

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HOUSE BILL 2318

AN ACT

AMENDING SECTION 36-424, 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 36-424, Arizona Revised Statutes, is amended to
3 read:

4 36-424. Inspections; suspension or revocation of license;
5 report to board of examiners of nursing care
6 institution administrators and assisted living
7 facility managers

8 A. Subject to the limit prescribed by subsection B of this section,
9 the director shall inspect the premises of the health care institution and
10 investigate the character and other qualifications of the applicant to
11 ascertain whether the applicant and the health care institution are in
12 substantial compliance with the requirements of this chapter and the rules
13 established pursuant to this chapter. The director may prescribe rules
14 regarding department background investigations into an applicant's
15 character and qualifications.

16 B. The director shall accept proof that a health care institution
17 is an accredited hospital or is an accredited health care institution in
18 lieu of all compliance inspections required by this chapter if the
19 director receives a copy of the institution's accreditation report for the
20 licensure period. If the health care institution's accreditation report
21 is not valid for the entire licensure period, the department may conduct a
22 compliance inspection of the health care institution during the time
23 period the department does not have a valid accreditation report for the
24 health care institution. For the purposes of this subsection, each
25 licensed premises of a health care institution must have its own
26 accreditation report. The director may not accept an accreditation report
27 in lieu of a compliance inspection of an intermediate care facility for
28 individuals with intellectual disabilities. The director may accept an
29 accreditation report in lieu of a compliance inspection of a ~~behavioral~~
30 ~~health residential facility providing services to children~~ HEALTH CARE
31 INSTITUTION only if both of the following apply:

32 1. The ~~facility~~ INSTITUTION is accredited by an independent,
33 nonprofit accrediting organization approved by the secretary of the United
34 States department of health and human services.

35 2. The ~~facility~~ INSTITUTION has not been subject to an enforcement
36 action pursuant to section 36-427 or 36-431.01 within the year preceding
37 the annual licensing fee anniversary date.

38 C. On a determination by the director that there is reasonable
39 cause to believe a health care institution is not adhering to the
40 licensing requirements of this chapter, the director and any duly
41 designated employee or agent of the director, including county health
42 representatives and county or municipal fire inspectors, consistent with
43 standard medical practices, may enter on and into the premises of any
44 health care institution that is licensed or required to be licensed
45 pursuant to this chapter at any reasonable time for the purpose of

1 determining the state of compliance with this chapter, the rules adopted
2 pursuant to this chapter and local fire ordinances or rules. Any
3 application for licensure under this chapter constitutes permission for
4 and complete acquiescence in any entry or inspection of the premises
5 during the pendency of the application and, if licensed, during the term
6 of the license. If an inspection reveals that the health care institution
7 is not adhering to the licensing requirements established pursuant to this
8 chapter, the director may take action authorized by this chapter. Any
9 health care institution, including an accredited hospital, whose license
10 has been suspended or revoked in accordance with this section is subject
11 to inspection on application for relicensure or reinstatement of license.

12 D. The director shall immediately report to the board of examiners
13 of nursing care institution administrators **AND ASSISTED LIVING FACILITY**
14 **MANAGERS** information identifying that a nursing care institution
15 administrator's conduct may be grounds for disciplinary action pursuant to
16 section 36-446.07.