



ARIZONA MEDICAL
ASSOCIATION

2011 Legislative Report

The 2011 Legislative Session: Nasty, Brutish and Short – but Productive

This year's session was only 100 days from gavel to sine die, but those weeks were nasty, brutish and intense for health care advocates. The Legislature introduced 1496 measures, passing only 386, of which 29 were vetoed by the Governor. The new Legislature proved to be strongly conservative with almost a third of the members claiming to be "tea partiers." The result of this trend was that no new taxes or revenue enhancements were even on the table. Cutting services was the name of the game in budget negotiations.

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INTRODUCTION

AHCCCS

While healthcare funding had taken only a few hits since 2007, this year was different. The Legislature enacted deep cuts to the Arizona Health Care Cost Containment System (AHCCCS) programs, targeting mainly the childless adult population who were eligible for coverage under Prop 204. At the beginning of the year, more than 280,000 adults were covered under the voter-protected Prop 204 expansion, but legislative action implemented a proposal to place a hard cap on the Prop 204 enrollment allowing attrition to whittle the number to roughly 120,000 by July of 2012. This significant drop, worth about \$500 million in state funding, will no longer be available in Arizona to pay for the care of these patients or to draw down federal matching money on a 2 to 1 ratio. This plan represents the Governor's attempt to minimize the significance of the cuts while still dealing with the fact that, in her opinion, the AHCCCS budget needed to be reduced. Her plan modified an even harsher plan that passed the Arizona Senate early in the session.

Efforts have been underway by the Arizona Hospital and Healthcare Association and others to find a way to provide enhanced revenue to be used to draw down federal matching funds to maintain the AHCCCS program to the extent possible. However, two hurdles facing the Legislature in making the cuts are seemingly being overcome. The first hurdle was whether CMS would allow the cap on the Prop 204 population – which they have now said they will allow because it covers a population beyond what AHCCCS is required to cover; and second, a court action claiming that the Legislature could not legally cut the voter-protected Prop 204 funding – initial actions by the court have not been favorable to that view and we expect a lengthy appeal over the next couple of months. If the attempt to get the courts to intervene fails, it is not likely that the Legislature will agree to consider any form of revenue enhancement strategy and will let the current budget cuts stand. The net effect: fewer eligible citizens.

ELECTRONIC MEDICAL RECORDS

ArMA was very active in dealing with legislation and the budget this session and took a leadership role in passing H2620, Medical Records; Disclosure; Release, a bill that makes significant changes benefiting physicians. The bill enables the electronic exchange of health information and creates the ability to form Health Information Exchanges (HIEs) which are essential to move Arizona forward in modern health information implementation. HIEs will improve the quality of care by getting information to the right health care provider at the right time and should reduce costs by reducing medical errors and avoiding duplication of services. Adding to the importance of this legislation is the fact that CMS will require physicians to participate in HIE to obtain Medicare and Medicaid incentive payments for meeting the “meaningful use” standards for electronic medical records. In Arizona that means approximately \$500 million in incentive payments is available to hospitals and doctors.

Arizona's existing medical records statutes were not drafted to apply to electronic medical records and needed to be adapted to the electronic information world. The bill enables this transition by permitting health care providers and clinical laboratories to disclose information to health information organizations (HIOs) that will facilitate the HIE process. It also allows providers and laboratories to have HIPPA business associate agreements in place with an HIO, which will require that entity to protect the confidentiality of health information. The law further subjects an HIO to HIPPA enforcement by the U.S. Department of Health and Human Services and the U.S. Attorney General's office. Finally, the bill removes outdated requirements for written records or documentation.

As it moved through the process, the bill faced considerable controversy over the consent provisions which allow a patient to “opt out” of the electronic medical record process. Several legislators strongly felt that patients should be given the ability to “opt in” to the system rather than opt out. Opting in would have created a bureaucratic

nightmare and probably would have led to a failure in the state's efforts to convert to electronic medical records. After months of negotiation, amendments were drafted allowing the opt out provision and providing additional protections for the patient in making those decisions.

