

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

**CHAPTER 316**  
**HOUSE BILL 2865**

AN ACT

AMENDING SECTION 8-521, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 5.1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-573; AMENDING TITLE 36, CHAPTER 5.1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-595.03; REPEALING SECTION 36-595.03, ARIZONA REVISED STATUTES; RELATING TO HUMAN SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 8-521, Arizona Revised Statutes, is amended to  
3 read:

4 8-521. Independent living program; conditions; eligibility;  
5 rules; progress reports; educational case management  
6 unit

7 A. The department or a licensed child welfare agency may establish  
8 an independent living program for youths who are the subject of a  
9 dependency petition or who are adjudicated dependent and are all of the  
10 following:

11 1. In the custody of the department, a licensed child welfare  
12 agency or a tribal child welfare agency.

13 2. At least seventeen years of age.

14 3. Employed or full-time students.

15 B. The independent living program may consist of a residential  
16 program of less than twenty-four hours a day supervision for youths under  
17 the supervision of the department through a licensed child welfare agency  
18 or a foster home under contract with the department. Under the  
19 independent living program, the youth is not required to reside at a  
20 licensed child welfare agency or foster home.

21 C. The director or the director's designee shall review and approve  
22 any recommendation to the court that a youth in the custody of the  
23 department be ordered to an independent living program.

24 D. For a youth to participate in an independent living program, the  
25 court must order such a disposition pursuant to section 8-845.

26 E. The department of child safety, a licensed child welfare agency  
27 or a tribal child welfare agency having custody of the youth shall provide  
28 the cost of care as required by section 8-453, subsection A, paragraph 9,  
29 subdivision (b), item (iii) for each ~~child~~ YOUTH placed in an independent  
30 living program pursuant to this section, except that the monthly amount  
31 provided shall not ~~exceed the average monthly cost of purchased services~~  
32 ~~for the child in the three months immediately preceding placement in an~~  
33 ~~independent living program~~ BE LESS THAN \$1,200.

34 F. The department shall adopt rules pursuant to title 41, chapter 6  
35 to carry out this section.

36 G. The department shall provide quarterly progress reports to the  
37 court and to local foster care review boards for each youth participating  
38 in the independent living program.

39 H. The local foster care review boards shall review at least once  
40 every six months the case of each youth participating in the independent  
41 living program.

1 I. The department shall establish an educational case management  
2 unit within the division consisting of two case managers to develop and  
3 coordinate educational case management plans for youths participating in  
4 the independent living program and to assist youths in the program to do  
5 the following:

- 6 1. Graduate from high school.
- 7 2. Pass the statewide assessment pursuant to section 15-741.
- 8 3. Apply for postsecondary financial assistance.
- 9 4. Apply for postsecondary education.

10 Sec. 2. Title 36, chapter 5.1, article 1, Arizona Revised Statutes,  
11 is amended by adding section 36-573, to read:

12 36-573. Annual report; group home incident reports; contracts

13 ON OR BEFORE JANUARY 1, 2024 AND EACH YEAR THEREAFTER, THE  
14 DEPARTMENT OF ECONOMIC SECURITY SHALL PROVIDE AN ANNUAL REPORT TO THE  
15 CHAIRPERSONS OF THE HEALTH AND HUMAN SERVICES COMMITTEES OF THE SENATE AND  
16 THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, THE DIRECTORS  
17 OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM AND THE DEPARTMENT OF  
18 HEALTH SERVICES AND THE DESIGNATED ENTITY CONDUCTING THE DEVELOPMENTAL  
19 DISABILITIES GROUP HOME MONITORING PILOT PROGRAM PURSUANT TO SECTION  
20 36-595.03 AND SHALL PROVIDE A COPY OF THE REPORT TO THE SECRETARY OF  
21 STATE. THE REPORT SHALL INCLUDE AT LEAST THE FOLLOWING INFORMATION:

22 1. THE NUMBER OF INCIDENT REPORTS THAT WERE RECEIVED FROM GROUP  
23 HOMES IN THE PRECEDING TWO YEARS:

- 24 (a) CATEGORIZED BY LEVEL OF SEVERITY.
- 25 (b) THAT RESULTED IN ANY TYPE OF CONTRACT SANCTION.
- 26 (c) THAT INVOLVED MEDICATION ERRORS. THE REPORT SHALL INCLUDE THE  
27 TOTAL NUMBER OF TIMES MEDICATION WAS DISTRIBUTED TO CLIENTS.
- 28 (d) THAT RESULTED IN CHANGES TO A BEHAVIORAL TREATMENT PLAN.
- 29 (e) THAT REQUIRED ADDITIONAL STAFF TRAINING MANDATED BY THE  
30 DIVISION AFTER REVIEW OF THE INCIDENT REPORT.
- 31 (f) THAT INVOLVED LAW ENFORCEMENT.

