The 54th Legislature - 1st Regular Session was 135 days of history making. From a protracted budget struggle to the first case of measles in Arizona since 2016, this session once again demonstrated the importance of physician input in the health care policy - and political - process. Session convened January 14, 2019 and adjourned Sine Die in the early hours of May 28, 2019.
The Opioid Epidemic Continued

The Arizona Medical Association received a welcomed Valentine’s Day gift this year. On February 14th, Governor Doug Ducey signed HB 2075: *electronic prescribing; exceptions; deadlines* into law, an emergency measure retroactive to December 31, 2018. Representative Regina Cobb and Senator Heather Carter both demonstrated their leadership by advancing these identical bills on an expedited basis, bringing necessary fixes to the unintended consequences of last year’s Opioid Epidemic Act (SB 1001). Their understanding of the need for follow-up legislation to address difficulties experienced by both physicians and patients resulted in the new law extending the e-prescribing deadline for all Arizona counties to January 1, 2020.

Passed during the 2018 First Special Session, SB 1001 required prescribers in Arizona to electronically transmit prescription orders for Schedule II-controlled substances that are opioids. Although last year’s legislation granted the Arizona Board of Pharmacy statutory authority to establish a waiver process for medical practitioners who lack adequate access to broadband or face other hardships that prevent the implementation of electronic prescription orders, it was apparent that follow-up legislation was needed. In the weeks leading up to the January 1, 2019 implementation date, the Board of Pharmacy had reportedly received over 42,000 e-prescribing waiver applications.

**HB 2075 LEGISLATIVE PROVISIONS:**

1. **DELAyS THE 2019 IMPLEMENTATION REQUIREMENT FOR E-PRESCRIBING IN ALL ARIZONA COUNTIES:**

   With a retroactive date of December 31, 2018, the legislation delays the requirement for prescribers to electronically prescribe schedule II-controlled substances that are opioids until January 1, 2020.

2. **RESOLVES A STATUTORY CONFLICT FOR PHYSICIAN ASSISTANTS:**

   The legislation reinstates a Board-certified physician assistant’s ability to issue a 30-day prescription for Schedule II, III, IV, and V controlled substances that are opioids and benzodiazepines.

3. **WHEN ELECTRONIC PRESCRIBING SYSTEM IS NOT OPERATIONAL:**

   HB 2075 provides an option when an electronic prescribing system is not operational. During any period in which an electronic prescribing system is not operational or available in a timely manner, a medical practitioner may write or issue an emergency prescription order for a Schedule II controlled substance that is an opioid. The medical practitioner must indicate on the written prescription order that the electronic prescribing system is not operational or available and must maintain a record of when the electronic prescribing system is not operational or available in a timely manner.

4. **FEDERAL HEALTH CARE INSTITUTIONS:**

   A medical practitioner may write or issue (in an emergency situation) a prescription order for a Schedule II controlled substance that is an opioid for a patient from a: Veterans Administration facility, a health facility on a military base, an Indian Health Services hospital or health service facility, or a tribal-owned clinic. The prescription order must indicate that the medical practitioner provided care for a patient in any one of the previous settings.
Scope of Practice Issues

While the legislative session officially commences on the second Monday of January each year, the legislative process begins much earlier - policy negotiations and Arizona's sunrise process initiate during the fall and winter months leading up to session. The sunrise process, currently utilized by 14 states, is a statutory process which evaluates new regulation of previously unregulated health professions and scope of practice issues. This was the first year that the revamped sunrise process was utilized since the passage of SB 1034 during Arizona's 2018 legislative session. SB 1034 changed the application deadline from September 1st to November 1st, among other provisions.

The only application received by the newly implemented deadline was from the Arizona Nurses Association (AzNA), seeking prescriptive authority for clinical nurse specialists (CNS). ArMA engaged in talks with AzNA to discuss the merits of the sunrise application prior to the start of session. Through the sunrise process and during the legislative session, ArMA's Advocacy Team was able to significantly narrow the scope of the proposed bill.

CLINICAL NURSE SPECIALISTS (CNS)

HB 2068 in its original form granted prescriptive and dispensing authority in specified settings to a licensed CNS who demonstrates to the Arizona Board of Nursing that they have received the education and training equivalent to a registered nurse practitioner (RNP) and hold a national CNS certification. ArMA’s advocacy team and L&G Committee leadership negotiated with representatives of AzNA which resulted in several amendments, requiring: prescribing and dispensing authority to be within a CNS’ population or disease focus; health care institution protocols to be made in conjunction with the medical director; prescribing and dispensing of opioids and benzodiazepines to be for a patient while they are receiving care at a health care institution; and prohibiting a CNS written prescription from being filled or dispensed outside a health care facility unless the prescription is pursuant to a discharge protocol. These negotiated concessions, which substantially narrowed the bill, allowed ArMA to change its position from active opposition to neutral.

SCOPE OF PRACTICE EXPANSION FOR PHARMACISTS

To the surprise of the health care community, the Goldwater Institute and House Health and Human Services (HHS) Committee Chair Nancy Barto introduced HB 2548: pharmacists; prescribing authority; treatments. HB 2548 would have provided authority to pharmacists to prescribe and administer the following medications to persons six years of age or older:

- Administering Tuberculin skin tests and interpreting results for the purpose of referring a patient for treatment for a positive test;
- Administering tests for influenza and strep throat, and if necessary, prescribing treatment;
- Prescribing non-sedating and low-sedating antihistamines, corticosteroids, decongestants, saline, cromolyn sodium and leukotriene receptor antagonists for conditions such as asthma, sinus infections, etc.; and
- Extending routine, chronic medications that are not controlled substances for an additional 30-60 days.
Under the bill, the Arizona Department of Health Services (ADHS) was also tasked with establishing and maintaining a list of treatments that may be additionally administered by pharmacists pursuant to a prescription order. This provision was equally problematic for ArMA; the proposed bill would have allowed a potential prescribing leeway for pharmacists, ultimately to be determined by a state agency.

