

State of Arizona  
Senate  
Forty-seventh Legislature  
Second Regular Session  
2006

# SENATE BILL 1104

AN ACT

AMENDING SECTIONS 36-401 AND 48-5501, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 36-401, Arizona Revised Statutes, is amended to  
3 read:

4 36-401. Definitions: adult foster care

5 A. In this chapter, unless the context otherwise requires:

6 1. "Accredited health care institution" means a health care  
7 institution, other than a hospital, that is currently accredited by a  
8 nationally recognized accreditation organization.

9 2. "Accredited hospital" means a hospital ~~that is~~ **THAT IS** currently accredited  
10 by a nationally recognized commission on hospital accreditation.

11 3. "Adaptive services" means medical services ~~that are~~ **THAT ARE** provided on an  
12 outpatient basis.

13 4. "Adult day health care facility" means a facility ~~providing~~ **THAT**  
14 **PROVIDES** adult day health services during a portion of a continuous  
15 twenty-four hour period for compensation on a regular basis for five or more  
16 adults not related to the proprietor.

17 5. "Adult day health services" means a program that provides planned  
18 care supervision and activities, personal care, personal living skills  
19 training, meals and health monitoring in a group setting during a portion of  
20 a continuous twenty-four hour period. Adult day health services may also  
21 include preventive, therapeutic and restorative health related services that  
22 do not include behavioral health services.

23 6. "Adult foster care" means a residential setting ~~which~~ **THAT** provides  
24 room and board and adult foster care services for at least one and no more  
25 than four adults who are participants in the Arizona long-term care system  
26 pursuant to chapter 29, article 2 of this title and in which the sponsor or  
27 the manager resides with the residents and integrates the residents who are  
28 receiving adult foster care into that person's family.

29 7. "Adult foster care services" means supervision, assistance with  
30 eating, bathing, toileting, dressing, self-medication and other routines of  
31 daily living or services authorized by section 36-2939, subsection C and  
32 rules adopted pursuant to that section.

33 8. "Ambulatory person" means any individual, including one who uses a  
34 cane or other ambulatory support device, who is physically and mentally  
35 capable under emergency conditions of finding a way to safety without  
36 assistance.

37 9. "Assisted living center" means an assisted living facility that  
38 provides resident rooms or residential units to eleven or more residents.

39 10. "Assisted living facility" means a residential care institution,  
40 including adult foster care, that provides or contracts to provide  
41 supervisory care services, personal care services or directed care services  
42 on a continuing basis.

43 11. "Assisted living home" means an assisted living facility that  
44 provides resident rooms to ten or fewer residents.

1           12. "Capital expenditure" means the acquisition by lease or purchase of  
2 a capital asset in the nature of buildings, fixtures or durable equipment.

3           13. "Construction" means the building, erection, fabrication or  
4 installation of a health care institution.

5           14. "Continuous" means available at all times without cessation, break  
6 or interruption.

7           15. "Controlling person" means a person who:

8           (a) Through ownership, has the power to vote at least ten per cent of  
9 the outstanding voting securities.

10           (b) If the applicant or licensee is a partnership, is the general  
11 partner or a limited partner who holds at least ten per cent of the voting  
12 rights of the partnership.

13           (c) If the applicant or licensee is a corporation, an association or a  
14 limited liability company, is the president, the chief executive officer, the  
15 incorporator or any person who owns or controls at least ten per cent of the  
16 voting securities. For the purposes of this subdivision, corporation does  
17 not include nonprofit corporations.

18           (d) Holds a beneficial interest in ten per cent or more of the  
19 liabilities of the applicant or the licensee.

20           16. "Department" means the department of health services.

21           17. "Directed care services" means programs and services, including  
22 personal care services, **THAT ARE** provided to persons who are incapable of  
23 recognizing danger, summoning assistance, expressing need or making basic  
24 care decisions.

25           18. "Direction" means authoritative policy or procedural guidance for  
26 the accomplishment of a function or activity.

