

REFERENCE TITLE: outpatient treatment centers; licensure; exemption

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

HB 2450

Introduced by
Representative Osborne

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. For the purposes of this section:

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

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

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

3 36-439. Definitions

4 In this article, unless the context otherwise requires:

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

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

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

23 4. "Common areas":

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

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

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

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

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

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

40 (d) Harm to the patient or others.

41 6. "Exempt health care provider" means a health care provider who
42 is licensed pursuant to title 32, who holds an active license and whose
43 private office or clinic is exempt from licensure pursuant to section
44 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.

7. 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.

~~8.~~ 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 center licensees CENTERS that provide medical, nursing and health-related services may collocate or collocate 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~~ A 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.

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

3 36-439.05. Outpatient treatment center employees; behavioral
4 health services; private office or clinic of an
5 exempt health care provider

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

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

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

17 (a) The services to be provided.

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

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

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

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

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

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