

~~health care institutions; regulation~~
(now: behavioral health entities; regulation)

State of Arizona
Senate
Fifty-sixth Legislature
Second Regular Session
2024

SENATE BILL 1655

AN ACT

AMENDING TITLE 10, CHAPTER 1, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-126; AMENDING TITLE 10, CHAPTER 1, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 10-131; AMENDING SECTIONS 10-401, 10-501, 10-3401, 10-3501, 36-401, 36-405, 36-422.01, 36-424 AND 36-425, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-425.10; AMENDING SECTION 36-431.01, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 18, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-2061.01; AMENDING SECTION 36-2062, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 18, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-2062.01 AND 36-2062.02; AMENDING SECTIONS 36-2063 AND 36-2066, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 18, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-2068, 36-2069 AND 36-2070; AMENDING SECTIONS 41-619.51, 41-1758 AND 41-1758.01, ARIZONA REVISED STATUTES; RELATING TO PUBLIC HEALTH.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 10, chapter 1, article 2, Arizona Revised
3 Statutes, is amended by adding section 10-126, to read:

4 10-126. Sober living homes; incorporating documents; time
5 frame before conducting business; license number;
6 corporation commission; identification check

7 A. A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01 THAT
8 INCORPORATES PURSUANT TO THIS TITLE MUST:

9 1. FILE ALL DOCUMENTS AS REQUIRED FOR INCORPORATION PURSUANT TO
10 THIS TITLE WITHIN TEN BUSINESS DAYS BEFORE THE SOBER LIVING HOME OPENS TO
11 CONDUCT BUSINESS.

12 2. DISPLAY THE NUMBER OF THE SOBER LIVING HOME'S LICENSE THAT IS
13 ISSUED PURSUANT TO TITLE 36, CHAPTER 18, ARTICLE 4 ON ALL DOCUMENTS.

14 B. THE COMMISSION SHALL CHECK IDENTIFICATION DOCUMENTS OF A PERSON
15 THAT FILES INCORPORATING DOCUMENTS PURSUANT TO THIS TITLE FOR A BEHAVIORAL
16 HEALTH ENTITY, OR A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01.
17 THE IDENTIFICATION CHECK MUST OCCUR AT THE COMMISSION.

18 C. WITHIN TEN DAYS AFTER RECEIVING THE FOLLOWING INFORMATION
19 RELATING TO A BEHAVIORAL HEALTH ENTITY OR A SOBER LIVING HOME AS DEFINED
20 IN SECTION 36-2061.01 AND THAT IS INCORPORATED PURSUANT TO THIS TITLE, THE
21 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION, THE ATTORNEY
22 GENERAL AND THE DEPARTMENT OF HEALTH SERVICES SHALL NOTIFY THE COMMISSION
23 OF:

24 1. A LICENSE DENIAL, EXPIRATION, SUSPENSION TERMINATION OR
25 REVOCATION.

26 2. THE ISSUANCE OF A CENTRAL AUTHORIZATION FILE NOTICE.

27 3. A BANKRUPTCY FILING.

28 4. LITIGATION.

29 5. CRIMINAL CHARGES OR CONVICTION.

30 Sec. 2. Title 10, chapter 1, article 3, Arizona Revised Statutes,
31 is amended by adding section 10-131, to read:

32 10-131. Behavioral health entities; sober living homes;
33 residential services; expedited filing;
34 certificates of good standing; notarized
35 declaration

36 A. THE COMMISSION SHALL PROVIDE A SPECIAL DESIGNATION TO A
37 BEHAVIORAL HEALTH ENTITY, OR A SOBER LIVING HOME AS DEFINED IN SECTION
38 36-2061.01, AND THAT FILES FOR INCORPORATION PURSUANT TO THIS TITLE.

39 B. NOTWITHSTANDING ANY OTHER LAW, FOR A BEHAVIORAL HEALTH ENTITY
40 THAT IS DESCRIBED PURSUANT TO SUBSECTION A OF THIS SECTION, ANY CHANGE IN
41 OWNERSHIP, NAME OR LICENSE STATUS MUST BE COORDINATED AND APPROVED BY THE
42 COMMISSION IN WRITING IN COOPERATION WITH THE DEPARTMENT OF HEALTH
43 SERVICES.

1 C. NOTWITHSTANDING SECTION 10-122 OR 10-3122, EXPEDITED FILING DOES
2 NOT APPLY TO DOCUMENTS AND SERVICES RELATED TO A BEHAVIORAL HEALTH ENTITY
3 OR A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01.

4 D. THE COMMISSION MAY NOT ISSUE A CERTIFICATE OF GOOD STANDING
5 UNDER SECTION 10-128, SUBSECTION A OR SECTION 10-3128, SUBSECTION A TO A
6 DOMESTIC OR FOREIGN CORPORATION IF THE CORPORATION IS A BEHAVIORAL HEALTH
7 ENTITY OR A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061, AND THE
8 CORPORATION DOES NOT COMPLY WITH TITLE 36.

9 E. IF THE CERTIFICATE OF DISCLOSURE DECLARATION PRESCRIBED IN
10 SECTION 10-202, SUBSECTION D, PARAGRAPH 5 AND SECTION 10-3202, SUBSECTION
11 D, PARAGRAPH 5 IS FOR A CORPORATION THAT IS A BEHAVIORAL HEALTH ENTITY OR
12 A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01, THE SIGNATURE ON THE
13 DECLARATION MUST BE NOTARIZED.

14 Sec. 3. Section 10-401, Arizona Revised Statutes, is amended to
15 read:

16 10-401. Corporate name

17 A. A corporate name:

18 1. Shall contain the word "association", "bank", "company",
19 "corporation", "limited" or "incorporated" or an abbreviation of one of
20 these words or words or abbreviations of like import in another language.

21 2. Shall not contain language stating or implying that the
22 corporation is organized for a purpose other than that allowed by section
23 10-301 and its articles of incorporation.

24 3. Notwithstanding paragraph 1 of this subsection, shall not
25 include the words "bank", "deposit", "credit union", "trust" or "trust
26 company" separately or in combination to indicate or convey the idea that
27 the corporation is engaged in A banking or trust business unless the
28 corporation is to be and becomes actively and substantially engaged in the
29 banking, credit union or trust business or the corporation is a holding
30 company holding substantial interest in companies actively and
31 substantially engaged in the banking or trust business.

32 4. Shall not contain the words "limited liability company" or
33 "limited company" or the abbreviations "L.L.C.", "L.C.", "LLC" or "LC", in
34 uppercase or lowercase letters.

35 5. SHALL CONTAIN THE WORDS "SOBER LIVING HOME" IF THE CORPORATION
36 IS A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01.

37 B. Except as authorized by subsections C and D of this section, a
38 corporate name shall be distinguishable from all of the following:

39 1. The corporate name of a corporation incorporated in this state
40 or a foreign corporation authorized to transact business in this state.

41 2. A corporate name reserved under section 10-402 or registered
42 under section 10-403.

43 3. A fictitious name adopted by a foreign corporation under section
44 10-1506.

1 4. The corporate name of a nonprofit corporation incorporated under
2 this title or a foreign nonprofit or not for profit corporation authorized
3 to conduct affairs in this state.

4 5. The partnership name of a limited partnership organized and
5 registered under the laws of this state or of a foreign limited
6 partnership authorized to transact business in this state.

7 6. The name of a limited liability company organized under title 29
8 or a foreign limited liability company authorized to transact business in
9 this state.

10 7. A trade name registered pursuant to title 44, chapter 10,
11 article 3.1.

12 8. The name of a registered limited liability partnership
13 registered under title 29, chapter 5, article 10 or a foreign registered
14 limited liability partnership authorized to transact business in this
15 state.

16 C. A corporation may apply to the commission for authorization to
17 use a name that is not distinguishable from one or more of the names
18 described in subsection B of this section. The commission shall authorize
19 use of the name applied for if either:

20 1. The other entity consents to the use in writing and submits an
21 undertaking in a form satisfactory to the commission to change its name to
22 a name that is distinguishable from the name of the applying corporation.

23 2. The applicant delivers to the commission a certified copy of the
24 final judgment of a court of competent jurisdiction establishing the
25 applicant's right to use the name applied for in this state.