Another reason the legislation garnered opposition was due to the Goldwater Institute not submitting a sunrise application, which Arizona statute requires for any scope of practice expansion for health professions. Even though the sunrise process was ignored, Chair Barto nevertheless allowed the bill to be heard in committee, where it ultimately passed by a narrow party-line vote of 5-4-0-0. Thanks to testimony from Fred Kogan MD, Miriam Anand MD, and family medicine resident Mandy Boltz, combined with the vigorous questioning by House HHS committee member Dr. Amish Shah (Representative - LD24), HB 2548 garnered strong opposition and was substantially weakened as it came out of committee. This gave the ArMA Advocacy Team the opportunity to mount a comprehensive, two-front opposition strategy.

In addition to HB 2548 facing strong opposition on the House floor, in the Senate, ArMA’s lobbyist Steve Barclay was able to hold HB 2060 (pharmacists; providers; drug therapy; refills) in the Senate HHS Committee, which was a priority bill for the pharmacists. With leverage on both sides of the Legislature, an agreement was negotiated that HB 2060 would only be allowed to proceed out of the Senate if HB 2548 was not taken up by the House. This deal was honored, Representative Barto retained the bill on the calendar, and no action was taken. **In the end, ArMA’s Advocacy Team defeated HB 2548, highlighting the caution that should be taken when evaluating scope of practice expansions for health professions.**
2019 proved to be another successful year for the “Doctor of the Day” program at the Arizona State Capitol. Each year, ArMA invites physician members to volunteer at the Capitol, Monday through Thursday, providing invaluable medical assistance should any emergency arise. In addition, the “Doctor of the Day” attends committee meetings, watches sessions of the House and Senate, and meets with individual legislators to offer personal views on issues which affect Arizona patients and their ability to receive quality health care. This year, ArMA was pleased to introduce Stephanie Butler as the Doctor of the Day Program Manager.

By the time the program wrapped up for the session, 59 physicians, 12 medical students, and seven residents 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. In addition to the Doctor of the Day program, ArMA hosted two events for medical students at the Capitol. The first included 24 medical students from the University of Arizona College of Medicine Phoenix, who spent the day at the Capitol learning about the legislative process and how they can be involved in advocating for their future profession. The medical students had the opportunity to meet with various legislators to discuss the 2019 legislative climate, and how legislative actions affect the practice of medicine.

For the first time ever, ArMA partnered with the Mayo Clinic Alix School of Medicine to host a Health Policy Selective for Mayo’s medical students. The goal of the Policy Selective was to introduce medical students to the importance of being an advocate for their future profession. During the week the medical students participated in individual meetings with legislators, toured the Arizona State Medical Lab, spent time at the Department of Health Services, and met with a variety of policy stakeholders.

We want to thank all of those who participated and look forward to another great year of the Doctor of the Day program during the 2020 Legislative Session.
While many insurance related bills were passed this session, the following bills highlight pertinent new and updated laws that affect physicians throughout Arizona. Each piece of legislation is listed with its primary sponsor and ArMA’s position on the bill.

**SB 1109**: SHORT-TERM LIMITED DURATION INSURANCE; NOTICE.  
(Livingston; No-action Monitor)

A measure that originally failed during House Third Reading, SB 1109 was reconsidered and passed Third Reading by two votes. Short-term limited duration insurance is extended from 185 days to a maximum of 12 months. The new law provides for extensions or renewals of the short-term limited duration insurance for up to 24 months, with the total duration period of the insurance equaling no more than 36 months. All policies issued, delivered or renewed in Arizona for short-term limited duration insurance are required to display the disclosure notice on the policy’s fact page and in application materials provided. Finally, health care insurers are required to provide the notice to the insured before the expiration or renewal date of the short-term policy.

**SB 1089**: INSURANCE; TELEMEDICINE  
(Carter; Active Support)

Throughout the session, SB 1089 remained a priority bill for ArMA, because it directly addressed the healthcare access issue and provided some relief for Arizona patients. Beginning January 1, 2021, insurers are prohibited from limiting or denying health care services provided through telemedicine, if the same services would be covered when provided in-person. Previously, telemedicine services were limited to a specified list of conditions. The new law subjects services provided through telemedicine or resulting from a telemedicine consultation to all Arizona laws that govern prescribing, dispensing, and administering prescription pharmaceuticals and devices.

**HB 2494**: HEALTH INSURERS; NOTICE; PROVIDERS  
(Cobb; General Support)

HB 2494 creates the statutory framework for electronic funds transfer (EFT) payments and virtual credit card payment methods between a health care provider and a health insurer. The following provisions are noteworthy to health care providers:

- A contract between a health insurer and health care provider issued, amended or renewed after January 1, 2020 for health care services of the health care insurer’s enrollees may not restrict the method of payment from the health insurer to the provider in which the only acceptable payment method is a credit card.

- A health insurer is required to notify the provider if any fee is associated with the payment method, advise the provider of the available methods of payment and give clear instructions to the provider on how to select an alternative payment method, and associate with each payment the explanation of benefits.

- A health insurer may not charge a fee solely to transmit the payment to the health care provider unless the provider has consented to the fee.

- A health care provider may charge reasonable fees when transmitting an electronic funds transfer or automatic clearing house related to the transaction.
management, data management, portal services and other value-added services above and beyond the bank transmittal.

- An acquired health care provider that is in a provider network is permitted to continue the provider relationship with the insurer that acquired the network, terminate the provider relationship with the insurer that acquired the network in a time and manner consistent with their contract, or enter into a contract directly with the insurer that acquired the provider network.

**SB 1035: INSURANCE; SMALL EMPLOYERS; CONTINUATION COVERAGE** (Brophy McGee; No-action Monitor)

For the statute regulating the continuation of small group insurance coverage, the definition of "small employer" is amended to read as: an employer that employs an average of at least one but fewer than 20 eligible employees during the preceding calendar year.

**SB 1100: INSURANCE; LIVING ORGAN DONORS**
(Carter; General Support)

An insurer that offers life, disability or long-term care insurance contracts is prohibited from discriminating against a living organ donor in the offering, issuance, price or conditions of an insurance policy based solely on that person's status as a living organ donor.

**SB 1085: ASSOCIATION HEALTH PLANS; DEFINITIONS; REQUIREMENTS** (Brophy McGee; General Support)

Introduced by Senator Brophy McGee, Chair of the Senate HHS Committee, and supported by small businesses and the technology industry, this bill expands the ability for small businesses, including sole proprietors, to band together and purchase health insurance as an "association."

