



2018⁰⁰⁰ LEGISLATIVE REPORT

ARIZONA MEDICAL ASSOCIATION



The 53rd Legislature – 2nd Regular Session

was one for the history books. Not in the sense of hitting any statistical milestones, but for its dramatic start (a special session on opioids), internal turmoil (sexual harassment investigation and ultimate expulsion of a member), and forced-spending finish (the #RedforEd teacher walkout). Session convened on January 8, 2018 and adjourned Sine Die on May 4, 2018.





The Opioid Epidemic

Just two weeks into the legislative session, Governor Doug Ducey called a special legislative session to address the opioid epidemic. The special session was an exhausting four-day sprint, marked by strong bipartisan support in the Senate and House for [SB 1001](#) (controlled substances; regulation; appropriation), the Arizona Opioid Epidemic Act. The governor signed the bill the next morning. Votes were unanimous in both chambers; 30-0 in the Senate and 58-0 in the House. Amendments to the bill during the process made improvements and added protections for patients and physicians that the Arizona Medical Association (ArMA) saw as essential. Several lawmakers shared concerns about the bill, noting throughout the special session that the regulations risked placing burdensome requirements on doctors and encroaching on the doctor-patient relationship. Lawmakers in each chamber described the vote as an important first step; many acknowledged that the work is not finished.

ArMA was very engaged over the last year in the governor’s stakeholder process and actively advocated for physicians, and their patients as the recommendations took form in this legislation. ArMA’s hard-working advocacy team worked around the clock in the weeks leading up to and during the special session, to address this very complex and at times emotional public policy issue. We fought for physicians and patients from start to finish, and we were able to ensure that vital policy considerations were included in this legislation.

In collaboration with our advocacy team’s testimony in Health Committee hearings, Dr. Bill Thompson and Dr. Julian Grove provided expertise and answered extensive questions related to: the opioid crisis, policies that got us to where we are today, root causes, solutions, pain specialist consult aspects, and how feasible the e-prescribing deadlines will be.

Since SB 1001 was enacted, ArMA has continued to be an active stakeholder, working with the governor’s office, legislators, Arizona Department of Health Service (ADHS), our state Medicaid program (AHCCCS), and the impacted regulatory boards, to ensure the opioid legislation is implemented in the best way possible.

SB 1001, the Arizona Opioid Epidemic Act, is an omnibus bill dedicated to curbing the opioid crisis. The legislation establishes requirements and certain limitations regarding the prescribing, administration and dispensing of Schedule II opioids. In addition to [SB 1001](#) (Yarbrough; Active Support), there were three trailer bills: [HB 2548](#) (Carter; Active Support), [HB 2549](#) (Carter; Active Support) and [HB 2633](#) (Cobb; General Support). The language of each individual bill can be seen by clicking on the hyperlinks.

The following is a combined summary of all four bills.

THE ARIZONA OPIOID EPIDEMIC ACT

1. Five-day Limit on Initial Opioid Prescriptions

Limits the initial prescription for a patient for a Schedule II controlled substance that is an opioid to no more than a five-day supply, except an initial prescription for a schedule II controlled substance that is an opioid following a surgical procedure is limited to no more than a 14 day supply.





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An initial prescription is defined as:

"A prescription for a Schedule II controlled substance that is an opioid that has not covered any portion of the past sixty days before the date the pharmacy dispenses the current prescription as evidenced by the controlled substances prescription monitoring program's (CSPMP) central database tracking system."

Exceptions to the initial prescription limitations apply if the patient:

- Has an active oncology diagnosis.
- Has a traumatic injury, not including a surgical procedure.
- Is receiving hospice care.
- Is receiving end-of-life care.
- Is receiving palliative care.
- Is receiving skilled nursing facility care.
- Is receiving treatment for burns.
- Is receiving medication-assisted treatment for a substance use disorder.
- Is an infant who is being weaned off opioids at the time of hospital discharge.

2. 90 MME Dosage Limits

Prohibits healthcare providers from issuing a new prescription for a schedule II controlled substance that is an opioid that exceeds 90 MMEs per day.

The 90 MME limitation **does not** apply to:

- A continuation of a prior prescription order that was issued within the previous 60 days.
- An opioid with a maximum approved total daily dose in the labeling as approved by the United States FDA.
- A prescription that is issued following a surgical procedure and is limited to not more than a 14-day supply.

- A patient who:
 - » Has an active oncology diagnosis.
 - » Has a traumatic injury, not including a surgical procedure.
 - » Is receiving hospice care.
 - » Is receiving end-of-life-care.
 - » Is receiving palliative care.
 - » Is receiving skilled nursing facility care.
 - » Is receiving treatment for burns.
 - » Is receiving medication-assisted treatment for substance use disorders.
 - » Is hospitalized.

A new prescription above 90 MME may be issued to a nonexempt patient after first consulting with a physician who is board-certified in pain, or an opioid assistance and referral call service that is designated by ADHS. If the opioid call service agrees with the higher dose, the health professional may issue a prescription for more than 90 MME. If the consulting physician is not available within 48 hours of the request, the healthcare professional may prescribe and subsequently have the consultation; teleconference consultation is permissible. Physicians who are board-certified in pain may issue a prescription order above 90 MME without a consultation. If a patient is issued a new prescription above 90 MME per day, the prescriber must also prescribe Naloxone or other opioid antagonists.



