To:      DHS Employees and Interested Persons
From:   Department of Health Services Legislative Affairs
Date:   July 24, 2008
Re:     2008 Legislative Session - Budget and Bill Summary

After 166 days and a looming state government shut-down a few days away, the 48th Legislature 2nd Regular Session finally adjourned on June 27th. Due to economic conditions such as the nation-wide housing crisis, rising gas prices, and a decline in state revenues, Arizona was faced with almost a $2 billion deficit, the largest of any state in the country. By all accounts it was one of the more grueling sessions in recent time because of the sluggish economy.

It is too soon to grasp the full impact of some of the budget reductions that had to be made to balance the state budget, but it is important to note that a great deal of consideration was given to the importance of state services to Arizona as these reductions were considered.

This document provides a summary of the FY 2008 budget adjustment, the FY 2009 budget and legislation that specifically impacts the Department of Health Services and health care in general. The general effective date for the laws of the 2008 Session is September 26, 2008.

Please feel free to contact DHS Legislative Affairs at 602-542-1032 if you need more detailed information or have any questions.
During the 2008 legislative session, the Legislature passed legislation to reduce spending by $1.37 billion in FY 2008 and $1.95 billion in FY 2009 to balance the state budget. Efforts were made to minimize the impact of these budget reductions. Some of the budget highlights from the FY 2008 budget adjustment and FY 2009 budget include:

- $56.6 million was appropriated in FY 2008 and FY 2009 for increases in Behavioral Health Services due to enrollment and inflation considerations, as well as to address case manager expansion and home based support services.
- ($25.0) million was cut from operating budgets in FY 2008 and FY 2009.
- ($39.0) million was transferred from existing funds to the General Fund in FY 2008 and FY 2009.

<table>
<thead>
<tr>
<th>Bill #</th>
<th>Chapter</th>
<th>Short Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 2620</td>
<td>53</td>
<td>BUDGET; FISCAL 07-08; ADJUSTMENTS</td>
</tr>
<tr>
<td>HB 2209</td>
<td>285</td>
<td>GENERAL APPROPRIATIONS ACT; 2008-2009</td>
</tr>
<tr>
<td>HB 2210</td>
<td>286</td>
<td>BUDGET RECONCILIATION; CRIMINAL JUSTICE</td>
</tr>
<tr>
<td>HB 2211</td>
<td>287</td>
<td>BUDGET RECONCILIATION; EDUCATION</td>
</tr>
<tr>
<td>HB 2275</td>
<td>288</td>
<td>BUDGET RECONCILIATION; HEALTH</td>
</tr>
<tr>
<td>HB 2278</td>
<td>289</td>
<td>CAPITAL OUTLAY; FISCAL YEAR 2008-2009</td>
</tr>
<tr>
<td>HB 2391</td>
<td>290</td>
<td>BUDGET RECONCILIATION; GENERAL REVENUES</td>
</tr>
<tr>
<td>HB 2462</td>
<td>291</td>
<td>BUDGET RECONCILIATION; BUDGET PROCEDURES</td>
</tr>
</tbody>
</table>

Chapter 53, HB 2620
Short Title: BUDGET; FISCAL 07-08; ADJUSTMENTS
Sponsor: Representative Boone
Makes $1.37 billion in adjustments to the FY 2008 budget, including a withdrawal of $487 million from the Rainy Day Fund, transferring $297 million from existing funds to the general fund, postponing a $272 million payment to schools until fiscal 08-09 and reducing state agency operating budgets by $311.5 million.

The impact to DHS includes:

State Agency Operating Budget Adjustments
- $25.2 million expenditure authority for Behavioral Health Services supplemental funding.
- ($4.9 million) lump sum reduction of General Fund

Transfer of Existing Funds to the General Fund
- ($32.1 million)
Chapter 285, **HB 2209**

**Short Title: GENERAL APPROPRIATIONS ACT; 2008-2009**

**Sponsor: Representative Burns**

This is the “feed’ bill for the entire FY 2008-2009 state budget. The FY 2009 Budget estimates the receipt of $9.98 billion of ongoing and one-time revenues and a FY 2009 General Fund budget of $9.9 billion. The budget provides for a total of $1.95 billion to balance the projected FY 2009 cash shortfall. The source of the $1.95 billion reduction includes the following:

- $343.2 million in agency spending reductions.
- $359.4 million in fund transfers.
- $527.0 million in debt financing of school construction.
- $330.0 million in K-12 rollover.
- $106.0 million shift from DPS General Fund costs to the Highway User Revenue Fund.
- $187.0 million decrease in new school construction and $66.3 million reduction in building renewal for existing schools.
- $50 million by counting non-lapsing funds in the ending balance.
- $23.9 in miscellaneous other changes.