32 (g) AGGREGATED BY SERVICE PROVIDER AND INDIVIDUAL GROUP HOME  
33 WITHOUT IDENTIFYING THE SPECIFIC LOCATION OR NAME OF THE HOME.

34 2. WITH RESPECT TO GROUP HOME CONTRACTS AND EXPENDITURES:

- 35 (a) THE NUMBER OF GROUP HOME CONTRACTS BY SERVICE PROVIDER.
- 36 (b) FOR EACH GROUP HOME CONTRACT, THE ANNUAL AMOUNT THE DIVISION  
37 PAID THE SERVICE PROVIDER FOR THE GROUP HOME SERVICES PROVIDED.
- 38 (c) THE COST PER CLIENT BY SERVICE PROVIDER.
- 39 (d) THE NUMBER OF ANY TYPE OF CONTRACT SANCTION BROKEN DOWN BY  
40 REASON FOR THE SANCTION.

41 (e) THE NUMBER OF SERVICE PROVIDERS FROM WHOM THE DIVISION RECOUPED  
42 PAYMENTS FOR GROUP HOME SERVICES IN THE PRECEDING YEAR FOR MEDICAID FRAUD.

43 3. THE NUMBER OF MEDICAID FRAUD INVESTIGATIONS OF SERVICE PROVIDERS  
44 OF GROUP HOME SERVICES.

1           Sec. 3. Title 36, chapter 5.1, article 3, Arizona Revised Statutes,  
2 is amended by adding section 36-595.03, to read:

3           36-595.03. Developmental disabilities group home monitoring  
4           pilot program; clients with complex needs;  
5           expedited referral system; reporting  
6           requirements; definition

7           A. THE DEVELOPMENTAL DISABILITIES GROUP HOME MONITORING PILOT  
8 PROGRAM IS ESTABLISHED IN THE DEPARTMENT. THE DEPARTMENT SHALL OVERSEE  
9 THE PILOT PROGRAM FOR THREE YEARS AND CONTRACT WITH THE ENTITY THAT HAS  
10 BEEN DESIGNATED BY THIS STATE TO OPERATE THE PROTECTION AND ADVOCACY  
11 SYSTEM FOR PERSONS WITH DEVELOPMENTAL DISABILITIES IN THIS STATE PURSUANT  
12 TO THE DEVELOPMENTAL DISABILITIES ASSISTANCE AND BILL OF RIGHTS ACT OF  
13 2000 (42 UNITED STATES CODE SECTIONS 15041 THROUGH 15045) TO CONDUCT THE  
14 PILOT PROGRAM.

15           B. THE SCOPE OF THE PILOT PROGRAM SHALL REQUIRE THE DESIGNATED  
16 ENTITY, AT A MINIMUM, TO DO ALL OF THE FOLLOWING BEGINNING JANUARY 1,  
17 2023:

18           1. MONITOR IN PERSON THE GROUP HOMES THAT PROVIDE SERVICES TO  
19 CLIENTS WITH COMPLEX NEEDS TO DETERMINE, AT A MINIMUM, WHETHER:

20           (a) THE CLIENT WITH COMPLEX NEEDS RECEIVES THE SERVICES IDENTIFIED  
21 IN THE CLIENT'S PERSON-CENTERED SERVICE PLAN, INCLUDING MEDICATION  
22 MONITORING AND HABILITATION TREATMENT, AS APPLICABLE.

23           (b) THE PROVISION OF SERVICES IDENTIFIED IN THE PERSON-CENTERED  
24 SERVICE PLAN OF THE CLIENT WITH COMPLEX NEEDS HAS BEEN EFFECTIVE IN  
25 ADDRESSING THE CLIENT'S COMPLEX NEEDS.

26           (c) THE SERVICES HAVE RESULTED IN A REDUCTION IN BEHAVIORS THAT  
27 INTERFERED WITH THE ABILITY OF THE CLIENT WITH COMPLEX NEEDS TO LIVE  
28 SAFELY IN THE COMMUNITY.

