



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

FACT SHEET FOR H.B. 2691

health care workforce; grant programs

Purpose

Appropriates \$32,000,000 from the state General Fund (state GF) in FYs 2023, 2024 and 2025 to the Arizona Health Care Cost Containment System (AHCCCS) and \$15,500,000 from the state GF in FYs 2023, 2024 and 2025 to the Department of Health Services (DHS) for health care workforce grant programs.

Background

DHS provides and coordinates public health services and programs for Arizona. Responsibilities of DHS include: 1) protecting and improving public health; 2) implementing prevention and control programs for diseases and disabilities; 3) licensing and regulating health care institutions, child care facilities and various health care providers; 4) providing personnel and administrative services such as budgeting, information systems and facilities management for the agency; 5) administering radiation control programs; 6) operating the Arizona State Hospital; 7) overseeing the state laboratory; 8) administering a statewide system of emergency medical services, trauma care and a trauma registry; 9) collecting and maintaining vital records, including birth and death certificates; and 10) publishing public health statistics on a variety of public health measures and trends (A.R.S. §§ [36-104](#) and [36-132](#)).

AHCCCS contracts with health professionals to provide medically necessary health and medical services to eligible members. Currently, AHCCCS contractors are required to provide: 1) inpatient hospital services; 2) outpatient health services; 3) laboratory and X-ray services; 4) prescription medications; 5) medical supplies, durable medical equipment, insulin pumps and prosthetic devices; 6) treatment of medical conditions of the eye; 7) early and periodic health screening and diagnostic services; 8) family planning services; 9) podiatry services; 10) nonexperimental transplants; 11) emergency dental care; 12) ambulance and nonambulance transportation; 13) hospice care; and 14) orthotics ([A.R.S. § 36-2907](#)).

H.B. 2691 appropriates \$96,000,000 from the state GF in FYs 2023 through 2025 to AHCCCS and \$46,500,000 from the state GF in FYs 2023 through 2025 to DHS.

Provisions

Arizona Nurse Education Investment Pilot Program (Nurse Program)

1. Appropriates \$15,000,000 from the state GF in FYs 2023, 2024 and 2025 to DHS for the Nurse Program.

2. Establishes the Nurse Program to increase the capacity of nursing education programs in Arizona by fostering collaboration among the health care community, educational community and government entities.
3. Requires the Nurse Program to address the nursing shortage by increasing the number of all levels of nurses graduating from Arizona's nursing education programs by the end of FY 2027 from the number graduating in FY 2022.
4. Allows DHS to use private donations, grants and federal monies to implement, support, promote and maintain the Nurse Program or to supplant monies appropriated from the state GF.
5. Requires DHS to use all other funding sources before using state GF monies.
6. Establishes the Arizona Nurse Education Investment Pilot Program Fund (Fund), administered by DHS, consisting of legislative appropriations and monies provided by any federal agency, entity or program for nursing education and workforce expansion.
7. Exempts Fund monies from lapsing until July 1, 2026, and reverts monies in the Fund to the state GF on July 1, 2026.
8. Requires DHS to allocate Fund monies to the Arizona Board of Regents (ABOR) and community college districts (CCDs) based on the number of nursing students graduating in FY 2022 from eligible education programs offered or overseen by ABOR and the CCDs.
9. Specifies that eligible education programs include programs for nursing assistants, licensed practical nurses, registered nurses and advanced practice nurses.
10. Requires the Fund monies allocated to ABOR and CCDs to be used:
 - a) to pay salaries, benefits, training and related expenses and operational costs necessary to increase the number of qualified nursing education faculty members teaching in eligible nursing programs;
 - b) to supplement and not supplant monies that are appropriated by the Legislature for FYs 2023, 2024 and 2025 based on the number of nursing education faculty members who provide this education and were funded in FY 2022; and
 - c) for capital expenses directly related to additional faculty and students, including student support services.
11. Requires ABOR to establish a process, which may include a grant program, to annually distribute Fund monies to Arizona public universities.
12. Requires the Director of DHS (Director) to award grants to CCDs only for outlined uses based on the recommendations from a statewide organization that represents community colleges.
13. Requires DHS to establish an application form, process and procedure for granting monies.

