



ARIZONA STATE SENATE
Fifty-Fifth Legislature, Second Regular Session

ENACTED

FACT SHEET FOR H.B. 2865/S.B. 1732

human services; 2022-2023

Purpose

Makes statutory and session law changes relating to human services necessary to implement the FY 2023 state budget.

Background

The Arizona Constitution prohibits substantive law from being included in the general appropriations, capital outlay appropriations and supplemental appropriations bills. However, it is often necessary to make statutory and session law changes to effectuate the budget. Thus, separate bills called budget reconciliation bills (BRBs) are introduced to enact these provisions. Because BRBs contain substantive law changes, the Arizona Constitution provides that they become effective on the general effective date, unless an emergency clause is enacted.

H.B. 2865 contains the budget reconciliation provisions for changes relating to human services.

Provisions

Department of Child Safety (DCS)

1. Requires DCS, licensed child welfare agencies and tribal child welfare agencies to provide a monthly stipend of at least \$1,200 to each child placed in the Independent Living Program.

Department of Economic Security (DES)

Temporary Assistance for Needy Families (TANF) Benefits

2. Continues to require DES, during FY 2023, to screen and test each adult recipient who:
 - a) is eligible for TANF cash benefits; and
 - b) DES has reasonable cause to believe engages in the illegal use of controlled substances.
3. Continues to prohibit any TANF recipient who tests positive for the use of a controlled substance that was not prescribed for the recipient by a licensed health care provider from being eligible to receive TANF benefits for a period of one year.

DES Group Home Monitoring

4. Establishes the Developmental Disabilities Group Home Monitoring Pilot Program (Pilot Program) within DES.

5. Requires DES to oversee the Pilot Program for three years and contract with the entity that has been designated by the state to conduct the Pilot Program and operate the protection and advocacy system for persons with developmental disabilities in Arizona, in accordance with the Americans with Disabilities Act.
6. Requires, beginning January 1, 2023, the Pilot Program-designated entity to:
 - a) investigate quality-of-care complaints received by the Pilot Program-designated entity concerning any group home funded by DES; and
 - b) compile a comprehensive report of all observations and outcomes during the preceding year.
7. Requires, beginning January 1, 2023, the Pilot Program-designated entity to monitor, in-person, the group homes that provide services to clients with complex needs to determine, at a minimum, whether:
 - a) the client with complex needs receives the services identified in the client's person-centered service plan, including medication monitoring and habilitation treatment, as applicable;
 - b) the provision of services identified in the person-centered service plan of the client with complex needs has been effective in addressing the client's complex needs;
 - c) the services have resulted in a reduction in behaviors that interfered with the ability of the client with complex needs to live safely in the community; and
 - d) all physical interventions have complied with the behavioral treatment plan of the client with complex needs and applicable state laws.
8. Requires DES to provide education to service providers on the requirements of the Pilot Program and the role of the Pilot Program-designated entity.
9. Requires the Pilot Program-designated entity, by December 31, 2025, to report the observations and outcomes of the Pilot Program to the:
 - a) Governor;
 - b) President of the Senate;
 - c) Speaker of the House of Representatives; and
 - d) Secretary of State.
10. Requires the report from the Pilot Program-designated entity to include:
 - a) systemic issues that were identified;
 - b) the quality of services being provided to persons with developmental disabilities who have complex needs in Arizona; and
 - c) any recommendations for service improvements.
11. Repeals the Pilot Program on January 1, 2027.
12. Requires, by January 1, 2024, DES to provide an annual report to the:
 - a) Chairpersons of the Senate and House of Representatives Health and Human Services Committees or successor committees;
 - b) Directors of the Arizona Health Care Cost Containment System and the Department of Health Services;
 - c) Pilot Program-designated entity; and
 - d) Secretary of State.

13. Requires the DES annual report to include the:
 - a) number of incident reports that were received from group homes in the preceding two years;
 - b) total number of times medication was distributed to clients;
 - c) number of Medicaid fraud investigations of group home service providers;
 - d) number of group home contracts by service provider;
 - e) annual amount the Division of Developmental Disabilities (DDD) paid the service provider for each group home contract for the group home services provided for each group home contract;
 - f) cost per client by service provider; and
 - g) number of service providers from whom the DDD recouped payments for group home services in the preceding year for Medicaid fraud.
14. Requires the DES group home report to include the number of incident reports:
 - a) categorized by severity level;
 - b) that resulted in any type of contract sanction, broken down by reason for the sanction;
 - c) that involved medication errors;
 - d) that resulted in changes to a behavioral treatment plan;
 - e) that required additional staff training mandated by the DDD after review of the incident report;
 - f) that involved law enforcement; and
 - g) aggregated by service provider and individual group home without identifying the specific location or name of the home.
15. Requires DES, by January 1, 2023, to establish an expedited referral system to ensure that copies of all quality-of-care complaints are forwarded to the Pilot Program-designated entity for investigation.
16. Requires DES to identify quality-of-care complaints related to abuse, neglect and client safety as priorities for investigation.
17. Requires, if the Pilot Program-designated entity substantiates an allegation in a quality-of-care complaint, the information to be provided to DES, the service provider and the Independent Oversight Committee on Persons with Developmental Disabilities.
18. Defines *client with complex needs* as a client with dual disorders, including psychiatric disorders and developmental disabilities, who engages in behaviors that:
 - a) are disruptive;
 - b) are socially inappropriate;
 - c) are harmful or dangerous to self or others;
 - d) interfere with functioning and quality of life; or
 - e) may cause destruction of property.

Miscellaneous

19. Makes technical changes.
20. Becomes effective on the general effective date.

FACT SHEET – Enacted

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House Action

APPROP	6/21/22	DP	8-5-0-0
3 rd Read	6/23/22		50-9-1

Senate Action

APPROP	6/22/22	DP	5-3-2
3 rd Read	6/23/22		21-7-2

(H.B. 2865 was substituted for S.B. 1732 on
3rd Read)

Signed by the Governor on 6/28/22
Chapter 316

Prepared by Senate Research
June 30, 2022
MM/MC/sr