The impact to the FY 2009 DHS budget includes:

**State Agency Operating Budget Adjustments**

**$50.7 million increased funding**

- $50.2 million for BHS caseload, inflation and utilization expenditure over the FY 2008 baseline.

- $500,000 from the EMS Operating Fund for an expansion of the Primary Care Loan Repayment Program. The additional funds may allow for as many as 40 additional contracts increasing the total to more than 66 for primary care physicians, physician assistants, nurse practitioners and dentists providing new services in underserved areas.

- $147,000 from the EMS Operating Fund to increase funding for Child Fatality Review Teams. This statewide community-based program conducts reviews of circumstances surrounding child deaths and develops recommendations for public policy and community education to help prevent deaths in the future. In recent years, some local groups have recently suspended the reviews due to the lack of funding. An increase in funding will help cover more of the costs for the program so every case will continue to be reviewed.

**($11.4 million) for specific program reductions**

- $1,500,000 from the elimination of the Abstinence Education Program. There are community based abstinence education projects that are directly funded by the federal Department of Health and Human Services that continue to exist. In addition, some
evidence-based teen pregnancy prevention projects will continue through lottery funds.

- $200,000 from the suspension of the Modular Dental Program. This will result in no new contracts being issued in FY 2009. The program has typically provided one contract for a modular dental unit in each of the previous years.

- $250,000 from a reduction in funding to the Poison Control Centers. Efficiency measures are underway to ensure the level of service is not significantly impacted.

- $605,000 from a reduction of Behavioral Health Contract Compliance positions. This will have no effect on current personnel, but will prevent filling vacant positions in the future.

- $501,500 from a suspension of the Women’s Services program. This will end state funding of organizations whose primary mission is to help women seeking alternatives to abortion. These organizations existed prior to when state funding began in FY07, and are expected to continue without state funding.

- $500,000 from a rollback of the Youth Meth Prevention Funding. There is funding through the Regional Behavioral Health Authorities (RBHA) for youth meth prevention that will continue.

- $330,300 from the suspension of County Nutrition Programs. This reduction will eliminate nutritional education for low-income third grade students in 11 counties.

- $1 million from the Arizona Community Treatment and Protection Center. Due to a decline in patient population, this reduction should have no impact on services.

- $250,000 from the suspension of Crisis Intervention Training (CIT) Grants. In lieu of this special line item funding, DHS is working on alternative activities to address CIT needs.

- $226,600 from the suspension of general funds for Health Start. This will have a nominal effect on services as the program is primarily funded through lottery dollars.

- $270,000 from a reduction to State Laboratory services. This reduction will result in some staffing shifts and some slight delays in test results. Federal grants funds will ensure that critical instruments and reagents are still maintained.

- $1,635,100 for a one-year delay in a lease payment for construction of the new Arizona State Forensic Hospital. The construction schedule should not be impacted.

- $1.5 million suspension of Community Health Centers funding. There still remains more than $13 million in the budget for sliding fee scale assistance.
$500,000 from the Health Crisis Fund. The statutory adjustment is found HB 2275. There will still be another $500,000 available for public health emergencies.

$2 million for the suspension of the FY 2008 vaccine increase. There will still be enough vaccine funds available to fulfill the need for school mandated vaccines for children.

$300,000 for the suspension of the Valley Fever Program. The program is completing its first year and strategic plan with the expectation of resuming efforts in future years.

$800,000 for a reduction from the Arizona State Hospital land earnings fund in lieu of a like payment from the General Fund. There will be no impact to programs in FY 2009.

$600,000 for a reduction to the Division of Licensing; offset by a fee increase for licensed health care facilities.

($8.65 million) for lump sum agency reductions

$320,500 for renal and non-renal disease management and the kidney transplant medication program. This will eliminate the state funds for dental and nutritional services for patients that are not covered by Medicare Part D benefits. In addition, there will be no funding available for supplemental medications for kidney transplant patients.

$100,000 for a reduction in the Hepatitis Program. The surveillance activities will not be impacted, but this reduction will eliminate the Hepatitis A & B vaccination program for the underinsured. These patients will need to private pay for the vaccine.

$114,900 for a reduction in County Prenatal Services. This will result in a 10% cut in funding to each county health department to provide maternal and child health services.