ArMA feels the bill is a landmark piece of legislation and that it will go a long way to helping Arizona's physicians and hospitals provide quality health care to our citizens.

LEGISLATIVE TALLY SHEET

The balance of this report will deal with specific bills ArMA either supported or opposed. These bills, along with the major issues discussed above, comprise the most significant of the 185 bills (not including budget bills) that were followed by ArMA this session – up from 170 bills last year. They're represented in the broad categories used by ArMA's Committee on Legislative and Governmental Affairs to establish ArMA's advocacy positions: Regulatory Boards/Regulations, Insurance, Tort Reform/Liability, Public Health/Public Policy and Healthcare Institution Issues.

REGULATORY BOARDS/REGULATIONS

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 followed 38 bills this session, up from 36 last year. The most significant of these measures are summarized below.

H2156: DENTAL HYGIENISTS; SUPERVISION REQUIREMENTS

Introduced by Representative Cecil Ash, this bill was an attempt to improve dental hygiene care in nursing homes, school or homebound settings for patients who have been examined by an allopathic or osteopathic physician. The bill was opposed by the Arizona Dental Association on the basis that it did not allow for appropriate supervision of hygienists and that the hygienists had not worked out an agreement with them to go forward. ArMA opposed the bill because it had not gone through the sunrise process and was too "sketchy" to understand its actual impact. At our request, Representative Ash held the bill. We expect the issue to be submitted to sunrise either later this year or next.

H2157: DHS; STROKE CARE PROTOCOLS

This bill, introduced by Representative Ash, requires the Arizona Department of Health Services (ADHS) to adopt rules to establish emergency stroke care protocols by January 1, 2014. It must establish standards for hospital-based and rehabilitation stroke care as well as compile statewide stroke quality improvement databases. The bill exempts ADHS from otherwise required rule-making procedures for two years from the effective date to implement the bill. ArMA took a position of Active Study on the bill, which passed and was signed by the Governor.

H2260: PSYCHOLOGISTS; PRESCRIPTION AUTHORITY

Introduced by Representative Ed Ableser, this bill would have authorized the Board of Psychological Examiners to certify licensed psychologists to prescribe medication for the treatment of behavioral health conditions and allow it to establish training, education and supervision requirements, as well as set fees by rule. ArMA took a position of Active Non-Support on the bill which died without a hearing.

H2520: PROFESSIONAL BOARDS; ACTIONS; PUBLIC ACCESS

Introduced by Representative Matt Heinz, this bill clarified the language of a bill that passed last year which provided that advisory letters and letters of concern issued by a professional regulatory board are no longer public records; however, documentation relating to an order to limit or restrict the professional's practice may appear on the board's website. Supported by ArMA, the bill passed and was signed by the Governor.

H2548: MEDICAL HELICOPTERS; NON-TRAUMA PATIENTS; GUIDELINES

Introduced by Representative Heinz, this bill requires that ADHS must develop guidelines on the use of medical helicopters for non-trauma patients by January 1, 2013. The guidelines must be distributed to all emergency receiving facilities in the state. The bill is session law and does not permanently amend statute. ArMA had an initial position of Active Study, but changed to Active Support after evaluating the bill, which passed and was signed by the Governor.

H2620: MEDICAL RECORDS; DISCLOSURE; RELEASE

Introduced by Representative Ash and discussed above, this bill regulates health information organizations which electronically store or transfer individually identifiable health information. It includes a list of individual rights including the right to opt out of participation in a health information organization. Also, a clinical laboratory is authorized to disclose to an enumerated list of recipients including health care providers currently treating the patient, ambulance attendants transferring the patient, a health profession regulatory board, etc. a patient's lab results without written permission from the patient. The bill had the active support of ArMA. It passed and was signed by the Governor.