27           19. "Director" means the director of the department of health services.

28           20. "Facilities" means buildings **THAT ARE** used by a health care  
29 institution for providing any of the types of services as defined in this  
30 chapter.

31           21. "Freestanding urgent care center":

32           (a) Means an outpatient treatment center that, regardless of its  
33 posted or advertised name, meets any of the following requirements:

34           (i) Is open twenty-four hours a day, excluding at its option weekends  
35 or certain holidays, but is not licensed as a hospital.

36           (ii) Claims to provide unscheduled medical services not otherwise  
37 routinely available in primary care physician offices.

38           (iii) By its posted or advertised name, gives the impression to the  
39 public that it provides medical care for urgent, immediate or emergency  
40 conditions.

41           (iv) Routinely provides ongoing unscheduled medical services for more  
42 than eight consecutive hours for an individual patient.

43           (b) Does not include the following:

44           (i) A medical facility that is licensed under a hospital's license and  
45 that uses the hospital's medical provider number.

1 (ii) A qualifying community health center pursuant to section  
2 36-2907.06.

3 (iii) Any other health care institution licensed pursuant to this  
4 chapter.

5 (iv) A PHYSICIAN'S OFFICE THAT OFFERS EXTENDED HOURS OR SAME DAY  
6 APPOINTMENTS TO EXISTING AND NEW PATIENTS AND THAT DOES NOT MEET THE  
7 REQUIREMENTS OF SUBDIVISION (a), ITEM (i), (iii) OR (iv). FOR THE PURPOSES  
8 OF THIS ITEM, "PHYSICIAN" MEANS A PERSON LICENSED PURSUANT TO TITLE 32,  
9 CHAPTER 13 OR 17.

10 22. "Governing authority" means the individual, agency, group or  
11 corporation, appointed, elected or otherwise designated, in which the  
12 ultimate responsibility and authority for the conduct of the health care  
13 institution are vested.

14 23. "Health care institution" means every place, institution, building  
15 or agency, whether organized for profit or not, ~~which~~ THAT provides  
16 facilities with medical services, nursing services, health screening  
17 services, other health-related services, supervisory care services, personal  
18 care services or directed care services and THAT includes home health  
19 agencies as defined in section 36-151 and hospice service agencies.

20 24. "Health-related services" means services, other than medical,  
21 ~~pertaining~~ THAT PERTAIN to general supervision, protective, preventive and  
22 personal care services, supervisory care services or directed care services.

23 25. "Health screening services" means the acquisition, analysis and  
24 delivery of health-related data of individuals to aid in the determination of  
25 the need for medical services.

26 26. "Hospice" means a hospice service agency or the provision of  
27 hospice services in an inpatient facility.

28 27. "Hospice service" means a program of palliative and supportive care  
29 for terminally ill persons and their families or caregivers.

30 28. "Hospice service agency" means an agency or organization, or a  
31 subdivision of that agency or organization, ~~which~~ THAT is engaged in  
32 providing hospice services at the place of residence of its clients.

33 29. "Inpatient beds" or "resident beds" means accommodations with  
34 supporting services, such as food, laundry and housekeeping, for patients or  
35 residents who generally stay in excess of twenty-four hours.

36 30. "Licensed capacity" means the total number of persons for whom the  
37 health care institution is authorized by the department to provide services  
38 as required pursuant to this chapter if the person is expected to stay in the  
39 health care institution for more than twenty-four hours. For a hospital,  
40 licensed capacity means only those beds specified on the hospital license.

41 31. "Medical services" means the services ~~pertaining~~ THAT PERTAIN to  
42 medical care AND that are performed at the direction of a physician on behalf  
43 of patients by physicians, dentists, nurses and other professional and  
44 technical personnel.

1           32. "Modification" means the substantial improvement, enlargement,  
2 reduction, alteration of or other change in a health care institution.