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Also, in response to the opioid epidemic, the Arizona Department of Health Services, in conjunction with the Poison and Drug Information Centers in Arizona, has launched a 24/7 hotline which provides free, real-time consultations for clinicians with complex patients with pain and opioid use disorder. OARLine: **Opioid Assistance + Referral Line for Arizona Providers: 1-888-688-4222**

Additional Resources:

- [Poison Control – Tucson](#)
- [Poison Control – Phoenix](#)

3. Prohibits Dispensing of Opioids

Prohibits healthcare professionals from dispensing Schedule II controlled substances that are opioids and establishes violations as an act of unprofessional conduct. The law allows healthcare professionals to dispense an opioid that is an implantable device or that is for medication-assisted treatment for substance use disorders.

4. New CME Requirements – three hours of opioid education

Physicians (as well as other prescribers) who have a DEA registration number and are renewing their licenses are required to complete three hours of opioid-related, substance use disorder-related or addiction-related continuing medical education as part of the required CME hours.

Currently, a comprehensive course is [available for free to all Arizona prescribers](#) through the University of Arizona Office of Continuing Medical Education.

5. Medical Education – three hours of opioid education

Requires a student enrolled in a public or private medical program in this state and whose intended degree may make the student eligible for a United States DEA registration to take at least three hours of opioid-related clinical education.

6. Controlled Substances Prescription Monitor Program (CSPMP)

Eliminates the exemption that allows a health professional to not check the CSPMP if prescribing no more than a five-day supply when the CSPMP has been reviewed in the last 30 days.

For more information regarding prescriber mandates, please see the [CSPMP](#). For an FAQ about the Opioid Epidemic Act, [click here](#).

7. Pharmacy Related Issues

Specifies that a pharmacist is not required to verify a prescription's exemption status with the prescriber. Allows a pharmacy to sell and dispense a Schedule II substance that is prescribed by a health professional who is located in another county in this state if the prescription complies with state and federal law. Permits the Arizona State Board of Pharmacy or executive director to waive red cap packaging requirements if the implementation is not feasible under certain circumstances.

8. Electronic Prescribing Required for Schedule II Opioids

- Beginning January 1, 2019, e-prescribing will be required to dispense Schedule II opioid controlled substances in a county with a population of 150,000 persons or more; exception for medically assisted treatment (MAT).
- Beginning July 1, 2019, e-prescribing will be required to dispense Schedule II opioid controlled substances in a county with a



population of less than 150,000 persons; exception for MAT.

- The Arizona Board of Pharmacy will be establishing a process to grant waivers from e-prescribing requirements due to the lack of broadband access or hardship.

9. Regulation of Pain Management Clinics

- Beginning January 1, 2019, pain management clinics will be required to meet the same licensure requirements as other Arizona Department of Health Services (ADHS) licensed healthcare facilities; additional requirements for informed consent, medical director responsibilities, annual record keeping & reporting, and physical examination requirements.
- Defines “Pain Management Clinic” as a healthcare institution or private office or clinic in which a majority of patients in any month are prescribed opioids, benzodiazepines, barbiturates or Carisoprodol, not including for medication-assisted treatment, for more than 90-days in a 12-month period.

ADHS is in the process of administrative rulemaking for implementation.

10. Prior Authorization Reforms

During this year’s special session regarding the opioid epidemic, ArMA’s advocacy team worked with the governor’s office to achieve the enactment of much needed prior authorization reforms related to acute pain, chronic pain and opioid use disorder to ensure these patients have timely access to appropriate care and treatment.

Prior to the Act, Arizona had no legislative requirements concerning the prior authorization process except for emergency services. These legislation changes include the following transparency and efficiency requirements for prior authorization regarding acute pain, chronic pain, and opioid use disorder.

- Health plans must cover at least one form of medically-assisted treatment without requiring prior authorization.
- Health plans must make available a listing of all prior authorization requirements.
 - » The listing must clearly identify the specific health care services, drugs or devices to which prior authorization requirements exist, including specific information or documentation that a provider must submit for the prior authorization request to be considered complete.
- Health plans must allow providers to access the prior authorization request electronically.
- Health plans must provide at least two forms of access to request a prior authorization and must have after-hours emergency procedures.
- Establishes maximum timeframes for decisions on prior authorizations:
 - » For urgent health care services, the authorization or adverse determination must be no later than five days.
 - » For non-urgent health care services, the authorization or adverse determination must be no later than 14 days.
- Health plans must acknowledge receipt of the prior authorization request.
- Health plans must notify providers whether the prior authorization request is granted, denied or incomplete.
 - » If the request is denied the specific reason for the denial must be included.
 - » If the request is incomplete, the provider must have the option to submit additional information. Once the information is submitted the health plan or its utilization review agent has five days to review and respond for urgent requests and 14 days



for a non-urgent request.