$200,000 for a reduction in County Tuberculosis Provider Care and Control. This reduction will require counties to prioritize activities and may result in fewer resources to evaluate contacts of TB cases.

$200,000 for a reduction in County Public Health. Four counties will be receiving less funding for general public health activities.

$200,000 for a suspension of High-Risk Perinatal funding. This reduction will have a small impact on services and a few of the contracts with providers.

$300,000 for a suspension of Diabetes Prevention. There will be enough state funds still available to continue some prevention efforts through a federal program with matching funds.
• $332,800 for a reduction of Well-Women Health Check funding. There will be minimal impact to direct program services and reductions will be made to marketing budgets, vacancy and salary savings and eliminating professional development training.

• $500,000 for a reduction to Non-Title XIX Children’s Behavioral Health. This will result in some clients receiving fewer services.

• $500,000 for a reduction of excess funds for Seriously Emotionally Handicapped Children. Claims will be covered by other funds so services will not be disrupted.

• $1 million for a reduction to Non-Title XIX Substance Abuse. This will result in some clients receiving fewer services.

• $3,027,500 for a reduction to Vaccines. There will still be enough vaccine funds available to fulfill the need for school mandated vaccines for children.

• $116,300 for reductions in STD Control Subventions, Assurance and Licensure and the Arizona Statewide Immunization Information System.

• $1,217,800 for services and equipment of Behavioral Health, Public Health, Family Health and Administration.

• $285,000 for Public Health/Family Health Operating. Critical services will not be impacted and the savings will be as result of keeping positions vacant and reducing operating expenses.

• $100,000 for Farmer’s Market Coupons. Approximately 275 coupons per month will no longer be issued.

($6.95 million) for transfers of others funds to the general fund
• $1 million from the Intergovernmental Agreement Fund.
• $1 million from the EMS Operating Fund. The base level funding from FY 2008 should be available and not impact operations in FY 2009.
• $4 million from the Indirect Cost Fund.
• $750,000 from the Substance Abuse Fund. It is likely that the ongoing revenues received by this fund will offset the impact of the sweep or have a minimal effect on current clients.

Chapter 286, HB 2210
Short Title: BUDGET RECONCILIATION; CRIMINAL JUSTICE
Sponsor: Representative Burns
Makes statutory and session law changes related to criminal justice in the FY08-09 budget. There is no direct impact to DHS.
Chapter 287, HB 2211
Short Title: BUDGET RECONCILIATION; EDUCATION
Sponsor: Representative Burns
Makes statutory and session law changes related to K-12 and higher education in the FY08-09 budget. There is no direct impact to DHS.

Chapter 288, HB 2275
Short Title: BUDGET RECONCILIATION; HEALTH
Sponsor: Representative Hershberger
Makes statutory and session law changes related to health and welfare issues for the FY08-09 budget. The provisions impacting DHS include:
- Stipulates that Title XIX adults without dependent children are redetermined for eligibility every six months instead of twelve. This may decrease the number of adults receiving Title XIX services.
- Continues the 86% contribution rate for inpatient defendant restoration to competency treatment from Maricopa and Pima counties.
- Stipulates that $500,000 be deposited into the Health Crisis Fund in FY 2009. This fund typically receives $1 million each year.

Chapter 289, HB 2278
Short Title: CAPITAL OUTLAY; FISCAL YEAR 2008-2009
Sponsor: Representative Hershberger
Makes various appropriations for capital expenditures in the FY08-09 budget. There is no direct impact to DHS.

Chapter 290, HB 2391
Short Title: BUDGET RECONCILIATION; GENERAL REVENUES
Sponsor: Representative Hershberger
Makes statutory and session law changes related to general revenues in the FY08-09 budget. There is no direct impact to DHS.

Chapter 291, HB 2462
Short Title: BUDGET RECONCILIATION; BUDGET PROCEDURES
Sponsor: Representative Burns
Makes statutory and session law changes related to budgeting procedures for the FY08-09 budget. The provisions impacting DHS include:
- Increases the amount deposited into the information technology fund from .15 to .20 percent of payroll. The increased contribution rate is approximately $40,000.
- Allows DHS to raise fees to collect no more than $600,000 in FY 2009 for services it provides. This provision is exempt from rulemaking requirements. The intent is to raise fees for licensed health care facilities.
Department of Health Services- 2008 Legislative Session
Legislation Signed Into Law

The effective date of legislation passed without an emergency clause is September 26, 2008