S1030: PHYSICIAN ASSISTANTS; PRESCRIBING AUTHORITY

Introduced by Senator Nancy Barto, this bill completed the process as a "striker" on another bill. It increases the length of a prescription regimen for Schedule II and III substances that may be prescribed by a qualified physician assistant to 30 days from 14 days. It prohibits physician assistants from prescribing or administering medication intended to perform or induce an abortion. Supported by ArMA, the bill passed and was signed by the Governor.

S1032: MAMMOGRAPHIC IMAGES; PHYSICIAN REQUIREMENTS

Introduced by Senator Barto, this bill changes the qualifications necessary for a physician to be licensed to read or interpret mammographic images to adhere to those contained in the federal Mammography Quality Standards Act. After consultation with the diagnostic radiologists, ArMA took a position of Active Support on the bill which passed and was signed by the Governor.

S1033: OPTOMETRY BOARD; OMNIBUS

Introduced by Senator Barto, this bill proposed various changes to statutes dealing with optometrists including permitting licensees to prescribe and administer prescription strength, non-steroidal anti-inflammatory agents for a regimen of not longer than 14 days for patients 6 years of age and older. The bill also adds another optometrist to the Board of Optometry increasing the number of board members to seven. ArMA joined with the Arizona Ophthalmological Society in opposing the bill, but after the ophthalmologists successfully negotiated their concerns, ArMA took an Active Study position. The bill passed and was signed by the Governor.

S1042: MEDICAL STUDENT LOANS; BOARD; CONTINUATION

Introduced by Senator Barto, this bill extends the statutory life of the Board of Medical Student Loans for six years to July 1, 2017. ArMA took a position of General Support on the bill which passed and was signed by the Governor.

S1118: COUNTY MEDICAL EXAMINER; ID PROTOCOL

Introduced by Senator Barto, this bill requires that within 48 hours of receiving a request from an immediate family member of a decedent whose body is in the county medical examiner's physical possession, the examiner must examine photos or videos of the decedent or distinguishing marks on the body or other information to assist family members of the decedent in making an identification. Cases are excluded if the examiner feels ID should be delayed because of the risk of the loss of forensic evidence or if the condition of the remains does not allow for identification. ArMA took an Active Study position on the bill which passed and was signed by the Governor.

S1119: NATUROPATHIC MEDICINE; NUTRIENTS

Introduced by Senator Barto, this bill allows the Naturopathic Physicians Medical Board to adopt rules necessary for the safe administration of intravenous nutrients by naturopathic physicians. The definition of “drug” in statutes relating to naturopathic medicine is amended to include intravenous administration of nutrients which are also defined in the statute. ArMA was significantly involved in negotiating and amending the bill as originally introduced and, after several months of negotiation, took a position of Active Study on the bill which passed and was signed by the Governor.

S1175: HOMEOPATHS; CATEGORIES OF LICENSURE

Introduced by Senator Barto, this bill authorizes several categories of licensure for homeopaths, with each category having its own qualifications for licensure and authorized practices. Currently licensed practitioners have five years from the effective date to request recategorization. Beginning January 1, 2015, membership in the Board of Homeopathic and Integrated Medicine Examiners is expanded to seven by adding one additional homeopathic practitioner, bringing the number of homeopaths on the board to five. The bill allows homeopaths to refer to themselves as doctors, but they may not use the term physician unless they are also a graduate of a board-approved school of either allopathic or osteopathic medicine. ArMA was extensively involved in negotiating and refining this bill which passed and was signed by the Governor.

S1176: MEDICAL BOARD; OMNIBUS

Introduced by Senator Barto, this bill makes various changes to statutes regulating allopathic physicians. It modifies the information related to criminal convictions and disciplinary action that is listed on a doctor’s profile on the board website. The board must make valid and verifiable corrections to the profile upon notification by the licensed physician. The list of exemptions from statutes regarding unprofessional conduct is expanded to include writing or issuing prescriptions for administration of approved immunizations or vaccines to a household member of a patient without first performing a physical exam of the person or having established a doctor-patient relationship. The bill, supported by ArMA, passed and was signed by the Governor.