The legislation establishes that a Path 1 bona fide association:

- Has been formed and maintained in good faith for purposes other than obtaining insurance and does not condition association membership on the purchase of association-sponsored insurance
- Has a constitution and bylaws
- Insures at least 25 association members, employees or employees of members for the benefit of individuals other than the association or association officers or trustees
- Does not condition membership on any health status-related factor and clearly states such in all membership and application materials
- Makes health benefits plans offered through the association available to all members regardless of health status-related factors and clearly states such in all membership and application materials
- Does not make health benefits plans offered through the association available other than in connection with a member of the association and clearly states such in all membership and application materials.

An association qualifies as a Path 2 bona fide association if it meets federal requirements enumerated in 29 CFR § 2510.3-5. By January 1, 2020, the Department of Insurance (DOI) is required to post information on the department’s public website that summarizes applicable state law and any other pertinent information related to association health plans.

**HB 2166: HEALTH PLANS; COST-SHARING; CALCULATION**
(Barto; General Support)

This measure benefits Arizona’s patients who use coupons or medication assistance programs to pay for expensive medications. This year, insurers’ third-party administrators and PBMs stopped allowing coupons and medication assistance programs to count towards patients’ deductibles, leaving many unable to afford medication and health care costs on a yearly basis. HB 2166 addresses this issue by requiring a healthcare insurer, when calculating an enrollee’s contribution to
out-of-pocket maximums, deductibles, copayments, coinsurances or other applicable cost-sharing require-
ments, to include certain cost-sharing amounts paid by
an enrollee or another person (on behalf of the enrollee)
for a prescription drug. HB 2166 has a delayed effective
date of December 31, 2019.

REGULATORY BOARDS/REGULATION
This section deals with occupational licensing, scope
of practice and the imposition of state authority that
directly or indirectly affects the practice of medicine.
Under this category, ArMA tracked more than 120 bills
during session. The most significant of these measures
are discussed below.

HB 2519: SUPERVISION; PHYSICIAN ASSISTANTS
(Barto; Active Study)

HB 2519 is a bill from the Arizona Physician Assistants’
Association that initially proposed to change the term
“supervising” to “collaborating” as it is used to describe
the working relationship between physicians and PAs
throughout the PA licensing statute. In response, rep-
resentatives from the ArMA Advocacy Team and AOMA
met with their counterparts from the Arizona Physician
Assistants’ Association to discuss concerns regarding
the bill, and ArMA also invited Dr. James Carland, CEO
of MICA, to provide input on the possible negative
effects of the legislation. Negotiations resulted in a
strike-everything amendment that was unanimously
approved by the House Health and Human Services
Committee. The amendment increased the physician-PA
supervision ratio from 1:4 to 1:6 but did not create
a “collaboration” relationship as desired by the PAs;
instead, the lesser term of “delegation” was adopted,
to more accurately describe the nature of physician/PA
delegation agreements. As part of the negotiations, the
Physician Assistants’ Association also publicly confirmed
in the Health Committee that they will not be pursuing
any steps towards independent practice by PAs in the
coming years.

HB 2463: OCCUPATIONAL REGULATIONS; LICENSES;
COMMUNICATIONS; NOTICE
(Petersen; General Support)

Requires state agencies to display a specific notice
regarding occupational regulations on the agency’s
website or in specific communications from the agency.
Agencies shall print the notice on a license application,
a communication denying a license, a cease and desist
order, or any other communication in which the agency
asserts that an individual is required to obtain a license.

HB 2569: OCCUPATIONAL LICENSING; RECIPROCITY
(Peterson; Active Study)

HB 2569 was a major priority of Governor Ducey and
Republican leadership this session. The Governor even
addressed this issue in January during his State of the
State address. The bill requires an AZ occupational
or professional license or certificate to be issued to a
person who establishes residency in this state and meets
all statutorily outlined criteria, including being a current
certified or licensed professional in good standing, and
does not have any pending complaints, allegations or
investigations relating to unprofessional conduct. The
new law specifies that a licensed individual is subject
to the laws of this state regulating the person’s practice
and to the regulating entity’s jurisdiction. It also allows a
regulating entity that administers a jurisprudence exam-
ination as part of the application process to require an
out-of-state applicant to pass the examination.
**SB 1170**: NONPRESCRIPTION DRUG PERMITS; REPEAL  
(Carter; No-action Monitor)

SB 1170, brought forward by the Arizona Retailers Association, eliminates the Pharmacy Board’s nonprescription drug permit and conforms statute. The bill is a result of the Retailers Association’s work with the Arizona Board of Pharmacy. The elimination of the permit was backed by a vote of the Arizona Board of Pharmacy.

**SB 1105**: DIRECT PRIMARY CARE AGREEMENTS  
(Carter; General Support)

SB 1105, advanced by the family practice physicians, repeals existing requirements related to direct primary care provider plans and prescribes new requirements for direct primary care agreements. The bill outlines prohibitions for direct primary care agreements and asserts that an agreement for medical services does not constitute the transaction of insurance business or a health care services organization. The legislation furthers the desire of family physicians to have a meaningful alternative to fee-for-service insurance billing.

**SB 1077**: EMERGENCY MEDICAL SERVICES COUNCIL; CONTINUATION  
(Brophy McGee; No-action Monitor)

Continues the Emergency Medical Services Council for eight years until January 1, 2028.

**SB 1036**: AZ MEDICAL BOARD; CONTINUATION  
(Brophy McGee; General Support)

Continues the Arizona Medical Board for eight years until July 1, 2027.

**SB 1086**: HEALTH PROFESSIONS; TEMPORARY LICENSURE  
(Brophy McGee; General Support)

This legislation was consistent with one of ArMA’s primary legislative goals, which is to reduce administrative burdens on physicians. The bill permits health profession regulatory boards to grant authority to the board’s executive director to issue and approve licenses, certifications and registrations to an applicant or licensee who fulfills all requirements of the applicable state statute and meets other specified requirements. The boards can now issue a temporary license to allow an applicant (who is not a licensee) to practice in Arizona if the applicant holds an active and unrestricted license in another state and meets other specified criteria. An application for a temporary license must be approved or denied within 30 days. If granted, a temporary license expires the earlier of 30 days after it is granted or on approval or denial of the applicant’s license application. Boards are prohibited from issuing more than two temporary licenses to the same applicant within a consecutive 12-month period. The boards are also authorized to set application and fee requirements in their rules for temporary licensure.