<table>
<thead>
<tr>
<th>Bill #</th>
<th>Chapter</th>
<th>Short Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>HB 2705</td>
<td>1</td>
<td>SUDAN; INVESTMENTS; BUSINESS OPERATIONS; PROHIBITION</td>
</tr>
<tr>
<td>HB 2847</td>
<td>4</td>
<td>AUTISM; COVERED BENEFIT DENIAL PROHIBITION</td>
</tr>
<tr>
<td>SB 1078</td>
<td>12</td>
<td>INFECTIOUS DISEASES; EXPEDITED THERAPY*</td>
</tr>
<tr>
<td>SB 1113</td>
<td>13</td>
<td>HIV-RELATED TESTING**</td>
</tr>
<tr>
<td>SB 1449</td>
<td>17</td>
<td>MINORS; BLOOD DONORS</td>
</tr>
<tr>
<td>SB 1049</td>
<td>22</td>
<td>SAFE HAVEN INFANTS; NOTICE</td>
</tr>
<tr>
<td>SB 1225</td>
<td>29</td>
<td>RETIREMENT; ASRS; FEDERAL CONFORMING CHANGES</td>
</tr>
<tr>
<td>SB 1229</td>
<td>31</td>
<td>DIABETES TREATMENT; SCHOOLS</td>
</tr>
<tr>
<td>HB 2521</td>
<td>52</td>
<td>BIRTH DEFECTS; FOLIC ACID SUPPLEMENTS*</td>
</tr>
<tr>
<td>SB 1141</td>
<td>55</td>
<td>DEFIBRILLATORS; GOOD SAMARITANS</td>
</tr>
<tr>
<td>SB 1329</td>
<td>58</td>
<td>AHCCCS; SELF-DIRECTED CARE SERVICES</td>
</tr>
<tr>
<td>HB 2366</td>
<td>66</td>
<td>DHS; LICENSING; ELECTRONIC LICENSING* (E)</td>
</tr>
<tr>
<td>HB 2409</td>
<td>67</td>
<td>AMBULANCE RATES; ADJUSTMENTS</td>
</tr>
<tr>
<td>SB 1356</td>
<td>87</td>
<td>INFECTION PREVENTION; ADVISORY COMMITTEE</td>
</tr>
<tr>
<td>HB 2365</td>
<td>103</td>
<td>EMERGENCY MEDICAL SERVICES; PROTOCOLS (E)</td>
</tr>
<tr>
<td>HB 2408</td>
<td>106</td>
<td>STRETCHER VANS; TRANSPORT OF PATIENTS</td>
</tr>
<tr>
<td>SB 1418</td>
<td>131</td>
<td>TOBACCO CESSATION MEDICATION; COVERAGE; AHCCCS **</td>
</tr>
<tr>
<td>HB 2410</td>
<td>135</td>
<td>OPEN MEETINGS; PUBLIC OPINIONS</td>
</tr>
<tr>
<td>HB 2507</td>
<td>136</td>
<td>POLITICAL SUBDIVISIONS; STATE ENDOWMENT INVESTMENTS</td>
</tr>
<tr>
<td>HB 2582</td>
<td>149</td>
<td>FOOD SAFETY REGULATION</td>
</tr>
<tr>
<td>HB 2254</td>
<td>173</td>
<td>FINGERPRINTING BOARD; GOOD CAUSE EXCEPTIONS</td>
</tr>
<tr>
<td>SB 1006</td>
<td>183</td>
<td>PROFESSIONAL LICENSE EXTENSIONS; MILITARY MEMBERS</td>
</tr>
<tr>
<td>HB 2036</td>
<td>203</td>
<td>STATE HOSPITAL EMPLOYEES; DISEASE TESTING</td>
</tr>
<tr>
<td>HB 2802</td>
<td>225</td>
<td>NEWBORNS; TESTING; CONFIDENTIALITY</td>
</tr>
<tr>
<td>SB 1253</td>
<td>259</td>
<td>STATE EMPLOYEES; LIVING DONOR LEAVE</td>
</tr>
<tr>
<td>SB 1407</td>
<td>264</td>
<td>ASRS; ADMINISTRATION PROCEDURES (E)</td>
</tr>
<tr>
<td>HB 2633</td>
<td>268</td>
<td>CHILDREN SCHOOL ACTIVITIES; NONINTERFERENCE</td>
</tr>
<tr>
<td>HB 2367</td>
<td>270</td>
<td>HEALTH CARE INSTITUTIONS; DEFINITIONS*</td>
</tr>
<tr>
<td>HB 2159</td>
<td>277</td>
<td>DISCIPLINARY RECORDS; OPEN TO INSPECTION</td>
</tr>
<tr>
<td>HB 2823</td>
<td>281</td>
<td>PATIENT CARE; PRESUMPTIONS</td>
</tr>
<tr>
<td>SB 1117</td>
<td>292</td>
<td>HOSPITALS; SINGLE GROUP LICENSES (E)</td>
</tr>
<tr>
<td>HB 2485</td>
<td>305</td>
<td>UNLAWFUL PUBLIC SALE OF ANIMALS</td>
</tr>
<tr>
<td>HB 2822</td>
<td>309</td>
<td>PEST CONTROL; DEPT OF ADMINISTRATION (E)</td>
</tr>
</tbody>
</table>