S1298: PHARMACISTS; DRUG THERAPY PROTOCOLS

Introduced by Senator Barto, this bill authorizes licensed pharmacists, with the consent of a parent, to administer immunizations or vaccines to a person age 6 to 17 with a prescription or without a prescription in the case of influenza, or in response to a public health emergency. A “scope of change” statement indicates this act is intended to allow families greater access to immunizations and vaccinations and to enhance collaboration between pharmacists and primary care providers. Additionally, the statutory conditions under which a licensed pharmacist may implement, monitor or modify drug therapy are amended to reflect the relationship between physicians and pharmacists. ArMA took a position of General Support on the bill which passed and was signed by the Governor.

S1382: HOMEOPATHIC PHYSICIANS; USE OF TITLE

Introduced by Senator Paula Aboud, this bill stipulates that a person without a license as a homeopathic physician is no longer prohibited from using the designation “homeopath”; however, the use of “doctor” remains a class 2 misdemeanor. The bill had the general support of ArMA, passed and was signed by the Governor.

S1458: PROFESSIONAL LICENSURE; OUT-OF-STATE APPLICANTS

Introduced by Senator Kyrsten Sinema, this bill stipulates that a professional license or certificate must be issued without examination to the spouse of an active duty member of the armed forces who accompanies the member to an official change of station to a base in this state if the person is licensed in another state and meets other specified requirements. ArMA had a position of Active Study on the bill which passed and was signed by the Governor.

S1583: NURSING BOARD; MEMBERSHIP

Introduced by Senator John Nelson, this bill expands the list of nursing specialties from which the six nurse members of the Board of Nursing must be chosen to include a certified registered nurse anesthetist (CRNA). ArMA monitored the bill which passed and was signed by the Governor.

INSURANCE

In the Insurance category, ArMA followed 27 bills this session, down from 34 last year. The most important of those bills are addressed below.

H2099: AHCCCS; HOSPICE CARE; RESTORATION

Introduced by Representative Heinz, this bill requires that AHCCCS and its contractors must provide hospice care. Supported by ArMA, the bill passed and was signed by the Governor.

H2476: WORKERS' COMPENSATION; CERTAIN DISEASES; EXPOSURE

Introduced by Representative David Gowan, the bill states that, for the purposes of making a valid workers' compensation claim, the time limit for an employee to report possible exposure to certain diseases is increased to 30 calendar days from ten. Additionally, in the specific case of methicillin-resistant staphylococcus aureus, the time period between exposure and diagnosis is increased to 15 days from ten. Supported by ArMA, the bill passed and was signed by the Governor.

H2556: HEALTH SAVINGS ACCOUNTS; TAX INCENTIVES

Introduced by Representative Steve Court, this bill stipulates that for purposes of determining taxable income, for tax years 2012 through 2014, an employer providing a qualified health insurance plan for its employees is eligible to claim an annual credit of \$360 per employee. The list of requirements whereby an employer may claim this credit are: the employer must have paid a minimum of \$360 per employee in health insurance; must have offered the plan to all employees; and, in the first year that this credit is claimed, the employer must have not provided health insurance coverage for 90 days preceding the offer of coverage. ArMA took a position of Active Study on the bill which passed and was signed by the Governor.

H2584: WORKERS' COMPENSATION; DIRECTED CARE

Introduced by Representative Judy Burges, this bill establishes a pilot program to permit an Arizona city of greater than 150,000 that is self-insured to provide workers' compensation medical, surgical and hospital benefits during the 2012 calendar year. The Industrial Commission shall select the city and shall establish assessment protocols and reporting requirements. A final report which will be used to determine whether any other public entities will be allowed to participate in directed care is due when the pilot program ends on December 31, 2014. The bill, which was actively negotiated by ArMA, passed and was signed by the Governor.

