CHAPTER 128

HOUSE BILL 2450

AN ACT

AMENDING SECTIONS 32-1651, 36-401, 36-402, 36-422, 36-439, 36-439.01, 36-439.04 AND 36-439.05, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 32-1651, Arizona Revised Statutes, is amended to read:

32-1651. Clinical nurse specialists; prescribing and dispensing authority

A. The board shall grant to a clinical nurse specialist the privileges to prescribe and dispense pharmacological agents if the clinical nurse specialist has both of the following:

1. The education and training equivalent to the requirements to prescribe and dispense pharmacological agents of a registered nurse practitioner, including successful completion of a nationally accredited advanced practice nursing program.

2. Certification as a clinical nurse specialist by a nationally recognized certification entity approved by the state board of nursing.

B. A clinical nurse specialist may prescribe only for patients of a licensed health care institution that uses the services of the clinical nurse specialist as follows:

1. In a licensed hospital or hospital-affiliated outpatient treatment center, a behavioral health inpatient facility, a nursing care institution, a recovery care center, a behavioral health residential facility or a hospice, the clinical nurse specialist may prescribe or dispense only pursuant to the protocols or standards applicable to clinical nurse specialists of the health care institution and may not prescribe a schedule II controlled substance that is an opioid except pursuant to protocols or standing orders of the health care institution. The prescribing and dispensing of opioid or benzodiazepine prescriptions by a clinical nurse specialist shall be limited to the treatment of TREATING patients while at the licensed health care institution and shall not be for patients to use or fill outside of the licensed health care institution except pursuant to discharge protocols of the institution.

2. In a licensed outpatient treatment center OR AN OUTPATIENT TREATMENT CENTER THAT IS EXEMPT FROM LICENSURE PURSUANT TO SECTION 36-402, SUBSECTION A, PARAGRAPH 12 that provides behavioral health services or qualifies pursuant to federal law as a community health center, the clinical nurse specialist may prescribe or dispense only pursuant to the protocols or standards applicable to clinical nurse specialists of the health care institution. The clinical nurse specialist may not prescribe a schedule II controlled substance that is an opioid except for an opioid that is for medication-assisted treatment for substance use disorders.

C. A clinical nurse specialist shall report any required information relating to dispensing or prescribing medication pursuant to the health care institution's protocols.
D. For the purposes of this section, a health care institution's protocols relating to the dispensing and prescribing authority of a clinical nurse specialist shall be developed with the input of the institution's medical director.

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

36-401. Definitions; adult foster care
A. In this chapter, unless the context otherwise requires:
1. "Accredited health care institution" means a health care institution, other than a hospital, that is currently accredited by a nationally recognized accreditation organization.
2. "Accredited hospital" means a hospital that is currently accredited by a nationally recognized organization on hospital accreditation.
3. "Adult behavioral health therapeutic home" means a residence for individuals who are at least eighteen years of age, have behavioral health issues and need behavioral health services that does all of the following for those individuals:
   (a) Provides room and board.
   (b) Assists in acquiring daily living skills.
   (c) Coordinates transportation to scheduled appointments.
   (d) Monitors behaviors.
   (e) Assists in the self-administration of medication.
   (f) Provides feedback to case managers related to behavior.
4. "Adult day health care facility" means a facility that provides adult day health services during a portion of a continuous twenty-four-hour period for compensation on a regular basis for five or more adults who are not related to the proprietor.
5. "Adult day health services" means a program that provides planned care supervision and activities, personal care, personal living skills training, meals and health monitoring in a group setting during a portion of a continuous twenty-four-hour period. Adult day health services may also include preventive, therapeutic and restorative health-related services that do not include behavioral health services.
6. "Adult foster care home" means a residential setting that provides room and board and adult foster care services for at least one and not more than four adults who are participants in the Arizona long-term care system pursuant to chapter 29, article 2 of this title or contracts for services with the United States department of veterans affairs and in which the sponsor or the manager resides with the residents and integrates the residents who are receiving adult foster care into that person's family.
7. "Adult foster care services" means supervision, assistance with eating, bathing, toileting, dressing, self-medication and other routines of daily living or services authorized by rules adopted pursuant to section 36-405 and section 36-2939, subsection C.

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

9. "Assisted living facility" means a residential care institution, including an adult foster care home, that provides or contracts to provide supervisory care services, personal care services or directed care services on a continuous basis.