14. Requires grants, subject to availability of Fund monies, to be distributed in a manner designed to increase the number of nurse graduates or students completing certificate programs by increasing available faculty and teaching resources in a manner that:
 - a) provides for the efficient use of available monies and shared resources; and
 - b) distributes monies throughout geographic areas of Arizona and underrepresented populations in the nursing workforce in Arizona.

***Student Nurse Clinical Rotation and Licensed or Certified Nurse Training Program
(Clinical Rotation Program)***

15. Appropriates \$27,000,000 from the state GF in FYs 2023, 2024 and 2025 to AHCCCS for the Clinical Rotation Program.
16. Establishes the Clinical Rotation Program to expand the capacity of preceptor training programs at health care institutions for nursing students and licensed or certified nurses.
17. Exempts the appropriation for the Clinical Rotation Program from lapsing until July 1, 2026, and reverts monies to the state GF on July 1, 2026.
18. Requires AHCCCS to develop a grant program to distribute monies to the licensed health care institutions only to expand or create clinical training placements for undergraduate nursing students and licensed or certified nurses to transition to practice and increase specialty nursing skills.
19. Specifies that eligible preceptor training programs include programs for nursing assistants, licensed practical nurses, registered nurses and advanced practice nurses including nursing assistant programs offered by assisted living centers, assisted living facilities and nursing care institutions approved by the Arizona State Board of Nursing.
20. Asserts that grant monies are intended to supplement and not supplant existing preceptor or training program expenses covered by the health care institution grantee.
21. Requires a health care institution applying for a grant for a licensed or certified nurse training program to include matching monies from a revenue source other than the state GF.
22. Requires AHCCCS to establish an application process for the grant program and allows AHCCCS to award grants for multiyear programs.
23. Requires proposals for grants to include outcome goals and measurements of the number of nurses planned to be trained and retention targets.
24. Requires AHCCS, when determining grant awards, to consider the:
 - a) geographic and population distribution;
 - b) number of nurses planned to be trained and retained; and
 - c) cost of the proposal for the number of nurses expected to participate and to be retained compared to other proposals.

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25. Allows AHCCCS to use appropriated monies for the Clinical Rotation Program for administration costs and, if needed, to contract with individuals or entities to administer all or any of the elements of the Clinical Rotation Program.
26. Allows AHCCCS to use private donations, grants and federal monies to implement, support, promote or maintain the Clinical Rotation Program or to supplant state GF monies.
27. Requires AHCCCS to use all other funding sources for the Clinical Rotation Program before using state GF monies.
28. Allows AHCCCS to terminate funding for a grant if reported outcomes demonstrate that the grant proposal is not performing as planned.
29. Stipulates that returned grant monies may be used for other grant proposals or revert to the state GF.
30. Designates up to \$2,000,000 from the appropriation for the Clinical Rotation Program in FYs 2023, 2024 and 2025 for AHCCCS to establish a Licensed Registered Nurse Transition to Practice Pilot Program (Transition Program) to facilitate and improve the transition for nurses from education to practice.
31. Requires the Transition Program to support and develop new nurses, provide evidence-based professional development and accelerate the novice nurse to a competent nurse more rapidly.
32. Allows AHCCCS to contract with a statewide hospital association whose membership includes critical care access hospitals or a statewide nurses association experienced in education and training programs to administer some or all of the Transition Program.
33. Requires AHCCCS or the designated Transition Program administrator (administrator) to select curricula for the Transition Program from a national vendor with experience administering nurse training programs.
34. Requires the curricula to include:
 - a) effective decision-making skills;
 - b) clinical leadership while administering care;
 - c) incorporating research-based evidence into practice;
 - d) professional commitment to nursing; and
 - e) individual development goals.
35. Requires AHCCCS or the administrator to provide stipends to participating health care institutions to implement the Transition Program using the selected curricula.
36. Requires the administrator to give priority to critical access hospitals or hospitals located in counties with a population of fewer than 500,000 persons.
37. Asserts that monies for the Transition Program are intended to supplement and not supplant existing transition to practice training program expenses covered by the participating health care institutions.

