

REFERENCE TITLE: health care institutions; definitions

State of Arizona
House of Representatives
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HB 2367

Introduced by
Representatives Crandall: Adams, Konopnicki, Stump

AN ACT

AMENDING SECTIONS 36-401, 36-445, 36-446.04, 36-2401, 36-2402 AND 48-5541.01,
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 currently accredited
10 by a nationally recognized ~~commission~~ ORGANIZATION on hospital accreditation.
11 ~~3. "Adaptive services" means medical services that are provided on an~~
12 ~~outpatient basis.~~
13 ~~4.~~ 3. "Adult day health care facility" means a facility that provides
14 adult day health services during a portion of a continuous twenty-four hour
15 period for compensation on a regular basis for five or more adults not
16 related to the proprietor.
17 ~~5.~~ 4. "Adult day health services" means a program that provides
18 planned care supervision and activities, personal care, personal living
19 skills training, meals and health monitoring in a group setting during a
20 portion of a continuous twenty-four hour period. Adult day health services
21 may also include preventive, therapeutic and restorative health-related
22 services that do not include behavioral health services.
23 ~~6.~~ 5. "Adult foster care HOME" means a residential setting that
24 provides room and board and adult foster care services for at least one and
25 no more than four adults who are participants in the Arizona long-term care
26 system pursuant to chapter 29, article 2 of this title and in which the
27 sponsor or the manager resides with the residents and integrates the
28 residents who are receiving adult foster care into that person's family.
29 ~~7.~~ 6. "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.~~ 7. "Assisted living center" means an assisted living facility that
38 provides resident rooms or residential units to eleven or more residents.
39 ~~10.~~ 8. "Assisted living facility" means a residential care
40 institution, including AN adult foster care HOME, that provides or contracts
41 to provide supervisory care services, personal care services or directed care
42 services on a ~~continuing~~ CONTINUOUS basis.
43 ~~11.~~ 9. "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.~~ 10. "Construction" means the building, erection, fabrication or
4 installation of a health care institution.
5 ~~14.~~ 11. "Continuous" means available at all times without cessation,
6 break or interruption.
7 ~~15.~~ 12. "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.~~ 13. "Department" means the department of health services.
21 ~~17.~~ 14. "Directed care services" means programs and services,
22 including SUPERVISORY AND personal care services, that are provided to
23 persons who are incapable of recognizing danger, summoning assistance,
24 expressing need or making basic care decisions.
25 ~~18.~~ 15. "Direction" means authoritative policy or procedural guidance
26 for the accomplishment of a function or activity.
27 ~~19.~~ 16. "Director" means the director of the department of health
28 services.
29 ~~20.~~ 17. "Facilities" means buildings that are used by a health care
30 institution for providing any of the types of services as defined in this
31 chapter.
32 ~~21.~~ 18. "Freestanding urgent care center":
33 (a) Means an outpatient treatment center that, regardless of its
34 posted or advertised name, meets any of the following requirements:
35 (i) Is open twenty-four hours a day, excluding at its option weekends
36 or certain holidays, but is not licensed as a hospital.
37 (ii) Claims to provide unscheduled medical services not otherwise
38 routinely available in primary care physician offices.
39 (iii) By its posted or advertised name, gives the impression to the
40 public that it provides medical care for urgent, immediate or emergency
41 conditions.
42 (iv) Routinely provides ongoing unscheduled medical services for more
43 than eight consecutive hours for an individual patient.
44 (b) Does not include the following:

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

3 (ii) A qualifying community health center pursuant to section
4 36-2907.06.

5 (iii) Any other health care institution licensed pursuant to this
6 chapter.

7 (iv) A physician's office that offers extended hours or same day
8 appointments to existing and new patients and that does not meet the
9 requirements of subdivision (a), item (i), (iii) or (iv). For the purposes
10 of this item, "physician" means a person licensed pursuant to title 32,
11 chapter 13 or 17.