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

11. "Behavioral health services" means services that pertain to mental health and substance use disorders and that are either:
   (a) Performed by or under the supervision of a professional who is licensed pursuant to title 32 and whose scope of practice allows the professional to provide these services.
   (b) Performed on behalf of patients by behavioral health staff as prescribed by rule.

12. "Construction" means building, erecting, fabricating or installing a health care institution.

13. "Continuous" means available at all times without cessation, break or interruption.

14. "Controlling person" means a person who:
   (a) Through ownership, has the power to vote at least ten percent of the outstanding voting securities.
   (b) If the applicant or licensee is a partnership, is the general partner or a limited partner who holds at least ten percent of the voting rights of the partnership.
   (c) If the applicant or licensee is a corporation, an association or a limited liability company, is the president, the chief executive officer, the incorporator or any person who owns or controls at least ten percent of the voting securities. For the purposes of this subdivision, corporation does not include nonprofit corporations.
   (d) Holds a beneficial interest in ten percent or more of the liabilities of the applicant or the licensee.

15. "Department" means the department of health services.

16. "Directed care services" means programs and services, including supervisory and personal care services, that are provided to persons who are incapable of recognizing danger, summoning assistance, expressing need or making basic care decisions.

17. "Direction" means authoritative policy or procedural guidance to accomplish a function or activity.

18. "Director" means the director of the department.
19. "Facilities" means buildings that are used by a health care institution for providing any of the types of services as defined in this chapter.

20. "Freestanding urgent care center":
   (a) Means an outpatient treatment center that, regardless of its posted or advertised name, meets any of the following requirements:
      (i) Is open twenty-four hours a day, excluding at its option weekends or certain holidays, but is not licensed as a hospital.
      (ii) Claims to provide unscheduled medical services that are not otherwise routinely available in primary care physician offices.
      (iii) By its posted or advertised name, gives the impression to the public that it provides medical care for urgent, immediate or emergency conditions.
      (iv) Routinely provides ongoing unscheduled medical services for more than eight consecutive hours for an individual patient.
   (b) Does not include the following:
      (i) A medical facility that is licensed under a hospital's license and that uses the hospital's medical provider number.
      (ii) A qualifying community health center pursuant to section 36-2907.06.
      (iii) Any other health care institution licensed pursuant to this chapter.
      (iv) A physician's office that offers extended hours or same-day appointments to existing and new patients and that does not meet the requirements of subdivision (a), item (i), (iii) or (iv) of this paragraph.

21. "Governing authority" means the individual, agency, partners, OWNER, group or corporation, whether appointed, elected or otherwise designated, in which the ultimate responsibility and authority for the conduct of the health care institution are vested. FOR THE PURPOSES OF THIS PARAGRAPH, "OWNER" MEANS A PERSON WHO HAS AN OWNERSHIP INTEREST OF AT LEAST FIFTY-ONE PERCENT OF A HEALTH CARE INSTITUTION.

22. "Health care institution" means every place, institution, building or agency, whether organized for profit or not, that provides facilities with medical services, nursing services, behavioral health services, health screening services, other health-related services, supervisory care services, personal care services or directed care services and includes home health agencies as defined in section 36-151, outdoor behavioral health care programs and hospice service agencies.

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

24. "Health screening services" means the acquisition, analysis and delivery of health-related data of individuals to aid in determining the need for medical services.
25. "Hospice" means a hospice service agency or the provision of hospice services in an inpatient facility.

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

27. "Hospice service agency" means an agency or organization, or a subdivision of that agency or organization, that provides hospice services at the place of residence of its clients.

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

29. "Intermediate care facility for individuals with intellectual disabilities" has the same meaning prescribed in section 36-551.

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

31. "Medical services" means the services that pertain to medical care and that are performed at the direction of a physician on behalf of patients by physicians, dentists, nurses and other professional and technical personnel.

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

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

34. "Nursing care institution" means a health care institution that provides inpatient beds or resident beds and nursing services to persons who need continuous nursing services but who do not require hospital care or direct daily care from a physician.

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

36. "Nursing-supported group home" means a health care institution that is a community residential setting as defined in section 36-551 for not more than six persons with developmental disabilities, that is operated by a service provider under contract with the department of economic security and that provides room and board, daily habilitation and continuous nursing support and intervention.
37. "Organized medical staff" means a formal organization of physicians, and dentists if appropriate, with the delegated authority and responsibility to maintain proper standards of medical care and to plan for continued betterment of that care.