38. Requires the participating health care institutions to provide matching monies from a revenue source other than the state GF.
39. Asserts that participation in the Transition Program is voluntary.
40. Allows any unused grant monies at the end of the fiscal year to be rolled over to the next fiscal year or reallocated to the Clinical Rotation Program.
41. Requires AHCCCS and DHS to develop reporting requirements for each of the institutions of higher education and participating health care institutions in the three established programs.
42. Requires AHCCCS and DHS, by December 31, 2023, and each December 31 thereafter, to provide a report to the Governor, President of the Senate, Speaker of the House of Representatives and chairpersons of the Health and Human Services Committees of the Senate and House of Representatives (HHS Committees) and provide a copy to the Secretary of State (SOS).
43. Requires the annual report to include the:
 - a) number of participating entities and who participated in each program;
 - b) number of nurses who completed each educational and clinical training program;
 - c) measurements developed by DHS or AHCCCS on the expansion of the statewide health care workforce and retention rates of health care institutions;
 - d) expansion of university and community college programs that includes the number of additional nursing students in each educational program;
 - e) number of new nurse preceptors at each health care institution, number of students and licensed or certified nurses trained by the expansion of preceptors at each health care institution and the turnover rate of nurses within one year of hiring at each health care institution;
 - f) number and identity of health care institutions and the number of nurses participating at each health care institution in the Transition Program and the turnover rate of nurses within one year of hiring at each participating health care institution; and
 - g) benchmarks and outcome reports developed by DHS to measure the effectiveness of the programs.
44. Requires the HHS Committees, or their successor committees, to conduct a hearing to review the annual reports.

Preceptor Grant Program for Graduate Students (Preceptor Grant Program)

45. Appropriates \$500,000 from the state GF in FYs 2023, 2024 and 2025 to DHS for the Preceptor Grant Program to expand the capacity of the preceptor training for graduate students.
46. Establishes the Preceptor Grant Program to expand the capacity of preceptor training for graduate students pursuing outlined degrees.
47. Exempts the appropriation for the Preceptor Grant Program from lapsing until July 1, 2028, and reverts monies to the state GF on July 1, 2028.

48. Asserts that the purpose of the Preceptor Grant Program, in which participation is voluntary, is to encourage and support more preceptorships for the training and development of graduate students to become new physicians, advanced practice registered nurses, physician assistants or dentists in Arizona.
49. Requires DHS to allocate the Preceptor Grant Program monies to the five largest statewide nonprofit organizations that represent allopathic physicians, osteopathic physicians, advanced practice registered nurses, physician assistants or dentists.
50. Requires DHS to allocate the monies in proportion to the number of health professionals in the specified disciplines who hold active licenses.
51. Authorizes DHS to allow selected organizations to receive reasonable costs for processing applications and stipends.
52. Requires the selected organizations to annually report to DHS the number of applications received and the number of grants awarded.
53. Allows licensed eligible allopathic physicians, osteopathic physicians, certified nurse midwives, certified registered nurse anesthetists, clinical nurse specialists, registered nurse practitioners, physician assistants or dentists who serve as volunteer preceptors to apply for grants from the statewide nonprofit organization that represents their discipline and has received grant monies.
54. Requires a licensed health professional, to qualify for a grant, to file a grant application and provide sufficient evidence of completion of a qualified preceptorship with a graduate student in the same professional discipline.
55. Requires grant monies to be allocated by the selected organizations to qualified applicants based on the order the applications are received with a maximum grant of \$1,000 per calendar year to each qualified applicant, regardless of the number of preceptorships the applicant provides in that calendar year.
56. Requires grant priority to be given to preceptorships in primary health care and in rural areas in Arizona.
57. Allows any Preceptor Grant Program monies at the end of a fiscal year to be rolled over to the next fiscal year or reallocated by DHS to other statewide nonprofit organizations.
58. Requires a preceptorship, to qualify for the Preceptor Grant Program, to:
 - a) provide an uncompensated mentoring experience in which the licensed health professional preceptor provides a program of personalized instruction, training and supervision to the graduate student;
 - b) be at least four weeks; and
 - c) provide an educational opportunity for the graduate student to enable the student to obtain an eligible professional degree.
59. Allows DHS to use private donations, grants and federal monies to implement, support, promote or maintain the Preceptor Grant Program.

