

Senate Engrossed House Bill  
outpatient treatment centers; licensure; exemption

State of Arizona  
House of Representatives  
Fifty-fifth Legislature  
Second Regular Session  
2022

**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)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 32-1651, Arizona Revised Statutes, is amended to  
3 read:  
4 32-1651. Clinical nurse specialists; prescribing and  
5 dispensing authority  
6 A. The board shall grant to a clinical nurse specialist the  
7 privileges to prescribe and dispense pharmacological agents if the  
8 clinical nurse specialist has both of the following:  
9 1. The education and training equivalent to the requirements to  
10 prescribe and dispense pharmacological agents of a registered nurse  
11 practitioner, including successful completion of a nationally accredited  
12 advanced practice nursing program.  
13 2. Certification as a clinical nurse specialist by a nationally  
14 recognized certification entity approved by the ~~state~~ board ~~of nursing~~.  
15 B. A clinical nurse specialist may prescribe only for patients of a  
16 licensed health care institution that uses the services of the clinical  
17 nurse specialist as follows:  
18 1. In a licensed hospital or hospital-affiliated outpatient  
19 treatment center, a behavioral health inpatient facility, a nursing care  
20 institution, a recovery care center, a behavioral health residential  
21 facility or a hospice, the clinical nurse specialist may prescribe or  
22 dispense only pursuant to the protocols or standards applicable to  
23 clinical nurse specialists of the health care institution and may not  
24 prescribe a schedule II controlled substance that is an opioid except  
25 pursuant to protocols or standing orders of the health care institution.  
26 The prescribing and dispensing of opioid or benzodiazepine prescriptions  
27 by a clinical nurse specialist ~~shall be~~ IS limited to ~~the treatment of~~  
28 ~~TREATING~~ patients while at the licensed health care institution and ~~shall~~  
29 ~~IS~~ not ~~be~~ for patients to use or fill outside of the licensed health care  
30 institution except pursuant to discharge protocols of the institution.  
31 2. In a licensed outpatient treatment center ~~OR AN OUTPATIENT~~  
32 ~~TREATMENT CENTER THAT IS EXEMPT FROM LICENSURE PURSUANT TO SECTION 36-402,~~  
33 ~~SUBSECTION A, PARAGRAPH 12~~ that provides behavioral health services or  
34 qualifies pursuant to federal law as a community health center, the  
35 clinical nurse specialist may prescribe or dispense only pursuant to the  
36 protocols or standards applicable to clinical nurse specialists of the  
37 health care institution. The clinical nurse specialist may not prescribe  
38 a schedule II controlled substance that is an opioid except for an opioid  
39 that is for medication-assisted treatment for substance use disorders.  
40 C. A clinical nurse specialist shall report any required  
41 information relating to dispensing or prescribing medication pursuant to  
42 the health care institution's protocols.

1 D. For the purposes of this section, a health care institution's  
2 protocols relating to the dispensing and prescribing authority of a  
3 clinical nurse specialist shall be developed with the input of the  
4 institution's medical director.

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

7 36-401. Definitions; adult foster care

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

9 1. "Accredited health care institution" means a health care  
10 institution, other than a hospital, that is currently accredited by a  
11 nationally recognized accreditation organization.

12 2. "Accredited hospital" means a hospital that is currently  
13 accredited by a nationally recognized organization on hospital  
14 accreditation.

15 3. "Adult behavioral health therapeutic home" means a residence for  
16 individuals who are at least eighteen years of age, have behavioral health  
17 issues and need behavioral health services that does all of the following  
18 for those individuals:

19 (a) Provides room and board.

20 (b) Assists in acquiring daily living skills.

21 (c) Coordinates transportation to scheduled appointments.

22 (d) Monitors behaviors.

23 (e) Assists in the self-administration of medication.

24 (f) Provides feedback to case managers related to behavior.

25 4. "Adult day health care facility" means a facility that provides  
26 adult day health services during a portion of a continuous  
27 twenty-four-hour period for compensation on a regular basis for five or  
28 more adults who are not related to the proprietor.