**HB 2092**: HEALTH CARE DIRECTIVES; DEFINITIONS  
(Grantham; No-action Monitor)

Representative Barto attached a strike-everything amendment to Representative Grantham’s HB 2092 which adds licensed dentists to the definition of health care provider as it relates to health care directives.

**SB 1040**: MATERNAL FATALITIES & MORBIDITY; ADVISORY COMMITTEE  
(Brophy McGee; No-action Monitor)

An emergency measure which establishes the 13-member Advisory Committee on Maternal Fatalities and Morbidity (Committee). Requires the Committee to make recommendations on improvements to information collection concerning the incidence and causes of maternal fatalities and severe maternal morbidity. Directs the Committee to submit a report with recommendations.
to the chairpersons of the House of Representatives and Senate Health and Human Services Committees, or their successor committees, by December 31, 2019. Requires ADHS, by December 31, 2020, to submit a report to the Legislature and Executive on the incidence and causes of maternal fatalities and morbidity that includes all readily available data through the end of 2019.

**HB 2285:** PHARMACY BENEFIT MANAGERS; PHARMACY BENEFITS  
(Cobb; General Support)

Requires a pharmacy benefit manager (PBM) to:

- Update every seven business days the price and drug information for each list that the PBM maintains;
- Make available the sources used to determine maximum allowable cost pricing to each network pharmacy at the beginning of the term of the contract, on a renewal of a contract and at least once annually;
- Establish a process which a network pharmacy may appeal its reimbursement for a drug subject to maximum allowable cost pricing; and
- Allow a contracted pharmacy service administrative organization to file an appeal of a drug on behalf of their contracted pharmacies.

HB 2285 also states a plan sponsor or PBM may not prohibit an in-network retail pharmacy from dispensing a 90-day fill of a prescription medication pursuant to Pharmacy Board rule if certain criteria are met. Finally, the bill bars a plan sponsor or PBM from prohibiting a retail pharmacy from offering as an ancillary service the limited delivery of drugs by mail or the hand delivery of prescription drugs to a patient.

**SB 1169:** MEDICAL RECORD REPRODUCTIONS; FEES; EXCEPTION  
(Carter; No Action Monitor)

Prohibits a health care provider or contractor from charging a fee for medical records requested by a patient or a patient's legal representative for the purpose of appealing a denial of Social Security benefits.

**SB 1029:** QUALIFYING PHYSICIANS; OPIATE-DEPENDENT PATIENTS  
(Carter; General Support)

The duties of the Arizona Medical Board and the Arizona Board of Osteopathic Examiners in Medicine and Surgery are expanded to include determining whether a prospective or current licensed physician has the training or experience to treat and manage opiate-dependent patients as a qualifying physician under federal law.

**HB 2041:** HOSPITAL ASSAULTS; TESTING; REPORTING; SANCTIONS  
(Finchem; General Support)

Permits private hospital employees and volunteers to petition the court for an order authorizing testing of another person for HIV, common blood borne diseases or other diseases specified if certain criteria are met. Contains a legislative intent clause that states the Legislature encourages hospitals to keep and report information on the number of assaults that occur against private hospital employees and volunteers.

**HB 2060:** PHARMACISTS; PROVIDERS; DRUG THERAPY; REFILLS  
(Barto; No-action Monitor)

Repeals statute allowing pharmacists to dispense a one-time emergency refill for a prescription of a non-controlled medication used to treat an ongoing medical condition under certain conditions. Once repealed, the statute is to be replaced by a Board of Pharmacy policy allowing for emergency refills of up to 72 hours. Passage of this bill’s was part of ArMA’s strategy to hold and defeat HB 2548 (pharmacists; prescribing authority; treatments).

**SB 1096:** HEALTH PROFESSIONALS DATA; REPOSITORY  
(Carter; General Support)

SB 1096 is the final piece of a multi-year effort to help
address the health professional workforce shortage in Arizona. The bill delays the start date for certain health regulatory boards to collect specified data from 2020 to 2021. The bill creates the Health Care Professionals Workforce Data Repository to collect information from health professionals and establishes an advisory committee. Also, SB 1096 directs ADHS to adopt rules allowing a qualified person (who is at least 18 years old) to provide behavioral health services.

**SB 1535 : AHCCCS; OPIOID TREATMENT PROGRAMS; REQUIREMENTS**
(Brophy McGee; Active Study)

Establishes reporting requirements for opioid treatment programs (OTP) that receive reimbursement from the Arizona Health Care Cost Containment System (AHCCCS) and AHCCCS contractors. Directs AHCCCS to suspend reimbursement for OTP providers who do not meet prescribed reporting requirements. The legislation establishes the Opioid Use Disorder Review Council and directs OTP providers that receive reimbursement from AHCCCS or their contractors to submit an annual report, on a schedule prescribed by AHCCCS, that contains specified information. AHCCCS and the Department of Health Services are required, before December 31, 2019, to establish standards for designating centers of excellence for treating opioid use disorder in Arizona. Finally, the bill establishes minimum standards and requirements for centers for excellence.

**SB 1297 : GENETIC TESTING INFORMATION; CONFIDENTIALITY; EXCEPTIONS**
(Brophy McGee; General Support)

SB 1297 specifies that genetic testing and information derived from genetic testing are confidential and considered privileged to the person tested and must be released only as authorized by state and federal law. The legislation also permits a licensed pathologist to order and perform genetic testing for a patient and receive the results of that testing. Finally, the bill modifies the list of persons to whom genetic testing and related information may be released to include a health care provider who is providing care to the person tested, and an agent or employee of the health care provider.
inpatient hospital setting. Dental hygienists are also authorized to supervise dental assistants, subject to the terms of a written affiliated practice agreement entered into with a dentist.

**SB 1103: PHARMACY BOARD; AUTHORITY; MODIFICATIONS**  
(Carter; No-action Monitor)

SB 1103 is an omnibus bill that makes a variety of administrative changes to the Arizona State Board of Pharmacy (Board) statutes. The bill changes include but are not limited to: Board requirements; powers of the executive director; what must be disclosed when filing an application; and prescription orders.