26 D. A corporation may use the name, including a fictitious name, of
27 another domestic or foreign corporation that is used in this state if the
28 other corporation is incorporated or authorized to transact business in
29 this state and the proposed user corporation either has:

30 1. Merged with the other corporation.

31 2. Been formed by reorganization of the other corporation.

32 3. Acquired all or substantially all of the assets, including the
33 corporate name, of the other corporation.

34 E. Chapters 1 through 17 of this title do not control the use of
35 fictitious names.

36 Sec. 4. Section 10-501, Arizona Revised Statutes, is amended to
37 read:

38 10-501. Known place of business and statutory agent

39 A. Each corporation shall continuously maintain in this state both:

40 1. A known place of business that may be the address of its
41 statutory agent.

42 2. A statutory agent who may be either:

43 (a) An individual who resides in this state.

44 (b) A domestic corporation formed under this title.

1 (c) A foreign corporation authorized to transact business in this
2 state.

3 (d) A limited liability company formed under title 29.

4 (e) A limited liability company authorized to transact business in
5 this state.

6 B. IF THE CORPORATION IS A BEHAVIORAL HEALTH ENTITY OR A SOBER
7 LIVING HOME AS DEFINED IN SECTION 36-2061.01:

8 1. THE ADDRESS OF THE PLACE OF BUSINESS AND STATUTORY AGENT:

9 (a) MAY NOT BE A POST OFFICE BOX OR STATUTORY AGENT.

10 (b) MUST BE LOCATED IN THIS STATE.

11 (c) MUST BE LOCATED IN THE COUNTY WHERE THE BEHAVIORAL HEALTH
12 ENTITY IS LOCATED.

13 2. THE STATUTORY AGENT MUST BE AN INDEPENDENT THIRD-PARTY, THAT IS
14 AT LEAST 18 YEARS OF AGE AND THAT RESIDES IN THIS STATE. THE STATUTORY
15 AGENT SHALL NOT BE A DIRECT OR INDIRECT OWNER OR A RELATIVE OR SPOUSE
16 THEREOF, OR A CONTROLLING PERSON, OR PARTY WITH A CONFLICT OF INTEREST.

17 Sec. 5. Section 10-3401, Arizona Revised Statutes, is amended to
18 read:

19 10-3401. Corporate name

20 A. A corporate name shall not contain language that states or
21 implies that the corporation is organized for a purpose other than the
22 purpose allowed by section 10-3301 and in its articles of incorporation.
23 IF THE CORPORATION IS A SOBER LIVING HOME AS DEFINED IN SECTION
24 36-2061.01, A CORPORATE NAME SHALL CONTAIN THE WORDS "SOBER LIVING HOME".

25 B. Except as authorized by subsections C and D of this section, a
26 corporate name must be distinguishable from all of the following:

27 1. The corporate name of a corporation incorporated in this state
28 or a foreign corporation authorized to conduct affairs in this state.

29 2. A corporate name reserved under section 10-402 or 10-3402 or
30 registered under section 10-403 or 10-3403.

31 3. A fictitious name of a foreign corporation under section 10-1506
32 or 10-11506.

33 4. The corporate name of a business corporation incorporated under
34 this title or a foreign business corporation authorized to transact
35 business in this state.

36 5. The partnership name of a limited partnership organized and
37 registered under the laws of this state or of a foreign limited
38 partnership authorized to transact business in this state.

39 6. The name of a limited liability company organized under title 29
40 or a foreign limited liability company authorized to transact business in
41 this state.

42 7. A trade name registered pursuant to title 44, chapter 10,
43 article 3.1.

44 8. The name of a registered limited liability partnership
45 registered under title 29, chapter 5, article 10 or a foreign registered

1 limited liability partnership authorized to transact business in this
2 state.

3 C. A corporation may apply to the commission for authorization to
4 use a name that is not distinguishable from one or more of the names
5 described in subsection B of this section. The commission shall authorize
6 use of the name applied for if either:

7 1. The other corporation consents to the use in writing and submits
8 an undertaking in a form satisfactory to the commission to change its name
9 to a name that is distinguishable from the name of the applying
10 corporation.

11 2. The applicant delivers to the commission a certified copy of a
12 final judgment of a court of competent jurisdiction establishing the
13 applicant's right to use the name applied for in this state.

14 D. A corporation may use the name, including a fictitious name, of
15 another domestic or foreign business or nonprofit corporation that is used
16 in this state if the other corporation is incorporated or authorized to
17 transact business or conduct affairs in this state and the proposed user
18 corporation either has:

- 19 1. Merged with the other corporation.
20 2. Been formed by reorganization of the other corporation.
21 3. Acquired all or substantially all of the assets, including the
22 corporate name, of the other corporation.

23 E. Chapters 24 through 42 of this title do not control the use of
24 fictitious names.

25 Sec. 6. Section 10-3501, Arizona Revised Statutes, is amended to
26 read:

27 10-3501. Known place of business and statutory agent

28 A. Each corporation shall continuously maintain in this state both:

29 1. A known place of business that may be the address of its
30 statutory agent.

31 2. A statutory agent who may be either:

32 (a) An individual who resides in this state.

33 (b) A domestic business or nonprofit corporation formed under this
34 title.

35 (c) A foreign business or nonprofit corporation authorized to
36 transact business or conduct affairs in this state.

37 (d) A limited liability company formed under title 29.

38 (e) A limited liability company authorized to transact business in
39 this state.

40 B. IF THE CORPORATION IS A BEHAVIORAL HEALTH ENTITY OR A SOBER
41 LIVING HOME AS DEFINED IN SECTION 36-2061.01, THAT PROVIDES RESIDENTIAL
42 SERVICES:

43 1. THE ADDRESS:

44 (a) MAY NOT BE A POST OFFICE BOX OR A MAILBOX RENTAL SERVICE.

45 (b) MUST BE LOCATED IN THIS STATE.

1 (c) MUST BE LOCATED IN THE COUNTY WHERE THE BEHAVIORAL HEALTH
2 ENTITY OR THE SOBER LIVING HOME IS LOCATED.

3 2. THE STATUTORY AGENT MUST BE AN INDEPENDENT THIRD-PARTY, THAT IS
4 AT LEAST 18 YEARS OF AGE AND THAT RESIDES IN THIS STATE. THE STATUTORY
5 AGENT SHALL NOT BE A DIRECT OR INDIRECT OWNER OR A RELATIVE OR SPOUSE
6 THEREOF, A CONTROLLING PERSON, OR PARTY WITH A CONFLICT OF INTEREST.

7 Sec. 7. Section 36-401, Arizona Revised Statutes, is amended to
8 read:

9 36-401. Definitions; adult foster care

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

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

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

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

21 (a) Provides room and board.

22 (b) Assists in acquiring daily living skills.

23 (c) Coordinates transportation to scheduled appointments.

24 (d) Monitors behaviors.

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

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

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

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

37 6. "Adult foster care home" means a residential setting that
38 provides room and board and adult foster care services for at least one
39 and not more than four adults who are participants in the Arizona
40 long-term care system pursuant to chapter 29, article 2 of this title or
41 contracts for services with the United States department of veterans
42 affairs and in which the sponsor or the manager resides with the residents
43 and integrates the residents who are receiving adult foster care into that
44 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 ENTITY" MEANS AN ADULT BEHAVIORAL HEALTH
14 THERAPEUTIC HOME, BEHAVIORAL HEALTH INPATIENT FACILITY, BEHAVIORAL HEALTH
15 RESIDENTIAL FACILITY, SUBSTANCE ABUSE TRANSITIONAL FACILITY OR ANY PERSON
16 THAT PROVIDES BEHAVIORAL HEALTH SERVICES RELATED TO SUBSTANCE USE
17 DISORDER, SUBSTANCE ABUSE, ALCOHOL, DRUG ABUSE, OR OTHER BEHAVIORAL HEALTH
18 SERVICES AND THAT RECEIVES FEDERAL FUNDS, OR ANY FEDERAL HEALTHCARE
19 PROGRAM.

20 ~~11.~~ 12. "Behavioral health services" means services that pertain
21 to mental health and substance use disorders and that are either:

22 (a) Performed by or under the supervision of a professional who is
23 licensed pursuant to title 32 and whose scope of practice allows the
24 professional to provide these services.

25 (b) Performed on behalf of patients by behavioral health staff as
26 prescribed by rule.