29 5. "Adult day health services" means a program that provides  
30 planned care supervision and activities, personal care, personal living  
31 skills training, meals and health monitoring in a group setting during a  
32 portion of a continuous twenty-four-hour period. Adult day health  
33 services may also include preventive, therapeutic and restorative  
34 health-related services that do not include behavioral health services.

35 6. "Adult foster care home" means a residential setting that  
36 provides room and board and adult foster care services for at least one  
37 and not more than four adults who are participants in the Arizona  
38 long-term care system pursuant to chapter 29, article 2 of this title or  
39 contracts for services with the United States department of veterans  
40 affairs and in which the sponsor or the manager resides with the residents  
41 and integrates the residents who are receiving adult foster care into that  
42 person's family.

- 1           7. "Adult foster care services" means supervision, assistance with  
2 eating, bathing, toileting, dressing, self-medication and other routines  
3 of daily living or services authorized by rules adopted pursuant to  
4 section 36-405 and section 36-2939, subsection C.
- 5           8. "Assisted living center" means an assisted living facility that  
6 provides resident rooms or residential units to eleven or more residents.
- 7           9. "Assisted living facility" means a residential care institution,  
8 including an adult foster care home, that provides or contracts to provide  
9 supervisory care services, personal care services or directed care  
10 services on a continuous basis.
- 11          10. "Assisted living home" means an assisted living facility that  
12 provides resident rooms to ten or fewer residents.
- 13          11. "Behavioral health services" means services that pertain to  
14 mental health and substance use disorders and that are either:
- 15           (a) Performed by or under the supervision of a professional who is  
16 licensed pursuant to title 32 and whose scope of practice allows the  
17 professional to provide these services.
- 18           (b) Performed on behalf of patients by behavioral health staff as  
19 prescribed by rule.
- 20          12. "Construction" means building, erecting, fabricating or  
21 installing a health care institution.
- 22          13. "Continuous" means available at all times without cessation,  
23 break or interruption.
- 24          14. "Controlling person" means a person who:
- 25           (a) Through ownership, has the power to vote at least ten percent  
26 of the outstanding voting securities.
- 27           (b) If the applicant or licensee is a partnership, is the general  
28 partner or a limited partner who holds at least ten percent of the voting  
29 rights of the partnership.
- 30           (c) If the applicant or licensee is a corporation, an association  
31 or a limited liability company, is the president, the chief executive  
32 officer, the incorporator or any person who owns or controls at least ten  
33 percent of the voting securities. For the purposes of this subdivision,  
34 corporation does not include nonprofit corporations.
- 35           (d) Holds a beneficial interest in ten percent or more of the  
36 liabilities of the applicant or the licensee.
- 37          15. "Department" means the department of health services.
- 38          16. "Directed care services" means programs and services, including  
39 supervisory and personal care services, that are provided to persons who  
40 are incapable of recognizing danger, summoning assistance, expressing need  
41 or making basic care decisions.
- 42          17. "Direction" means authoritative policy or procedural guidance  
43 to accomplish a function or activity.
- 44          18. "Director" means the director of the department.

1           19. "Facilities" means buildings that are used by a health care  
2 institution for providing any of the types of services as defined in this  
3 chapter.

4           20. "Freestanding urgent care center":

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

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

9           (ii) Claims to provide unscheduled medical services that are not  
10 otherwise routinely available in primary care physician offices.

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

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

16           (b) Does not include the following:

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

19           (ii) A qualifying community health center pursuant to section  
20 36-2907.06.

21           (iii) Any other health care institution licensed pursuant to this  
22 chapter.

23           (iv) A physician's office that offers extended hours or same-day  
24 appointments to existing and new patients and that does not meet the  
25 requirements of subdivision (a), item (i), (iii) or (iv) of this  
26 paragraph.

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

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

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

43           24. "Health screening services" means the acquisition, analysis and  
44 delivery of health-related data of individuals to aid in determining the  
45 need for medical services.

1           25. "Hospice" means a hospice service agency or the provision of  
2 hospice services in an inpatient facility.