3           33. "Nonproprietary institution" means any health care institution ~~THAT~~  
4 ~~IS~~ organized and operated exclusively for charitable purposes, no part of the  
5 net earnings of which inures to the benefit of any private shareholder or  
6 individual, or ~~THAT IS~~ operated by the state or any political subdivision of  
7 the state.

8           34. "Nursing care institution" means a health care institution  
9 ~~providing~~ ~~THAT PROVIDES~~ inpatient beds or resident beds and nursing services  
10 to persons who need nursing services on a continuing basis but who do not  
11 require hospital care or direct daily care from a physician.

12           35. "Nursing services" means those services ~~pertaining~~ ~~THAT PERTAIN~~ to  
13 the curative, restorative and preventive aspects of nursing care ~~AND~~ that are  
14 performed at the direction of a physician by or under the supervision of a  
15 registered nurse licensed in this state.

16           36. "Organized medical staff" means a formal organization of  
17 physicians, and dentists where appropriate, with the delegated authority and  
18 responsibility to maintain proper standards of medical care and to plan for  
19 continued betterment of that care.

20           37. "Outpatient surgical center" means a type of health care  
21 institution with facilities and limited hospital services for the diagnosis  
22 or treatment of patients by surgery whose recovery, in the concurring  
23 opinions of the surgeon and the anesthesiologist, does not require inpatient  
24 care in a hospital.

25           38. "Personal care services" means assistance with activities of daily  
26 living that can be performed by persons without professional skills or  
27 professional training and ~~THAT~~ includes the coordination or provision of  
28 intermittent nursing services and the administration of medications and  
29 treatments by a nurse who is licensed pursuant to title 32, chapter 15 or as  
30 otherwise provided by law.

31           39. "Physician" means any person ~~WHO IS~~ licensed ~~under~~ ~~PURSUANT TO~~  
32 title 32, chapter 13 or 17.

33           40. "Residential care institution" means a health care institution  
34 other than a hospital or a nursing care institution ~~which~~ ~~THAT~~ provides  
35 resident beds or residential units, supervisory care services, personal care  
36 services, directed care services or health-related services for persons who  
37 do not need inpatient nursing care.

38           41. "Residential unit" means a private apartment, unless otherwise  
39 requested by a resident, that includes a living and sleeping space, kitchen  
40 area, private bathroom and storage area.

41           42. "Respite care services" means services ~~THAT ARE~~ provided by a  
42 licensed health care institution to persons otherwise cared for in foster  
43 homes and in private homes to provide an interval of rest or relief of not  
44 more than thirty days to operators of foster homes or to family members.

1 43. "Substantial compliance" means that the nature or number of  
2 violations revealed by any type of inspection or investigation of a licensed  
3 health care institution does not pose a direct risk to the life, health or  
4 safety of patients or residents.

5 44. "Supervision" means direct overseeing and inspection of the act of  
6 accomplishing a function or activity.

7 45. "Supervisory care services" means general supervision, including  
8 daily awareness of resident functioning and continuing needs, the ability to  
9 intervene in a crisis and assistance in the self-administration of prescribed  
10 medications.

11 46. "Unscheduled medical services" means medically necessary periodic  
12 health care services that are unanticipated or cannot reasonably be  
13 anticipated and that require medical evaluation or treatment before the next  
14 business day.

15 B. If there are fewer than four Arizona long-term care system  
16 participants receiving adult foster care in an adult foster care home,  
17 nonparticipating adults may receive other types of services **THAT ARE**  
18 authorized by law to be provided in the adult foster care home as long as the  
19 number of adults served, including the Arizona long-term care system  
20 participants, does not exceed four.

21 C. Nursing care services may be provided by the adult foster care  
22 licensee if ~~such~~ **THE** licensee is a nurse **WHO IS** licensed pursuant to title  
23 32, chapter 15 and the services are limited to those allowed pursuant to  
24 law. The licensee shall keep a record of nursing services rendered.