- Prior authorization requests are deemed granted if there is a failure to comply with the timeframes.
- Prior authorization decisions are binding and may not be rescinded once a decision is made.
 - » Provides for an exception in cases of fraud or misrepresentation.
- Allows for an appeal process in cases of denial of a prior authorization request.
- For prior authorization requests related to a chronic pain condition, health plans must honor a prior authorization approval for an approved drug for six months after the date the prior authorization was granted or the last day of the enrollee's coverage under the plan (whichever is earlier).

The information above is a summary of the major provisions of the prior authorization reform provisions contained in the Arizona Opioid Epidemic Act. The new statutes are nuanced and detailed. The statutes in their entirety can be found in [SB 1001](#) starting on page 5.

This legislation is a monumental first step in comprehensive prior authorization reform. The healthcare provider community as a whole has recognized the importance of continued prior authorization reforms. Across the board, prior authorization reforms continue to be a priority for ArMA.

11. Spending-Related Provisions

Appropriates \$10,000,000 from the state General Fund in FY 2017-18 to the Substance Use Disorder Services Fund to be administered by AHCCCS. The legislation provides that the monies not be used for persons eligible under Title XIX (Medicaid) or Title XXI (Children's Health Insurance Program) of the Social Security Act. Preference shall be given to persons with lower household incomes. AHCCCS must act as a payor of last resort.

Additionally, SB 1001 appropriates \$400,600 to ADHS for the Opioid Abuse Prevention Campaign and \$400,600 to the Arizona Attorney General – Department of Law for the purpose of awarding grants for opioid education and prevention efforts.

Other Critical Issues

Once the special session ended, the Legislature wasted little time returning to regular business, pushing legislation and the state budget through over the next several months. There was one noteworthy (and historical) exception to the regular order post-special session: on Thursday, February 1, 2018, in a dramatic turn of events, the House introduced and voted (by a 56-3 margin) on [HR 2003](#), a resolution to expel Representative Don Shooter (R-LD 13). Representative Shooter was the first Arizona legislator to be expelled in the past 27 years, the fourth in history to be removed by his colleagues, and the first Republican ever to be expelled. His removal from office came after investigators found credible evidence that he repeatedly violated the House's policy on sexual harassment.

By mid-April, there was a new and different crisis in full bloom at the Arizona Capitol, one on public (K-12) education funding – what would be labeled the #RedforEd movement. After weeks of "walk-ins," "sick-outs," salary demands, and all signs pointing to an impending teacher strike, Governor Ducey responded by announcing a K-12 funding proposal that included, among other investments, a 20% salary increase for Arizona teachers by 2020.



It took almost two weeks of intense convincing and negotiating to get the necessary votes. By early Thursday morning, May 3, 2018, Governor Ducey signed the K-12 budget bill after lawmakers worked through the night to pass a \$10.4 B spending plan that funds his promise to significantly boost teacher pay this Fall and in the following two school years. The Senate and House followed by passing and sending the governor the remaining bills in the state’s budget package.

Democrats, as well as Republicans, noted the budget had come a long way from the 1% pay raise Governor Ducey initially offered teachers back in January. By 2020, funding for teacher pay will have increased by 19% over three years – thanks to roughly \$644 M in new education funding, including \$273 M in the next budget cycle. The budget also allocated another \$100 M to restore previous cuts to public schools in funding for soft capital.

The final budget represented a 5.7% overall growth in spending from \$9.8 B in FY 2017-18, financed primarily through rosier revenue projections.

Meanwhile, after getting the education bill passed, the Legislature took action on the other budget reconciliation bills (BRBs), and among them was the health BRB, [HB 2659](#), plus the “feed” bill, [SB 1520](#). Those bills, passed by the House (34-25) and Senate (16-13), provided funding to help pay for the teacher pay hike – a fund shift that triggered an increase of \$35 M in the hospital assessment under the Arizona Health Care Cost Containment System (AHCCCS). However, through the “feed” bill, SB 1520, the Legislature gave the hospitals an AHCCCS rate hike, too. That’s something that hasn’t happened in over ten years.

The increase for inpatient and outpatient hospital rates will be 2.5 % in FY 2018-19, and per SB 1520, to be “based on hospital performance using established quality measures.” This will apply to both inpatient and outpatient rates.

The health BRB also contained more supplemental funds for critical access hospitals (through a combination of state money and matching federal funds) and carried on the distribution of funds for disproportionate share hospitals. This allows the disproportionate share hospitals to find local government partners to provide matching funds, instead of the state.

In terms of “big picture” items, the Legislature and Governor Ducey can rightfully claim successes on major initiatives like the Opioid Epidemic Act and the “20x2020” teacher pay increase, as well as passing another balanced budget. However, they shut the session down without taking action on two of Governor Ducey’s other major policy proposals for the session, a water policy overhaul and an ambitious school safety proposal.



ArMA Legislative & Government Affairs Committee (L&G Committee) uses six bill rating terms to track legislation:

- ACTIVE SUPPORT** approval of the bill; maximum effort will be made to achieve enactment
- GENERAL SUPPORT** approval of the principle of the bill; effort will be made to achieve enactment
- NO ACTION-MONITOR** no position on the bill but it will be tracked
- GENERAL NON-SUPPORT** disapproval of the bill; effort will be made to achieve defeat
- ACTIVE NON-SUPPORT** disapproval of the bill; maximum effort will be made to achieve defeat
- ACTIVE STUDY** the bill contains both supportable and opposable elements, and will be tracked



Of course, our efforts in the advocacy arena don't always result in legislation. In many cases we succeed most when we help the legislature to do no harm – convincing lawmakers that bills are unnecessary, potentially harmful, or at the least not ready for prime time.