H2616: WORKERS' COMP; CONTROLLED SUBSTANCES

Introduced by Representative Nancy McLain, this bill expands the list of substances used by a person receiving workers' comp benefits that a physician, upon request, must report to the Industrial Commission to include narcotic or opium-based substances or various opioid substances prescribed for acute pain. If the physician refuses to comply, the employer, carrier or the Industrial Commission may request a change of physician. ArMA was involved in reducing the complexity of this bill for physicians. It passed and was signed by the Governor.

H2617: WORKERS' COMP; SETTLEMENT OF CLAIMS

Introduced by Representative McLain, this bill stipulates that, subject to approval by the Industrial Commission, the parties to a workers' comp claim may enter into a final settlement and release of claim for undisputed entitlement to supportive medical maintenance benefits after the period of temporary disability is terminated.

A final settlement is defined as one in which the injured worker waives any future entitlement to supportive medical maintenance benefits for known conditions described in the agreement. ArMA was involved in a series of negotiations on this bill with the principal goal of making sure that no final settlement could be entered into until all outstanding claims by providers were paid. The bill passed and was signed by the Governor.

H2686: HEALTH INSURANCE; VACCINES

This bill stated that after January 1, 2012, health insurers could not require providers to assume financial risk for the acquisition costs of vaccines and must reimburse the provider for acquisition costs and total costs of administering child and adolescent vaccines. Further, health insurers could not impose any deductible, copayment or other cost sharing in relation to child and adolescent vaccines. The bill, introduced by Representative Russ Jones at the request of the Arizona Chapter, American Academy of Pediatrics, was used as a lever to force insurers to the table to begin serious discussions on ways to right this longstanding wrong. If negotiations fail to progress over the interim, we expect that next session will see another version of this bill introduced and ArMA will do its best to see that it passes.

S1216: AHCCCS; OBSTETRIC SERVICES; COPAYMENT

Introduced by Senator Sylvia Allen, this bill required AHCCCS to establish a sliding fee schedule for co-payments of \$150 to \$1000 by any woman who receives obstetric services under AHCCCS. This controversial bill died early in the session after passing the Senate Appropriations Committee. ArMA took a position of Active Study on the bill and likely would have opposed it had it gone further.

S1357: AHCCCS; MISSED APPOINTMENTS; PROVIDER REMEDY

Introduced by Senator Frank Antenori, this bill states that if an AHCCCS member misses a scheduled appointment without canceling the appointment, a physician or primary care practitioner may prohibit the member from rescheduling until the member pays a \$25 missed appointment fee. Additionally, as session law, until October 1, 2013, and subject to approval from the federal government, AHCCCS may authorize a political subdivision to provide monies that will draw down federal matching funds to provide health care coverage to those made eligible for coverage by Prop 204 but who were removed from eligibility because general fund monies were unavailable. ArMA had a position of Active Study on this bill because it contained elements we both supported and opposed. The bill passed and was signed by the Governor.

S1519: AHCCCS; TERMINATION

Introduced by Senator Andy Biggs, this bill would have repealed the entire AHCCCS program effective October 1, 2011. In lieu of AHCCCS, ADHS would have been required to implement by rule a program to provide services to medically indigent individuals, developmentally disabled individuals and persons receiving behavioral health services. We suspect this bill was intended as a “shot across the bow” to deliver the message that Senate leadership was very serious about getting a handle on AHCCCS funding and its impact on the state general fund. Needless to say, since it was introduced by the Senate Majority Leader who chairs the Senate Appropriations Committee, it had the desired effect in reframing the discussions of the AHCCCS program. ArMA took a position of Active Non-support on the bill which did not pass.