29           (d) ALL PHYSICAL INTERVENTIONS USED BY THE GROUP HOME STAFF HAVE  
30 COMPLIED WITH THE BEHAVIORAL TREATMENT PLAN OF THE CLIENT WITH COMPLEX  
31 NEEDS AND APPLICABLE STATE LAWS.

32           2. INVESTIGATE QUALITY OF CARE COMPLAINTS RECEIVED BY THE  
33 DESIGNATED ENTITY PURSUANT TO SUBSECTION C OF THIS SECTION CONCERNING ANY  
34 GROUP HOME FUNDED BY THE DEPARTMENT.

35           3. COMPILER A COMPREHENSIVE REPORT OF ALL OBSERVATIONS AND OUTCOMES  
36 DURING THE PRECEDING YEAR.

37           C. ON OR BEFORE JANUARY 1, 2023, THE DEPARTMENT SHALL ESTABLISH AN  
38 EXPEDITED REFERRAL SYSTEM TO ENSURE THAT COPIES OF ALL QUALITY OF CARE  
39 COMPLAINTS ARE FORWARDED TO THE DESIGNATED ENTITY FOR INVESTIGATION  
40 PURSUANT TO THIS SECTION. THE DEPARTMENT SHALL IDENTIFY QUALITY OF CARE  
41 COMPLAINTS RELATED TO ABUSE, NEGLECT AND CLIENT SAFETY AS PRIORITIES FOR  
42 INVESTIGATION. IF THE DESIGNATED ENTITY SUBSTANTIATES AN ALLEGATION IN A  
43 QUALITY OF CARE COMPLAINT, THE INFORMATION SHALL BE PROVIDED TO THE  
44 DEPARTMENT, WHICH SHALL SHARE THE ALLEGATION WITH THE SERVICE PROVIDER,

1 AND THE INDEPENDENT OVERSIGHT COMMITTEE ON PERSONS WITH DEVELOPMENTAL  
2 DISABILITIES ESTABLISHED BY SECTION 41-3801.

3 D. THE DEPARTMENT SHALL EDUCATE SERVICE PROVIDERS ON THE  
4 REQUIREMENTS OF THE DEVELOPMENTAL DISABILITIES GROUP HOME MONITORING PILOT  
5 PROGRAM AND THE ROLE OF THE DESIGNATED ENTITY.

6 E. ON OR BEFORE DECEMBER 31, 2025, THE DESIGNATED ENTITY SHALL  
7 REPORT TO THE GOVERNOR, THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE  
8 HOUSE OF REPRESENTATIVES, AND PROVIDE A COPY OF THE REPORT TO THE  
9 SECRETARY OF STATE, REGARDING THE OBSERVATIONS AND OUTCOMES OF THE PILOT  
10 PROGRAM, INCLUDING SYSTEMIC ISSUES THAT WERE IDENTIFIED, THE QUALITY OF  
11 SERVICES PROVIDED TO PERSONS WITH DEVELOPMENTAL DISABILITIES WHO HAVE  
12 COMPLEX NEEDS IN THIS STATE AND ANY RECOMMENDATIONS FOR SERVICE  
13 IMPROVEMENTS.

14 F. FOR THE PURPOSES OF THIS SECTION, "CLIENT WITH COMPLEX NEEDS"  
15 MEANS A CLIENT WITH DUAL DISORDERS, INCLUDING PSYCHIATRIC DISORDERS AND  
16 DEVELOPMENTAL DISABILITIES, WHO ENGAGES IN BEHAVIORS THAT ARE DISRUPTIVE,  
17 SOCIALLY INAPPROPRIATE OR HARMFUL OR DANGEROUS TO SELF OR OTHERS, THAT  
18 INTERFERE WITH FUNCTIONING AND QUALITY OF LIFE OR THAT MAY CAUSE  
19 DESTRUCTION OF PROPERTY.

20 Sec. 4. Delayed repeal

21 Section 36-595.03, Arizona Revised Statutes, as added by this act,  
22 is repealed from and after December 31, 2026.

23 Sec. 5. Department of economic security; drug testing; TANF  
24 cash benefits recipients

25 During fiscal year 2022-2023, the department of economic security  
26 shall screen and test each adult recipient who is otherwise eligible for  
27 temporary assistance for needy families cash benefits and who the  
28 department has reasonable cause to believe engages in the illegal use of  
29 controlled substances. Any recipient who tests positive for the use of a  
30 controlled substance that was not prescribed for the recipient by a  
31 licensed health care provider is ineligible to receive benefits for a  
32 period of one year.

APPROVED BY THE GOVERNOR JUNE 28, 2022.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 28, 2022.