Lastly, another point of very meaningful engagement for physicians at the Arizona Capitol was the “Doctor of the Day” program, a unique opportunity for physicians to volunteer at the Capitol during the legislative session. By the time the program wrapped up for the session, 60 physicians and 10 medical students participated in ArMA’s Doctor of the Day program. Participants represented a great mix of specialties including Internal Medicine, Family Medicine, Anesthesiology, Urology, Radiology, Ophthalmology, Psychiatry, Pediatrics, and Surgery. There were 207 encounters with legislators and five medical calls attended for legislators and/or staff.

In addition to the Doctor of the Day program, ArMA hosted two events for medical students at the Capitol. About 40 medical students from U of A Tucson, the College of Medicine Phoenix and Creighton were able to spend the day at the Capitol learning about the legislative process. The medical students had the opportunity to meet with Representatives Carter, Cobb, Powers-Hannley, Alston, and Clark, and Senators Hobbs, Bowie, Barto, and Farley, to discuss how legislative actions affect the practice of medicine. Many of the students received an impromptu guided tour of the Senate floor by Senator Sean Bowie. We look forward to upcoming medical student events at the Arizona Capitol.



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SPECIALTIES
REPRESENTED



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ARIZONA MEDICAL SCHOOLS
PARTICIPATED



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ENCOUNTERS WITH
LEGISLATORS





Legislative Tally Sheet

The remainder of this report will cover specific bills that ArMA actively monitored and engaged in throughout the session. These bills, coupled with the budget and larger policy issues reviewed later in this report, constitute the most significant examples of the over 150 bills that ArMA closely tracked during this legislative session. These key bills are divided into the issue categories used by ArMA's Committee on Legislative and Governmental Affairs to establish ArMA's advocacy positions and priorities: Public Health/Public Policy, Regulatory Boards/Regulation, and Insurance. The bill sponsor and ArMA's position are listed next to the bill title. The bill number is hyperlinked to the chaptered bill for our reader's convenience.

PUBLIC HEALTH / PUBLIC POLICY

[HB 2086](#) : SCHOOLS; DIABETES MANAGEMENT POLICIES; PHARMACISTS (Carter; Active Study)

Adds a licensed pharmacist to the health care professionals who can perform specified diabetes management functions at school.

[HB 2088](#) : PUPILS; CONCUSSIONS; PARENTAL NOTIFICATION (Carter; General Support)

Requires schools to implement policies and procedures to notify a student's parent if any person engages in threatening, harassing or intimidating conduct against that student. HB 2088 exempts school district or charter school officials and employees from civil liability for actions taken based on good faith implementation of the requirement, except in cases of gross negligence or wanton or willful neglect.

Requires a student's parent to be notified by the school in the event of a suspected concussion.

Requires schools to develop guidelines, information and forms on the dangers of heat-related illnesses, sudden

cardiac death and prescription opioid use. Requires students and parents be provided with this information prior to participating in any school athletic activity.

Directs the Arizona Department of Health Services (ADHS) to conduct a two-year concussion pilot program for physical therapists who hold a sports specialty certification and review and report regarding available health professional workforce training and education in concussion management and emergency response.

[HB 2258](#) : DIABETES; ANNUAL REPORT (Carter; General Support)

Establishes the Diabetes Action Plan Team ("Team") within ADHS consisting of various stakeholders. The Team is required to compile a report once every two years regarding the prevalence and costs of diabetes in Arizona, a plan for reducing diabetes, improving diabetes care in Arizona, and other specified diabetes-related information.

[HB 2323](#) : SCHOOLS; INHALERS; CONTRACTED NURSES (Carter; No-Action Monitor)

Allows a nurse to administer an inhaler to a student or adult, whom the person believes in good faith to be exhibiting symptoms of respiratory distress, at school or at a school-sponsored activity.

[HB 2558](#) : DRUG DISPOSAL; EDUCATION (Cobb; General Support)

Requires ADHS to enter into a public-private partnership to develop an education and awareness program regarding the disposal of prescription drugs. The legislation further pro-



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hibits a city, town or county from imposing a fee or tax on any consumer or business to pay for a Drug Disposal Program (Program) or otherwise requiring a business owner to operate a Program.

SB 1073 : ORTHOTICS; PROSTHETIC DEVICES; VALID PRESCRIPTION
(Brophy McGee; No-Action Monitor)

Provides that custom orthotic or prosthetic device requirements do not restrict a licensed health care provider from prescribing a custom orthotic or prosthetic device if the device is molded, fabricated and fitted by an authorized provider or prevent a licensed health care provider that does not meet statutory requirements from providing licensed services if they do not receive an insurance payment or reimbursement for a custom device

SB 1083 : SCHOOLS; RECESS PERIODS (S. Allen; General Support)

Requires public schools to provide at least two recess periods for students in grades K-3 and expands the requirements to K-5 in 2019.