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

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

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

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

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

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

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

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

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

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

38           36. "Nursing-supported group home" means a health care institution  
39 that is a community residential setting as defined in section 36-551 for  
40 not more than six persons with developmental disabilities, that is  
41 operated by a service provider under contract with the department of  
42 economic security and that provides room and board, daily habilitation and  
43 continuous nursing support and intervention.

1           37. "Organized medical staff" means a formal organization of  
2 physicians, and dentists if appropriate, with the delegated authority and  
3 responsibility to maintain proper standards of medical care and to plan  
4 for continued betterment of that care.

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

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

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

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

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

24           40. "Physician" means any person who is licensed pursuant to title  
25 32, chapter 13 or 17.

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

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

35           43. "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  
38 services, behavioral health services, directed care services or  
39 health-related services for persons who do not need continuous nursing  
40 services.

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

1           45. "Respite care services" means services that are provided by a  
2 licensed health care institution to persons who are otherwise cared for in  
3 foster homes and in private homes to provide an interval of rest or relief  
4 of not more than thirty days to operators of foster homes or to family  
5 members.

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

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

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

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

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

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

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

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

36           36-402. Exemptions

37          A. This chapter and the rules adopted by the director pursuant to  
38 this chapter do not authorize the licensure, supervision, regulation or  
39 control of:

40           1. The remedial care or treatment of residents or patients in any  
41 home or institution conducted only for those who rely solely on treatment  
42 by prayer or spiritual means in accordance with the creed or tenets of any  
43 well-recognized church or religious denomination.



- 1           2. Establishments, such as motels, hotels and boarding houses, that  
2 provide domiciliary and ancillary commercial services, but do not provide  
3 adaptive, medical, hospital, nursing, behavioral health, health-related or  
4 supervisory care services.
- 5           3. Private offices and clinics of health care providers licensed  
6 under title 32 that are not freestanding urgent care centers, unless:
- 7           (a) Patients **OF THE OFFICE OR CLINIC** are kept overnight as bed  
8 patients or treated otherwise under general anesthesia, except when  
9 treatment by general anesthesia is regulated by title 32, chapter 11.
- 10           (b) The office or clinic is an abortion clinic. For the purposes  
11 of this subdivision, "abortion clinic" has the same meaning prescribed in  
12 section 36-449.01.
- 13           (c) The office or clinic is a pain management clinic. For the  
14 purposes of this subdivision, "pain management clinic" has the same  
15 meaning prescribed in section 36-448.01.
- 16           4. Dispensaries and first aid stations **THAT ARE** located within  
17 business or industrial establishments **AND THAT ARE** maintained solely for  
18 the use of employees if the facility does not contain inpatient beds and  
19 is under the supervision of a physician or a registered nurse  
20 practitioner.
- 21           5. The collection, processing or distribution of whole human blood,  
22 blood components, plasma, blood fractions or derivatives **THAT ARE**  
23 procured, processed or distributed by federally licensed and regulated  
24 blood banks.
- 25           6. Places where four or fewer adults **WHO ARE** not related to the  
26 administrator or owner receive adult day health services for compensation  
27 on a regular basis.
- 28           7. Places at which persons receive health-related services only  
29 from relatives or from legal guardians or places that do not purport to be  
30 establishments that regularly provide health-related services and at which  
31 one or two persons receive health-related services on a twenty-four-hour  
32 basis.
- 33           8. The personal residence of a terminally ill person, or the  
34 personal residence of that person's relative or guardian, where that  
35 person receives hospice services from a hospice service agency.
- 36           9. All medical and health-related facilities and services that are  
37 provided to inmates who are confined in a state prison. The state  
38 department of corrections shall annually evaluate the medical and  
39 health-related facilities and services that are provided to inmates to  
40 determine that the facilities and services meet the applicable standards  
41 that are adopted by the director of the department of health services.  
42 The state department of corrections shall report the results of its annual  
43 evaluation and the actual findings, including a plan of correction for any  
44 deficiencies, to the director of the department of health services. The  
45 department of health services shall conduct validation surveys on a

1 percentage of the medical and health-related facilities, the number of  
2 which shall be determined by the state department of corrections and the  
3 department of health services. The director of the state department of  
4 corrections shall maintain the annual evaluation reports. This paragraph  
5 does not apply to licensed behavioral or mental health inpatient treatment  
6 facilities that the state department of corrections operates.