Finally, SB 1103 adds an accredited continuing medical education (CME) approved by a health professional board as an option for the purpose of satisfying the CME requirement for health professionals who are authorized to prescribe Schedule-II controlled substances.

**SB 1352: HEALTH CARE DIRECTIVES REGISTRY; TRANSFER**  
(Carter; General Support)

Transfers the health care directives registry from the Secretary of State to a qualifying health information exchange organization (HIO) designated by ADHS. The legislation requires the designated HIO to adopt industry standard safeguards and establish a process to allow persons to submit documents to the registry.

The Secretary of State is also required to provide the HIO with the documents and contact information for persons who have submitted documents to the registry by July 1, 2020. The qualifying HIO must contact persons who have submitted documents to the registry when it was run by the Secretary of State to determine if they want their information transferred to the HIO. Lastly, SB 1352 contains a delayed effective date of January 1, 2021.

**HB 2532: CRITICAL HEALTH INFORMATION; EMERGENCY RESPONDERS**  
(Gabaldon; No-action Monitor)

Allows city, town or county to create a voluntary program in which a person may place a yellow decal on their car window which indicates that their critical health information (i.e.: allergies, diabetes etc...) is in the vehicle’s glove box and may be accessed by first responders if a person is incapacitated and unable to speak during an emergency.

**SB 1536: CONTROLLED SUBSTANCES; DELEGATION; MONITORING**  
(Brophy McGee; General Support)

SB 1536 was resurrected at the very end of session due to a dispute between the Pharmacy Board and an AHCCCS contractor regarding the Controlled Substances Prescription Monitoring Program (CSPMP). Under current practice, AHCCCS contractors have delegates that receive CSPMP data, but the Pharmacy Board instituted a policy which required delegates to be licensed by a health professional regulatory board.

ArMA worked with AOMA, the Pharmacy Board and Care 1st (AHCCCS contractor) to come up with a stop gap solution to the problem while still maintaining the integrity of the CSPMP and protecting physicians. The bill allows AHCCCS contractors to receive CSPMP data if they state in writing to the Pharmacy Board that the information is necessary for an open investigation or complaint or for performing a drug utilization review for controlled substances to help combat opioid abuse or overuse or for ensuring the continuity of care.

The new law requires prescribers, dispensers or the AHCCCS Chief Medical Officer (CMO) to deactivate a delegate within five business days if certain criteria are met. It also includes an AHCCCS employee or a contractor who is authorized by AHCCCS’ CMO or contractor’s CMO to the statutory definition of delegate.

The Arizona State Board of Pharmacy, by October 1,
2019, is required to convene a committee (stakeholder group) to analyze and develop appropriate parameters for health professionals and delegates who receive CSPMP data. Finally, it outlines committee membership, which includes prescribers, AHCCCS, AHCCCS Contractors, hospitals and dispensers. The bill further requires AHCCCS and ADHS to jointly submit a report of the committee’s recommendations to the Executive and Legislature by January 1, 2020.

As a temporary measure, SB 1536 specifies that an AHCCCS delegate or contractor does not have to be licensed by a health regulatory board to access CSPMP data - this provision expires on October 1, 2020.

HEALTH CARE INSTITUTION ISSUES

In the Health Care Institution Issues category, ArMA tracked roughly a dozen bills this session, three of which are discussed below. Many of these tracked bills did not directly relate to physicians, but ArMA’s Advocacy Team diligently monitored all health care institution related bills to ensure that changes were not made to the bills that would adversely affect physicians. Many of the bills dealt with issues such as developmental homes and intermediate care institutions (i.e., Hacienda Health Care).

**SB 1039**: PAIN MANAGEMENT CLINICS; REGULATION
(Brophy McGee; Active Study)

The 2018 Opioid Epidemic Act required pain management clinics to abide by the same licensure requirements as a health care institution beginning January 1, 2019. SB 1039 is an agency bill brought by the Arizona Department of Health Services to help clarify statute regarding pain management clinics. Prior to the passage of SB 1039, pain management clinics in a private office or clinic of a health care provider were exempt from licensure. To clarify the intent of the 2018 Opioid Epidemic Act, the bill states that private pain management clinics are no longer exempt from statute regulating health care institutions and the related rules adopted by ADHS.

**HB 2152**: RESIDENTIAL BEDS; SERIOUSLY MENTALLY ILL
(Barto; No-action Monitor)

Requires the Arizona Health Care Cost Containment System 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

**HB 2008**: DUTY TO REPORT; SUPERVISOR; ADMINISTRATOR
(Kavanagh; No-action Monitor)

HB 2008 requires an immediate or next higher-level su-
adults with serious mental illness by December 1, 2019, in addition to the December 1, 2018 reporting requirement date.

PUBLIC HEALTH AND POLICY

This continues to be a major area of legislative activity. During this session, there were many bills in the Public Health/Public Policy category that ArMA tracked. Of those, the following are the most important and pressing issues addressed by the Arizona Legislature.