* Requested by DHS  
** Supported by DHS  
(E) Contains an emergency clause
Chapter 1, **HB 2705**  
Short Title: SUDAN; INVESTMENTS; BUSINESS OPERATIONS; PROHIBITION  
Sponsor: Kyrsten Sinema  
Within 180 days of the effective date of this act, managers of public funds (the state treasurer and the managers of the state's four retirement funds) shall make "reasonable efforts" to identify all companies within its investment portfolios that have contracts with or that provide goods or services to the government of Sudan.

Additionally, the state and political subdivisions must ensure that each contract entered into includes a clause that requires the contractor to certify it does not have active business operations in Sudan. Self-repeals if certain conditions are met (e.g., a declaration by the Congress or President that Darfur genocide has ended) and in no case later than July 1, 2013.

Chapter 29, **SB 1225**  
Short Title: RETIREMENT; ASRS; FEDERAL CONFORMING CHANGES  
Sponsor: Senator Pamela Gorman  
Makes numerous changes relating to the Arizona State Retirement System to conform to those made to the federal Internal Revenue Code. The changes include allowing non-spouse beneficiaries to make a direct, tax-free transfer of a death benefit to an individual retirement account or individual retirement annuity maintained in the name of the deceased for the benefit of the non-spouse beneficiary for distributions made after Jan 1, 2007.

Chapter 135, **HB 2410**  
Short Title: OPEN MEETINGS; PUBLIC OPINIONS  
Sponsor: Representative John Kavanagh  
The state's open meeting law does not apply when a member of a public body expresses an opinion or discusses an issue with the public via the media or technological means if the opinion is not directed at another member of the public body and there is no plan for the body to deliberate to take legal action on the issue.

Chapter 136, **HB 2507**  
Short Title: POLITICAL SUBDIVISIONS; STATE ENDOWMENT INVESTMENTS  
Sponsor: Representative Bill Konopnicki  
The governing body of a political subdivision, Indian tribe, public trust or other public entity may, by resolution, authorize the state treasurer to invest its trust monies in long-term endowments in equity securities. The resolution shall be of continuing effect and shall state the terms of distributions. Earnings, interest and losses shall be credited to each specific fund. Also, the members of the state Board of Investment will serve as trustees for the endowment investments.

Chapter 259, **SB 1253**  
Short Title: STATE EMPLOYEES; LIVING DONOR LEAVE  
Sponsor: Senator Bob Burns  
State employees are entitled to a leave of absence for serving as a living bone marrow or organ donor.
Chapter 264, SB 1407  
Short Title: ASRS; ADMINISTRATION PROCEDURES  
Sponsor: Senator Thayer Verschoor  
Modifies the method for determining “current annual compensation” for the purpose of purchasing credited service. Exempts the retirement plan from statutory procedures pertaining to abandoned property and establishes alternate procedures for defining and dealing with unclaimed monies in the ASRS Trust Fund and Long-term Disability Trust Fund. Also makes various changes to provisions governing transfers from one retirement system or plan to another. Appropriates $137,607 from the ASRS administration account in FY 2008-09 to the ASRS for implementation. The law became effective on June 10, 2008.

Chapter 277, HB 2159  
Short Title: DISCIPLINARY RECORDS; OPEN TO INSPECTION  
Sponsor: Representative Kirk Adams  
Personnel records of state employees shall be open for inspection unless disclosure is specifically prohibited by law. Personnel records include information regarding disciplinary actions involving employees and public officers, as well as the person’s response to a disciplinary action.

**DIVISION OF LICENSING SERVICES**

Chapter 22, SB 1049  
Short Title: SAFE HAVEN INFANTS; NOTICE  
Sponsor: Senator Linda Gray  
A fire station or a health care institution classified by the Department of Health Services as a hospital or an outpatient treatment center must post a notice at all entrances stating that it accepts newborn infants under the Safe Haven statute. There is no penalty specified if a fire station, hospital or outpatient treatment center does not post this notice.