25 Sec. 2. Section 48-5501, Arizona Revised Statutes, is amended to read:  
26 **48-5501. Definitions**

27 In this chapter, unless the context otherwise requires:

28 1. "Freestanding urgent care center" ~~has the same meaning prescribed~~  
29 ~~in section 36-401:~~

30 (a) **MEANS AN OUTPATIENT TREATMENT CENTER THAT, REGARDLESS OF ITS**  
31 **POSTED OR ADVERTISED NAME, MEETS ANY OF THE FOLLOWING REQUIREMENTS:**

32 (i) **IS OPEN TWENTY-FOUR HOURS A DAY, EXCLUDING AT ITS OPTION WEEKENDS**  
33 **OR CERTAIN HOLIDAYS, BUT IS NOT LICENSED AS A HOSPITAL.**

34 (ii) **CLAIMS TO PROVIDE UNSCHEDULED MEDICAL SERVICES THAT ARE NOT**  
35 **OTHERWISE ROUTINELY AVAILABLE IN PRIMARY CARE PHYSICIAN OFFICES.**

36 (iii) **BY ITS POSTED OR ADVERTISED NAME, GIVES THE IMPRESSION TO THE**  
37 **PUBLIC THAT IT PROVIDES MEDICAL CARE FOR URGENT, IMMEDIATE OR EMERGENCY**  
38 **CONDITIONS.**

39 (iv) **ROUTINELY PROVIDES ONGOING UNSCHEDULED MEDICAL SERVICES FOR MORE**  
40 **THAN EIGHT CONSECUTIVE HOURS FOR AN INDIVIDUAL PATIENT.**

41 (b) **DOES NOT INCLUDE THE FOLLOWING:**

42 (i) **A MEDICAL FACILITY THAT IS LICENSED UNDER A HOSPITAL'S LICENSE AND**  
43 **THAT USES THE HOSPITAL'S MEDICAL PROVIDER NUMBER.**

44 (ii) **A QUALIFYING COMMUNITY HEALTH CENTER PURSUANT TO SECTION**  
45 **36-2907.06.**

1 (iii) ANY OTHER HEALTH CARE INSTITUTION THAT IS LICENSED PURSUANT TO  
2 THIS CHAPTER.

3 (iv) A PHYSICIAN'S OFFICE THAT OFFERS EXTENDED HOURS OR SAME DAY  
4 APPOINTMENTS TO EXISTING AND NEW PATIENTS AND THAT DOES NOT MEET THE  
5 REQUIREMENTS OF SUBDIVISION (a), ITEM (i), (iii) OR (iv). FOR THE PURPOSES  
6 OF THIS ITEM, "PHYSICIAN" MEANS A PERSON LICENSED PURSUANT TO TITLE 32,  
7 CHAPTER 13 OR 17.

8 2. "Home health agency" has the same meaning prescribed in section  
9 36-151.

10 3. "Medical clinic" means a facility that provides for physical  
11 evaluation, diagnosis and treatment of patients and that does not keep  
12 patients overnight as bed patients or treat patients under general  
13 anesthesia.

14 4. "Medically underserved" means populations that exhibit one or more  
15 of the following indicators:

16 (a) Limitations on the availability of primary care providers,  
17 prenatal care or other health care services.

18 (b) Residence in a health professional shortage area as defined in 42  
19 Code of Federal Regulations, ~~part~~ part 5.

20 (c) A standard of living at or below a designated federal poverty  
21 level.

22 (d) Other factors indicative of being medically underserved, including  
23 levels of unemployment, incidence of infant mortality or low birth weights  
24 and the elderly.

25 5. "Nursing care institution" has the same meaning prescribed in  
26 section 36-401.

27 6. "Qualified electors" means persons who are qualified to vote  
28 pursuant to title 16.

29 7. "Special payments" means any payments made pursuant to section  
30 36-2903.01, subsection P to or on behalf of a county operated hospital,  
31 including a hospital THAT IS owned or leased by a special health care  
32 district.