



ARIZONA STATE SENATE
Fifty-Sixth Legislature, First Regular Session

REVISED
AMENDED

FACT SHEET FOR S.B. 1710

state hospital; governing board; governance

Purpose

Effective January 1, 2025, establishes the State Hospital Governing Board (Board) and transfers oversight, authorities and responsibilities relating to the Arizona State Hospital (ASH) from the Department of Health Services (DHS) to the Board. Requires ASH to admit patients based on clinical need for treatment and prohibits any limit on admission based on a patient's county of residence.

Background

ASH is a 260-bed facility, operated and regulated by DHS, that provides long-term inpatient psychiatric care to individuals with mental illnesses, personality disorders or emotional conditions who are under a court order to receive treatment. Treatment at ASH is considered the highest and most restrictive level of mental health care in Arizona. Patients are admitted as a result of an inability to be treated in a community facility or due to their legal status ([DHS](#)). Statute outlines various administrative requirements of DHS relating to ASH, including submittal of an annual report outlining ASH finances, collecting census data for adult civil commitment treatment programs and administering the ASH Fund.

The ASH Civil Adult Rehabilitation Program includes treatment units that specialize in providing services to adults who are civilly committed as a danger to themselves or others, gravely disabled or persistently and acutely disabled. Patients admitted to ASH under the Civil Adult Rehabilitation Program must first have completed a minimum of 25 days of treatment in a community inpatient setting prior to admission. Forensic patients at ASH are court-ordered for either pre-trial or post-trial treatment as a result of involvement with the criminal justice system due to a mental health issue. The Forensic Adult Program includes individuals who have been committed through a court-order as part of a criminal process for patients who either: 1) are being housed in one unit providing pre-trial evaluation, treatment and restoration to competency to stand trial; or 2) have been adjudicated guilty except insane and are serving a sentence under the jurisdiction of the Psychiatric Security Review Board ([A.R.S. Title 36, Chapter 2, Article 1](#)).

On January 4, 2022, the Joint Legislative Psychiatric Hospital Review Council (Council) adopted a series of recommendations related to ASH, including that the state consider whether ASH should be extricated from DHS and operated by an appointed board ([Council 2022 Final Report](#)).

The Joint Legislative Budget Committee fiscal note estimates that S.B. 1710 would increase state General Fund costs by \$2.5 million one-time and \$30.3 million ongoing. The \$2.5 million estimate is a result of a prior year DHS estimate for the preparation of an additional 75 unused ASH beds. The ongoing state General Fund impact represents the ongoing cost of care associated with the additional beds and costs of Board member compensation ([JLBC fiscal note](#)).

Provisions

State Hospital Governing Board

1. Establishes the Board, consisting of five Governor-appointed members with experience in hospital or health care administration to administer the laws of Arizona relating to ASH.
2. Transfers authorities, powers, duties and responsibilities relating to ASH from DHS to the Board.
3. Prohibits more than three members of the same county or political party from serving on the Board.
4. Sets the length of the term of a Board-member at five years, to expire on the third Monday in January of the appropriate year.
5. Sets the initial terms of the members of the Board as follows:
 - a) one term ending on January 1, 2027;
 - b) two terms ending on January 1, 2028; and
 - c) subsequent terms as prescribed by statute.
6. Requires members of the Board to have at least one of the following qualifications:
 - a) held an executive level position at a psychiatric or acute care hospital;
 - b) administrative experience in a behavioral health facility;
 - c) held a clinical leadership position for a behavioral health services provider; or
 - d) administrative experience at a health plan that provides behavioral health services.
7. Requires Board members, prior to appointment by the Governor, to submit a full set of fingerprints for purposes of a state and federal criminal records check.
8. Prohibits Board members from:
 - a) having any familial relationship with a patient in any of the facilities located at ASH;
 - b) being a party to or represent any party in any current pending litigation against ASH or any of its employees;
 - c) being on either the U.S. Inspector General's list of excluded individuals and entities or the U.S. General Services Administration's system for award management database;
 - d) being employed by or associated with another psychiatric or behavioral entity that may refer patients for admission to ASH;
 - e) having had a license or certification revoked by any health professional licensing board;
 - f) having any official communication with ASH patients or patient's families outside of Board meetings, unless otherwise authorized by the Board;
 - g) participating in any matter in which the member has a conflict of interest;
 - h) voting on any measure in which the Board member or a Board member's family has a pecuniary interest; and
 - i) missing more than one meeting within a six-month period.
9. Requires the Chairperson of the Independent Oversight Committee on ASH to serve as a non-voting member of the Board that is not counted for purposes of determining a quorum.