Chapter 66, HB 2366  
Short Title: DHS; LICENSING; ELECTRONIC LICENSING  
Sponsor: Representative Rich Crandall  
This bill removes all of the manual licensing renewal processes that were required by statute that restricted that ability of the Department of Health Services to implement electronic licensing for more than 7,000 health and child care facilities. An application for an initial license or a renewal license to operate a health care institution, child care facility or child care group home may be filed in writing or electronically (formerly, only written applications were accepted). Makes several changes to statutes relating to health care institutions, child care facilities and child care group homes, including changes to the length of time licenses are valid, the information required on license applications and inspection procedures. The law became effective on April 22, 2008.

Chapter 173, HB 2254  
Short Title: FINGERPRINTING BOARD; GOOD CAUSE EXCEPTIONS  
Sponsor: Representative Jerry Weiers  
Procedures are changed regarding the granting of good cause exceptions for persons denied a fingerprint clearance card. Also, members of the Fingerprinting Board and employees of the board must have valid fingerprint clearance cards on file.
Chapter 183, SB 1006
Short Title: PROFESSIONAL LICENSE EXTENSIONS; MILITARY MEMBERS
Sponsor: Senator Jim Waring
A professional license, certificate or registration (including those issued by the Office of Special Licensing at the Department of Health Services), issued to any member of the armed forces, the National Guard or Armed Forces Reserves shall not expire while the member is serving on federal active duty and shall be extended for 180 days after the member returns from active duty. No additional costs, late fees or delinquency fees may be charged to members renewing their license, certificate or registration during the extended period of license validity. To qualify for the extension, the member must present to the licensing authority a copy of their official military orders or a written verification from their commanding officer.

Chapter 270, HB 2367
Short Title: HEALTH CARE INSTITUTIONS; DEFINITIONS
Sponsor: Representative Rich Crandall
Makes several changes in the definitions section related to health care institutions. The provisions will help ensure that statutes are consistent with current industry practices and remove outdated unnecessary statutory language.

Chapter 281, HB 2823
Short Title: PATIENT CARE; PRESUMPTIONS
Sponsor: Representative Bob Stump
Language stating a patient's surrogate who is not the patient's agent (i.e., someone who holds the patient's health care power of attorney) or guardian is not authorized to make decisions related to withdrawal of the administration of artificial food or fluids is moved from a section on surrogates' priorities to one related to surrogates' authorities.

Chapter 292, SB 1117
Short Title: HOSPITALS; SINGLE GROUP LICENSES
Sponsor: Senator Tom O'Halleran
Establishes separate criterion for a single group license for hospitals located in urban counties (defined as having a population of more than 500,000 people) and separate criterion for hospitals located in rural counties (defined as having a population of less than 500,000 people). Hospitals in urban counties can include all of their satellite facilities under their main hospital license if those facilities are located within a ½ mile of the main hospital and can also include up to 10 additional facilities outside of the ½ mile on the same license. Hospitals in rural counties can include all of their satellite facilities under their main hospital license if those facilities are located within 35 miles of the main hospital and can also include up to 10 additional facilities outside of the 35 miles on the same license.

Until Oct 1, 2008, a hospital for which operations have been terminated for fewer than 120 days may be relicensed pursuant to standards applicable under its most recent license. The law became effective on June 27, 2008.
DIVISION OF BEHAVIORAL HEALTH SERVICES

Chapter 4, **HB 2847**
Short Title: AUTISM; COVERED BENEFIT DENIAL PROHIBITION
Sponsor: Representative Bill Konopnicki
This act is known as “Steven’s Law”. Beginning July 1, 2009, health care insurers and disability insurers are prohibited from denying covered benefits or imposing dollar limits, deductibles or coinsurance provisions solely based on a diagnosis of autism spectrum disorder. Some policies are exempted (e.g. those written for an individual or a small employer). Coverage for behavioral therapy is limited to $50,000 per year for a person under the age of 9 and $25,000 per year for a person between 9 and 16 years of age.

Chapter 58, **SB 1329**
Short Title: AHCCCS; SELF-DIRECTED CARE SERVICES
Sponsor: Senator Carolyn Allen
Allows a member of the Arizona Long term Care System (ALTCS) to hire another person to provide self-directed attendant care services for reimbursement that would otherwise be considered within the scope of nursing care if: a) the person receiving these services is in stable condition, is not a resident in a medical facility, and is competent to give directions to the attendant, b) the person receiving these services has a functional disability and requires a service that could have been performed by that person except for the disability, and c) the attendant offers only services that are prescribed by the AHCCCS Administration by rule.

