



STATE OF ARIZONA

Joint Legislative Budget Committee

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LISA OTONDO

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491
azleg.gov

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

September 21, 2022

The Chairman called the meeting to order at 9:40 a.m., Wednesday, September 21, 2022, in House Hearing Room 1. The following were present:

Members:	Senator Gowan, Chairman Senator Bowie Senator Kerr Senator Leach Senator Otondo	Representative Bolick Representative Kavanagh Representative Longdon Representative Osborne Representative Sierra (Temporary member in place of Representative Butler) Representative Toma
Absent:	Senator Alston Senator Gray Senator Livingston	Representative Butler Representative Cobb, Vice-Chairman Representative Chávez

APPROVAL OF MINUTES

Representative Kavanagh moved that the Committee approve the minutes of July 14, 2022. The motion carried.

CONSENT AGENDA

The following items were considered without further discussion.

EXECUTIVE SESSION - Arizona Department of Administration - Review for Committee the Planned Contribution Strategy for State Employee and Retiree Dental Plans as Required Under A.R.S. § 38-658A.

A.R.S. § 38-658A requires that, at least 10 days before the Arizona Department of Administration (ADOA) enters into, or renews, contracts for medical and dental insurance coverage, the Director of

(Continued)

ADOA shall meet with and review for the Joint Legislative Budget Committee, in Executive Session, the planned contribution strategy for each health plan. ADOA requested review of its planned contribution strategy for state employee and retiree dental coverage for Plan Year 2023. The JLBC Staff provided options.

1. ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA)/AUTOMATION PROJECTS FUND - Review of FY 2023 Projects.

A.R.S. § 41-714 requires Committee review prior to any monies being expended from ADOA's Automation Projects Fund (APF). In addition, an FY 2023 General Appropriation Act footnote requires ADOA to request review of AHCCCS's expenditure plan for the Prepaid Medicaid Management Information System (PMMIS). ADOA requested review for 3 projects as follows:

1. The reallocation of unspent FY 2022 APF appropriations for the Business One-Stop web portal for ADOA to begin Phase 2 of the project.
2. \$1,755,600 for AHCCCS to begin the development of the PMMIS Systems Integrator.
3. \$870,900 for the Department of Revenue (DOR) to begin the design and procurement of the Integrated Tax System modernization project.

The JLBC Staff provided options and potential provisions:

- A. *In its future request for review of FY 2023 appropriations for the Business One-Stop Portal, ADOA shall submit a report on the projected development costs for the remaining project and operating costs for the system.*
- B. *Prior to awarding any procurement contract for the tax system, the department shall request Committee review of the department's plan to address the project specifications required by the FY 2023 General Appropriation Act.*

2. AHCCCS/DEPARTMENT OF ECONOMIC SECURITY (DES) - Review of Capitation Rate Changes for Plan Year 2023.

An FY 2023 General Appropriation Act footnote requires the state Medicaid agencies to submit an expenditure plan to the Committee for review prior to implementing any changes in capitation rates. AHCCCS/DES requested Committee review of AHCCCS's proposed capitation rate changes for CYE 2023 (October 2022 – September 2023) for AHCCCS and DES' Arizona Long Term Care System (ALTCS) program. The JLBC Staff provided options.

Representative Kavanaugh moved that the Committee give a favorable review of the consent agenda items as follows: the dental insurance portion of the Executive Session item on State Employee Health Insurance and consent agenda items 1 and 2 with the JLBC Staff provisions listed above. The motion carried.

EXECUTIVE SESSION – NON-CONSENT AGENDA

Arizona Department of Administration, Risk Management Services - Consideration of Proposed Settlements under Rule 14.

Representative Kavanaugh moved that the Committee go into Executive Session. The motion carried.

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At 9:42 a.m. the Joint Legislative Budget Committee went into Executive Session.

Representative Kavanagh moved that the Committee reconvene into open session. The motion carried.

At 9:59 a.m. the Committee reconvened into open session.

Representative Kavanagh moved that the Committee approve the recommended settlements proposed by the Attorney General's office in the case of Yu Rong and on behalf of the Estate of Kailing Liu v. State of Arizona. The motion carried.

Without objection, the meeting adjourned at 10:00 a.m.

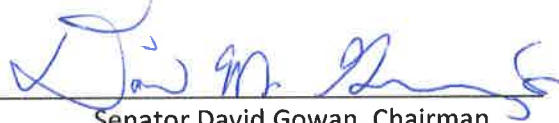
Respectfully submitted:



Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director



Senator David Gowan, Chairman