SB 1245 : APPROPRIATION; SNAP; BENEFIT MATCH; PRODUCE
(Brophy McGee; General Support)

Appropriates \$400,000 from the state General Fund in FY 2018-19 to the Department of Economic Security (ADES) to establish a produce incentive program for Supplemental Nutrition Assistance Program (SNAP) enrollees to purchase eligible Arizona-grown fruits and vegetables at SNAP-authorized sites.

SB 1393 : DISSOLUTION; HUMAN EMBRYOS; DISPOSITION
(Barto; No-action monitor)

Outlines requirements for the court in awarding in vitro human embryos in marital dissolution proceedings. Requires the court to award the embryos as outlined if an agreement regarding disposition is brought before the court. Relieves the spouse who is not awarded the embryos from parental responsibilities. Requires a spouse

who does not consent to being a parent to provide detailed health and genetic history information about the spouse and the spouse's family.

SB 1389 : HIV; NEEDS ASSESSMENT; PREVENTION
(Brophy McGee; General Support)

Requires ADHS to establish and implement the HIV Action Program (Program). Outlines Program duties, including conducting a statewide HIV prevention and care needs assessment and analyze data from the assessment to develop and implement HIV training and education initiatives. Requires ADHS, by January 1, 2021, to provide a report to the Legislature and Executive on the outcomes of the HIV needs assessment and the Program's action plan.

REGULATORY BOARDS/REGULATION

HB 2038 : DRUG OVERDOSE REVIEW TEAMS; RECORDS
(Carter; General Support)

Requires law enforcement agencies to provide unredacted reports to a local drug overdose fatality review team on request, and stipulates the information and records obtained are confidential.

HB 2040 : PHARMACY BOARD; DEFINITIONS; REPORTING
(Carter; No-Action Monitor)

Allows the State Board of Pharmacy to issue a permit for an automatic prescription-dispensing kiosk. Prohibits automatic prescription-dispensing kiosks from containing or dispensing controlled substances.



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Expands the definition of pharmacy to include a satellite pharmacy and defines satellite pharmacy.

Allows the Board to discipline a permittee for failing to maintain effective controls against the diversion of controlled substances to unauthorized entities or persons.

Clarifies that a CSPMP reporter must report required dispensing information once each day.

HB 2043 : OCCUPATIONAL THERAPY BOARD; CONTINUATION
(Carter; No-Action Monitor)

Continues the Board of Occupational Therapy for eight years to July 1, 2026.

HB 2044 : PHYSICIAN ASSISTANTS BOARD; CONTINUATION
(Carter; No-Action Monitor)

The Regulatory Board of Physician Assistants is continued for eight years to July 1, 2026.

HB 2045 : ACUPUNCTURE BOARD; CONTINUATION
(Carter; No-Action Monitor)

HB 2045 continues the Acupuncture Board of Examiners for four years to July 1, 2022.

HB 2149 : PHARMACIES; REMOTE DISPENSING
(Weninger; No-Action Monitor)

Includes a remote dispensing site pharmacy in the definition of pharmacy. Outlines training and licensure requirements for remote dispensing site pharmacies. Allows a pharmacist who supervises and dispenses in a licensed pharmacy to supervise one remote dispensing site pharmacy and supervise up to two remote dispensing site pharmacies if the pharmacist is not simultaneously supervising and dispensing at a licensed pharmacy.

HB 2197 : HEALTH PROFESSIONAL; WORKFORCE DATA
(Carter; General Support)

Beginning January 2, 2020 each identified health professional regulatory board is required to collect from

applicants for initial or renewal licensure, certification or registration designated database information prescribed in rule by the Director of ADHS. Protects personally identifiable information.

HB 2228 : AHCCCS; ANNUAL WAIVER; APPLICABILITY
(Cook; No-Action Monitor)

Exempts American Indians and Alaskan Natives from Section 1115 Waiver work requirements and lifetime limits if they are eligible to receive care through Indian Health Services or another tribal entity.

Requires AHCCCS to apply to the Centers for Medicare and Medicaid Services (CMS) for a waiver to allow Arizona to implement a work requirement, establish a five-year lifetime limit on AHCCCS coverage, and impose cost-sharing requirements. The waiver does not include or apply to American Indians or Alaska Natives who are eligible for AHCCCS services through the Indian Health Service or through a Tribal or Urban Indian Health Program.

HB 2235 : DENTAL THERAPY; LICENSURE
(Thorpe; Active Non-Support)

HB 2235 was the result of a two-year long process involving our sister organization, the Arizona Dental Association (AzDA). ArMA initially took a position of Active Non-Support due to major concerns of the AzDA. This bill also concerned ArMA because of the scope of practice issues that



ArMA deals with year after year. As negotiations progressed during the legislative session, AzDA eventually took a neutral position on the bill.

The legislation authorizes qualified dental therapists to practice in: tribal settings and Federally Qualified Community Health Centers, other community health centers, or not-for-profit settings treating the low-income and underserved.

Outlines the education and training required to practice as a dental therapist. The measure allows a dental therapist to practice either under direct supervision or general supervision.

The bill also restricts a dental therapist from performing anything other than simple extractions of primary teeth.

