



ARIZONA HOUSE OF REPRESENTATIVES

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First Regular Session

Senate: APPROP DP 9-1-0-0 | 3rd Read 28-0-2-0
House: HHS W/D | APPROP DPA 12-0-0-1

SB 1355: developmental disabilities; provider increases

Sponsor: Senator Barto, LD 15
Caucus & COW

Overview

Appropriates \$30,000,000 from the state General Fund (GF) and a blank amount in Medicaid expenditure authority in FY 2022 to the Arizona Department of Economic Security (DES) to provide reimbursement rate increases for services to people with intellectual and developmental disabilities.

History

Statute defines *developmental disability* as meaning either a strongly demonstrated potential that a child under six years old has or will develop a developmental disability as determined by test, or a severe chronic disability that is: 1) attributable to cognitive disability, cerebral palsy, epilepsy or autism; 2) manifested before the age of 18; 3) likely to continue indefinitely; 4) results in substantial limitations of three or more major life activity areas that include self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living or economic self-sufficiency; and 5) reflects the need for a combination or sequence of individually planned or coordinated special, interdisciplinary or generic care, treatment or other services that are of lifelong or extended duration ([A.R.S. § 36-551](#)).

The [Division of Developmental Disabilities](#) (DDD) empowers people with developmental disabilities to lead self-directed, healthy and meaningful lives. DDD provides supports and services for eligible Arizonans diagnosed with autism, cerebral palsy, epilepsy, cognitive or intellectual disability or children under the age of six who are at the risk of having a developmental disability. DDD services more than 40,000 people in Arizona each year. [DDD](#) is required to rebase the reimbursement rates for home and community based services every 5 years ([A.R.S. § 36-2959](#)).

Provisions

1. Appropriates the following to DES to provide reimbursement rate increases for services to people with intellectual and developmental disabilities:
 - a) \$30,000,000 from the GF and a blank amount in Medicaid expenditure authority in FY 2022;
 - b) A blank amount from the GF and a blank amount in Medicaid expenditure authority in FY 2023; and
 - c) A blank amount from the GF and a blank amount in Medicaid expenditure authority in FY 2024. (Sec. 1)
2. Requires DES to use the FY 2020 rate rebase study and the most recent early intervention services rate rebase study to provide reimbursement rate increases for all services provided to people with intellectual and developmental disabilities, including early intervention services,

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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in FYs 2022, 2023, and 2024 so that each service receives an increase in each of the three fiscal years. (Sec. 1)

3. Instructs DES to ensure all reimbursement rates for services provided to people with intellectual and developmental disabilities are at least 100% of the benchmark rates by the end of FY 24, including any adjustment needed to the benchmark rates to account for any minimum wage increases in FYs 2022, 2023 and 2024. (Sec. 1)
4. Requires DES to engage community stakeholders regarding any plans to increase provider rates before implementing provider rate increases. (Sec. 1)
5. Requires DES to submit, by September 1 of each fiscal year, a report to the Joint Legislative Budget Committee describing its efforts to engage stakeholders and its plans to implement provider rate increases for FYs 2022, 2023 and 2024. (Sec. 1)
6. Contains a legislative intent clause. (Sec. 2)

Amendments

Committee on Appropriations

1. Makes the appropriated blank amount in Medicaid expenditure authority in FY 2022 \$71,100,000.
2. Removes the appropriations in FY 2023 and FY 2024.
3. Strikes language requiring DES to use the FY 2020 rate rebase study and the most recent early intervention services rate rebase study.
4. Removes the requirement of DES to ensure all reimbursement rates are at least 100% of the benchmark rates.
5. Deletes the requirement that DES report to JLBC.
6. Omits the legislative intent clause.
7. Makes conforming changes.