S1592: HEALTH CARE COMPACT; FUNDING

Introduced by Senator Barto, this bill would have authorized and directed the governor to enter into an interstate compact pledging that the member states would take joint and separate action to secure the consent of the U.S. Congress to return the authority to regulate health care to the member states. The compact would have established an Interstate Advisory Health Care Commission to study issues of health care regulation and make non-binding recommendations to the member states. The compact would have become effective on its

adoption by at least two member states and the consent of the U.S. Congress. ArMA took a position of Active Study on the bill which was vetoed by the Governor who stated that the bill violated the separation of powers requirement of the Constitution by “directing” the governor to sign a compact.

S1593: HEALTH INSURANCE; INTERSTATE PURCHASE

Introduced by Senator Barto, this bill would have permitted hospital, medical, dental and optometric service corporations, health care services organizations, disability insurers and group and blanket disability insurers located outside of Arizona to write health or sickness insurance in Arizona if the insurer provided evidence to the Arizona Department of Insurance that it was subject to the jurisdiction of another state’s insurance department and that its required financial reserves were not less than the amount required in Arizona. If the out of state insurer did not provide coverage for any of the list of coverages mandated by Arizona law, insurers organized within Arizona would not have been required to provide that mandated coverage. ArMA took a position of active study on the bill until the out of state mandate provision was included in the last days of the session which changed our position to non-support. The bill passed and was vetoed by the governor who stated that past legislatures have carefully weighed many priorities when mandating insurance coverage and the same level of public scrutiny should be applied whenever mandated coverage is reduced. It is significant to note that the “mandate” amendment was a floor amendment which never received a hearing by any of the standing legislative committees.

TORT REFORM/LIABILITY

In the category of Tort Reform/Liability, ArMA followed eight measures this session, down from 26 last year. Some of those are discussed below.

H2092: HOMESTEAD EXEMPTION; AMOUNT

Introduced by Representative Matt Heinz, this bill would have increased the homestead exemption to \$200,000, from \$150,000, applicable to any recorded and otherwise valid claim of homestead, whether recorded before or after the effective date of the legislation. While on the surface, the bill seems to be a “no brainer” due to property values in Arizona at this point in time and the need to protect homes, the measure was vigorously opposed by many including the banking institutions. Although ArMA generally supported the bill and will in the future, it was held by the House Government Committee.

S1031: MEDICAL MALPRACTICE ACTIONS; BURDEN; PROOF

Introduced by Senator Barto, this bill would have raised the standard of proof in all medical malpractice cases from “preponderance of evidence” to “clear and convincing evidence.” This bill would have followed the legislation passed two years ago to establish the standard of “clear and convincing evidence” for all EMTALA related care. ArMA actively supported the legislation, but Senator Barto felt that due to her workload of bills this session, she would defer it and perhaps reintroduce it next year. We will continue to work with Senator Barto to help remove any barriers she has to reintroducing the bill next year.

S1429: HEALTH CARE ACTIONS; LIABILITY; STUDENTS

Introduced by Senator Nelson, this bill stipulates that a student of a certified or state-approved postsecondary institution that prepares students for licensing as a health care provider is not liable in a medical malpractice action for injury that occurs during or as a result of care provided in the program if the student is supervised by a licensed health care provider unless gross negligence is established by clear and convincing evidence. A student does not owe an independent duty of care to a patient if the student is participating in patient care under the supervision of a licensed health care provider. ArMA took a position of General Support on the bill which passed and was signed by the Governor.

PUBLIC HEALTH/PUBLIC POLICY

This year in the Public Health/Public Policy category, ArMA followed 81 bills, up from 61 last year. Several of the most important are discussed below.

H2096: MINOR PARENTS; MEDICAL DECISIONS

Introduced by Representative Heinz, this bill allows a minor who is at least 16 years old and who is a custodial parent to consent to his/her own medical treatment without the consent of a parent or guardian. After discussing the issue with representatives of the Arizona Chapter, American Academy of Pediatrics, ArMA generally supported the bill which died after passing the House Health and Human Services Committee in early February.