38. "Outdoor behavioral health care program" means an agency that provides behavioral health services in an outdoor environment as an alternative to behavioral health services that are provided in a health care institution with facilities. Outdoor behavioral health care programs do not include:

(a) Programs, facilities or activities that are operated by a government entity or that are licensed by the department as a child care program pursuant to chapter 7.1 of this title.

(b) Outdoor activities for youth that are designated to be primarily recreational and that are organized by church groups, scouting organizations or similar groups.

(c) Outdoor youth programs that are licensed by the department of economic security.

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

40. "Physician" means any person who is licensed pursuant to title 32, chapter 13 or 17.

41. "Recidivism reduction services" means services that are delivered by an adult residential care institution to its residents to encourage lawful behavior and to discourage or prevent residents who are suspected of, charged with or convicted of one or more criminal offenses, or whose mental health and substance use can be reasonably expected to place them at risk for the future threat of prosecution, diversion or incarceration, from engaging in future unlawful behavior.

42. "Recidivism reduction staff" means a person who provides recidivism reduction services.

43. "Residential care institution" means a health care institution other than a hospital or a nursing care institution that provides resident beds or residential units, supervisory care services, personal care services, behavioral health services, directed care services or health-related services for persons who do not need continuous nursing services.

44. "Residential unit" means a private apartment, unless otherwise requested by a resident, that includes a living and sleeping space, kitchen area, private bathroom and storage area.
45. "Respite care services" means services that are provided by a licensed health care institution to persons who are otherwise cared for in foster homes and in private homes to provide an interval of rest or relief of not more than thirty days to operators of foster homes or to family members.

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

47. "Supervision" means directly overseeing and inspecting the act of accomplishing a function or activity.

48. "Supervisory care services" means general supervision, including daily awareness of resident functioning and continuing needs, the ability to intervene in a crisis and assistance in self-administering prescribed medications.

49. "Temporary license" means a license that is issued by the department to operate a class or subclass of a health care institution at a specific location and that is valid until an initial licensing inspection.

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

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

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

Sec. 3. Section 36-402, Arizona Revised Statutes, is amended to read:

36-402. Exemptions
A. This chapter and the rules adopted by the director pursuant to this chapter do not authorize the licensure, supervision, regulation or control of:

1. The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely on treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination.
2. Establishments, such as motels, hotels and boarding houses, that provide domiciliary and ancillary commercial services— but do not provide adaptive, medical, hospital, nursing, behavioral health, health-related or supervisory care services.

3. Private offices and clinics of health care providers licensed under title 32 that are not freestanding urgent care centers, unless:
   (a) Patients OF THE OFFICE OR CLINIC are kept overnight as bed patients or treated otherwise under general anesthesia, except when treatment by general anesthesia is regulated by title 32, chapter 11.
   (b) The office or clinic is an abortion clinic. For the purposes of this subdivision, "abortion clinic" has the same meaning prescribed in section 36-449.01.
   (c) The office or clinic is a pain management clinic. For the purposes of this subdivision, "pain management clinic" has the same meaning prescribed in section 36-448.01.

4. Dispensaries and first aid stations THAT ARE located within business or industrial establishments AND THAT ARE maintained solely for the use of employees if the facility does not contain inpatient beds and is under the supervision of a physician or a registered nurse practitioner.

5. The collection, processing or distribution of whole human blood, blood components, plasma, blood fractions or derivatives THAT ARE procured, processed or distributed by federally licensed and regulated blood banks.

6. Places where four or fewer adults WHO ARE not related to the administrator or owner receive adult day health services for compensation on a regular basis.

7. Places at which persons receive health-related services only from relatives or from legal guardians or places that do not purport to be establishments that regularly provide health-related services and at which one or two persons receive health-related services on a twenty-four-hour basis.

8. The personal residence of a terminally ill person, or the personal residence of that person's relative or guardian, where that person receives hospice services from a hospice service agency.

9. All medical and health-related facilities and services that are provided to inmates who are confined in a state prison. The state department of corrections shall annually evaluate the medical and health-related facilities and services that are provided to inmates to determine that the facilities and services meet the applicable standards that are adopted by the director of the department of health services. The state department of corrections shall report the results of its annual evaluation and the actual findings, including a plan of correction for any deficiencies, to the director of the department of health services. The department of health services shall conduct validation surveys on a
percentage of the medical and health-related facilities, the number of
which shall be determined by the state department of corrections and the
department of health services. The director of the state department of
corrections shall maintain the annual evaluation reports. This paragraph
does not apply to licensed behavioral or mental health inpatient treatment
facilities that the state department of corrections operates.

