

State of Arizona  
Senate  
Fifty-fourth Legislature  
First Regular Session  
2019

# SENATE BILL 1098

AN ACT

AMENDING SECTION 36-405, ARIZONA REVISED STATUTES; ESTABLISHING THE  
HOUSING ASSISTANCE PILOT PROGRAM; APPROPRIATING MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-405, Arizona Revised Statutes, is amended to  
3 read:

4 36-405. Powers and duties of the director

5 A. The director shall adopt rules to establish minimum standards  
6 and requirements for the construction, modification and licensure of  
7 health care institutions necessary to ensure the public health, safety and  
8 welfare. The standards and requirements shall relate to the construction,  
9 equipment, sanitation, staffing for medical, nursing and personal care  
10 services, and recordkeeping pertaining to the administration of medical,  
11 nursing, behavioral health and personal care services, in accordance with  
12 generally accepted practices of health care. The director shall use the  
13 current standards adopted by the joint commission on accreditation of  
14 hospitals and the commission on accreditation of the American osteopathic  
15 association or those adopted by any recognized accreditation organization  
16 approved by the department as guidelines in prescribing minimum standards  
17 and requirements under this section.

18 B. The director, by rule, may:

19 1. Classify and subclassify health care institutions according to  
20 character, size, range of services provided, medical or dental specialty  
21 offered, duration of care and standard of patient care required for the  
22 purposes of licensure. Classes of health care institutions may include  
23 hospitals, infirmaries, outpatient treatment centers, health screening  
24 services centers and residential care facilities, **INCLUDING SECURE**  
25 **BEHAVIORAL HEALTH RESIDENTIAL FACILITIES**. Whenever the director  
26 reasonably deems distinctions in rules and standards to be appropriate  
27 among different classes or subclasses of health care institutions, the  
28 director may make such distinctions.

29 2. Prescribe standards for determining a health care institution's  
30 substantial compliance with licensure requirements.

31 3. Prescribe the criteria for the licensure inspection process.

32 4. Prescribe standards for the selection of health care-related  
33 demonstration projects.

34 5. Establish nonrefundable application and licensing fees for  
35 health care institutions, including a grace period and a fee for the late  
36 payment of licensing fees, and fees for architectural plans and  
37 specifications reviews.

38 6. Establish a process for the department to notify a licensee of  
39 the licensee's licensing fee due date.

40 7. Establish a process for a licensee to request a different  
41 licensing fee due date, including any limits on the number of requests by  
42 the licensee.

1 C. The director, by rule, shall adopt licensing provisions that  
2 facilitate the colocation and integration of outpatient treatment centers  
3 that provide medical, nursing and health-related services with behavioral  
4 health services consistent with article 3.1 of this chapter.

5 D. Ninety percent of the fees collected pursuant to this section  
6 shall be deposited, pursuant to sections 35-146 and 35-147, in the health  
7 services licensing fund established by section 36-414 and ten percent of  
8 the fees collected pursuant to this section shall be deposited, pursuant  
9 to sections 35-146 and 35-147, in the state general fund.

10 E. Subsection B, paragraph 5 of this section does not apply to a  
11 health care institution operated by a state agency pursuant to state or  
12 federal law or to adult foster care residential settings.

13 Sec. 2. Housing assistance pilot program; advisory board;  
14 report; delayed repeal

15 A. The housing assistance pilot program is established to provide  
16 grants to assist individuals who are transitioning off of public  
17 assistance or who are eligible for housing pursuant to subsection C,  
18 paragraph 3 of this section in securing housing.

19 B. The housing assistance advisory board is established to  
20 administer the pilot program. The advisory board consists of the  
21 following members:

22 1. The director of the Arizona health care cost containment system  
23 administration or the director's designee.

24 2. The director of the state department of corrections or the  
25 director's designee.

26 3. The director of the Arizona department of housing or the  
27 director's designee.

28 4. The director of the department of economic security or the  
29 director's designee.

30 C. The advisory board shall:

31 1. Establish criteria for housing assistance grants.

32 2. Establish the application process for housing assistance grants.

33 3. Award housing assistance grants to qualified applicants. The  
34 grant monies may be spent for seriously mentally ill persons in the  
35 following settings:

36 (a) A community living home that is for persons who hold their own  
37 leases and that has embedded in-home support to meet the individualized  
38 needs of the person and up to twenty-four hours of support and supervision  
39 as indicated by the person's individual treatment plan.

40 (b) A behavioral health residential facility that:

41 (i) Is licensed by the department of health services.

42 (ii) Provides in-house wraparound services and secure  
43 twenty-four-hour on-site support, treatment and supervision by staff with  
44 behavioral health training for persons who have serious mental illness of  
45 sufficient severity as to require assistance to live in the community and

1 who are subject to a plan of care that is ordered by a mental health  
2 court, a mental health division of the probate court, a criminal court as  
3 part of a plea agreement or judgment and conviction or a court as part of  
4 guardianship proceedings or that is part of a diversion agreement entered  
5 into with a law enforcement agency.

6 4. Submit a report regarding the advisory board's activities, the  
7 number of housing assistance grants awarded and the results of the pilot  
8 program on or before December 15, 2022 to the governor, the president of  
9 the senate and the speaker of the house of representatives and provide a  
10 copy of this report to the secretary of state.

11 D. The advisory board may accept matching grant monies from any  
12 lawful source.

13 E. This section is repealed from and after September 30, 2023.

14 Sec. 3. Seriously mentally ill residential setting; program  
15 study

16 The Arizona health care cost containment system administration shall  
17 issue a request for proposals for a third-party entity to conduct a  
18 program study that measures the outcomes of seriously mentally ill  
19 residents in each setting described in section 2, subsection C, paragraph  
20 3 of this act for a twelve-month period. The program study shall include  
21 an analysis of costs and effectiveness of the services provided in each  
22 setting that takes into consideration the encounters of the seriously  
23 mentally ill residents related to inpatient care, emergency department  
24 visits, hospitalization, civil commitment proceedings, incarceration,  
25 homelessness, employment, community engagement, encounters with police and  
26 fire personnel, including petitioning and contact with crisis centers,  
27 citation in lieu of detention, jail bookings and other contact with first  
28 responders.

29 Sec. 4. Department of health services; rules; exemption from  
30 rulemaking

31 A. On or before January 1, 2020, the director of the department of  
32 health services shall adopt rules to allow a behavioral health residential  
33 facility to be a secure facility if the behavioral health residential  
34 facility is the least restrictive environment that meets the resident's  
35 treatment needs and the resident is an incapacitated person as defined in  
36 section 14-5101, Arizona Revised Statutes, and is either ordered by the  
37 court or part of a post-conviction or pretrial diversion agreement to a  
38 secure behavioral health residential facility. The director may use the  
39 assisted living facility rules as guidelines in determining standards for  
40 a secure residential facility.

41 B. The department of health services is exempt from the rulemaking  
42 requirements of title 41, chapter 6, Arizona Revised Statutes, for one  
43 year after the effective date of this act. The department shall provide  
44 the public an opportunity to comment on the proposed rules.

1           Sec. 5. Appropriation; purposes of this act

2           The sum of \$5,000,000 is appropriated from the state general fund in  
3 fiscal year 2019-2020 to the housing assistance advisory board for the  
4 purposes of this act.

5           Sec. 6. Legislative intent

6           It is the intent of the legislature to provide housing assistance  
7 grant monies to assist individuals in securing housing and full  
8 employment.