H2408: OUTPATIENT TREATMENT; AGENCY NOTIFICATION

Introduced by Representative Ted Vogt, this bill establishes that if criminal charges involving death, serious physical injury or sexual crimes are dropped against a patient who is in the state hospital or other institution assigned to determine and/or treat mental illness, the medical director must notify the prosecuting agency if a civil commitment order expires or is terminated, or if the patient is discharged to outpatient treatment within five days prior to the anticipated date of the expiration, termination or discharge. ArMA took a position of Active Study on the bill, which passed and was signed by the Governor.

S1086: TOBACCO PRODUCTS; PROHIBITION

Introduced by Senator Michele Reagan, this bill establishes that it is a petty offense subject to a fine of up to \$500 for someone under 18 years-of-age to present an ID document that misrepresents the person's age for the purpose of purchasing tobacco products. Supported by ArMA, the bill passed and was signed by the Governor.

S1121: MATERNAL MORTALITY; REVIEW TEAM

Introduced by Senator Barto, this bill adds evaluating the incidence and causes of fatalities of pregnant women, and of women within one year of the end of her pregnancy, to the list of duties of the Child Fatality Review Team. After working with both the Arizona College of Obstetrics and Gynecology and the Arizona Chapter, American Academy of Pediatrics, consensus was reached on amending the language of the original bill. ArMA supported the amended bill which passed and was signed by the Governor.

S1561: LEGISLATIVE APPROPS; FEDERAL MONIES

Introduced by Senator Rick Murphy, this bill would have given the Legislature the authority to appropriate all noncustodial federal monies, defined as either block grants or general revenue sharing money over which the state has broad authority to make spending decisions. The bill was opposed by ArMA, passed and was vetoed by the governor who stated that the authority over federal funds is "traditionally and constitutionally" reserved to the Executive.

S1597: MEDICAL INFORMATION; RIGHTS

Introduced by Senator Barto, this bill would have established individual rights to medical records, including the right to annually obtain medical information free of charge, the right to obtain timely access to medical records during a course of treatment and the right to request that the person's medical records be amended. As introduced, the bill would have created huge problems within the entire medical community. ArMA joined with a group of other health care advocates in seeking amendments to the bill. Senator Barto met with a representative group and agreed to many amendments which were prepared for the House following the bill's passing the Senate. The bill was referred to the House Health and Human Services Committee where it died without a hearing.

HEALTHCARE INSTITUTION ISSUES

This year in the Healthcare Institution Issues category, ArMA followed five bills. Four are discussed below.

H2067: BOARD OF SUPERVISORS; BOARD OF REGENTS; POWERS

Originally introduced by Representative Burges, this bill became a vehicle for a strike everything amendment in the last days of the session when a feud erupted among legislators, the Board of Regents and representatives of the university physicians and the medical school. As passed and sent to the governor, the bill would have established an 18-month moratorium on the Board of Regents' authority to exercise any control or authority over the nonprofit entity that governs hospitals affiliated with the University of Arizona. It included an intent section stating the Legislature desired that the University Medical Center be operated exclusively for charitable, scientific and education purposes. The bill passed, but was vetoed by the governor who stated that, although she shared the Legislature's concern over the Regents' assertion of control over the University of Arizona Healthcare Board and she was generally supportive of the cooling-off period desired by this bill's sponsors and supporters, legal and contractual implications of the bill caused her reluctantly to veto it. Working with the medical school, ArMA helped to successfully encourage the veto.

H2634: DHS; HEALTH CARE INSTITUTIONS; RULES

Introduced by Representative Court, this bill requires ADHS to adopt rules regarding health care institutions to reduce costs to individuals, promote the use of "deemed status" for institutions accredited by a recognized national organization, and facilitate licensure of integrated health programs that provide both behavioral and physical health services by July 1, 2013. It exempts the Department from statutory rule-making provisions. ArMA took a position of Active Study on the bill which passed as session law and was signed by the Governor.