27 ~~12.~~ 13. "Construction" means building, erecting, fabricating or
28 installing a health care institution.

29 ~~13.~~ 14. "Continuous" means available at all times without
30 cessation, break or interruption.

31 ~~14.~~ 15. "Controlling person" means a person who:

32 (a) Through ownership, has the power to vote at least ten percent
33 of the outstanding voting securities.

34 (b) If the applicant or licensee is a partnership, is the general
35 partner or a limited partner who holds at least ten percent of the voting
36 rights of the partnership.

37 (c) If the applicant or licensee is a corporation, an association
38 or a limited liability company, is the president, the chief executive
39 officer, the incorporator or any person who owns or controls at least ten
40 percent of the voting securities. For the purposes of this subdivision,
41 corporation does not include nonprofit corporations.

42 (d) Holds a beneficial interest in ten percent or more of the
43 liabilities of the applicant or the licensee.

44 ~~15.~~ 16. "Department" means the department of health services.

1 ~~16.~~ 17. "Directed care services" means programs and services,
2 including supervisory and personal care services, that are provided to
3 persons who are incapable of recognizing danger, summoning assistance,
4 expressing need or making basic care decisions.

5 ~~17.~~ 18. "Direction" means authoritative policy or procedural
6 guidance to accomplish a function or activity.

7 ~~18.~~ 19. "Director" means the director of the department.

8 ~~19.~~ 20. "Direct owner" means a person that has an ownership or
9 control interest in a health care institution totaling fifty-one percent
10 or more.

11 ~~20.~~ 21. "Facilities" means buildings that are used by a health
12 care institution for providing any of the types of services as defined in
13 this chapter.

14 ~~21.~~ 22. "Freestanding urgent care center":

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

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

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

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

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

26 (b) Does not include the following:

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

29 (ii) A qualifying community health center pursuant to section
30 36-2907.06.

31 (iii) Any other health care institution licensed pursuant to this
32 chapter.

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

37 ~~22.~~ 23. "Governing authority" means the individual, agency,
38 partners, group or corporation, whether appointed, elected or otherwise
39 designated, in which the ultimate responsibility and authority for the
40 conduct of the health care institution are vested.

41 ~~23.~~ 24. "Health care institution" means every place, institution,
42 building or agency, whether organized for profit or not, that provides
43 facilities with medical services, nursing services, behavioral health
44 services, health screening services, other health-related services,
45 supervisory care services, personal care services or directed care

1 services and includes home health agencies as defined in section 36-151,
2 outdoor behavioral health care programs and hospice service agencies.

3 ~~24.~~ 25. "Health-related services" means services, other than
4 medical, that pertain to general supervision, protective, preventive and
5 personal care services, supervisory care services or directed care
6 services.

7 ~~25.~~ 26. "Health screening services" means the acquisition,
8 analysis and delivery of health-related data of individuals to aid in
9 determining the need for medical services.

10 ~~26.~~ 27. "Hospice" means a hospice service agency or the provision
11 of hospice services in an inpatient facility.

12 ~~27.~~ 28. "Hospice service" means a program of palliative and
13 supportive care for terminally ill persons and their families or
14 caregivers.

15 ~~28.~~ 29. "Hospice service agency" means an agency or organization,
16 or a subdivision of that agency or organization, that provides hospice
17 services at the place of residence of its clients.

18 ~~29.~~ 30. "Indirect owner":
19 (a) Means a person that has an ownership or control interest in a
20 direct owner totaling fifty-one percent or more.
21 (b) Includes an ownership or control interest in an indirect owner
22 totaling fifty-one percent or more and a combination of direct ownership
23 and indirect ownership or control interests totaling fifty-one percent or
24 more in the health care institution.

25 ~~30.~~ 31. "Inpatient beds" or "resident beds" means accommodations
26 with supporting services, such as food, laundry and housekeeping, for
27 patients or residents who generally stay in excess of twenty-four hours.

28 ~~31.~~ 32. "Intermediate care facility for individuals with
29 intellectual disabilities" has the same meaning prescribed in section
30 36-551.

31 ~~32.~~ 33. "Licensed capacity" means the total number of persons for
32 whom the health care institution is authorized by the department to
33 provide services as required pursuant to this chapter if the person is
34 expected to stay in the health care institution for more than twenty-four
35 hours. For a hospital, licensed capacity means only those beds specified
36 on the hospital license.

37 ~~33.~~ 34. "Medical services" means the services that pertain to
38 medical care and that are performed at the direction of a physician on
39 behalf of patients by physicians, dentists, nurses and other professional
40 and technical personnel.

41 ~~34.~~ 35. "Modification" means the substantial improvement,
42 enlargement, reduction or alteration of or other change in a health care
43 institution.

1 ~~35.~~ 36. "Nonproprietary institution" means any health care
2 institution that is organized and operated exclusively for charitable
3 purposes, no part of the net earnings of which inures to the benefit of
4 any private shareholder or individual, or that is operated by the state or
5 any political subdivision of the state.

6 ~~36.~~ 37. "Nursing care institution" means a health care institution
7 that provides inpatient beds or resident beds and nursing services to
8 persons who need continuous nursing services but who do not require
9 hospital care or direct daily care from a physician.

10 ~~37.~~ 38. "Nursing services" means those services that pertain to
11 the curative, restorative and preventive aspects of nursing care and that
12 are performed at the direction of a physician by or under the supervision
13 of a registered nurse licensed in this state.

14 ~~38.~~ 39. "Nursing-supported group home" means a health care
15 institution that is a community residential setting as defined in section
16 36-551 for not more than six persons with developmental disabilities, that
17 is operated by a service provider under contract with the department of
18 economic security and that provides room and board, daily habilitation and
19 continuous nursing support and intervention.

20 40. "OBVIOUSLY INTOXICATED" MEANS INEBRIATED TO THE EXTENT THAT A
21 PERSON'S PHYSICAL FACULTIES ARE SUBSTANTIALLY IMPAIRED AND THE IMPAIRMENT
22 IS SHOWN BY SIGNIFICANTLY UNCOORDINATED PHYSICAL ACTION OR SIGNIFICANT
23 PHYSICAL DYSFUNCTION THAT WOULD HAVE BEEN OBVIOUS TO A REASONABLE PERSON.

24 ~~39.~~ 41. "Organized medical staff" means a formal organization of
25 physicians, and dentists if appropriate, with the delegated authority and
26 responsibility to maintain proper standards of medical care and to plan
27 for continued betterment of that care.

28 ~~40.~~ 42. "Outdoor behavioral health care program" means an agency
29 that provides behavioral health services in an outdoor environment as an
30 alternative to behavioral health services that are provided in a health
31 care institution with facilities. Outdoor behavioral health care programs
32 do not include:

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

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

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

41 43. "PERSON" MEANS ANY CORPORATION, BUSINESS, INDIVIDUAL, UNION,
42 COMMITTEE, CLUB, OR ORGANIZATION, OR GROUP OF INDIVIDUALS.

43 ~~41.~~ 44. "Personal care services" means assistance with activities
44 of daily living that can be performed by persons without professional
45 skills or professional training and includes the coordination or provision

1 of intermittent nursing services and the administration of medications and
2 treatments by a nurse who is licensed pursuant to title 32, chapter 15 or
3 as otherwise provided by law.

4 ~~42.~~ 45. "Physician" means any person who is licensed pursuant to
5 title 32, chapter 13 or 17.

6 ~~43.~~ 46. "Recidivism reduction services" means services that are
7 delivered by an adult residential care institution to its residents to
8 encourage lawful behavior and to discourage or prevent residents who are
9 suspected of, charged with or convicted of one or more criminal offenses,
10 or whose mental health and substance use can be reasonably expected to
11 place them at risk for the future threat of prosecution, diversion or
12 incarceration, from engaging in future unlawful behavior.

13 ~~44.~~ 47. "Recidivism reduction staff" means a person who provides
14 recidivism reduction services.

15 ~~45.~~ 48. "Residential care institution" means a health care
16 institution other than a hospital or a nursing care institution that
17 provides resident beds or residential units, supervisory care services,
18 personal care services, behavioral health services, directed care services
19 or health-related services for persons who do not need continuous nursing
20 services.

21 ~~46.~~ 49. "Residential unit" means a private apartment, unless
22 otherwise requested by a resident, that includes a living and sleeping
23 space, kitchen area, private bathroom and storage area.