Pilot Program Fund

60. Appropriates \$5,000,000 from the state GF in FYs 2023, 2024 and 2025 to AHCCCS to deposit in the Pilot Program Fund to expand the capacity of the Maricopa Community College District (MCCD) and Navajo Community College District (NCCD) to train students as behavioral health workers.
61. Establishes the Pilot Program Fund, administered by AHCCCS, and specifies that monies in the Pilot Programs Fund are continuously appropriated and exempt from lapsing.
62. Requires Pilot Program Fund monies to be used to develop behavioral health curriculum in partnership with MCCD and NCCD.
63. Reverts any monies in the Pilot Program Fund on July 1, 2026, to the state GF.
64. Allows AHCCCS to use private donations, grants and federal monies to implement, support, promote or maintain a grant program or to supplant state GF monies.
65. Requires AHCCCS to use all other funding sources for the grant program before using state GF monies.
66. Requires the Director of AHCCCS to develop a grant program, in partnership with MCCD and NCCD, to distribute monies to community colleges with qualifying programs to train students to address the shortage of the behavioral health workforce by increasing the number of students completing qualified programs by the end of FY 2025.
67. Requires the grants to be used to:
 - a) expand behavioral health curriculum and pay for salaries, benefits, training and related expenses and operational costs necessary to increase the number of qualified behavioral health education faculty members teaching in degree and certificate programs operated or overseen by MCCD and NCCD; and
 - b) pay for tuition, fees and related educational expenses of eligible students enrolling in behavioral health programs.
68. Requires AHCCCS, in partnership with MCCD and NCCD, to develop and implement requirements for payment of student expenses that include a requirement that students who complete a certification or degree program practice as a behavioral health care in Arizona for a minimum of two years or the number of years that equals the length of the program completed by the student, whichever is greater.
69. Asserts that grants are subject to availability of monies and requires Pilot Program Fund monies to be distributed in a manner designed to increase the number of students completing behavioral health degree or certificate programs.
70. Requires AHCCCS to develop reporting requirements for each community college using monies received from the Pilot Program Fund.
71. Requires the Director of AHCCCS, by December 31, 2023, and each December 31 thereafter, to provide a report to the Governor, the President of Senate, Speaker of the House of Representatives and the chairpersons of the HHS Committees or their successor committees and provide a copy to the SOS.

72. Requires the report to include the:

- a) number and type of behavioral health programs created at MCCD and NCCD, including the number and type of programs at each individual community college in the district;
- b) number of students supported financially in each program at each individual community college; and
- c) number of students completing each program by type of program and at each specific community college.

Miscellaneous

73. Requires each Arizona public university and community college to annually report the number of applications received and approved and the program of study for current and former members of the U.S. military to the Governor, President of the Senate and Speaker of the House of Representatives.

74. Requires the annual report to list each health care program separately.

75. Defines *administration, assisted living center, assisted living facility, Department, Director, graduate student, health care institution, licensed or certified nurse and nursing care institution*.

76. Repeals the health care workforce development programs on January 1, 2027.

77. Declares the Legislature's intent that the appropriated monies from the state GF originate from the state's insurance premium tax collections.

78. Makes technical and conforming changes.

79. Becomes effective on the general effective date.

House Action

APPROP	2/16/22	DPA	10-2-1-0
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Prepared by Senate Research

March 18, 2022

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