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Opinion No. 63-81-L
R-291
June 28, 1963

REQUESTED BY: ALICE M. CANNON, Executive Secretary
Arizona State Crippled Children's
Services *1825 East Warfield*

OPINION BY: ROBERT W. PICKRELL
The Attorney General

QUESTION: Can the State of Arizona Crippled
Children's Hospital receive from Arizona
Blue Cross payment for service rendered
to a patient of the hospital?

ANSWER: Yes.

A.R.S. § 46-503, as amended in 1961 states:

"The state board of crippled children's
services shall:

* * *

"6. Establish and administer a program of
service for children who are crippled or who
are suffering from conditions which lead to
crippling. The program shall provide for:

* * *

"(h) Receipt and expenditure of funds made
available to the state board for services
to crippled children by the federal government,
the state or its subdivisions, or from other
sources." (Emphasis supplied)

The specified sources in § 46-503 (6)(h) are public
except the category "other sources." Thus, the Crippled
Children's Hospital, operated pursuant to this section
of the Arizona Revised Statutes is partially financed by
State funds.

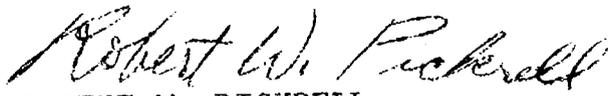
Article 9, Section 7 of our Arizona Constitution
states:

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"Neither the State, nor any county, city, town, municipality, or other subdivision of the state shall ever give or loan its credit in the aid of, or make any donation or grant, by subsidy or otherwise, to any individual"

Admittedly, our Arizona Legislature has enacted an extensive welfare code. However, in view of Article 9, Section 7 of our State Constitution, it is the opinion of this office that free hospital care, financed by means of the State, or any of its subdivisions, should be limited to those who cannot, themselves or through parents or spouses, pay the cost of their hospital care. See our recent opinion in respect to payment for care of children at the Arizona Children's Colony, 63-14-L. Furthermore, our State Legislature in 1958 amended the statutes relating to payment of patients at the State Hospital so that patients are required to pay for their individual hospitalization to the extent that they are financially able to do so. See A.R.S. § 36-520.

Consequently, the category, "from other sources" includes funds of the patient or his parents which can be reasonably applied toward the cost of his hospitalization. Arizona Blue Cross is a group insurance association duly licensed with the Arizona Corporation Commission, through the Insurance Department, to do business in Arizona. When a patient, or his parents, has coverage under Arizona Blue Cross and the patient receives care from the Crippled Children's Hospital, there is no legal reason why the costs of hospitalization cannot be paid by Arizona Blue Cross on behalf of the patient, provided the contract between the insurance association and the patient or his parents covers such hospital care.


ROBERT W. PICKRELL
The Attorney General *by wwe*

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