10. Requires the Board to meet at least once each month.
11. Requires Board members to sign an agreement to comply with all confidentiality requirements on matters of the Board.
12. Requires Board member to sign a conflict-of-interest statement identifying and disclosing any potential conflict of interest.
13. Allows the Governor to remove a Board member only with cause, based on written findings that specify the reason for removal.
14. Specifies that a Board member that is removed must be provided written notice and an opportunity to respond.
15. Stipulates that, if the Board does not have enough members to take official action, the following state employees, in the following order, must serve as emergency Board members:
 - a) the DHS Director, or their designee;
 - b) the Director of the Arizona Health Care Cost Containment System, or their designee;
 - c) the Director of the Department of Veterans' Services (DVS), or their designee;
 - d) the Director of the Department of Economic Security (DES); or
 - e) the Chief Medical Officer or Medical Director from DHS, DVS or DES.
16. Specifies that Board members are eligible to receive compensation not exceeding \$200 per day for each day spent in the discharge of their duties, as well as all expenses incurred in attending meetings.
17. Establishes the following duties of the Board:
 - a) reviewing, modifying and adopting Board bylaws at least every two years;
 - b) setting goals for ASH and for achieving these goals;
 - c) advising the ASH Director on facilities, maintenance, staffing, programs, services and policies;
 - d) ensuring compliance with standards for patients' rights;
 - e) reviewing and approving budget requests for the annual budget;
 - f) assisting in educating the community concerning the role of ASH;
 - g) ensuring coordination of services, programs and policies between ASH and community mental health care programs and facilities, including admission, discharge and aftercare;
 - h) reviewing and approving contracts for the use of ASH facilities for other programs, services and agencies;
 - i) ensuring that all Board members are provided with an orientation to ASH;
 - j) providing for ongoing, effective communication between the Board, ASH administration and ASH medical staff;
 - k) ensuring full disclosure of ownership and control of ASH;
 - l) participating in accreditation, certification and licensure processes;
 - m) being available to attend summation and exit conferences;
 - n) evaluating ASH's performance annually in relation to its vision, mission and goals;
 - o) reviewing and approving the quality assurance and performance improvement plan and institutional plan and budget at least annually;
 - p) evaluating and modifying the staffing acuity plan at least annually;

- q) ensuring full implementation of ASH's quality and assurance and performance improvement plan and providing feedback to ASH's departments and teams regarding improvement activities
- r) requesting information to monitor the status of individual projects;
- s) reviewing ASH reports;
- t) reviewing and approving ASH medical staff bylaws and medical staff rules and regulations to address self-governance and ensure that the staff is accountable for quality of medical care, treatment and services;
- u) performing all functions and duties required for governance by the Joint Commission, the Centers for Medicare and Medicaid Services and DHS for state licensure;
- v) reviewing reports of contractor performance for direct care patient services at least annually;
- w) consulting directly with the ASH Chief Medical Officer periodically on matters related to the quality of medical care at ASH;
- x) ensuring that systems are in place and operational at ASH for tracking all infection, surveillance, prevention and control, as well as antibiotic use activities, to demonstrate the implementation, success and sustainability of such activities; and
- y) ensuring that all hospital-acquired infections and other infectious diseases, as well as antibiotic use issues, are addressed in collaboration with ASH quality assurance and performance improvement leadership.