12 ~~22-~~ 19. "Governing authority" means the individual, agency, group or
13 corporation, appointed, elected or otherwise designated, in which the
14 ultimate responsibility and authority for the conduct of the health care
15 institution are vested.

16 ~~23-~~ 20. "Health care institution" means every place, institution,
17 building or agency, whether organized for profit or not, that provides
18 facilities with medical services, nursing services, health screening
19 services, other health-related services, supervisory care services, personal
20 care services or directed care services and that includes home health
21 agencies as defined in section 36-151 and hospice service agencies.

22 ~~24-~~ 21. "Health-related services" means services, other than medical,
23 that pertain to general supervision, protective, preventive and personal care
24 services, supervisory care services or directed care services.

25 ~~25-~~ 22. "Health screening services" means the acquisition, analysis
26 and delivery of health-related data of individuals to aid in the
27 determination of the need for medical services.

28 ~~26-~~ 23. "Hospice" means a hospice service agency or the provision of
29 hospice services in an inpatient facility.

30 ~~27-~~ 24. "Hospice service" means a program of palliative and supportive
31 care for terminally ill persons and their families or caregivers.

32 ~~28-~~ 25. "Hospice service agency" means an agency or organization, or a
33 subdivision of that agency or organization, that is engaged in providing
34 hospice services at the place of residence of its clients.

35 ~~29-~~ 26. "Inpatient beds" or "resident beds" means accommodations with
36 supporting services, such as food, laundry and housekeeping, for patients or
37 residents who generally stay in excess of twenty-four hours.

38 ~~30-~~ 27. "Licensed capacity" means the total number of persons for whom
39 the health care institution is authorized by the department to provide
40 services as required pursuant to this chapter if the person is expected to
41 stay in the health care institution for more than twenty-four hours. For a
42 hospital, licensed capacity means only those beds specified on the hospital
43 license.

44 ~~31-~~ 28. "Medical services" means the services that pertain to medical
45 care and that are performed at the direction of a physician on behalf of

1 patients by physicians, dentists, nurses and other professional and technical
2 personnel.

3 ~~32.~~ 29. "Modification" means the substantial improvement, enlargement,
4 reduction, ~~OR~~ alteration of or other change in a health care institution.

5 ~~33.~~ 30. "Nonproprietary institution" means any health care institution
6 that is organized and operated exclusively for charitable purposes, no part
7 of the net earnings of which inures to the benefit of any private shareholder
8 or individual, or that is operated by the state or any political subdivision
9 of the state.

10 ~~34.~~ 31. "Nursing care institution" means a health care institution
11 that provides inpatient beds or resident beds and nursing services to persons
12 who need CONTINUOUS nursing services ~~on a continuing basis~~ but who do not
13 require hospital care or direct daily care from a physician.

14 ~~35.~~ 32. "Nursing services" means those services that pertain to the
15 curative, restorative and preventive aspects of nursing care and that are
16 performed at the direction of a physician by or under the supervision of a
17 registered nurse licensed in this state.

18 ~~36.~~ 33. "Organized medical staff" means a formal organization of
19 physicians, and dentists where appropriate, with the delegated authority and
20 responsibility to maintain proper standards of medical care and to plan for
21 continued betterment of that care.

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

27 ~~38.~~ 34. "Personal care services" means assistance with activities of
28 daily living that can be performed by persons without professional skills or
29 professional training and ~~that~~ includes the coordination or provision of
30 intermittent nursing services and the administration of medications and
31 treatments by a nurse who is licensed pursuant to title 32, chapter 15 or as
32 otherwise provided by law.

33 ~~39.~~ 35. "Physician" means any person who is licensed pursuant to title
34 32, chapter 13 or 17.

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

40 ~~41.~~ 37. "Residential unit" means a private apartment, unless otherwise
41 requested by a resident, that includes a living and sleeping space, kitchen
42 area, private bathroom and storage area.