IMMUNIZATIONS

One of the major advocacy successes during the 2019 legislative session was the stoppage of dangerous legislation that would have had the effect of promoting vaccine hesitancy. ArMA took a lead role with others in a unified coalition of health care professionals and community advocates from throughout Arizona to actively oppose these anti-vaccine bills (HB 2470, 2471, and 2472; and SB 1114, 1115, 1116). HB 2470 / SB 1114 sought to specifically add a religious exemption to vaccinations for K-12 students, unnecessarily expanding existing law which already provides for personal exemptions. HB 2471 / SB 1115 required that certain excessive information be provided to a vaccine recipient or their guardian, including the vaccine manufacturer’s product insert and information on how to report a vaccine-adverse event. Currently, federal law already requires that a CDC Vaccine Information Sheet be provided with each vaccination. Finally, HB 2472 / SB 1116 mandated that antibody titer tests be offered as reasonable alternative to vaccinations, which reflected a fundamental misunderstanding of the immunology of vaccinations, the concept of herd immunity, and the immunobiology of infants. ArMA’s advocacy efforts began with drafting a strong letter which was used by the pro-vaccination coalition. ArMA members Brigham Willis, MD, and Sarah Coles, MD, took the lead in drafting this letter, which was distributed to all House and Senate members. In February, SB 1114 was taken up in the Senate Education Committee. Thanks to effective opposition, including testimony from Dr. Willis, the bill was defeated in the Senate Education Committee on a 4-4 tie vote. Quickly thereafter, on February 21st, all three House bills were heard in the House HHS Committee. After a hearing that included over five hours of testimony – including testimony from ArMA-recruited physicians – as well as written communication from other physician stakeholders, the bills passed out of the committee on a narrow 5-4 party-line vote. Although the bills made it out of committee, the strong opposition from both the physician testimony as well as the minority member legislators on the HHS Committee greatly weakened the legislation and enabled the ArMA Advocacy Team to effectively lobby other Representatives against the bills and erode support on the House floor. Additionally, the advocacy team worked with ArMA’s President, Traci Pritchard, MD, to publish two separate Op-Eds opposing the legislation. This coupled with continued national headlines about disease outbreaks around the country kept the pressure on. As a result, the legislation was held and never made it to the House floor for a vote.

VAPING LEGISLATION AT THE CAPITOL

Months before session began, a coalition of health care stakeholders convened to discuss the danger that vaping poses to Arizonans, with the goal of identifying how the public health crisis could be legislatively addressed. The 2019 Legislative session involved several vaping related pieces of legislation in which ArMA played a role. Long time ArMA ally and health care champion, Senator

“I'm pro-vaccination, I'm anti-measles. I think it's important for people to know that we are pro-vaccination in the state of Arizona. Vaccinations are good for our kids and helpful for public health.”

DOUG DUCEY
Heather Carter, introduced several bills designed to address the vaping crisis in Arizona. In response, the tobacco/vaping industry introduced counter legislation designed to protect their interests.

Specifically, Senator Carter introduced two pieces of legislation: SB 1009 (tobacco products; electronic smoking devices) and SB 1060 (electronic smoking devices; use; restrictions). SB 1009 added electronic smoking devices to the definition of tobacco product as it relates to the sale and use of tobacco products by minors. Additionally, the bill prescribed requirements for delivery sales of electronic smoking devices. Defining vaping products as a tobacco product would have given the Attorney General’s Office the statutory tools to combat vaping amongst Arizona’s youth. SB 1060 included vaping in the Smoke Free Arizona Act. This change would have meant that the vaping industry would be subject to all the restrictions included in the Smoke Free Arizona Act, a voter initiative passed in 2006.

Both of Senator Carter’s bills passed out of the Senate unanimously but were unfortunately stopped by the House HHS Committee Chair who refused to give the bills a hearing. Senator Carter tried to revive both pieces of legislation when she combined them in a strike-everything amendment to HB 2357: restrictions; electronic smoking devices. HB 2357 passed the Senate and successfully went through conference committee, but the bill never received a final vote in either chamber.

While the fate of Senator Carter’s bills was being decided, Representative John Allen ran a strike-everything amendment on Senator Leach’s SB 1147: tobacco products; vapor products. His striker was a tobacco/vaping industry driven bill that was written to protect the tobacco/vaping industry’s interests in Arizona. The amendment included appealing provisions such as raising the age to purchase tobacco/vaping products to 21 to garner support for the bill. Despite some of the beneficial provisions, the amendment contained troublesome provisions that would have negatively affected public health. Some of these provisions include pre-empting local regulations regarding sales and marketing of tobacco/vaping products, and allowing the products to be sold in vending machines. ArMA worked with a large coalition of stakeholders, including the American Cancer Society Cancer Action Network, the American Heart Association, the League of Cities and Towns, the County Supervisor’s Association and many school officials to defeat this legislation. ArMA’s advocacy team also received support from L&G Chairs Drs. William Thompson and Marc Leib as well as from Representative Allen’s own constituent Dr. Paul Kozak who provided Representative Allen with expert insight on the dangers of vaping, bringing evidence-based medicine to bear in the vaping policy debate.

Despite all this activity, ultimately no vaping legislation crossed the finish line this year. However, we fully expect this issue to return next year.

TEXTING WHILE DRIVING

After many years and several sponsors, Arizona finally banned texting while driving. The texting while driving issue was initially addressed by Senator Brophy McGee’s SB 1165: texting while driving; prohibition. ArMA’s advocacy team actively supported the proposed ban by writing to legislators and testifying in support of the bill in committee. SB 1165 was an emergency measure that prohibited a person from holding or supporting a communication device (including texting and driving) while operating a vehicle on a street or highway, unless the vehicle is parked or stopped. The bill prescribed specified civil penalties for violations and outlines exemptions to the ban for people calling law enforcement.
or emergency services for aid and first responders acting in the course of their job duties. SB 1165 eventually was amended in the House to make the prohibition a secondary offense and failed during House Third Reading by a vote of 24-36.

Although SB 1165 was defeated, Senator Brophy McGee resurrected her bill with a strike-everything amendment to Representative Campbell’s HB 2318. HB 2318 keeps the ban as a primary offense and ultimately crossed the finish line on April 22, 2019, making Arizona the 48th state to enact this type of important public health legislation.

**SB 1321 : HEALTH INFORMATION ORGANIZATIONS**
(Carter; General Support)

SB 1321 was transmitted to the Governor for signing on the last day of session – one of the final bills to cross the 2019 legislative session’s finish line. The bill modifies requirements related to the disclosure of individually identifiable information that is accessible through a health information organization (HIO) (an organization that oversees and governs the exchange of individually identifiable health information according to nationally recognized standards). The following bill provisions pertaining to HIOs and health care providers are:

- Permits an individual to opt out of having their individually identifiable health information accessible through an HIO.
- Requires health care providers that participate in an HIO to distribute and document distribution of the HIO’s notice of health information practices in the same circumstances and manner as a health care provider is required to distribute and document a notice of privacy practices by HIPAA.
- Allows health care providers who share a location to provide the HIO’s notice of health information practices for, or on behalf of, any of the health care providers in the shared location.
- Requires a health care provider to redistribute an HIO’s notice of health information practices if a material change is made to the HIO’s capability to implement individual preferences for sharing or segregating individually identifiable health information.