HB 2250 : PHYSICIAN ASSISTANTS; PRESCRIBING AUTHORITY; DELEGATION (Carter; No-Action Monitor)

Grants physician assistants 90-day, rather than 30-day, prescription privileges for Schedule II or Schedule III drugs that are not opioids or benzodiazepines, if the physician assistants meets specified training requirements. Aligns the definition of unprofessional conduct for physician assistants to include exhibiting a pattern of using or being under the influence of alcohol or drugs or a similar substance while performing health care tasks or to the extent that judgment may be impaired and the ability to perform health care tasks detrimentally affected with other health care professionals.

HB 2256 : PODIATRISTS; EXAMINATION; REPEAL (Carter, No-Action Monitor)

Removes the jurisprudence exam as a condition for licensure as a podiatrist. Requires applications for licensure to contain an oath stating that the applicant understands all State Board of Podiatry Examiners rules and statutes.

HB 2257 : RADIATION REGULATORY BOARDS; REPEAL; DHS (Carter; No-Action Monitor)

Conforms statute to reflect the transfer of the Arizona Radiation Regulatory Agency to ADHS. Eliminates the Radiation Regulatory Hearing Board. Makes the Medical Radiologic Technology Board of Examiners an advisory committee within ADHS. Outlines enforcement actions that may be taken by ADHS and establishes civil penalties that may be assessed by ADHS.

HB 2321 : AURICULAR ACUPUNCTURE; CERTIFICATION REQUIREMENTS (Carter; No-Action Monitor)

Beginning January 1, 2019, the requirements for an auricular acupuncture certificate are modified to require an applicant to submit a full set of fingerprints to the Acupuncture Board of Examiners to obtain a state and federal criminal records check, and to require an applicant to disclose all other active and past professional health care licenses and certificates issued to the applicant in Arizona or by another state, district or territory of the U.S.





KEY LEGISLATION

HB 2322 : HEALTH INSURERS; PROVIDERS CREDENTIALING
(Carter; Active Support)

The enactment of this legislation was a high priority for ArMA. Joining forces with AOMA, the Arizona Hospital and Healthcare Association and the Health System Alliance of Arizona, after some initial resistance from the health insurers, we were able to come to an agreement on this very important issue that will bring badly-needed time limits and penalties, as well as transparency and disclosure requirements, to the way health insurers process physician credentialing and loading of their contracts for network participation. The bill requires that, effective January 1, 2019, physicians must be credentialed and loaded into the claims system by commercial insurers within 100 days of submitting a complete application. ArMA's advocacy team worked tirelessly throughout the session, leading direct communications and grassroots efforts with ArMA physician members, educating legislators, forming important alliances in the healthcare community, and engaging insurers in diplomatic discussions. They worked closely with our allies, finding strength in these important relationships and guaranteeing successful passage of this landmark bill.

HB 2322 also requires a health insurer to establish an electronic process to submit an application for credentials and adopt and implement a standard application prior to January 1, 2020. It stipulates that a health insurer must notify the applicant within seven days of receiving an application if the health insurer has determined that the application is incomplete. An application is deemed complete if the health insurer does not send a notice within the specified time period. The timelines are tolled until necessary information is received by the insurer or if there is an incomplete application. The bill allows a health insurer to recredential a provider at least once every 36 months or more frequently under specified conditions. And, it requires a health insurer to correct discrepancies



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in the provider or network plan directory within 30 days after receiving a discrepancy report from a provider.

HB 2324 : COMMUNITY HEALTH WORKERS; VOLUNTARY CERTIFICATION (Carter; No-Action Monitor)

Establishes a voluntary certification for community health workers within ADHS. The legislation sets forth the framework for ADHS when developing required rules for the administration of the certification for community health workers. The bill also establishes a nine-member Community Health Workers Advisory Council within ADHS to make recommendations regarding requirements, competencies and standards.

HB 2411 : HEALTH PROFESSIONAL LICENSING BOARDS; REVIEW (Mosley; Active Study)

Requires the Board of Homeopathic and Integrated Medicine Examiners, the Board of Dispensing Opticians, and the Board of Behavioral Health Examiners to research and compare licensing requirements of other states to make recommendations on reducing administrative burdens and streamlining the licensing application and renewal process. The bill also requires the Board of Massage Therapy to report to the legislative health committees on the number of hours required for a person to demonstrate entry-level competence to practice massage therapy.



HB 2529 : ASSISTED LIVING; REFERRALS; DISCLOSURE
(Campbell; General Support)

This bill requires a referral agency to disclose the existence of any current business relationship between the referral agency and the assisted living care facility when the referral agency receives a fee from the assisted living facility for the referral. Documentation of the disclosure is required to be signed by both the referral agency and the prospective resident. Subjects violations to a civil penalty of up to \$1,000.

● KEY LEGISLATION

SB 1034 : SUNRISE PROCESS; COMMITTEE OF REFERENCE
(Kavanagh; No-Action Monitor)

This bill became known to the advocacy team just shortly before the start of the legislative session. ArMA's advocacy team immediately went to work to amend this bill which in its original form would have gutted the sunrise process. After many hours of negotiations involving a large group of stakeholders and several legislators, we were able to reach a compromise in accordance with pre-established guiding principles to retain the patient safety protections inherent in the existing sunrise process and related scope of practice expansion applications.