24 ~~47.~~ 50. "Respite care services" means services that are provided
25 by a licensed health care institution to persons who are otherwise cared
26 for in foster homes and in private homes to provide an interval of rest or
27 relief of not more than thirty days to operators of foster homes or to
28 family members.

29 ~~48.~~ 51. "Substantial compliance" means that the nature or number
30 of violations revealed by any type of inspection or investigation of a
31 health care institution does not pose a direct risk to the life, health or
32 safety of patients or residents.

33 ~~49.~~ 52. "Supervision" means directly overseeing and inspecting the
34 act of accomplishing a function or activity.

35 ~~50.~~ 53. "Supervisory care services" means general supervision,
36 including daily awareness of resident functioning and continuing needs,
37 the ability to intervene in a crisis and assistance in self-administering
38 prescribed medications.

39 ~~51.~~ 54. "Temporary license" means a license that is issued by the
40 department to operate a class or subclass of a health care institution at
41 a specific location and that is valid until an initial licensing
42 inspection.

43 ~~52.~~ 55. "Unscheduled medical services" means medically necessary
44 periodic health care services that are unanticipated or cannot reasonably

1 be anticipated and that require medical evaluation or treatment before the
2 next business day.

3 56. "VULNERABLE ADULT" MEANS AN INDIVIDUAL WHO IS EIGHTEEN YEARS OF
4 AGE OR OLDER AND WHO IS UNABLE TO PROTECT HIMSELF OR HERSELF FROM ABUSE,
5 NEGLECT, OR EXPLOITATION BY OTHERS BECAUSE OF A MENTAL OR PHYSICAL
6 IMPAIRMENT.

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

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

17 Sec. 8. Section 36-405, Arizona Revised Statutes, is amended to
18 read:

19 36-405. Powers and duties of the director

20 A. The director shall adopt rules to establish minimum standards
21 and requirements for constructing, modifying and licensing health care
22 institutions necessary to ensure the public health, safety and welfare.
23 The standards and requirements shall relate to the construction,
24 equipment, sanitation, staffing for medical, nursing and personal care
25 services, and recordkeeping pertaining to administering medical, nursing,
26 behavioral health and personal care services, in accordance with generally
27 accepted practices of health care. The standards shall require that a
28 physician who is licensed pursuant to title 32, chapter 13 or 17 medically
29 discharge patients from surgery and shall allow an outpatient surgical
30 center to require that either an anesthesia provider who is licensed
31 pursuant to title 32, chapter 13, 15 or 17 or a physician who is licensed
32 pursuant to title 32, chapter 13 or 17 remain present on the premises
33 until all patients are discharged from the recovery room. Except as
34 otherwise provided in this subsection, the director shall use the current
35 standards adopted by the joint commission on accreditation of hospitals
36 and the commission on accreditation of the American osteopathic
37 association or those adopted by any recognized accreditation organization
38 approved by the department as guidelines in prescribing minimum standards
39 and requirements under this section.

40 B. The director, by rule, ~~may~~ SHALL:

41 1. Classify and subclassify health care institutions according to
42 character, size, range of services provided, medical or dental specialty
43 offered, duration of care and standard of patient care required for the
44 purposes of licensure. Classes of health care institutions may include
45 hospitals, infirmaries, outpatient treatment centers, health screening

1 services centers and residential care facilities. Whenever the director
2 reasonably deems distinctions in rules and standards to be appropriate
3 among different classes or subclasses of health care institutions, the
4 director may make such distinctions.

5 2. Prescribe standards for determining a health care institution's
6 substantial compliance with licensure requirements.

7 3. Prescribe the criteria for the licensure inspection process.

8 4. Prescribe standards for selecting health care-related
9 demonstration projects.

10 5. Establish nonrefundable application and licensing fees for
11 health care institutions, including a THIRTY-DAY grace period and a fee
12 for the late payment of licensing fees.

13 6. Establish a process for the department to notify a licensee of
14 the licensee's licensing fee due date.

15 ~~7. Establish a process for a licensee to request a different~~
16 ~~licensing fee due date, including any limits on the number of requests by~~
17 ~~the licensee.~~

18 C. THE DIRECTOR, BY RULE, SHALL ESTABLISH A MONITORING PROGRAM FOR
19 BEHAVIORAL HEALTH ENTITIES THAT IDENTIFIES THE CIRCUMSTANCES WHEN THE
20 DEPARTMENT SHALL ASSIGN DEPARTMENT STAFF ON A TEMPORARY BASIS TO MONITOR
21 AND PROVIDE PROFESSIONAL ASSISTANCE TO A LICENSEE THAT IS NOT IN
22 SUBSTANTIAL COMPLIANCE WITH THE LICENSING REQUIREMENTS APPLICABLE TO THAT
23 LICENSEE. THE RULES SHALL ESTABLISH STAFFING LEVELS BASED ON MONITORING
24 NEEDS AND THE CORRESPONDING FEES BASED ON A COST ASSESSMENT CALCULATING
25 THE DURATION OF THE MONITORING SCHEDULE, A PRE-DISCLOSED HOURLY RATE, AND
26 ACTUAL COSTS.

27 ~~E.~~ D. The director, by rule, shall adopt licensing provisions that
28 facilitate the colocation and integration of outpatient treatment centers
29 that provide medical, nursing and health-related services with behavioral
30 health services consistent with article 3.1 of this chapter.

31 ~~D.~~ E. Ninety percent of the fees collected pursuant to this
32 section shall be deposited, pursuant to sections 35-146 and 35-147, in the
33 health services licensing fund established by section 36-414 and ten
34 percent of the fees collected pursuant to this section shall be deposited,
35 pursuant to sections 35-146 and 35-147, in the state general fund.

36 ~~E.~~ F. Subsection B, paragraph 5 of this section does not apply to
37 a health care institution operated by a state agency pursuant to state or
38 federal law or to adult foster care residential settings.

39 Sec. 9. Section 36-422.01, Arizona Revised Statutes, is amended to
40 read:

41 36-422.01. Health care institutions; termination of
42 operation; medical records; civil penalties;
43 definition

44 A. In addition to the requirements prescribed in section 36-422,
45 subsection D, if a current licensee intends to terminate the operation of

1 a licensed health care institution, the current licensee shall do one of
2 the following before the health care institution ceases operation:

3 1. Provide each patient of the health care institution with the
4 patient's medical records.

5 2. Transfer the health care institution's medical records to a
6 third-party entity to ensure patient access to the medical records.

7 B. If a patient or a patient's health care decision maker requests
8 access to or copies of the patient's medical records, the health care
9 institution or third-party entity in possession of the medical records
10 shall provide access to or copies of the medical records to the patient or
11 the patient's health care decision maker in accordance with title 12,
12 chapter 13, article 7.1.

13 C. A licensee that fails to comply with subsection A of this
14 section is subject to a civil penalty of **AT LEAST \$5,000 AND** not more than
15 \$10,000. The director may use a licensee's failure to comply with
16 subsection A of this section as grounds to deny a subsequent license
17 pursuant to section 36-425, subsection ~~L~~ L.

18 D. For the purposes of this section, "medical record" has the same
19 meaning prescribed in section 36-2201.

20 Sec. 10. Section 36-424, Arizona Revised Statutes, is amended to
21 read:

22 36-424. Inspections; suspension or revocation of license;
23 report to board of examiners of nursing care
24 institution administrators and assisted living
25 facility managers

26 A. Except as provided in subsection B of this section, the director
27 shall inspect the premises of the health care institution and investigate
28 the character and other qualifications of the applicant to ascertain
29 whether the applicant and the health care institution are in substantial
30 compliance with the requirements of this chapter and the rules established
31 pursuant to this chapter. The director may prescribe rules regarding
32 department background investigations into an applicant's character and
33 qualifications.

34 B. The director may accept proof that a health care institution is
35 an accredited hospital or is an accredited health care institution in lieu
36 of all compliance inspections required by this chapter if the director
37 receives a copy of the health care institution's accreditation report for
38 the licensure period and the health care institution is accredited by an
39 independent, nonprofit accrediting organization approved by the secretary
40 of the United States department of health and human services. If the
41 health care institution's accreditation report is not valid for the entire
42 licensure period, the department may conduct a compliance inspection of
43 the health care institution during the time period the department does not
44 have a valid accreditation report for the health care institution. For
45 the purposes of this subsection, each licensed premises of a health care

1 institution must have its own accreditation report. The director may not
2 accept an accreditation report in lieu of a compliance inspection of:

3 1. An intermediate care facility for individuals with intellectual
4 disabilities.