**SB 1317 : BODILY FLUIDS EXPOSURE; TESTING**
(Boyer; General Support)

Expands the list of circumstances under which a public safety employee or volunteer may petition a court for an order authorizing the testing of another person for blood borne diseases.

**HB 2550 : KRATOM PRODUCTS; REGULATION**
(Rivero; General Support)

Originally introduced by Representative Tony Rivero as HB 2561, the bill was never given a hearing in the House HHS Committee. The Senate Appropriations Committee revived the bill by adopting a strike-everything amendment onto HB 2550. Also known as the Kratom Consumer Protection Act, this bill establishes requirements related to the preparation, distribution and sale of kratom products. The enacted version prohibits the sale of kratom products to a minor and prescribes a Class 2 misdemeanor for an individual that that violates the kratom product disclosure requirements and prohibitions. ArMA has an adopted policy to support legislation that prohibits the sale of kratom until sound research is used to evaluate the beneficial or harmful effects of the substance and its pharmacologically active derivatives. Although HB 2550 does not outright prohibit the sale of kratom, it is a step in the right direction in protecting minors from the potentially harmful substance.

**HB 2122 : DO-NOT-RESUSCITATE ORDERS; MINORS; PARENTAL CONSENT**
(Barto; Active Study)

Among other provisions, HB 2122 (also known as Simon’s Law) requires health care providers to communicate with a minor’s parent or guardian before a do-not-re-
suscitate order is placed on a minor’s medical chart. The communication must include a discussion of the care plan, the parent or guardian’s right to transfer their child to another health care provider, and the right to request and receive a copy of the provider’s DNR and related policies. HB 2122 requires that the communication between a health care provider and parent/guardian be:

- Documented in the minor’s medical record, specifying who was communicated with, the witness, the date and time of the communication and a signed acknowledgement by the parent or legal guardian of the communication; and
- Done with a witness willing to attest that the communication took place, other than the parent or guardian.

Finally, the law allows a parent or guardian to petition a superior court if they believe the law is being violated or if the parents disagree with the implementation of the DNR.

**SB 1468: SCHOOLS; SUICIDE PREVENTION TRAINING**  
(Bowie; Active Study)

Also known as the Mitch Warnock Act, SB 1468 was brought to the legislature by Senator Sean Bowie to address the increase in teen suicide in recent years. The act requires all school employees who work with students in grades six through 12 to receive training on suicide prevention at least once every three years. Training will include information on suicide prevention and how to identify the warning signs of suicidal behavior in adolescents and teens. The Arizona Health Care Cost Containment System (AHCCCS) will also be required to make suicide awareness and prevention training information available on their website. School personnel, entities, and any other individuals are not civilly liable for actions taken in good faith under these requirements. Each teacher training program in Arizona is required to develop or adopt evidenced-based instruction on suicide awareness and prevention and provide it to all teacher candidates in the teacher training programs.

**SB 1026: SCHOOL PUPILS; EMERGENCY MEDICATION ADMINISTRATION**  
(Carter; General Support)

Allows a trained school district, charter school, private school, and preschool employee to administer epinephrine auto-injectors, inhalers, naloxone hydrochloride, or any other opioid antagonist approved by the FDA, in a case of emergency, to a minor without parental or guardian authorization. The bill also addresses administering specific medications during emergency medical situations on school grounds.

**SB 1533: SPECIAL PLATES; ALZHEIMER’S; CHILD ABUSE**  
(Brophy McGee; General Support)

This legislation grants statutory authority to the Arizona Department of Transportation’s (ADOT) Motor Vehicle Division (MVD) to create an Alzheimer’s Disease Research license plate and Fund if certain requirements are met. SB 1533 specifies that of the $25 fee required for the Alzheimer’s Disease Research license plate and subsequent renewals, $8 is allocated as an administrative fee.
and the remaining $17 is an annual donation placed into the Alzheimer’s Disease Research Fund. The bill requires the Director of ADOT to allocate money raised by the Fund to a 501(c)(3) organization that is headquartered in Arizona, has operated in Arizona for at least 10 years, has participating member institutions that work together to end Alzheimer’s disease, and that meets other specified requirements. Including a delayed effective date of October 1, 2019, the bill also modifies the administrative requirements of Arizona’s Prevention of Child Abuse Fund.

**SB 1456: VISION SCREENING; SCHOOLS; APPROPRIATION**
(S. Allen; General Support)

This public safety measure was signed more than a week after session adjourned sine die. Currently, ADHS administers child hearing programs in conjunction with the Arizona Department of Education, to provide hearing evaluation services to all children as early as possible. The passage of this legislation requires Arizona schools to provide vision screening services to students upon initial entry to school and in not more than two additional grades (prescribed by ADHS by rule) to students: receiving or being considered for special education services; to students whose teacher requests a vision screening, and to students who are not reading at grade level by third grade. At a school’s discretion, a school is permitted to provide vision screening services to students in additional grade levels. Within 45 days after the screening, school governing bodies are required to provide the vision screening results to the parent or guardian of each student who failed the screening.

**THE BUDGET**

After almost a week of budget discussions, not accounting for the almost five months it took to introduce a budget, House and Senate leadership secured enough votes to pass an $11.8 billion-dollar FY 2019-2020 Budget. Although budget negotiations temporarily stalled over a myriad of issues that various legislators wanted to address (disagreement on tax conformity; legislation about the statute of limitations on sexual assault; and the $32 registration fee for all Arizona vehicles), a budget was finally passed during the early hours of May 28. Throughout the week-long budget negotiation process, ArMA closely studied health-related budget items, ensuring that needed provisions were included in the finalized FY 2019-2020 Budget. ArMA deeply appreciates the efforts of both the Legislature and Governor Doug Ducey in addressing some of Arizona’s critical health care needs in the budget.

The budget, comprised of a “Feed Bill” and Budget Reconciliation Bills (BRBs), has been referred to as “one of the most balanced budgets” in the past 10 years by various lawmakers. Of most importance to physicians and health care workers is the feed bill, **HB 2747: budget general appropriations act; 2019-20**, containing general appropriations for state departments, institutions, public schools and interest on public debt, and **HB 2754: budget; BRB; health; 2019-20**, which provides the necessary statutory changes needed to reconcile the appropriations made by the feed bill. Although health care appropriations make up a small part of the 99-page feed bill, this year’s budget contains many beneficial and vital appropriations that will improve the health and welfare of Arizonans.