18. Requires ASH to authorize, approve and support ASH medical staff by:

- a) reviewing credentials and approving or denying individual privileges;
- b) approving individuals for medical staff membership after considering the recommendations of the existing medical staff;
- c) ensuring that the criteria for staff selection include individual character, competence, training, experience and judgment and that staff membership or professional privileges at ASH are not accepted based solely on certification, fellowship or membership in a specialty body or society;
- d) rendering the final determination concerning individual credentials and privileges;
- e) prescribing termination procedures for medical staff;
- f) prescribing fair hearing procedures at the medical executive committee level; and
- g) providing for appeals of medical executive committee credentialing and privileging decisions to the Board.

19. Requires the Board, at least 30 days before issuing a request for proposals to renovate or develop ASH property, to hold a public hearing to receive community and provider input regarding the highest and best use of the property.

20. Requires the Board to report, to the Joint Committee on Capital Review (JCCR), the terms, conditions and purpose of any lease or sublease agreement entered into relating to ASH lands or buildings or the disposition of real property, as well as the associated fiscal impact on the Board and any revenues generated by the agreement.

21. Requires JCCR to review any lease or sublease agreement entered into by the Board that relates to ASH lands or buildings or the disposition of real property.

ASH Director

22. Removes the role of the ASH Superintendent and assigns applicable duties and responsibilities to the ASH Director, under the supervision of the Board.
23. Specifies that the ASH Director is the ASH Chief Administrative Officer.
24. Requires the ASH Director to have hospital administrative experience in the private sector.
25. Establishes the State Hospital Donations Fund (Fund) for the benefit of ASH patients and requires the ASH Director to administer the Fund, which is continuously appropriated.
26. Requires any donations received by the Board for the benefit of ASH patients to be deposited in the Fund.
27. Allows the ASH Director, after consultation with the Arizona Department of Administration, to take all necessary steps to enhance the highest and best use of ASH property, including entering into short-term lease agreements with third parties to occupy or renovate existing buildings and entering into long-term lease agreements to develop the land and buildings.
28. Requires the ASH Director to deposit any monies collected from contracts and lease agreements into the ASH Charitable Trust Fund.

Miscellaneous

29. Requires ASH to admit patients based on clinical need for treatment and prohibits any limit on admission based on a patient's county of residence.
30. Removes the requirement that there be a legally available funded bed at ASH in order for the Director of a local mental health treatment agency assigned to supervise and administer a patient's treatment to request that the court amend the patient's order to place the patient for treatment at ASH.
31. Allows the Department of Public Safety to exchange Board-member fingerprint data to the Federal Bureau of Investigation.
32. Specifies that this legislation does not alter the effect of any action or impair the valid obligations of DHS relating to ASH that existed before January 1, 2025.
33. States that DHS administrative rules and orders relating to ASH remain in effect until superseded by administrative action of the Board.
34. Specifies that all pending or completed matters of DHS relating to ASH, including contracts, orders and judicial actions, are transferred to the Board on January 1, 2025, and maintain the same status.
35. Specifies that all ASH-related certificates, licenses, registrations and permits issued by DHS, regardless of status, retain their validity for the duration of their respective terms.

36. Transfers all equipment, records, furnishings, data, investigative findings, obligations and appropriated monies that remain unused and unencumbered on January 1, 2025, to the Board.
37. Transfers all ASH-related DHS personnel to comparable positions and pay classifications in the administrative units of the Board.
38. Directs Legislative Council staff to prepare proposed conforming legislation in the Fifty-Sixth Legislature, Second Regular Session.
39. Makes technical and conforming changes.
40. Becomes effective on January 1, 2025.

Amendments Adopted by Committee

- Removes the requirement that there be a legally available funded bed at ASH in order for the Director of a local mental health treatment agency assigned to supervise and administer a patient's treatment to request that the court amend the patient's order to place the patient for treatment at ASH.

Revisions

- Updates the fiscal impact statement.

Senate Action

HHS 2/14/23 DPA 7-0-0

Prepared by Senate Research

March 30, 2023

MM/slp