5 2. A nursing-supported group home.

6 3. A health care institution if the health care institution has
7 been subject to an enforcement action pursuant to section 36-427 or
8 36-431.01 **OR TO A CRIMINAL PENALTY PURSUANT TO TITLE 13** within the ~~year~~
9 preceding ~~the annual licensing fee anniversary date~~ **FIVE YEARS**.

10 4. **A BEHAVIORAL HEALTH ENTITY.**

11 C. On a determination by the director that there is reasonable
12 cause to believe a health care institution is not adhering to the
13 licensing requirements of this chapter, the director and any duly
14 designated employee or agent of the director, including county health
15 representatives and county or municipal fire inspectors, consistent with
16 standard medical practices, may enter on and into the premises of any
17 health care institution that is licensed or required to be licensed
18 pursuant to this chapter at any reasonable time for the purpose of
19 determining the state of compliance with this chapter, the rules adopted
20 pursuant to this chapter and local fire ordinances or rules. Any
21 application for licensure under this chapter constitutes permission for
22 and complete acquiescence in any entry or inspection of the premises
23 during the pendency of the application and, if licensed, during the term
24 of the license. If an inspection reveals that the health care institution
25 is not adhering to the licensing requirements established pursuant to this
26 chapter, the director may take action authorized by this chapter. Any
27 health care institution, including an accredited hospital, whose license
28 has been suspended or revoked in accordance with this section is subject
29 to inspection on application for relicensure or reinstatement of license.

30 D. The director shall immediately report to the board of examiners
31 of nursing care institution administrators and assisted living facility
32 managers information identifying that a nursing care institution
33 administrator's conduct may be grounds for disciplinary action pursuant to
34 section 36-446.07.

35 Sec. 11. Section 36-425, Arizona Revised Statutes, is amended to
36 read:

37 **36-425. Inspections; issuance of license; posting**
38 **requirements; provisional license; violation;**
39 **classification; civil penalty; denial of license**

40 A. On receipt of a properly completed application for a health care
41 institution license, the director shall conduct an inspection of the
42 health care institution as prescribed by this chapter. If an application
43 for a license is submitted due to a planned change of ownership, the
44 director shall determine the need for an inspection of the health care
45 institution. Based on the results of the inspection and after the

1 submission of the applicable licensing fee, the director shall either deny
2 the license or issue a regular or provisional license. A license issued
3 by the department shall be posted in a conspicuous location in the
4 reception area of that HEALTH CARE institution.

5 B. The director shall issue a license if the director determines
6 that an applicant and the health care institution for which the license is
7 sought substantially comply with the requirements of this chapter and
8 rules adopted pursuant to this chapter and the applicant agrees to carry
9 out a CORRECTIVE ACTION plan acceptable to the director to eliminate any
10 deficiencies. The director shall not require a health care institution
11 that was designated as a critical access hospital to make any
12 modifications required by this chapter or rules adopted pursuant to this
13 chapter in order to obtain an amended license with the same licensed
14 capacity the health care institution had before it was designated as a
15 critical access hospital if all of the following are true:

16 1. The health care institution has subsequently terminated its
17 critical access hospital designation.

18 2. The licensed capacity of the health care institution does not
19 exceed its licensed capacity before its designation as a critical access
20 hospital.

21 3. The health care institution remains in compliance with the
22 applicable codes and standards that were in effect at the time the
23 facility was originally licensed with the higher licensed capacity.

24 C. A health care institution license does not expire and remains
25 valid unless:

26 1. The department subsequently revokes or suspends the license.

27 2. The license is considered void because the licensee did not pay
28 the licensing fee, ANY CIVIL PENALTIES OR THE PROVIDER AGREEMENT FEES
29 ASSESSED before the licensing fee due date.

30 D. Except as provided in section 36-424, subsection B and
31 subsection E of this section, the department shall conduct a compliance
32 inspection of a health care institution to determine compliance with this
33 chapter and rules adopted pursuant to this chapter at least once annually.

34 E. If the department determines a facility to be deficiency free on
35 a compliance survey, the department shall not conduct a compliance survey
36 of that facility for twenty-four months after the date of the deficiency
37 free survey. This subsection does not:

38 1. Prohibit the department from enforcing licensing requirements as
39 authorized by section 36-424.

40 2. APPLY TO BEHAVIORAL HEALTH ENTITIES.

41 F. A hospital licensed as a rural general hospital may provide
42 intensive care services.

43 G. The director shall issue a provisional license for a period of
44 not more than one year if an inspection or investigation of a currently
45 licensed health care institution or a health care institution for which an

1 applicant is seeking a license reveals that the HEALTH CARE institution is
2 not in substantial compliance with department licensure requirements and
3 the director believes that the immediate interests of the patients and the
4 general public are best served if the HEALTH CARE institution is given an
5 opportunity to correct deficiencies. The applicant or licensee shall
6 agree to carry out a CORRECTIVE ACTION plan to eliminate deficiencies that
7 is acceptable to the director. The director shall not issue consecutive
8 provisional licenses to a single health care institution. THE DIRECTOR
9 SHALL NOT ISSUE MORE THAN TWO NONCONSECUTIVE PROVISIONAL LICENSES TO A
10 SINGLE HEALTH CARE INSTITUTION. The director shall not issue a license to
11 the current licensee or a successor applicant before the expiration of the
12 provisional license unless the health care institution submits an
13 application for a substantial compliance survey and is found to be in
14 substantial compliance. The director may issue a license only if the
15 director determines that the HEALTH CARE institution is in substantial
16 compliance with the licensure requirements of the department and this
17 chapter. This subsection does not prevent the director from taking action
18 to protect the safety of patients pursuant to section 36-427.

19 H. A PERSON THAT OPERATES, OR MAINTAINS A BEHAVIORAL HEALTH ENTITY
20 IN THIS STATE WITHOUT A LICENSE IN VIOLATION OF THIS CHAPTER IS GUILTY OF
21 A CLASS 6 FELONY AND THE DIRECTOR SHALL ASSESS A CIVIL PENALTY OF AT LEAST
22 \$5,000 AND NOT MORE THAN \$10,000 FOR EACH VIOLATION, WHICH MAY BE ASSESSED
23 FOR EACH RESIDENT OR PATIENT WHO THE DEPARTMENT DETERMINES WAS IMPACTED BY
24 THE VIOLATION. EACH DAY THE BEHAVIORAL HEALTH ENTITY OPERATES WITHOUT A
25 CURRENT AND VALID LICENSE IS A SEPARATE CIVIL VIOLATION. THE DIRECTOR,
26 THROUGH THE STATE ATTORNEY GENERAL, SHALL BRING AN ACTION FOR AN
27 INJUNCTION TO RESTRAIN SUCH VIOLATION OR TO ENJOIN THE FUTURE OPERATION OR
28 MAINTENANCE OF ANY SUCH BEHAVIORAL HEALTH ENTITY. EACH DAY THE
29 RESIDENTIAL CARE INSTITUTION OPERATES WITHOUT A LICENSE IS A SEPARATE
30 CIVIL VIOLATION.

31 ~~H.~~ I. Subject to the confidentiality requirements of articles 4
32 and 5 of this chapter, title 12, chapter 13, article 7.1 and section
33 12-2235, the licensee shall keep current department inspection reports at
34 the health care institution. Unless federal law requires otherwise, the
35 licensee shall post in a conspicuous location a notice that identifies the
36 location at that HEALTH CARE institution where the inspection reports are
37 available for review.

38 ~~I.~~ J. A health care institution shall immediately notify the
39 department in writing when there is a change of the chief administrative
40 officer specified in section 36-422, subsection A, paragraph 1,
41 subdivision (g).

42 ~~J.~~ K. When the department issues an original license or an
43 original provisional license to a health care institution, it shall notify
44 the owners and lessees of any agricultural land within one-fourth mile of
45 the health care institution. The health care institution shall provide

1 the department with the names and addresses of owners or lessees of
2 agricultural land within one-fourth mile of the proposed health care
3 institution.