SB 1034 makes a variety of procedural changes to the sunrise process. It removes a review by the Committee of Reference and instead allows for a review by the appropriate House or Senate standing committee. Changes the submission date of a sunrise application from September 1 to November 1 prior to the start of the legislative session. Allows an applicant to request an informational hearing and allows the committee to take public comment on an application at an informational hearing. The committees are prohibited from voting on whether to accept or reject an application. An applicant is permitted to introduce legislation regardless of any comments from the hearing or if the application was not heard. Makes numerous adjustments to the sunrise factors. The legislation provides that

in order to obtain regulation there must be credible evidence that unregulated practice can clearly harm or endanger the public health, safety or welfare.

SB 1100 : WORKERS' COMPENSATION; CLAIM SETTLEMENT
(Fann; No-Action Monitor)

SB 1100 changes what information must be included, and the administrative procedures required for the Industrial Commission to make a full and final settlement for worker's compensation claims. Establishes requirements for the interested parties to a claim to enter into a final settlement and release of a claim for undisputed entitlement to supportive medical maintenance benefits after the temporary disability is terminated by a final notice of claim status or an award of the Commission.

SB 1246 : BEHAVIORAL HEALTH BOARD
(Barto; No-Action Monitor)

Makes various administrative changes to the statutes related to the Board of Behavioral Health Examiners. Specifies that a motion by the Board to initiate an investigation must be made at an open and properly noticed Board meeting and must include the basis on which the investigation is being initiated. Clarifies the requirements for licensure by endorsement for a person who is licensed or certified in one or more other states or federal jurisdictions.

SB 1273 : GRRC; REVIEW; LICENSING REQUIREMENTS
(Petersen; No-Action Monitor)

Allows a person to request a review of a final rule or licensing requirement based on the person's belief that the practice, policy, rule or requirement is unduly burdensome or not necessary for public



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health, safety or welfare for any professional who is regulated by Title 32 of the Arizona Revised Statutes. The petition for review is filed with the Governor's Regulatory Review Council (GRRRC) and if GRRRC determines that the practice, policy, rule or requirement applies to a profession for which the median wage in Arizona does not exceed 200% of the federal poverty guidelines for a family of four, GRRRC is required to perform the requested review. If found that the practice, policy, rule or requirement is unduly burdensome or not necessary for public health, safety or welfare, GRRRC is authorized to modify, revise or declare void any practice, policy rule or licensing requirement.

SB 1394: DHS; REPORTING; ABORTIONS
(Barto; General Non-Support)

Expands information that must be reported to ADHS by a hospital or facility where abortions are performed: the reason for the abortion using one of the specified options, and any known medical complication from the abortion using one of the specified options. The bill adds a new category for designating the medical specialty of the physician performing the abortion, a category for the type of admission and new reporting requirements for physicians providing informed consent information. Precludes a hospital or facility from including information or identifiers that make it possible to identify a woman who obtained or sought an abortion. ADHS must include information in its statistical report on monies used by AHCCCS to pay for abortions and expenses incidental to abortions. Contains a delayed effective date of January 1, 2019.

SB 1396: GROUP HOME BEDS; MENTALLY ILL
(Barto; General Support)

By December 1, 2018, AHCCCS is required to report to specified legislative committees the current number of behavioral health residential facility beds and supportive

housing beds that are available in Arizona for adults with serious mental illness.

SB 1397: BEHAVIORAL HEALTH; DEPENDENT CHILDREN; REPORTS (Barto; No-Action Monitor)

Beginning April 1, 2019, AHCCCS is required to issue a semi-annual, rather than quarterly, financial and program accountability trends report to the governor and the legislature. The requirement for the Department of Child Safety to issue a quarterly financial and program accountability trend report to the governor and the legislature is extended two years through December 31, 2020.

SB 1451: PATIENT REFERRAL INDUCEMENTS; PROHIBITED COMPENSATION (Barto; Active Study)

SB 1451 makes it a crime for any person, including any health care provider, health care facility or sober living home to offer, pay, solicit or receive any commission or bonus or engage in any split-fee arrangement for referring patients or clients to or from a sober living home. Criminal penalties vary based on the value of the consideration.

SB 1465: SOBER LIVING HOMES; LICENSURE
(Brophy McGee; General Support)

This is an issue that the legislature has been working on for at least four years. The bill provides the statutory framework for ADHS to adopt rules to establish licensing requirements for sober



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living homes. Contains annual reporting requirements by ADHS to the appropriate House and Senate Committees on specified sober living home information.

INSURANCE

KEY LEGISLATION

HB 2042 : INSURANCE COVERAGE; TELEMEDICINE; UROLOGY (Carter; Active Support)

A priority bill for ArMA, HB 2042 expands the current requirements for health insurance policies or contracts to provide coverage for urology, pain medicine, and substance abuse provided through “telemedicine” (defined as the use of interactive audio, video or other electronic media for diagnosis, consultation or treatment), if the service would be covered were it provided through in-person consultation and if the service is provided to an insured receiving the service in Arizona. The requirement to provide telemedicine coverage for pain medicine and substance abuse applies beginning January 1, 2019, and the requirement to provide coverage for urology services applies beginning January 1, 2020.