Chapter 203, **HB 2036**
Short Title: STATE HOSPITAL EMPLOYEES; DISEASE TESTING
Sponsor: Representative Jackie Thrasher
An employee or volunteer of the state hospital or the employing agency may petition the court for an order authorizing testing of a state hospital patient for HIV, common blood borne diseases or other specified diseases if there are reasonable grounds to believe the patient exposed the employee to the disease.

Chapter 268, **HB 2633**
Short Title: CHILDREN SCHOOL ACTIVITIES; NONINTERFERENCE
Sponsor: Representative Rick Murphy
The Department of Economic Security is required to make "every reasonable effort" to not remove a child who is placed in out-of-home care from school for appointments or other activities not related to school.

DIVISION OF PUBLIC HEALTH SERVICES

Chapter 12, **SB 1078**
Short Title: INFECTIOUS DISEASES; EXPEDITED THERAPY
Sponsor: Senator Carolyn Allen
This bill provides health care providers with the option of utilizing of expedited therapy as part of their medical practice. Expedited therapy allows medical providers to prescribe and dispense medications to contacts of patients with communicable diseases for treatment without a physical exam. This is a very important public health tool since certain communicable
diseases (i.e. pertussis, meningitis, influenza, sexually transmitted diseases, scabies, plague, and hemophilus influenza b, etc.) require that contacts receive immediate prophylactic treatment in order to prevent infection and ongoing transmission. In the setting of communicable diseases, this practice can act as a preventative measure while also stopping further transmission.

Arizona law currently prohibits the use of expedited therapy. SB 1078 grants the authority to use expedited therapy under certain conditions.

Chapter 13, **SB 1113**  
**Short Title:** HIV-RELEATED TESTING  
**Sponsor:** Senator Carolyn Allen  
This bill makes a number of changes to the existing statutes pertaining to HIV-related testing. It deletes the requirement for specific written informed consent for HIV testing in certain health care settings and provides that in all health care settings oral consent is sufficient. Provides that effective consent requires written or oral information explaining HIV infection and the meaning of a positive test result, and indicating that the patient may ask questions and decline testing; and continues to allow for the performance of an HIV test on an anonymous basis at a public health agency.

These changes are intended to increase HIV screening of patients, foster early detection of HIV infection, identify persons with unrecognized HIV infection and link them to prevention services, and reduce perinatal transmission of HIV.

Chapter 17, **HB 1449**  
**Short Title:** BLOOD DONORS; MINORS  
**Sponsor:** Senator Robert Blendu  
Allows a minor who is 16 or 17 years-old to consent to donate blood if parental consent is obtained.

Chapter 31, **SB 1229**  
**Short Title:** SCHOOLS; PUPILS WITH DIABETES  
**Sponsor:** Senator Carolyn Allen  
Governing boards of school districts and charter schools may adopt policies and procedures for pupils with diabetes to permit them to manage their diabetes while in class, anywhere on school grounds or at school-sponsored events. The pupil's parent/guardian must annually submit a diabetes management plan authorizing the pupil to carry the necessary medication and equipment for its administration. Schools may also adopt policies to designate voluntary diabetes care assistants trained to administer glucagon in an emergency situation.

Chapter 52, **HB 2521**  
**Short Title:** BIRTH DEFECTS; FOLIC ACID SUPPLEMENTS  
**Sponsor:** Representative Nancy Barto  
The Folic Acid Education and Distribution Program at the Department of Health Services may authorize entities in addition to the local health departments to distribute folic acid supplements to women of childbearing age. HB 2521 will enable DHS to contract with community-based organizations so the program can reach low income populations that do not use the county
health department’s services. In addition, the legislation allows DHS to share information from the Chronic Disease Birth Defect Registry program with the Arizona Early Intervention program within the Department of Economic Security so they may notify these families of children with birth defects of services that may be available and organizations that also provide services and support.

Chapter 55, SB 1141
Short Title: DEFIBRILLATORS; GOOD SAMARITANS
Sponsor: Senator Barbara Leff
The list of persons and entities who are not subject to civil liability for personal injury resulting from an act or omission that does not amount to willful misconduct or gross negligence is expanded to include a good Samaritan, defined as someone who uses an automated external defibrillator to render emergency care or assistance in good faith and without compensation at the scene of a life-threatening emergency.