S1248: HOSPITALS; DUAL LICENSURE; ELIMINATION

Introduced by Senator Barto, this bill instructs ADHS to eliminate the dual licensure requirement for hospitals with behavioral health services by removing references to hospital licensure from its behavioral health services agency licensure rules and adding definitions applicable to psychiatric services to licensing rules for health care institutions by July 1, 2012. It also exempts the Department from otherwise required adherence to rule-making procedures for two years from the effective date of the act in order to make these changes. ArMA took a position of General Support on the bill which passed as session law and was signed by the Governor.

S1405: IMMIGRATION STATUS; HOSPITAL ADMISSIONS

Introduced by Senator Steve Smith, this bill would have required a hospital to confirm that the person is a citizen of the United States or is lawfully present in this country before it admits the person for nonemergency care. If the person was not lawfully present in the United States, the admissions officer must contact the local federal immigration office. If a hospital provided emergency care to a person not lawfully present in the United States, after successful treatment of the patient, the admissions officer must contact the local federal immigration office. Hospitals complying with this requirement would not be subject to civil liability. ArMA opposed the bill which failed to pass the Senate on a 12-18 vote.

CONCLUSION

In short, this session was fraught with poor options for both legislators and advocates. In particular, revenue shortages deeply impacted the AHCCCS program with large cuts to many areas, but particularly to the Prop 204 population as discussed in this document. At this point in time, it is still unknown whether the budget will hold or if the Legislature will have to come back in special session to fix it. That outcome, of course, depends on the courts and the battle within the courts may be protracted. It is our opinion, however, that the courts will allow the legislative actions to stand and the budget cuts to be fully implemented. In the event that we are proven wrong on this matter, we are working with the health care community and the AHCCCS plans to try to find ways to enhance revenue, allowing the matching funds to be available to keep the AHCCCS programs viable.

Arizona's physicians were visibly active at the legislature as 64 doctors served in ArMA's highly respected Doctor of the Day program. Also, ArMA's annual legislative reception hosted numerous physicians and legislators in what may have been a record attendance for this popular event. These programs continue to be extremely important to our ongoing relationship with the legislature.

Next year we expect a number of scope of practice battles. We are already aware that the chiropractors are interested in pursuing prescribing as are the psychologists. Further, there will have to be a "sunrise" to keep the current practice of certified registered nurse anesthetists in place due to the findings of the Auditor General that the Arizona Board of Nursing has exceeded its authority in developing rules primarily governing activities of CRNAs in hospitals and acute care settings that have been in place since 1998. Throughout the summer we expect to see additional scope issues arise and we will do our best to stay on top of them and keep you informed.

Also next year we expect again to go forward with medical liability reform. This can, and probably will, include raising the burden of proof across the board for all medical and other tort liability as well as looking at other smaller fixes such as tightening expert witness statutes and perhaps a bill specifying how specialists advertise their board certifications. We are also considering introducing a bill based on a national American Medical Association (AMA) model dealing with the criminalization of medical practice.

Although state revenues are currently higher than projected when the budget was developed, we are not out of the woods for future cuts to programs that we feel are important to the practice of medicine. We are also going to be dealing with tweaking the electronic medical records statute passed last session as well as legislation to accompany the Arizona Medical Board sunset audit. Finally, it has been a tough, but productive session for organized medicine and we would be remiss closing this report without acknowledging the significant contributions of House Health and Human Services Committee Chairman, Representative Cecil Ash, in being the prime and active sponsor of H2620, the electronic medical records bill.

The background of the entire page is the Arizona state flag, which features a large orange five-pointed star in the center. The star is set against a blue field at the bottom. Above the star, there are alternating rays of red and yellow, radiating from the top center. The flag has a textured, fabric-like appearance.

Arizona Medical Association 2011 Legislative Report