HB 2107 : PHARMACY BENEFIT MANAGERS; PRICING (Syms; General Support)

HB 2107 stipulates that a pharmacy benefits manager cannot prohibit a pharmacy or pharmacist from providing an insured individual information on the amount of their cost share for a prescription drug and the clinical efficacy of a more affordable alternative drug if one is available. A pharmacy benefits manager cannot require a pharmacy or pharmacist to charge or collect a copayment that exceeds the total submitted charges by the network pharmacy. Federal law applies in the case of a conflict and the legislation applies to all contracts between a pharmacy benefits manager and a pharmacy or a pharmacy’s contracting representative or agent that are entered into or renewed on or after the effective date of this legislation.

SB 1064 : HEALTH INSURERS; CLAIM DISPUTE RESOLUTION (Brophy McGee; Active Support)

A trailer bill to last year’s surprise billing legislation, SB 1441, becomes effective on January 1, 2019. The bill clarifies that an enrollee may dispute a surprise out-of-network bill by filing a request with the Arizona Department of Insurance (ADOI) no later than one year after the date of service with certain conditions. Allows an enrollee’s authorized representative to participate in an informal teleconference and may participate in the arbitration in lieu of the enrollee. If the enrollee or their representative fails to attend the informal settlement conference, the conference is terminated and the enrollee, within 14 days after the first scheduled teleconference, may request ADOI to reschedule. If the enrollee does not request ADOI reschedule the teleconference, the enrollee forfeits the right to arbitrate. Requires ADOI make a determination within 15 days if a matter qualifies for arbitration. Allows for a private right of action.

SB 1111 : WORKERS’ COMPENSATION; OPIOIDS; DISPENSED MEDICATIONS (Fann; Active Study)

This piece of legislation conforms prescribing of controlled substances for individuals on worker’s compensation with the opioid reforms enacted under SB 1001. By July 1, 2019, the Industrial Commission is required to review information and data, consult with stakeholders and hold at least one public hearing in considering whether to adopt additional reimbursement guidelines for



medications dispensed in settings that are not accessible to the general public.

BUDGET RECONCILIATION BILLS THAT CONTAIN ITEMS OF INTEREST

SB 1520: GENERAL APPROPRIATIONS ACT; 2018-2019
(Yarbrough; No-Action Monitor)

The “feed bill” for FY 2018-19 includes monies for AHCCCS to increase inpatient and outpatient hospital rates by 2.5% in the FY 2018-19 based on hospital performance on established quality measures.

CONCLUSION

The 2018 legislative session proved to be a success for championing medicine’s priorities and the health of all Arizonans. The ArMA advocacy team remained dedicated to representing physicians’ concerns and positions at the legislature. Led by members of the Legislative and Governmental Affairs Committee, ArMA’s advocacy team never compromised on the guiding principles that we stand for: protecting the best interests of our physicians and their patients. Our accomplishments could not have been possible without the guidance, commitment, and support from our physician leaders and members.

For ArMA, the “big picture” accomplishments achieved were a result of holding the interests of both patients and physicians strong at the Capitol. We were able to secure

a much more “doctor-patient” friendly outcome in the face of opioid-related legislation, which included significant prior authorization reforms. Our landmark physician credentialing legislation, as well as a hard-fought compromise that preserves the essential elements of the sunrise process for health professionals, were other very significant accomplishments along with the passage and defeat of other noteworthy pieces of health care legislation. It was, in sum, another excellent session for ArMA, one marked by tremendous teamwork, great physician engagement, many victories and very few setbacks.

ArMA remains firmly committed to our work and engagement at the Arizona Legislature, advocating for physicians, the practice of medicine, patients, and the best health care system and policies in Arizona. We are always working to create relationships between physicians and policymakers so that our legislators can be fully educated and aware of the impact of their decisions on the medical community.

Your ArMA membership ensures that we can continue our work! Contact Ingrid Garvey at igarvey@azmed.org to see how you can be more involved in our advocacy efforts.



Grand Canyon Club

Make an impact in the fight to protect our profession - join ArMPAC today!

ArMPAC is a non-partisan state political action committee that provides support to physician friendly candidates. ArMPAC works to advance ArMA's mission of providing physician leadership and representation in the public forum. At this critical juncture in health care policy, the decisions our leaders make will have an immense impact on our profession and our patients for generations to come. It is more important than ever to make sure our voices are heard. Help ArMPAC be the most effective PAC working to support the house of medicine.

Make the largest impact by joining ArMPAC at the Grand Canyon level of giving or choose from one of the giving levels below—every dollar makes a difference! Complete and mail this form to P.O. Box 35159, Phoenix, AZ 85013, Fax: 602-246-1161, or make your donation at <http://azmed.org/donations>. **Personal checks payable to Arizona Medical Political Action Committee or personal credit cards only please.**

I am submitting a personal ArMPAC contribution on behalf of myself and/or my spouse and/or family members.

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- ☐ **Grand Canyon Level Contributor | \$2,500** ☐ **Platinum Level Contributor | \$1,000** ☐ **Gold Level Contributor | \$500**
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? Contact Cathy Schmidt, Associate VP of Finance (cathy@azmed.org, 602-347-6913)

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ARIZONA MEDICAL ASSOCIATION