10. A facility that provides medical and health services to inmates
who are confined in a county jail. The sheriff shall annually evaluate
the facility to determine if it meets the applicable standards that are
adopted by either a national corrections commission on health care or an
American correctional association, or the sheriff shall annually submit
the facility to a similar separate inspection by an outside agency with
medical standards. The sheriff must submit the certificate of
accreditation or proof of successful inspection to the department annually
and keep a copy of the certificate or proof of inspection.

11. Community education, advocacy or recovery support groups that
are not owned or operated by or contracted to provide services with a
health care institution.

12. AN OUTPATIENT TREATMENT CENTER THAT HAS THE SAME GOVERNING
AUTHORITY AS A HOSPITAL LICENSED PURSUANT TO THIS CHAPTER AND THAT IS
STAFFED BY HEALTH CARE PROVIDERS WHO ARE LICENSED PURSUANT TO TITLE 32,
UNLESS:

(a) PATIENTS ARE KEPT OVERNIGHT IN THE OUTPATIENT TREATMENT CENTER
OR ARE TREATED UNDER GENERAL ANESTHESIA, EXCEPT WHEN THE TREATMENT BY
GENERAL ANESTHESIA IS REGULATED PURSUANT TO TITLE 32, CHAPTER 11.
(b) THE OUTPATIENT TREATMENT CENTER IS AN ABORTION CLINIC AS DEFINED
IN SECTION 36-449.01.
(c) THE OUTPATIENT TREATMENT CENTER IS A PAIN MANAGEMENT CLINIC AS
DEFINED IN SECTION 36-448.01.

B. A medical and health-related facility that provides medical and
health services exclusively to persons who are incarcerated, detained or
confined under court order or court jurisdiction is exempt from the
patient-per-room capacity requirements provided in rule if the facility:

1. Does not exceed its intended medical and custodial purposes.
2. Adopts policies and procedures to comply with the national
commission on correctional health care standards, or equivalent standards.
3. As soon as practicable, becomes accredited by the national
commission on correctional health care, or by an equivalent organization.
4. Once accreditation is obtained, submits a certificate of
accreditation to the department of health services annually.
5. Maintains a copy of the certificate of accreditation.
6. Maintains patient and custodial records, including on-site
current photographs and fingerprints, if permitted by applicable law.
7. Makes patient lists with inmate identifiers available to the
state department of corrections on reasonable request.
B. Provides timely notice of any major incident involving public
safety to the appropriate law enforcement agency and allows that agency
access to the facility for the purposes of law enforcement and
investigation.
C. Subsection B of this section does not apply to health care
institutions that exclusively provide behavioral health services.

Sec. 4. Section 36-422, Arizona Revised Statutes, is amended to
read:

36-422. Application for license; notification of proposed
change in status; joint licenses; definitions

A. A person who wishes to apply for a license to operate a health
care institution pursuant to this chapter shall submit to the department
all of the following:
1. An application on a written or electronic form that is
prescribed, prepared and furnished by the department and that contains all
of the following:
(a) The name and location of the health care institution.
(b) Whether the health care institution is to be operated as a
proprietary or nonproprietary institution.
(c) The name of the governing authority. The applicant shall be
the governing authority having the operative ownership of, or the
governmental agency charged with the administration of, the health care
institution sought to be licensed. If the applicant is a partnership that
is not a limited partnership, the partners shall apply jointly, and the
partners are jointly the governing authority for purposes of this article.
(d) The name and business or residential address of each
controlling person and an affirmation that none of the controlling persons
has been denied a license or certificate by a health profession regulatory
board pursuant to title 32 or by a state agency pursuant to chapter 6,
article 7 or chapter 17 of this title or a license to operate a health
care institution in this state or another state or has had a license or
certificate issued by a health profession regulatory board pursuant to
title 32 or issued by a state agency pursuant to chapter 6, article 7 or
chapter 17 of this title or a license to operate a health care institution
revoked. If a controlling person has been denied a license or certificate
by a health profession regulatory board pursuant to title 32 or by a state
agency pursuant to chapter 6, article 7 or chapter 17 of this title or a
license to operate a health care institution in this state or another
state or has had a health care professional license or a license to
operate a health care institution revoked, the controlling person shall
include in the application a comprehensive description of the
circumstances for the denial or the revocation.
(e) The class or subclass of health care institution to be
established or operated.
(f) The types and extent of the health care services to be provided, including emergency services, community health services and services to indigent patients.