Chapter 67, HB 2409
Short Title: AMBULANCE RATES; ADJUSTMENTS
Sponsor: Representative Bob Stump
Changes the ambulance rate formula set by DHS so rising gasoline costs are factored into the ongoing rate adjustments using the Consumer Price Index. This is in lieu of ambulance companies needing to periodically make requests for the rate adjustments for rising fuel costs.

Chapter 87, SB 1356
Short Title: INFECTION PREVENTION; ADVISORY COMMITTEE
Sponsor: Senator Tom O’Halleran
A 15-member Infection Prevention and Control Advisory Committee staffed by the Department of Health Services and chaired by the director is established to review federal and state efforts to address the problem of community and health care associated infections and to recommend best practices for their prevention and control. The committee must submit a report to the governor and Legislature by December 31, 2009. The committee sunsets on October 1, 2010.

Chapter 103, HB 2365
Short Title: EMERGENCY MEDICAL SERVICES; PROTOCOLS
Sponsor: Representative Rich Crandall
The list of standards and criteria for the quality of emergency patient care that the emergency medical services council must recommend to the Department of Health Services is expanded to include standards to allow an ambulance to transport a patient to a health care institution that is licensed as a special hospital and that is physically connected to an emergency receiving facility. DHS may authorize state trauma registry data to be used by persons or entities for study and evaluation purposes. DHS is required to provide quarterly trauma system data reports to designated trauma centers that have contributed data for the report. Membership of the Trauma Advisory Board is expanded to include 4 additional members from specified health care provider organizations. The law became effective on April 28, 2008.
Chapter 106, HB 2408  
Short Title: STRETCHER VANS; TRANSPORT OF PATIENTS  
Sponsor: Representative Bob Stump  
Clarifies that a stretcher van may be used for medical transport of persons who do not require medical monitoring while enroute to the destination. However, a stretcher van or wheelchair van may not be used for medical transport of a person who is being medically monitored at the sending facility and will continue to be medically monitored at the destination facility.

Chapter 131, SB 1418  
Short Title: TOBACCO CESSATION MEDICATION; COVERAGE; AHCCCS  
Sponsor: Senator Barbara Leff  
Beginning October 1, 2008, AHCCCS may provide nicotine replacement therapies and tobacco use medications to eligible members. The state match to cover the cost for the expanded benefit will be paid for using DHS Tobacco Education and Prevention Program funds through an intergovernmental agreement with AHCCCS.

Chapter 149, HB 2582  
Short Title: FOOD SAFETY REGULATION  
Sponsor: Representative Bob Stump  
HB 2582 clarifies that commercially prepackaged food offered by a vendor or a child care facility and food prepared in a private home for occasional sale or distribution for noncommercial purposes are exempt from food safety regulations established by DHS. The legislation also clarifies a statute passed a few years ago to allow for the regulation of commercially prepackaged food and drink that is not potentially hazardous. This clarification was necessary to ensure that food inspectors were not prohibited from removing non-hazardous foods from restaurants already being regulated (such as packaged salad, etc.)

Chapter 225, HB 2802  
Short Title: NEWBORNS; TESTING; CONFIDENTIALITY  
Sponsor: Representative John Nelson  
Codifies a confidentiality provision currently in rule into statute so that newborn screening test results are subject to existing laws regarding confidentiality of genetic testing. Stipulates that the DHS Arizona State Laboratory is designated as the only testing facility for the program.

Chapter 305, HB 2485  
Short Title: UNLAWFUL PUBLIC SALE OF ANIMALS  
Sponsor: Representative Jim Weiers  
In a county with a population of 800,000 or more, it is a class 2 (mid-level) misdemeanor to sell animals on a public highway, park or adjacent public property or on commercial private property without express consent of the owner or lessee. Exceptions for retail sales by a pet store, sales by nonprofits like the humane society, and sales of horses and mules at auctions or rodeos. The fine for violating this law cannot exceed $50.

Chapter 309, HB 2822  
Short Title: PEST CONTROL; DEPARTMENT OF AGRICULTURE  
Sponsor: Representative Rich Crandall  
The Structural Pest Control Commission is eliminated, and regulation of pest control is moved to a newly established Office of Pest Management under the jurisdiction of the Department of
Administration. The Office succeeds to the powers and duties of the Commission. Prior to the passage of this legislation, there had been concerns in the public health community surrounding new pesticide certification requirements were adopted by rule in 2007. HB 2822 contained a provision exempting employees of political subdivisions that addressed this issue. The law became effective on July 7, 2008.