4 ~~K.~~ L. In addition to the grounds for denial of licensure
5 prescribed pursuant to subsection A of this section, the director may deny
6 a license because an applicant or anyone in a business relationship with
7 the applicant, including stockholders and controlling persons, has had a
8 license to operate a health care institution denied, revoked or suspended
9 or a license or certificate issued by a health profession regulatory board
10 pursuant to title 32 or issued by a state agency pursuant to chapter 6,
11 article 7 or chapter 17 of this title denied, revoked or suspended or has
12 a licensing history of recent serious violations occurring in this state
13 or in another state that posed a direct risk to the life, health or safety
14 of patients or residents.

15 ~~L.~~ M. In addition to the requirements of this chapter, the
16 director may prescribe by rule other licensure requirements.

17 Sec. 12. Title 36, chapter 4, article 2, Arizona Revised Statutes,
18 is amended by adding section 36-425.10, to read:

19 36-425.10. Behavioral health entities; licensure; admittance;
20 notification; conditions for transportation;
21 resident discharge; documentation; definition

22 A. IN ADDITION TO ALL OTHER LICENSING STANDARDS AND REQUIREMENTS IN
23 THIS ARTICLE, THE DEPARTMENT, BY RULE, SHALL ESTABLISH A DESIGNATED
24 LICENSE FOR A BEHAVIORAL HEALTH ENTITY THAT USES FUNDS RECEIVED DIRECTLY
25 OR INDIRECTLY, FROM ANY FEDERAL HEALTH CARE PROGRAM AS DEFINED IN
26 42 U.S.C.A. § 1320A. THE BEHAVIORAL HEALTH ENTITY LICENSE SHALL BE FOR A
27 TERM OF ONE YEAR. THE DEPARTMENT SHALL NOT:

28 1. ISSUE A BEHAVIORAL HEALTH ENTITY A LICENSE WITH AN EXPIRATION
29 DATE OF GREATER THAN 12-MONTHS FROM THE INITIAL DATE OF ISSUANCE.

30 2. ISSUE A TEMPORARY LICENSE TO A BEHAVIORAL HEALTH APPLICANT OR
31 LICENSEE.

32 3. ASSESS A CIVIL PENALTY TO A BEHAVIORAL HEALTH ENTITY, IN AN
33 AMOUNT LESS THAN \$5,000 OR MORE THAN \$10,000 FOR EACH VIOLATION.

34 4. RESCIND, IN WHOLE OR IN PART, SANCTIONS IMPOSED ON A BEHAVIORAL
35 HEALTH ENTITY, PURSUANT TO SECTION 36-427.

36 5. AUTHORIZE OR APPROVE THE REMOVAL OF A BEHAVIORAL HEALTH ENTITY
37 LICENSEE AND APPOINT ANOTHER PERSON TO CONTINUE OPERATION OF THE
38 BEHAVIORAL HEALTH ENTITY PENDING FURTHER ACTION UNDER SECTION 36-429,
39 ABSENT GOOD CAUSE AND RISK OF THE LIFE, HEALTH, OR SAFETY OF A PATIENT.

40 6. AUTHORIZE OR APPROVE AN APPLICATION FOR LICENSURE OF A CURRENTLY
41 LICENSED BEHAVIORAL HEALTH ENTITY WHILE ANY ENFORCEMENT OR COURT ACTION
42 RELATED TO THE BEHAVIORAL HEALTH ENTITY'S LICENSURE IS PENDING AGAINST
43 THAT BEHAVIORAL HEALTH ENTITY'S CURRENT OWNER OR LICENSEE.

1 B. TO THE EXTENT ALLOWED BY FEDERAL LAW, WHEN A RESIDENT IS
2 ADMITTED FOR INITIAL EVALUATION, A BEHAVIORAL HEALTH ENTITY SHALL OBTAIN
3 AND DOCUMENT A LIST OF THE RESIDENT'S MEDICATIONS, ALLERGIES AND EMERGENCY
4 CONTACT INFORMATION ON OR BEFORE THE DATE OF THE RESIDENT'S ARRIVAL. A
5 BEHAVIORAL HEALTH ENTITY SHALL USE BEST EFFORTS TO NOTIFY THE RESIDENT'S
6 FAMILY, NEXT OF KIN, OR RESPONSIBLE PERSON AS DESIGNATED BY THE RESIDENT
7 WITHIN SEVENTY-TWO HOURS AFTER THE INITIAL EVALUATION. THE NOTIFICATION
8 SHALL BE DOCUMENTED IN THE RESIDENT'S MEDICAL RECORD.

9 C. A BEHAVIORAL HEALTH ENTITY MAY NOT COORDINATE, FACILITATE,
10 ARRANGE FOR OR SOLICIT TRANSPORTATION OF A PERSON TO THE BEHAVIORAL HEALTH
11 ENTITY IF THE PERSON IS OBVIOUSLY INTOXICATED OR UNDER THE INFLUENCE OF
12 ALCOHOL OR OTHER SUBSTANCES, UNLESS THE PERSON IS REFERRED BY AN APPROVED
13 PROVIDER OF A TRIBAL HEALTH CARE PROGRAM OR A REGIONAL BEHAVIORAL HEALTH
14 AUTHORITY OR IS COURT-ORDERED. THE NOTIFICATION REQUIREMENT IN THIS
15 SUBSECTION IS WAIVED IF THE RESIDENT VOLUNTARILY SIGNS A WRITTEN WAIVER ON
16 A FORM PRESCRIBED BY THE DEPARTMENT, THAT REQUESTS THAT THE BEHAVIORAL
17 HEALTH ENTITY NOT NOTIFY THE RESIDENT'S FAMILY, NEXT OF KIN, OR
18 RESPONSIBLE PERSON OF THE RESIDENT'S ADMISSION.

19 D. FOR A RESIDENT WHO IS AT LEAST EIGHTEEN YEARS OF AGE, A
20 BEHAVIORAL HEALTH ENTITY SHALL INQUIRE, BOTH VERBALLY AND IN WRITING,
21 WHETHER THE RESIDENT WANTS TO BE TRANSPORTED TO THE RESIDENT'S PLACE OF
22 RESIDENCE OR AN ALTERNATIVE SAFE LIVING SPACE IN THIS STATE AS REQUESTED
23 BY THE RESIDENT AFTER DISCHARGE FROM THE BEHAVIORAL HEALTH ENTITY. FOR A
24 RESIDENT WHO IS AT LEAST EIGHTEEN YEARS OF AGE, THE RESIDENT'S WISHES
25 REGARDING TRANSPORTATION SHALL BE DOCUMENTED ON A FORM PRESCRIBED BY THE
26 DEPARTMENT, SIGNED BY THE RESIDENT AND RETAINED IN THE RESIDENT'S MEDICAL
27 RECORD.

28 E. FOR A RESIDENT WHO IS AT LEAST EIGHTEEN YEARS OF AGE, THE
29 BEHAVIORAL HEALTH ENTITY SHALL USE GOOD FAITH IN ATTEMPTING TO ARRANGE FOR
30 SAFE AND RELIABLE TRANSPORTATION, IF REASONABLY AVAILABLE AS DETERMINED BY
31 THE DEPARTMENT, IF THE RESIDENT WISHES TO BE TRANSPORTED TO THE RESIDENT'S
32 PLACE OF RESIDENCE OR AN ALTERNATIVE SAFE LIVING SPACE IF REASONABLY
33 AVAILABLE IN THIS STATE AS REQUESTED BY THE RESIDENT ON DISCHARGE. A
34 BEHAVIORAL HEALTH ENTITY SHALL CONTACT THE STATEWIDE SOCIAL SERVICE
35 PROVIDER AND AREA SHELTERS TO COMPLY WITH THE PROVISIONS OF THIS SECTION.

36 F. FOR A RESIDENT WHO IS UNDER EIGHTEEN YEARS OF AGE, THE
37 BEHAVIORAL HEALTH ENTITY SHALL COORDINATE WITH THE RESIDENT'S PARENT OR
38 LEGAL GUARDIAN AND THE CLINICAL SOCIAL WORKER HANDLING THE RESIDENT'S CASE
39 REGARDING TRANSPORTATION TO THE RESIDENT'S PLACE OF RESIDENCE OR AN
40 ALTERNATIVE SAFE LIVING SPACE IN THIS STATE AFTER DISCHARGE FROM THE
41 BEHAVIORAL HEALTH ENTITY.

