vaccines recommended by the CDC to a person who is at least 13 years of age, provided they meet certain administrative and reporting requirements.

### **SB1283 controlled substances monitoring program (Effective October 1, 2017 or Sixty Days after the Integration of the Controlled Substances Prescription Monitoring Program into the Health Information Exchange)**

Prescribers are required to check the patient's twelve-month history in the Controlled Substances Prescription Monitoring Program (CSPMP) prior to prescribing an opioid analgesic or benzodiazepine controlled substance listed in schedule II, III or IV for a patient. The prescriber must continue to check the CSPMP at least quarterly during the course of treatment. Prescribers may seek a waiver from this requirement for one year due to technological or other reasons that are within the control of the practitioner.

Practitioners are not required to check the database for patients receiving hospice care, cancer care or dialysis-care; if the physician will be administering the controlled substance; the patient is receiving inpatient or residential care in a hospital, nursing facility, assisted living facility, correctional institution or behavioral health facility; the prescription is no longer than five days and the prescriber has verified that the patient has not received the same medication in the past thirty days; or the patient is receiving no more than a ten day prescription to treat acute pain due to an injury or medical or dental disease that is diagnosed in an emergency department (not including back pain).

### **Public Health**

#### **HB2061 medical marijuana; pregnancy; signage (Effective August 6, 2016)**

The Arizona Department of Health Services is required to promulgate rules requiring that all non-profit marijuana dispensaries post signage warning women of the dangers of smoking or ingesting marijuana during pregnancy.

#### **HB2107 structured sober living homes (Effective August 6, 2016)**

Cities, towns and counties are permitted to adopt ordinances to regulate sober living homes that are established within their jurisdiction.

#### **HB2640 appropriation; pediatric neurological autoimmune disorders (Effective August 6, 2016)**

\$250,000 is appropriated from the Disease Research Fund in Fiscal Year 2017 to the Arizona Department Health Services to create a grant program for research into Pediatric Neurological Autoimmune Disorders.

### **Healthcare Finance**

#### **HB2308 special health care districts; treasurer (Effective August 6, 2016)**

Special health care districts may not appoint their own treasurers and instead must use the county treasurer for their jurisdiction.

#### **HB2666 governor's economic opportunity office; consolidation (Effective May 19, 2016)**

The Arizona Health Facilities Authority, Arizona Housing Finance Authority, Arizona Industrial Development Authority and Water Infrastructure Financing Authority are repealed and consolidated into the Arizona Financing Authority. The Arizona Industrial

Authority is reestablished under the Arizona Financing Authority and is responsible for administering tax-exempt financing for projects previously administered under the Arizona Health Facilities Authority.

### **SB1109 health facilities authority; continuation (Effective July 1, 2016)**

The Arizona Health Facilities Authority is continued until July 1, 2024.

### **Tax & Business Regulation**

### **HB2054 debt limitations; net assessed value (Effective August 6, 2016)**

Political subdivisions, including cities, towns and school districts, are required to base bond indebtedness limits on the Net Assessed Value of the Full Cash Value of all properties in their jurisdiction.

### **HB2114 declaration; independent business status (Effective August 6, 2016)**

Employing entities or independent contractors may use a prescribed Declaration Form as proof of the establishment of an independent business relationship. The execution of the Declaration Form is not required to establish an independent contractor relationship. Failure to execute a Declaration Form is not admissible evidence to deny an independent contractor relationship or cause for any presumptions. Employing units licensed or required to be licensed by the Registrar of Contractors must additionally record and maintain documentation of licensure, the business license, the federal tax ID number, a certificate of worker's compensation and general liability insurance for three years. This measure does not relieve participating entities from their obligation to comply with existing law.

### **HB2240 workers' compensation; modifications (Effective August 6, 2016)**

Any party with an interest in a workers' compensation hearing may request one change in administrative law judge provided that individual meets stipulated notice requirements. Interest on compensation awards is the lesser of 10% or 1% plus the prime rate as published by the Board of Governors of the Federal Reserve System. Only unemployment received during a period of temporary partial disability shall be considered wages able to be earned for the purpose of workers' compensation. Translation services shall be considered a medical, surgical and hospital benefit. Parameters for selecting a translator are defined.

### **HB2579 nonwage compensation; minimum wage (Effective August 6, 2016)**

"Minimum wage" is defined as the nondiscretionary minimum compensation given to an employee, including commissions, but excluding tips and gratuities. "Nonwage compensation" is included in the list of employee regulations that are of statewide concern and not subject to further regulation by any city, town or political subdivision of the state. "Nonwage compensation" includes fringe benefits, welfare benefits, child or adult care plans, sick pay, vacation pay, severance pay, commissions, bonuses, retirement plan or pension contributions, other federal employment benefits, and other amounts more than the

minimum compensation due to an employee. Wages do not include sick pay, vacation pay, severance pay, commissions, bonuses and other amounts promised by the employer who has a policy or practice of making such payments. Political subdivisions are authorized to establish a minimum wage that conforms to the Minimum Wage Act.