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

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

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

23 (a) PATIENTS ARE KEPT OVERNIGHT IN THE OUTPATIENT TREATMENT CENTER  
24 OR ARE TREATED UNDER GENERAL ANESTHESIA, EXCEPT WHEN THE TREATMENT BY  
25 GENERAL ANESTHESIA IS REGULATED PURSUANT TO TITLE 32, CHAPTER 11.

26 (b) THE OUTPATIENT TREATMENT CENTER IS AN ABORTION CLINIC AS DEFINED  
27 IN SECTION 36-449.01.

28 (c) THE OUTPATIENT TREATMENT CENTER IS A PAIN MANAGEMENT CLINIC AS  
29 DEFINED IN SECTION 36-448.01.

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

34 1. Does not exceed its intended medical and custodial purposes.

35 2. Adopts policies and procedures to comply with the national  
36 commission on correctional health care standards, or equivalent standards.

37 3. As soon as practicable, becomes accredited by the national  
38 commission on correctional health care, or by an equivalent organization.

39 4. Once accreditation is obtained, submits a certificate of  
40 accreditation to the department of health services annually.

41 5. Maintains a copy of the certificate of accreditation.

42 6. Maintains patient and custodial records, including on-site  
43 current photographs and fingerprints, if permitted by applicable law.

44 7. Makes patient lists with inmate identifiers available to the  
45 state department of corrections on reasonable request.

1           8. Provides timely notice of any major incident involving public  
2 safety to the appropriate law enforcement agency and allows that agency  
3 access to the facility for the purposes of law enforcement and  
4 investigation.

5           C. Subsection B of this section does not apply to health care  
6 institutions that exclusively provide behavioral health services.

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

9           36-422. Application for license; notification of proposed  
10           change in status; joint licenses; definitions

11           A. A person who wishes to apply for a license to operate a health  
12 care institution pursuant to this chapter shall submit to the department  
13 all of the following:

14           1. An application on a written or electronic form that is  
15 prescribed, prepared and furnished by the department and that contains all  
16 of the following:

17           (a) The name and location of the health care institution.

18           (b) Whether the health care institution is to be operated as a  
19 proprietary or nonproprietary institution.

20           (c) The name of the governing authority. The applicant shall be  
21 the governing authority having the operative ownership of, or the  
22 governmental agency charged with the administration of, the health care  
23 institution sought to be licensed. If the applicant is a partnership that  
24 is not a limited partnership, the partners shall apply jointly, and the  
25 partners are jointly the governing authority for purposes of this article.

26           (d) The name and business or residential address of each  
27 controlling person and an affirmation that none of the controlling persons  
28 has been denied a license or certificate by a health profession regulatory  
29 board pursuant to title 32 or by a state agency pursuant to chapter 6,  
30 article 7 or chapter 17 of this title or a license to operate a health  
31 care institution in this state or another state or has had a license or  
32 certificate issued by a health profession regulatory board pursuant to  
33 title 32 or issued by a state agency pursuant to chapter 6, article 7 or  
34 chapter 17 of this title or a license to operate a health care institution  
35 revoked. If a controlling person has been denied a license or certificate  
36 by a health profession regulatory board pursuant to title 32 or by a state  
37 agency pursuant to chapter 6, article 7 or chapter 17 of this title or a  
38 license to operate a health care institution in this state or another  
39 state or has had a health care professional license or a license to  
40 operate a health care institution revoked, the controlling person shall  
41 include in the application a comprehensive description of the  
42 circumstances for the denial or the revocation.

43           (e) The class or subclass of health care institution to be  
44 established or operated.

1 (f) The types and extent of the health care services to be  
2 provided, including emergency services, community health services and  
3 services to indigent patients.

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

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

8 2. The architectural plans and specifications or the department's  
9 approval of the architectural plans and specifications required by section  
10 36-421, subsection A.