43 ~~42.~~ 38. "Respite care services" means services that are provided by a
44 licensed health care institution to persons otherwise cared for in foster

1 homes and in private homes to provide an interval of rest or relief of not
2 more than thirty days to operators of foster homes or to family members.

3 ~~43.~~ 39. "Substantial compliance" means that the nature or number of
4 violations revealed by any type of inspection or investigation of a ~~licensed~~
5 health care institution does not pose a direct risk to the life, health or
6 safety of patients or residents.

7 ~~44.~~ 40. "Supervision" means direct overseeing and inspection of the
8 act of accomplishing a function or activity.

9 ~~45.~~ 41. "Supervisory care services" means general supervision,
10 including daily awareness of resident functioning and continuing needs, the
11 ability to intervene in a crisis and assistance in the self-administration of
12 prescribed medications.

13 ~~46.~~ 42. "Unscheduled medical services" means medically necessary
14 periodic health care services that are unanticipated or cannot reasonably be
15 anticipated and that require medical evaluation or treatment before the next
16 business day.

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

23 C. Nursing care services may be provided by the adult foster care
24 licensee if the licensee is a nurse who is licensed pursuant to title 32,
25 chapter 15 and the services are limited to those allowed pursuant to law.
26 The licensee shall keep a record of nursing services rendered.

27 Sec. 2. Section 36-445, Arizona Revised Statutes, is amended to read:

28 ~~36-445.~~ 36-445. Review of certain medical practices

29 The governing body of each licensed hospital or outpatient surgical
30 center ~~as defined in section 36-401~~ shall require that physicians admitted to
31 practice in the hospital or center organize into committees or other
32 organizational structures to review the professional practices within the
33 hospital or center for the purposes of reducing morbidity and mortality and
34 for the improvement of the care of patients provided in the institution.
35 Such review shall include the nature, quality and necessity of the care
36 provided and the preventability of complications and deaths occurring in the
37 hospital or center. Such review need not identify the patient or doctor by
38 name but may use a case number or some other such designation.

39 Sec. 3. Section 36-446.04, Arizona Revised Statutes, is amended to
40 read:

41 ~~36-446.04.~~ 36-446.04. Qualifications; period of validity; exemption

42 A. The board shall issue a license as a nursing care institution
43 administrator pursuant to its rules to any person who meets the following
44 qualifications:

- 1 1. Is of good character.
- 2 2. Has satisfactorily completed a course of instruction and training
- 3 approved by the board that:
 - 4 (a) Is designed and sufficiently administered to give the applicant
 - 5 knowledge of the proper needs to be served by nursing care institutions.
 - 6 (b) Includes a thorough background in the laws and rules governing the
 - 7 operation of nursing care institutions and the protection of the interests of
 - 8 the patients in nursing care institutions.
 - 9 (c) Includes thorough training in elements of good health care
 - 10 facilities administration.
- 11 3. Has passed an examination administered by the board designed to
- 12 test for competency in the subject matter referred to in this subsection.
- 13 4. Has met one of the following fingerprinting requirements:
 - 14 (a) Has a valid fingerprint clearance card issued pursuant to title
 - 15 41, chapter 12, article 3.1.
 - 16 (b) Has provided proof of the submission of an application for a
 - 17 fingerprint clearance card. An applicant who has been denied a fingerprint
 - 18 clearance card must also provide proof that the applicant qualifies for a
 - 19 good cause exception hearing pursuant to section 41-619.55.
- 20 B. A person who is licensed pursuant to this section must maintain a
- 21 valid fingerprint clearance card during the valid period of the person's
- 22 license.
- 23 C. The board shall issue a certificate as an assisted living facility
- 24 manager pursuant to its rules to a person who meets the following
- 25 qualifications:
 - 26 1. Is of good character.
 - 27 2. Has satisfactorily completed a course of instruction and training
 - 28 approved by the department.
 - 29 3. Has passed an examination administered by the board.
 - 30 4. Provides documentation satisfactory to the board that the applicant
 - 31 has completed two thousand eighty hours of paid work experience in a health
 - 32 related field within the preceding five years as prescribed by board rule.
 - 33 5. Has met one of the following fingerprinting requirements:
 - 34 (a) Has a valid fingerprint clearance card issued pursuant to title
 - 35 41, chapter 12, article 3.1.
 - 36 (b) Has provided proof of the submission of an application for a
 - 37 fingerprint clearance card. An applicant who has been denied a fingerprint
 - 38 clearance card must also provide proof that the applicant qualifies for a
 - 39 good cause exception hearing pursuant to section 41-619.55.
- 40 D. A person who is certified pursuant to this section must maintain a
- 41 valid fingerprint clearance card during the valid period of the person's
- 42 certificate.
- 43 E. In lieu of the requirements contained in subsection A, paragraph 2
- 44 or subsection C, paragraph 2, an applicant may present satisfactory evidence

