Clarifies that the AHCCCS Director must establish, administer and collect an assessment on hospital revenues, *discharges or bed days* for the purposes of the Fund and present any changes to the hospital assessment methodology to JLBC for review.

Clarifies that the AHCCCS Director must only use fund monies as necessary for the purpose of funding the nonfederal share of the cost for the increase base reimbursement rates under the AHCCCS dental fee schedule and physician fee schedule, not including the physician drug fee schedule to the extent necessary to restore the rates in existence before FY2009.

Requires AHCCS to develop a process to ensure that contractors pass through directed payments to eligible providers in a timely manner and prohibits contractors from reducing contracted rates as a result of directed payments.

Stipulates that the requirements set forth in the bill are repealed if CMS notifies AHCCCS that the hospital assessment is no longer eligible for federal financial participation and requires AHCCCS to refund any monies remaining in the Fund to hospitals in proportion to the amounts paid by each hospital and lists additional requirements.

Makes technical and conforming changes.
Cobb Floor Amendment

House of Representatives Amendments to H.B. 2668

(Reference to printed bill)

Page 1, line 29, strike "HOSPITAL UNREIMBURSED COSTS" insert "HEALTH CARE FINANCIAL STABILIZATION"

Line 34, after the second quotation mark insert ":

(a)

Between lines 37 and 38, insert:

"(b) DOES NOT INCLUDE DIRECTED PAYMENTS MADE PURSUANT TO THIS ARTICLE OR PAYMENTS MADE THROUGH THE PEDIATRIC SERVICES INITIATIVE PURSUANT TO 42 CODE OF FEDERAL REGULATIONS SECTION 438.6(c)."

Line 43, after "REVENUES" insert ". DISCHARGES OR BED DAYS"

Page 2, between lines 11 and 12, insert:

"D. THE DIRECTOR SHALL PRESENT ANY CHANGE TO THE HOSPITAL ASSESSMENT METHODOLOGY TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW."

Reletter to conform

Line 14, strike "ACCESS" insert "INVESTMENT"

Line 31, strike "access" insert "investment"

Lines 32 and 37, strike "ACCESS" insert "INVESTMENT"

Page 3, line 1, after the first "TO" strike remainder of line

Strike line 2, insert "INCREASE BASE REIMBURSEMENT RATES FOR SERVICES REIMBURSED UNDER THE ADMINISTRATION'S DENTAL FEE SCHEDULE AND PHYSICIAN FEE SCHEDULE, NOT INCLUDING THE PHYSICIAN DRUG FEE SCHEDULE, TO"

Between lines 12 and 13, insert:

"C. THE ADMINISTRATION SHALL DEVELOP A PROCESS TO ENSURE THAT CONTRACTORS PASS THROUGH DIRECTED PAYMENTS TO ELIGIBLE PROVIDERS IN A
TIMELY MANNER. CONTRACTORS MAY NOT REDUCE CONTRACTED RATES AS A RESULT OF DIRECTED PAYMENTS."

Reletter to conform

Page 3, line 13, strike "ACCESS" insert "INVESTMENT"

Line 23, after "MONIES" insert "IN"; strike "ACCESS" insert "INVESTMENT"

Line 30, strike "ACCESS" insert "INVESTMENT"

After line 37, insert:

"Sec. 4. Conditional repeal; refund; notice

A. Title 36, chapter 29, article 7, Arizona Revised Statutes, as added by this act, is repealed as of the effective date for which the centers for medicare and medicaid services notifies the Arizona health care cost containment system administration that the centers for medicare and medicaid services has made a final determination that the hospital assessment established pursuant to section 36-2999.72, Arizona Revised Statutes, as added by this act, is no longer eligible for federal financial participation. The administration shall refund any monies remaining in the health care investment fund established by section 36-2999.73, Arizona Revised Statutes, as added by this act, to hospitals in proportion to the amounts paid by each hospital. The refund amount shall be reduced for any authorized expenditures associated with a period for which the hospital assessment is eligible for federal financial participation.

B. The administration shall notify in writing the director of the Arizona legislative council of this date."

Amend title to conform

REGINA E. COBB