(g) The name and qualifications of the chief administrative officer implementing direction in that specific health care institution.

(h) Other pertinent information required by the department for the proper administration of this chapter and department rules.

2. The architectural plans and specifications or the department's approval of the architectural plans and specifications required by section 36-421, subsection A.

3. The applicable application fee.

B. An application submitted pursuant to this section shall contain the written or electronic signature of:

1. If the applicant is an individual, the owner of the health care institution.

2. If the applicant is a partnership, limited liability company or corporation, two of the officers of the corporation or managing members of the partnership or limited liability company or the sole member of the limited liability company if it has only one member.

3. If the applicant is a governmental unit, the head of the governmental unit.

C. An application for licensure shall be submitted at least sixty but not more than one hundred twenty days before the anticipated date of operation. An application for a substantial compliance survey submitted pursuant to section 36-425, subsection G shall be submitted at least thirty days before the date on which the substantial compliance survey is requested.

D. If a current licensee intends to terminate the operation of a licensed health care institution or if a change of ownership is planned, the current licensee shall notify the director in writing at least thirty days before the termination of operation or change in ownership is to take place. The current licensee is responsible for preventing any interruption of services required to sustain the life, health and safety of the patients or residents. A new owner shall not begin operating the health care institution until the director issues a license to the new owner.

E. A licensed health care institution for which operations have not been terminated for more than thirty days may be relicensed pursuant to the codes and standards for architectural plans and specifications that were applicable under its most recent license.

F. If a person operates a hospital in a county with a population of more than five hundred thousand persons in a setting that includes satellite facilities of the hospital that are located separately from the main hospital building, the department at the request of the applicant or licensee shall issue a single group license to the hospital and its
designated satellite facilities located within one-half mile of the main hospital building if all of the facilities meet or exceed department licensure requirements for the designated facilities. At the request of the applicant or licensee, the department shall also issue a single group license that includes the hospital and not more than ten of its designated satellite facilities that are located farther than one-half mile from the main hospital building if all of these facilities meet or exceed applicable department licensure requirements. Each facility included under a single group license is subject to the department's licensure requirements that are applicable to that category of facility. Subject to compliance with applicable licensure or accreditation requirements, the department shall reissue individual licenses for the facility of a hospital located in separate buildings from the main hospital building when requested by the hospital. This subsection does not apply to nursing care institutions and residential care institutions. The department is not limited in conducting inspections of an accredited health care institution to ensure that the institution meets department licensure requirements. If a person operates a hospital in a county with a population of five hundred thousand persons or less in a setting that includes satellite facilities of the hospital that are located separately from the main hospital building, the department at the request of the applicant or licensee shall issue a single group license to the hospital and its designated satellite facilities located within thirty-five miles of the main hospital building if all of the facilities meet or exceed department licensure requirements for the designated facilities. At the request of the applicant or licensee, the department shall also issue a single group license that includes the hospital and not more than ten of its designated satellite facilities that are located farther than thirty-five miles from the main hospital building if all of these facilities meet or exceed applicable department licensure requirements.

G. If a county with a population of more than one million persons or a special health care district in a county with a population of more than one million persons operates an accredited hospital that includes the hospital's accredited facilities that are located separately from the main hospital building and the accrediting body's standards as applied to all facilities meet or exceed the department's licensure requirements, the department shall issue a single license to the hospital and its facilities if requested to do so by the hospital. If a hospital complies with applicable licensure or accreditation requirements, the department shall reissue individual licenses for each hospital facility that is located in a separate building from the main hospital building if requested to do so by the hospital. This subsection does not limit the department's duty to inspect a health care institution to determine its compliance with department licensure standards. This subsection does not apply to nursing care institutions and residential care institutions.
H. An applicant or licensee must notify the department within thirty days after any change regarding a controlling person and provide the information and affirmation required pursuant to subsection A, paragraph 1, subdivision (d) of this section.

I. A behavioral health residential facility that provides services to children must notify the department within thirty days after the facility begins contracting exclusively with the federal government, receives only federal monies and does not contract with this state.