11 3. The applicable application fee.

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

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

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

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

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

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

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

41 F. If a person operates a hospital in a county with a population of  
42 more than five hundred thousand persons in a setting that includes  
43 satellite facilities of the hospital that are located separately from the  
44 main hospital building, the department at the request of the applicant or  
45 licensee shall issue a single group license to the hospital and its

1 designated satellite facilities located within one-half mile of the main  
2 hospital building if all of the facilities meet or exceed department  
3 licensure requirements for the designated facilities. At the request of  
4 the applicant or licensee, the department shall also issue a single group  
5 license that includes the hospital and ~~not more than ten of~~ its designated  
6 satellite facilities that are located farther than one-half mile from the  
7 main hospital building if all of these facilities meet or exceed  
8 applicable department licensure requirements. Each facility included  
9 under a single group license is subject to the department's licensure  
10 requirements that are applicable to that category of facility. Subject to  
11 compliance with applicable licensure or accreditation requirements, the  
12 department shall reissue individual licenses for the facility of a  
13 hospital located in separate buildings from the main hospital building  
14 when requested by the hospital. This subsection does not apply to nursing  
15 care institutions and residential care institutions. The department is  
16 not limited in conducting inspections of an accredited health care  
17 institution to ensure that the institution meets department licensure  
18 requirements. If a person operates a hospital in a county with a  
19 population of five hundred thousand persons or less in a setting that  
20 includes satellite facilities of the hospital that are located separately  
21 from the main hospital building, the department at the request of the  
22 applicant or licensee shall issue a single group license to the hospital  
23 and its designated satellite facilities located within thirty-five miles  
24 of the main hospital building if all of the facilities meet or exceed  
25 department licensure requirements for the designated facilities. At the  
26 request of the applicant or licensee, the department shall also issue a  
27 single group license that includes the hospital and ~~not more than ten of~~  
28 its designated satellite facilities that are located farther than  
29 thirty-five miles from the main hospital building if all of these  
30 facilities meet or exceed applicable department licensure requirements.

31 G. If a county with a population of more than one million persons  
32 or a special health care district in a county with a population of more  
33 than one million persons operates an accredited hospital that includes the  
34 hospital's accredited facilities that are located separately from the main  
35 hospital building and the accrediting body's standards as applied to all  
36 facilities meet or exceed the department's licensure requirements, the  
37 department shall issue a single license to the hospital and its facilities  
38 if requested to do so by the hospital. If a hospital complies with  
39 applicable licensure or accreditation requirements, the department shall  
40 reissue individual licenses for each hospital facility that is located in  
41 a separate building from the main hospital building if requested to do so  
42 by the hospital. This subsection does not limit the department's duty to  
43 inspect a health care institution to determine its compliance with  
44 department licensure standards. This subsection does not apply to nursing  
45 care institutions and residential care institutions.

1 H. An applicant or licensee must notify the department within  
2 thirty days after any change regarding a controlling person and provide  
3 the information and affirmation required pursuant to subsection A,  
4 paragraph 1, subdivision (d) of this section.

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

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

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

17 1. The license application required pursuant to this section.

18 2. All applicable application and license fees.

19 3. A written request for a temporary license that includes:

20 (a) The anticipated date of operation.

21 (b) An attestation signed by the applicant that the applicant and  
22 the facility comply with and will continue to comply with the applicable  
23 licensing statutes and rules.

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

28 1. The name of the facility.

29 2. The name of the licensee.

30 3. The facility's class or subclass.

31 4. The temporary license's effective date.

32 5. The location of the licensed premises.