**Physician Shortage & Graduate Medical Education Programs**

Although the introduced budget failed to provide funding for Arizona’s physician
shortage and Graduate Medical Education (GME) programs, the chaptered budget accounts for the needed appropriations. During House Committee of the Whole, a floor amendment in Speaker Bowers’ name was adopted, providing funding for several of ArMA’s health care priorities. Included in the amendment is the allocation of:

- $9,943,700 in state general funds and spending authority in FY 2019-2020 for GME, of which:
  - $5,524,400 is to supplement GME programs in counties with a population less than 500,000 (rural).
  - $4,419,300 is to supplement GME programs in counties with a population greater than 500,000 (urban).
- $750,000 in FY 2019-2020 to the Arizona Health Care Cost Containment System (AHCCCS) for a one-time distribution to a nonprofit organization with a network of community health centers in northern Arizona to address primary care provider shortages
- $8 million to expand the University of Arizona Phoenix Medical School, and
- $750,000 for Arizona’s Medical Loan Repayment Program

KidsCare

Both the proposed and finalized FY 2019-2020 Budget addressed the Children’s Health Insurance Program - also known as KidsCare. For families that qualify (working families who make too much to qualify for AHCCCS, but too little to afford to insure their children), KidsCare ultimately lessens the financial burden on them, allowing working parents to focus on their economic stability, as opposed to the costs of struggling or failing to afford insurance through the private or public insurance market.

KidsCare has seen many changes over the years. In 2010 Arizona froze enrollment in the program, which Governor Ducey and the Legislature lifted six years later, allowing enrollment to continue. After reopening enrollment in 2016, the 2017 legislative session focused on budgeting for KidsCare and addressing enrollment issues. Included in that 2017 budget was a provision requiring KidsCare enrollment to freeze if federal funding for the program dropped below 100%. As a result, federal funding was expected to drop to 90.5% on October 1, 2019, and KidsCare enrollment would have once again frozen. Without KidsCare, many Arizona parents would have faced the decision to either forego preventative care or reduce their work hours to lower their income and become Medicaid eligible.

Fortunately, the FY 2019-2020 Budget appropriates the needed $1,586,900 to prevent a freeze to KidsCare enrollment. To address the automatic freeze in KidsCare enrollment, the passed Health BRB HB 2754 removes the requirement that KidsCare enrollment be frozen if federal funding drops below 100%. Under the chaptered budget, the AHCCCS Director may freeze enrollment but is not required to do so; the legislation also requires the Governor and Legislature to be notified if funding is determined to be insufficient.

The following health related provisions are also included in Arizona’s FY 2019-2020 Budget:

- $700,000 in FY 2019-2020 to ADHS for primary care-based programs in rural areas for physicians and mid-level providers for prenatal care services, well-child care, family planning services, laboratory and imaging, referral services, pharmacy, preventive health and dental services.
- $1 million in FY 2019-2020 to ADHS to provide sonogram and telemedicine equipment for rural hospitals to provide care to pregnant woman.
- $500,000 in FY 2020-2021 and FY 2021-2022 to ADHS for student loan repayment options for healthcare professionals who provide prenatal care in healthcare professional shortage areas.
- $1.5 million for critical access hospital services in Benson and Wilcox.
CONCLUSION

The 2019 legislative session was a very successful one for championing medicine’s priorities and the health of all Arizonans. Whether advancing good legislation, defeating bad bills, or negotiating as needed to craft acceptable healthcare policy, ArMA’s Advocacy Team remained dedicated to representing physicians’ concerns and positions at the Capitol. Led by members of the Legislative and Governmental Affairs Committee, ArMA’s Advocacy Team remained committed to the guiding principles the association stands for: protecting the best interests of our physicians and their patients. Looking back at all that was accomplished this year, we know that our advocacy victories would not have been possible without the support and guidance of our physician leaders and members.

This session, efforts were primarily oriented towards playing defense and improving existing legislation. This is perhaps our first and most critical advocacy responsibility. By stopping problematic legislation from advancing through the legislative process, ArMA succeeded in protecting the physician practice, the member physicians we represent, and the patients they serve. And in holding strong at the Capitol, ArMA was able to advocate for health care policies that improve the wellbeing of all Arizonans.

Before the next legislative session, there is more work to be done. In preparing to both defend against policy threats and move forward with new legislative initiatives, ArMA and its Advocacy Team must work closely with the Legislative and Governmental Affairs Committee, and with all ArMA’s members, to be ready to face both the known and unknown. ArMA must continue to strengthen its ability to engage the Arizona Legislature as a physician advocate and we know that in doing so, we craft the best health care policies possible. During the off-season we will continue to build the relationship between physicians and policymakers by further educating lawmakers and staff on the importance and impact of sound public health policy decisions – not just for the medical community, but for all of Arizona’s communities.

For 2019, ArMA owes a special thanks to our legislative champions including the minority members of the House Health and Human Services Committee – Reps. Kelli Butler, Amish Shah, Alma Hernandez, and Pamela Powers-Hannley -- Senate HHS Chair Kate Brophy McGee and Vice-Chair Heather Carter, AOMA Executive Director Pete Wertheim, ArMA contract lobbyist Steve Barclay, ArMA Advocacy Team members Jon Amores, Rick Hazelton and Grace Meili, ArMA CEO Libby McDannell, all the healthcare stakeholders who worked with ArMA throughout the session, and certainly not least, all the ArMA member physicians who are essential to the cause: L&G Committee members including Chair Marc Leib MD and Vice-Chair William Thompson MD, and the numerous members who testified before legislative committees, left comments on the legislative RTS system, and generally made their positions known. We could not have succeeded without you!

Thank you for reviewing ArMA’s 2019 Legislative Report. Never forget that your ArMA membership ensures that we can continue our work! Contact Jon Amores or Rick Hazelton at jamores@azmed.org or rhazelton@azmed.org to see how you can be involved in our advocacy efforts. More than ever, physician involvement in ArMA advocacy efforts is needed and appreciated.