1 to the board of sufficient education and training in the areas listed in that
2 paragraph.

3 F. A license is nontransferable and remains in effect until the
4 following June 30 of an even numbered year, at which time the license may be
5 renewed if the licensee otherwise complies with this article and unless the
6 license has been surrendered, suspended or revoked.

7 G. A certificate is nontransferable and remains in effect until the
8 following June 30 of an odd numbered year, at which time the certificate may
9 be renewed if the certificate holder otherwise complies with this article and
10 the certificate has not been surrendered, suspended or revoked.

11 H. This section does not apply to managers of adult foster care HOMES
12 as defined in section 36-401.

13 Sec. 4. Section 36-2401, Arizona Revised Statutes, is amended to read:
14 36-2401. Definitions

15 In this article, unless the context otherwise requires:

16 1. "Health care entity" means any of the following:

17 (a) A licensed health care provider.

18 (b) An entity that provides or contracts to provide health care
19 services other than a hospital or outpatient surgical center.

20 (c) A professional organization of licensed health care providers.

21 (d) A utilization or quality control peer review organization.

22 (e) A state health care provider.

23 (f) A component of the statewide trauma system.

24 (g) A qualifying community health center as defined in section
25 36-2907.06.

26 2. "Licensed health care provider" means a person or institution
27 licensed or certified, or a corporation, all of whose members or shareholders
28 are licensed or certified, by this state to provide health care, medical
29 services, nursing services or other health-related services other than a
30 licensed hospital and outpatient surgical center ~~as defined in section~~
31 ~~36-401.~~

32 3. "Malice" means evil intent and outrageous, oppressive or
33 intolerable conduct that creates a substantial risk of tremendous harm to
34 others.

35 4. "Quality assurance process" means a process that is adopted by a
36 health care entity and that follows written standards and criteria. The
37 process includes the activities of a health care entity or any of its
38 committees ~~which~~ THAT investigate the quality of health care through the
39 review of professional practices, training and experience, patient cases or
40 conduct of licensed health care providers, or encourage proper utilization of
41 health care services and facilities.

42 5. "State health care provider" means a department, agency, board or
43 commission of the state and its officers, agents and employees that is a
44 health care provider to clients, wards, patients or other persons in the
45 control or custody of a department, agency, board or commission of the state

1 and a health care provider rendering health care services on behalf of the
2 state that is covered by insurance or self-insurance pursuant to section
3 41-621, 41-622 or 41-623.

4 Sec. 5. Section 36-2402, Arizona Revised Statutes, is amended to read:
5 36-2402. Health care quality assurance process; immunity

6 A. The written standards and criteria for a quality assurance process
7 must be available to all licensed health care providers that conduct or are
8 subject to a quality assurance process.

9 B. A health care entity or person that, without malice, provides
10 information, takes any action or makes any decision or recommendation in the
11 course of a quality assurance process or that furnishes any records,
12 information or assistance to a health care entity in the course of a quality
13 assurance process shall not be subject to liability for civil damages or any
14 legal action in consequence of such action. Malice shall be determined by
15 the court and must be based ~~upon~~ ON a finding from clear and convincing
16 evidence. This section shall not be construed to relieve any person of
17 liability arising from treatment of a patient.

