



STATE OF ARIZONA

Joint Legislative Budget Committee

STATE
SENATE

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MINUTES OF THE MEETING

JOINT LEGISLATIVE BUDGET COMMITTEE

November 9, 2023

The Chairman called the meeting to order at 1:14 p.m., Thursday, November 9, 2023, in Senate Hearing Room 1. The following were present:

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| Members: | Senator Kavanagh, Vice-Chairman
Senator Alston
Senator Bennett
Senator Diaz | Representative Biasiucci
Representative Carter
Representative Dunn (Temporary member)
Representative Gress
Representative Salman
Representative Schwiebert
Representative Stahl Hamilton |
| Absent: | Senator Borrelli
Senator Fernandez
Senator Hoffman
Senator Mesnard | Representative Chaplik |
| Excused: | | Representative Livingston, Chairman |

APPROVAL OF MINUTES

Senator Kavanagh moved that the Committee approve the minutes of October 10, 2023. The motion carried by voice vote.

1. ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of Inmate Healthcare Contract Rates.

Mr. Geoff Paulsen, JLBC Staff, stated a FY 2024 General Appropriations Act footnote requires ADC to submit an expenditure plan for review by the Committee prior to implementing any change in contracted rates for the state's inmate health care vendor. The JLBC Staff provided options.

Ryan Thornell, Director, Department of Corrections, responded to member questions.

(Continued)

Richard Evitch, Assistant Director, Financial Services, Department of Corrections, responded to member questions.

Representative Dunn moved that the Committee give a review of the ADC request except for an unfavorable review of the \$1.64 per diem associated with the costs of administering Medicaid reimbursement claims. As part of its review, the Committee included the following provisions:

1. *A review by the Committee does not constitute endorsement of a General Fund appropriation for an FY 2024 supplemental or a specific FY 2025 appropriation for Inmate Healthcare.*
2. *Starting on December 15th 2023, and the 15th of every month thereafter through July 2025, ADC shall submit a report to the JLBC Staff on the previous month's vacancy savings and year-to-date vacancy savings relative to the appropriated budget. ADC shall report the monthly actuals for personal services, employee-related expenditures and overtime as compared to their monthly appropriation allocation for those line items based on the FY 2024 and FY 2025 appropriations.*
3. *Any FY 2024 supplemental request submitted by the Executive shall be accompanied by a detailed estimate of the department's fiscal year-end vacancy savings and a description of how those savings would be used for addressing the department's injunction costs beyond the proposed contracted rates.*
4. *On or before January 26, 2024, ADC shall submit a report to the JLBC Staff detailing the healthcare vendor's methodology for determining the contracted administrative costs associated with Medicaid reimbursement.*

The motion carried by voice vote.

Without objection, the meeting adjourned at 1:54 p.m.


Respectfully submitted:

Kristy Paddack

Kristy Paddack, Secretary

Richard Stavneak

Richard Stavneak, Director


Senator John Kavanagh, Vice-Chairman