J. This section does not limit the application of federal laws and regulations to an applicant or licensee that is certified as a medicare or an Arizona health care cost containment system provider under federal law.

K. Except for an outpatient treatment center providing THAT PROVIDES dialysis services or abortion procedures OR THAT IS EXEMPT FROM LICENSURE PURSUANT TO SECTION 36-402, SUBSECTION A, PARAGRAPH 12, a person wishing to begin operating an outpatient treatment center before a licensing inspection is completed shall submit all of the following:

1. The license application required pursuant to this section.
2. All applicable application and license fees.
3. A written request for a temporary license that includes:
   a) The anticipated date of operation.
   b) An attestation signed by the applicant that the applicant and the facility comply with and will continue to comply with the applicable licensing statutes and rules.

L. Within seven days after the department's receipt of the items required in subsection K of this section, but not before the anticipated operation date submitted pursuant to subsection C of this section, the department shall issue a temporary license that includes:

1. The name of the facility.
2. The name of the licensee.
3. The facility's class or subclass.
4. The temporary license's effective date.
5. The location of the licensed premises.

M. A facility may begin operating on the effective date of the temporary license.

N. The director may cease the issuance of temporary licenses at any time if the director believes that public health and safety is endangered.

O. An OUTPATIENT TREATMENT CENTER THAT IS EXEMPT FROM LICENSURE PURSUANT TO SECTION 36-402, SUBSECTION A, PARAGRAPH 12 AND THAT HAS THE SAME GOVERNING AUTHORITY AS A HOSPITAL LICENSED PURSUANT TO THIS CHAPTER IS SUBJECT TO REASONABLE INSPECTION BY THE DEPARTMENT IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT PATIENT HARM IS OR MAY BE OCCURRING AT THAT OUTPATIENT TREATMENT CENTER. A SUBSTANTIATED COMPLAINT THAT HARM IS OCCURRING AT AN EXEMPT OUTPATIENT TREATMENT CENTER IS A VIOLATION OF THIS CHAPTER AGAINST THE HOSPITAL'S LICENSE.
For the purposes of this section:

1. "Accredited" means accredited by a nationally recognized accreditation organization.

2. "Satellite facility" means an outpatient facility at which the hospital provides outpatient medical services.

Sec. 5. Section 36-439, Arizona Revised Statutes, is amended to read:

36-439. Definitions

In this article, unless the context otherwise requires:

1. "Associated licensed provider" means one or more licensed outpatient treatment centers or one or more licensed counseling facilities that share common areas pursuant to a written agreement with a collaborating outpatient treatment center and that are liable and responsible for the treatment areas that are used by the respective associated licensed provider pursuant to written policies.

2. "Collaborating outpatient treatment center" means a licensed outpatient treatment center OR AN EXEMPT OUTPATIENT TREATMENT CENTER that has a written agreement with one or more outpatient treatment centers or exempt health care providers or licensed counseling facilities that requires the collaborating outpatient treatment center to be liable and responsible pursuant to written policies for all common areas that one or more colocators use.

3. "Colocator" means an exempt health care provider, AN EXEMPT OUTPATIENT TREATMENT CENTER or a governing authority operating as an outpatient treatment center or a licensed counseling facility that may share common areas and nontreatment personnel with another colocator pursuant to an agreement as prescribed in this article.

4. "Common areas":
   (a) Means the licensed public or nonpublic portions of outpatient treatment center premises that are not used for treatment and that are shared by one or more licensees or exempt health care providers.
   (b) Includes hallways, entrances, elevators, staircases, restrooms, reception areas, conference areas, employee break rooms, records retention areas and other nontreatment areas of an outpatient treatment center.

5. "Emergency health care services" means treatment for a medical or behavioral health condition, including labor and delivery, that manifests itself by acute symptoms of sufficient severity, including severe pain, such that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect the absence of immediate medical attention to result in any of the following:
   (a) Placing the patient’s health, including mental health, in serious jeopardy.
   (b) Serious impairment to a bodily function of the patient.
   (c) Serious dysfunction of any bodily organ or part of the patient.
   (d) Harm to the patient or others.
6. "Exempt health care provider" means a health care provider who is licensed pursuant to title 32, who holds an active license and whose private office or clinic is exempt from licensure pursuant to section 36-402, subsection A, paragraph 3.