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

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

37 O. AN OUTPATIENT TREATMENT CENTER THAT IS EXEMPT FROM LICENSURE  
38 PURSUANT TO SECTION 36-402, SUBSECTION A, PARAGRAPH 12 AND THAT HAS THE  
39 SAME GOVERNING AUTHORITY AS A HOSPITAL LICENSED PURSUANT TO THIS CHAPTER  
40 IS SUBJECT TO REASONABLE INSPECTION BY THE DEPARTMENT IF THE DIRECTOR HAS  
41 REASONABLE CAUSE TO BELIEVE THAT PATIENT HARM IS OR MAY BE OCCURRING AT  
42 THAT OUTPATIENT TREATMENT CENTER. A SUBSTANTIATED COMPLAINT THAT HARM IS  
43 OCCURRING AT AN EXEMPT OUTPATIENT TREATMENT CENTER IS A VIOLATION OF THIS  
44 CHAPTER AGAINST THE HOSPITAL'S LICENSE.

1           ~~0.~~ P. For the purposes of this section:

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

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

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

8           36-439. Definitions

9           In this article, unless the context otherwise requires:

10          1. "Associated licensed provider" means one or more licensed  
11 **OUTPATIENT TREATMENT CENTERS OR EXEMPT** outpatient treatment centers or one  
12 or more licensed counseling facilities that share common areas pursuant to  
13 a written agreement with a collaborating outpatient treatment center and  
14 that are liable and responsible for the treatment areas that are used by  
15 the respective associated licensed provider pursuant to written policies.

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

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

28          4. "Common areas":

29           (a) Means the licensed public or nonpublic portions of outpatient  
30 treatment center premises that are not used for treatment and that are  
31 shared by one or more licensees or exempt health care providers.

32           (b) Includes hallways, entrances, elevators, staircases, restrooms,  
33 reception areas, conference areas, employee break rooms, records retention  
34 areas and other nontreatment areas of an outpatient treatment center.

35          5. "Emergency health care services" means treatment for a medical  
36 or behavioral health condition, including labor and delivery, that  
37 manifests itself by acute symptoms of sufficient severity, including  
38 severe pain, such that a prudent layperson who possesses an average  
39 knowledge of health and medicine could reasonably expect the absence of  
40 immediate medical attention to result in any of the following:

41           (a) Placing the patient's health, including mental health, in  
42 serious jeopardy.

43           (b) Serious impairment to a bodily function of the patient.

44           (c) Serious dysfunction of any bodily organ or part of the patient.

45           (d) Harm to the patient or others.

1           6. "Exempt health care provider" means a health care provider who  
2 is licensed pursuant to title 32, who holds an active license and whose  
3 private office or clinic is exempt from licensure pursuant to section  
4 36-402, subsection A, paragraph 3.

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

11           ~~7.~~ 8. "Nontreatment personnel" means employees, agents, students,  
12 interns or independent contractors who provide services to an outpatient  
13 treatment center colocator that do not entail medical, nursing or  
14 behavioral health assessment or treatment.

15           ~~8.~~ 9. "Treatment areas" means portions of licensed outpatient  
16 treatment center premises that are used for the provision of health care  
17 assessment and treatment of patients.

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

20           36-439.01. Colocation of licensees

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

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

31           36-439.04. Colocation; outpatient treatment centers; health  
32 care providers

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

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

43           C. Notwithstanding subsections A and B of this section, ~~an~~ A  
44 LICENSED OR EXEMPT outpatient treatment center may contract with or employ



1 an exempt health care provider to provide health care services to the  
2 LICENSED OR EXEMPT outpatient treatment center's patients.

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

5 36-439.05. Outpatient treatment center employees; behavioral  
6 health services; private office or clinic of an  
7 exempt health care provider

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

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

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

19 (a) The services to be provided.

20 (b) The responsibility for billing for the services provided.

21 (c) Liability for the actions of the licensed outpatient treatment  
22 center's OR THE EXEMPT OUTPATIENT TREATMENT CENTER'S employee.

23 (d) The responsibility for maintenance, access to and  
24 confidentiality of medical records.

25 (e) That the medical records for the behavioral health services  
26 provided by the licensed outpatient treatment center's OR THE EXEMPT  
27 OUTPATIENT TREATMENT CENTER'S employee are stored at the outpatient  
28 treatment center, in addition to any provisions for maintaining and  
29 storing the medical records at other sites.

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

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

APPROVED BY THE GOVERNOR APRIL 13, 2022.

H.B. 2450

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