18 C. Health care quality assurance review activities conducted by state,
19 county or local medical, pharmacy and dental associations and societies on
20 behalf of a health care entity, licensed hospital, outpatient surgical
21 center, ~~as defined in section 36-401~~, state or federal health program or
22 other health maintenance organization are immune from civil liability to the
23 same degree as the facility for which the review activities are conducted.

24 D. This section applies to a committee consisting of two or more
25 qualifying community health centers as defined in section 36-2907.06 to
26 review quality assurance information.

27 Sec. 6. Section 48-5541.01, Arizona Revised Statutes, is amended to
28 read:

29 48-5541.01. Additional powers and duties of certain special
30 health care districts

31 A. This section applies only to a special health care district in a
32 county with a population of two million or more persons.

33 B. Notwithstanding section 48-5502 and except as provided in section
34 48-5501.01, subsection B, the board of directors of a special health care
35 district shall be elected pursuant to title 16 and shall consist of five
36 members, one from each supervisorial district of the county in which the
37 district is located. A member of the board of directors shall comply with
38 all of the following:

39 1. A member shall be a qualified elector of the supervisorial district
40 from which the member is elected.

41 2. A member shall not be an elected or appointed state or county
42 official or a person who serves on a hospital board established pursuant to
43 section 36-183.01 and who is not a member of the board of supervisors of the
44 county in which the district is located.

1 3. A member shall not be an employee of the special health care
2 district or a director, officer or employee of another health care
3 institution.

4 C. For at least ten years after the date that the district first
5 operates a general hospital and within three miles of the location of a
6 general hospital operated by the county in which the district is located, the
7 district shall provide the following services commensurate with good business
8 practices:

9 1. Emergency and trauma services and shall operate a general hospital
10 and a burn center, all at a level of service no lower than that which existed
11 on January 1, 2003.

12 2. Maternity services at levels required of public hospitals pursuant
13 to title XIX of the social security act.

14 D. Following the expiration of the ten year period prescribed by
15 subsection C of this section, the district may provide any of the services or
16 operate any of the facilities permitted under this chapter.

17 E. This chapter does not establish a legal entitlement to services or
18 reimbursement for services for any person or third party or ~~obligates~~
19 ~~OBLIGATE~~ the district to provide programs or services that it cannot provide
20 as the result of actions of third parties. The provisions of this section
21 shall be included in any lease or management agreement for the general
22 hospital of the district, and any sale, lease or management agreement shall
23 not affect the status of the hospital as a public hospital or its licensure
24 under section 36-422, subsection G.

25 F. Until ten years after the date that the district first operates a
26 general hospital, the following apply:

27 1. The district may not construct an additional general hospital
28 outside the three mile radius of a general hospital operated by the
29 county. After the expiration of the ten year period, the district may not
30 construct a general hospital outside a three mile radius of the general
31 hospital operated by the county without the approval of the qualified
32 electors of the entire county pursuant to an election called by the board of
33 directors of the district.

34 2. The district may not acquire or lease a general hospital that is
35 situated beyond the three mile radius of the general hospital operated by the
36 county without the approval of the qualified electors of the entire county
37 pursuant to an election called by the board of directors of the district.

38 3. Except for a psychiatric hospital or a behavioral health facility,
39 the district may not construct, acquire or lease a specialty hospital that is
40 located outside the three mile radius of a general hospital operated by the
41 county.

42 G. Notwithstanding section 48-5541, paragraph 5, for a period of ten
43 years after the date that the district first operates a general hospital, a
44 district may own, operate, lease, manage or maintain no more than three

1 outpatient surgical centers ~~as defined in section 36-401~~, if all of the
2 following apply:

3 1. One of the outpatient surgical centers is located at the campus of
4 a general hospital operated by the district.