42 G. FOR THE PURPOSES OF THIS SECTION, A PATIENT, RESIDENT,
43 PROSPECTIVE PATIENT OR RESIDENT OF A BEHAVIORAL HEALTH ENTITY IS A
44 VULNERABLE ADULT AS DEFINED IN SECTION 36-401, AND THE DIRECTOR SHALL
45 ADOPT RULES THAT PRESCRIBE PROCEDURES CONSISTENT WITH THIS SECTION.

1 Sec. 13. Section 36-431.01, Arizona Revised Statutes, is amended to
2 read:

3 36-431.01. Violations; civil penalties; enforcement

4 A. The director may assess a civil penalty against a person who
5 violates this chapter or a rule adopted pursuant to this chapter in an
6 amount of ~~not to exceed five hundred dollars~~ AT LEAST \$1,500 AND NOT MORE
7 THAN \$10,000 for each violation, ~~.-~~ WHICH MAY BE ASSESSED FOR EACH
8 RESIDENT, OR PATIENT, WHO THE DEPARTMENT DETERMINES WAS IMPACTED BY THE
9 VIOLATION. Each day that a violation occurs constitutes a separate
10 violation. IN ADDITION TO ANY OTHER CIVIL PENALTY, ABSENT A DEMONSTRATION
11 OF GOOD CAUSE BY THE BEHAVIORAL HEALTH ENTITY, THE DIRECTOR SHALL ASSESS A
12 CIVIL PENALTY AGAINST A BEHAVIORAL HEALTH ENTITY WITH REPEATED VIOLATIONS
13 OF THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER IN AN AMOUNT OF
14 NOT LESS THAN \$5,000 AND NOT MORE THAN \$10,000 FOR EACH VIOLATION, WHICH
15 WILL BE ASSESSED FOR EACH RESIDENT, OR PATIENT, WHO THE DEPARTMENT
16 DETERMINES WAS IMPACTED BY THE VIOLATION.

17 B. The director ~~may~~ SHALL issue a notice of assessment that shall
18 include the ~~proposed~~ amount of the assessment. A person may appeal the
19 assessment by requesting a hearing pursuant to title 41, chapter 6,
20 article 10. When an assessment is appealed, the director shall take no
21 further action to enforce and collect the assessment until after the
22 hearing.

23 C. In determining the AMOUNT OF THE civil penalty pursuant to
24 subsection A of this section, the department shall consider the following:

- 25 1. Repeated violations of statutes or rules.
- 26 2. Patterns of noncompliance.
- 27 3. Types of violations.
- 28 4. THE severity of violations.
- 29 5. THE potential for and occurrences of actual harm.
- 30 6. Threats to health and safety.
- 31 7. THE number of persons affected by the violations.
- 32 8. THE number of violations.
- 33 9. THE size of the facility.
- 34 10. THE length of time that the violations have been occurring.
- 35 11. THE NUMBER OF INJURIES CAUSED.
- 36 12. THE SEVERITY OF THE INJURIES CAUSED.
- 37 13. THE NUMBER OF DEATHS CAUSED.
- 38 14. THE CAUSE OF DEATHS.

39 D. Pursuant to interagency agreement specified in section 36-409,
40 the director ~~may~~ SHALL assess a civil penalty, including interest, in
41 accordance with 42 United States Code section 1396r. A person may appeal
42 this assessment by requesting a hearing before the director in accordance
43 with subsection B of this section. Civil penalty amounts may be
44 established by rules adopted by the director that conform to guidelines or

1 regulations adopted by the secretary of the United States department of
2 health and human services pursuant to 42 United States Code section 1396r.

3 E. Actions to enforce the collection of penalties assessed pursuant
4 to subsections A and D of this section shall be brought by the attorney
5 general or the county attorney in the name of the state in the justice
6 court or the superior court in the county in which the violation occurred.

7 F. Penalties assessed under subsection D of this section are in
8 addition to and not in limitation of other penalties imposed pursuant to
9 this chapter. All civil penalties and interest assessed pursuant to
10 subsection D of this section shall be deposited, **PURSUANT TO SECTIONS**
11 **35-146 AND 35-147**, in the nursing care institution resident protection
12 revolving fund established by section 36-431.02. The director shall use
13 these monies for the purposes prescribed by 42 United States Code section
14 1396r, including payment for the costs of relocation of residents to other
15 facilities, maintenance of operation of a facility pending correction of
16 the deficiencies or closure and reimbursement of residents for personal
17 monies lost.

18 G. The department shall ~~transmit~~ **DEPOSIT** penalties assessed under
19 subsection A of this section ~~to~~ **IN** the state general fund.

20 Sec. 14. Title 36, chapter 18, article 4, Arizona Revised Statutes,
21 is amended by adding section 36-2061.01, to read:

22 **36-2061.01. Sober living home; federal funds; definition**

23 **FOR PURPOSES OF THIS ARTICLE "PUBLICLY FUNDED SOBER LIVING HOME"**
24 **MEANS A SOBER LIVING HOME AS DEFINED IN SECTION 36-2062 AND THAT DIRECTLY**
25 **OR INDIRECTLY RECEIVES FEDERAL MONIES OR FEDERAL RESOURCES OR FEDERAL**
26 **BENEFITS DERIVED FROM ANY SOURCE INCLUDING BUT NOT LIMITED TO ANY FEDERAL**
27 **HEALTH CARE PROGRAM AND THE AMERICAN INDIAN HEALTH PLAN.**

28 Sec. 15. Section 36-2062, Arizona Revised Statutes, is amended to
29 read:

30 **36-2062. Licensure; standards; civil penalties; use of title**

31 A. The director shall adopt rules to establish minimum standards
32 and requirements for the licensure of sober living homes in this state
33 necessary to ensure the public health, safety and welfare. The director
34 may use the current standards adopted by any recognized national
35 organization approved by the department as guidelines in prescribing the
36 minimum standards and requirements under this subsection. The standards
37 shall include:

38 1. A requirement that each sober living home ~~to~~ develop policies
39 and procedures to allow individuals who are on medication-assisted
40 treatment to continue to receive this treatment while living in the sober
41 living home.

42 2. Consistent and fair practices for drug and alcohol testing,
43 including frequency, that promote the residents' recovery.

1 3. Policies and procedures for the residence to maintain an
2 environment that promotes the safety of the surrounding neighborhood and
3 the community at large.

4 4. Policies and procedures for discharge planning of persons living
5 in the residence that do not negatively impact the surrounding community.

6 5. A good neighbor policy to address neighborhood concerns and
7 complaints.

8 6. A requirement that the operator of each sober living home have
9 available for emergency personnel an up-to-date list of current
10 medications and medical conditions of each person living in the home.

11 7. A policy that ensures residents are informed of all sober living
12 home rules, residency requirements and resident agreements.

13 8. Policies and procedures ~~for the management of~~ MANAGING all
14 monies received and spent by the sober living home in accordance with
15 standard accounting practices, including monies received from residents of
16 the sober living home.

17 9. A requirement that each sober living home post a statement of
18 resident rights that includes the right to file a complaint about the
19 residence or provider and information about how to file a complaint.

20 10. Policies that promote recovery by requiring residents to
21 participate in treatment, self-help groups or other recovery supports.

22 11. Policies requiring abstinence from alcohol and illicit drugs.

23 12. Procedures regarding the appropriate use and security of
24 medication by a resident.

25 13. Policies regarding the maintenance of sober living homes,
26 including the installation of functioning smoke detectors, carbon monoxide
27 detectors and fire extinguishers and compliance with local fire codes
28 applicable to comparable dwellings occupied by single families.

29 14. Policies and procedures that prohibit a sober living home
30 owner, employee or administrator from requiring a resident to sign any
31 document for the purpose of relinquishing the resident's public assistance
32 benefits, including medical assistance benefits, cash assistance and
33 supplemental nutrition assistance program benefits.

34 15. Policies and procedures for managing complaints about sober
35 living homes.

36 16. Requirements for ~~the notification of~~ NOTIFYING a family member
37 or other emergency contact designated by a resident under certain
38 circumstances, including death due to an overdose.

39 17. A REQUIREMENT THAT THE BUSINESS LICENSE BE ISSUED AT LEAST TEN
40 BUSINESS DAYS BEFORE THE SOBER LIVING HOME AS DEFINED IN SECTION
41 36-2061.01 OPENS TO CONDUCT BUSINESS.