7. "EXEMPT OUTPATIENT TREATMENT CENTER" MEANS A FACILITY WITH THE SAME GOVERNING AUTHORITY AS A HOSPITAL THAT IS LICENSED PURSUANT TO THIS CHAPTER, THAT DOES NOT HAVE INPATIENT BEDS, THAT PROVIDES HEALTH SERVICES OR BEHAVIORAL HEALTH SERVICES FOR THE DIAGNOSIS AND TREATMENT OF PATIENTS AND THAT IS EXEMPT FROM LICENSURE PURSUANT TO SECTION 36-402, SUBSECTION A, PARAGRAPH 12.

8. "Nontreatment personnel" means employees, agents, students, interns or independent contractors who provide services to an outpatient treatment center colocator that do not entail medical, nursing or behavioral health assessment or treatment.

9. "Treatment areas" means portions of licensed outpatient treatment center premises that are used for the provision of health care assessment and treatment of patients.

Sec. 6. Section 36-439.01, Arizona Revised Statutes, is amended to read:

36-439.01. Colocation of licensees

Notwithstanding any other provision of this chapter, one or more LICENSED OUTPATIENT TREATMENT CENTERS OR EXEMPT outpatient treatment centers that provide medical, nursing and health-related services may colocate or colocate with one or more licensees OR EXEMPT OUTPATIENT TREATMENT CENTERS that provide behavioral health services or with one or more licensed counseling facilities and may share common areas at the collaborating outpatient treatment center premises and share nontreatment personnel pursuant to the requirements of this article.

Sec. 7. Section 36-439.04, Arizona Revised Statutes, is amended to read:

36-439.04. Colocation; outpatient treatment centers; health care providers

A. The governing authority of a licensed collaborating outpatient treatment center OR A COLLABORATING EXEMPT OUTPATIENT TREATMENT CENTER, by agreement, may share common areas and may share nontreatment personnel with one or more exempt health care providers or one or more licensed counseling facilities pursuant to section 36-439.02.

B. Treatment areas that are licensed under an outpatient treatment center may also be used by an exempt health care provider OR AN EXEMPT OUTPATIENT TREATMENT CENTER if the provider’s treatment areas and hours of operation are clearly identified by signage to the public and notice to the department.

C. Notwithstanding subsections A and B of this section, an LICENSED OR EXEMPT outpatient treatment center may contract with or employ
an exempt health care provider to provide health care services to the LICENSED OR EXEMPT outpatient treatment center's patients.

Sec. 8. Section 36-439.05, Arizona Revised Statutes, is amended to read:

36-439.05. Outpatient treatment center employees; behavioral health services; private office or clinic of an exempt health care provider

A. Notwithstanding any other provision in this article, an employee of a licensed outpatient treatment center OR AN EXEMPT OUTPATIENT TREATMENT CENTER that provides behavioral health services may provide behavioral health services at a private office or clinic that is operated by an exempt health care provider under the following circumstances:

1. The services are provided to a patient of the exempt health care provider, THE EXEMPT OUTPATIENT TREATMENT CENTER or the licensed outpatient treatment center.

2. The licensed outpatient treatment center OR THE EXEMPT OUTPATIENT TREATMENT CENTER and the exempt health care provider have a written agreement specifying all of the following:

   (a) The services to be provided.
   (b) The responsibility for billing for the services provided.
   (c) Liability for the actions of the licensed outpatient treatment center's OR THE EXEMPT OUTPATIENT TREATMENT CENTER's employee.
   (d) The responsibility for maintenance, access to and confidentiality of medical records.
   (e) That the medical records for the behavioral health services provided by the licensed outpatient treatment center's OR THE EXEMPT OUTPATIENT TREATMENT CENTER's employee are stored at the outpatient treatment center, in addition to any provisions for maintaining and storing the medical records at other sites.

B. A licensed outpatient treatment center AND AN EXEMPT OUTPATIENT TREATMENT CENTER shall report to the department any unexpected death, self-injury or other injury of a patient under the care of its employee that occurs on the premises of an exempt health care provider and whether the injury required medical attention. The department may report the incident to the licensing board of any health care professional who is involved in the incident.

C. Unlicensed employees of a licensed outpatient treatment center OR AN EXEMPT OUTPATIENT TREATMENT CENTER may provide services at the private office or clinic of the exempt health care professional only when a licensed health care professional who is employed by the LICENSED OR EXEMPT outpatient treatment center is on-site.
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