5 2. Any other surgical centers are located at health care institutions
6 as defined in section 36-401 that were operated by the county in which the
7 district is located on January 1, 2003.

8 3. All surgical centers are operated in furtherance of the district's
9 mission as prescribed by subsection H of this section.

10 H. A district shall operate a general hospital for the term of any tax
11 authorized pursuant to section 48-5565, and the district's primary but not
12 sole mission is as provided in this subsection and met by providing directly
13 at its facilities or by contract medical education programs, emergency and
14 other services as required by this chapter, services to the medically
15 underserved and facilities and equipment necessary for these services. The
16 district's annual expenditures to satisfy the requirements of this subsection
17 shall be to the extent of the amount of taxes approved by the qualified
18 electors, authorized by the board of directors of the district and available
19 pursuant to sections 48-5563 and 48-5565.

20 I. The district and the county may not simultaneously operate a
21 general hospital, and a district may not operate an ambulance service
22 pursuant to section 48-5564.

23 J. If a district chooses to acquire or lease from a county an asset of
24 a health system as defined in section 11-1401, the board of supervisors of
25 that county, by a majority vote, may convey, sell, lease or otherwise
26 transfer title to any such asset of a health system to the district and
27 transfer any health system liability as defined in section 11-1401 to the
28 district.

29 K. A district may:

30 1. Raise capital, borrow and invest monies, create debt, assume debt
31 and refinance debt to carry out the purposes of this chapter.

32 2. Issue tax anticipation notes pursuant to title 35, chapter 3,
33 article 3.1.

34 3. Issue revenue anticipation notes pursuant to title 35, chapter 3,
35 article 3.3.

36 4. Issue revenue bonds in a manner consistent with chapter 12, article
37 5 of this title.

38 L. Notwithstanding section 48-5542, a district shall not lease any
39 general hospital that it operates to any entity other than a political
40 subdivision of this state until two years after the receipt of any special
41 payments.

42 M. Subject to the other provisions in this chapter, the district:

43 1. Shall adopt administrative rules, including an employee merit
44 system for its employees, and shall adopt and administer competitive

1 procurement rules necessary to administer and operate the district's programs
2 and any property.

3 2. May employ or contract with individuals or other entities,
4 including the county attorney, to provide services in furtherance of the
5 purposes of the district.

6 3. May establish or acquire foundations or charitable organizations to
7 solicit donations, financial contributions, real or personal property or
8 services for use solely to perform the duties and obligations in furtherance
9 of the district.

10 4. Shall disclose and make available records and other matters in the
11 same manner as is required of a public body pursuant to title 39, chapter 1,
12 except that the district is not required to disclose or make available any
13 records or other matters that:

14 (a) Identify the care or treatment of a patient who receives services,
15 including billing information, unless the patient or the patient's
16 representative consents to the disclosure in writing or unless otherwise
17 permitted pursuant to federal or state law.

18 (b) Reveal proprietary information provided to the district by a
19 nongovernmental source. For the purposes of this subdivision,
20 "nongovernmental" means an entity other than the United States government or
21 a public body as defined in section 39-121.01.

22 (c) Would cause demonstrable and material harm and would place the
23 district at a competitive disadvantage in the marketplace.

24 (d) Would violate any exception, privilege or confidentiality granted
25 or imposed by statute or common law.

26 N. A district is entitled to a lien for the charges for any services
27 provided by a hospital operated by the district, for medical care and
28 treatment of an injured person or for long-term care services, on any and all
29 claims of liability or indemnity for damages accruing to the person to whom
30 hospital or medical service is rendered, or to the legal representative of
31 that person, on account of injuries giving rise to such claims and that
32 necessitated the hospital or medical care and treatment. Recovery of charges
33 pursuant to this subsection shall be in a manner as nearly as possible the
34 same as the procedures prescribed in section 36-2915.