42 B. The licensure of a sober living home under this article is for
43 one year. A person operating a sober living home in this state that has
44 failed to attain or maintain licensure of the sober living home shall pay

1 ~~a civil penalty of up to one thousand dollars~~ CIVIL PENALTIES AS
2 PRESCRIBED IN SECTION 36-2063 for each violation.

3 C. To receive and maintain licensure, a sober living home must
4 comply with all federal, state and local laws, including the Americans
5 with disabilities act of 1990 AND THE HEALTH INSURANCE PORTABILITY AND
6 ACCOUNTABILITY ACT.

7 D. A treatment facility that is licensed by the department ~~for the~~
8 ~~treatment of~~ TO TREAT substance use disorders and that has one or more
9 sober living homes on the same campus as the facility's program shall
10 obtain licensure for each sober living home pursuant to this article.

11 E. ~~Once the director adopts the minimum standards as required in~~
12 ~~subsection A of this section;~~ A person may not establish, conduct or
13 maintain in this state a sober living home unless that person holds a
14 current and valid license issued by the department or is certified as
15 prescribed in section 36-2064. The license is valid only for the
16 establishment, operation and maintenance of the sober living home. The
17 licensee may not:

18 1. Imply by advertising, ~~OR~~ directory listing or otherwise IMPLY
19 that the licensee is authorized to perform services more specialized or of
20 a higher degree of care than is authorized by this article and the
21 ~~underlying~~ ADOPTED rules for sober living homes.

22 2. Transfer or assign the license. A license is valid only for the
23 premises occupied by the sober living home at the time of its issuance.

24 Sec. 16. Title 36, chapter 18, article 4, Arizona Revised Statutes,
25 is amended by adding sections 36-2062.01 and 36-2062.02, to read:

26 36-2062.01. Fingerprinting requirements

27 AS A CONDITION OF LICENSURE OR CONTINUED LICENSURE OF A SOBER LIVING
28 HOME AND AS A CONDITION OF EMPLOYMENT IN A SOBER LIVING HOME, EMPLOYEES
29 AND OWNERS OF SOBER LIVING HOMES, CONTRACTED PERSONS OF SOBER LIVING HOMES
30 AND VOLUNTEERS OF SOBER LIVING HOMES SHALL BOTH:

31 1. SUBMIT A FULL SET OF FINGERPRINTS TO THE DEPARTMENT OF HEALTH
32 SERVICES FOR THE PURPOSE OF OBTAINING A STATE AND FEDERAL CRIMINAL RECORDS
33 CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW 92-544. THE DEPARTMENT
34 OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT DATA WITH THE FEDERAL
35 BUREAU OF INVESTIGATION. THE DEPARTMENT OF HEALTH SERVICES MAY CHARGE THE
36 COST OF EACH CRIMINAL BACKGROUND CHECK TO THE APPLICANT.

37 2. HAVE A VALID FINGERPRINT CLEARANCE CARD THAT IS ISSUED PURSUANT
38 TO TITLE 41, CHAPTER 12, ARTICLE 3.1.

39 36-2062.02. Staff education and training; staff ratios;
40 supervision

41 A. THE DEPARTMENT SHALL ESTABLISH BY RULE ANNUAL CONTINUING
42 EDUCATION AND TRAINING REQUIREMENTS FOR EMPLOYEES, VOLUNTEERS AND
43 CONTRACTORS WHO WORK IN SOBER LIVING HOMES, INCLUDING PEER RECOVERY
44 SUPPORT SPECIALISTS.

1 B. A SOBER LIVING HOME SHALL MAINTAIN A STAFF TO RESIDENT RATIO OF
2 TWO PAID STAFF MEMBERS, WHO PROVIDE MONITORING OR ASSISTANCE TO RESIDENTS
3 AT THE SOBER LIVING HOME, FOR EVERY SIX RESIDENTS.

4 C. A SOBER LIVING HOME SHALL HAVE EMPLOYEES RESPONSIBLE FOR THE
5 DIRECT CARE AND SUPERVISION OF THE SOBER LIVING HOME RESIDENTS, ON-SITE
6 TWENTY-FOUR CONSECUTIVE HOURS PER DAY, SEVEN DAYS PER WEEK.

7 D. A SOBER LIVING HOME LICENSEE SHALL PROVIDE VERIFICATION TO THE
8 DEPARTMENT THAT NALOXONE IS ACCESSIBLE AT EACH SOBER LIVING HOME, AND
9 STAFF ARE KNOWLEDGEABLE AND TRAINED IN ITS USE.

10 E. THE DIRECTOR, BY RULE, SHALL ESTABLISH A MONITORING PROGRAM FOR
11 BEHAVIORAL HEALTH ENTITIES THAT IDENTIFIES THE CIRCUMSTANCES WHEN THE
12 DEPARTMENT SHALL ASSIGN DEPARTMENT STAFF ON A TEMPORARY BASIS TO MONITOR
13 AND PROVIDE PROFESSIONAL ASSISTANCE TO A LICENSEE THAT IS NOT IN
14 SUBSTANTIAL COMPLIANCE WITH THE LICENSING REQUIREMENTS APPLICABLE TO THAT
15 LICENSEE. THE RULES SHALL ESTABLISH STAFFING LEVELS BASED ON MONITORING
16 NEEDS AND THE CORRESPONDING FEES BASED ON A COST ASSESSMENT CALCULATING
17 THE DURATION OF THE MONITORING SCHEDULE, A PRE-DISCLOSED HOURLY RATE, AND
18 ACTUAL COSTS.

19 F. A RESIDENT OF A SOBER LIVING HOME IS A VULNERABLE ADULT. FOR
20 THE PURPOSES OF THIS ARTICLE, "VULNERABLE ADULT" MEANS AN INDIVIDUAL WHO
21 IS EIGHTEEN YEARS OF AGE OR OLDER AND WHO IS UNABLE TO PROTECT HIMSELF OR
22 HERSELF FROM ABUSE, NEGLECT, OR EXPLOITATION BY OTHERS BECAUSE OF A MENTAL
23 OR PHYSICAL IMPAIRMENT.

24 Sec. 17. Section 36-2063, Arizona Revised Statutes, is amended to
25 read:

26 36-2063. Fees; licensure; inspections; complaints;
27 investigation; civil penalty; sanctions

28 A. The department shall establish fees for initial licensure and
29 license renewal and a fee for the late payment of licensing fees that
30 includes a grace period. The department shall deposit, pursuant to
31 sections 35-146 and 35-147, ninety percent of the fees collected pursuant
32 to this section in the health services licensing fund established by
33 section 36-414 and ten percent of the fees collected pursuant to this
34 section in the state general fund.

35 B. On a determination by the director that there is reasonable
36 cause to believe a sober living home is not adhering to the licensing
37 requirements of this article, the director and any duly designated
38 employee or agent of the director ~~may~~ SHALL enter on and into the premises
39 of any sober living home that is licensed or required to be licensed
40 pursuant to this article at any reasonable time for the purpose of
41 determining the state of compliance with this article, the rules adopted
42 pursuant to this article and local fire ordinances or rules. Any
43 application for licensure under this article constitutes permission for
44 and complete acquiescence in any entry or inspection of the premises
45 during the pendency of the application and, if licensed, during the term

1 of the license. If an inspection reveals that the sober living home is not
2 adhering to the licensing requirements established pursuant to this
3 article, the director ~~may~~ SHALL take action authorized by this article.

4 C. Any sober living home whose license has been suspended ~~or~~
5 ~~revoked~~ in accordance with this article is subject to inspection on
6 application for ~~reticensure or~~ reinstatement of THE license. IF A SOBER
7 LIVING HOME LICENSE IS REVOKED IN THIS STATE OR ANY OTHER STATE, THE
8 LICENSEE OF THE SOBER LIVING HOME WHOSE LICENSE WAS REVOKED MAY NOT
9 REAPPLY FOR ANY LICENSE ISSUED PURSUANT TO THIS TITLE FOR A PERIOD OF AT
10 LEAST FIVE YEARS.

11 D. A PERSON THAT ESTABLISHES, MAINTAINS OR OPERATES A SOBER LIVING
12 HOME THAT OPERATES IN THIS STATE WITHOUT A CURRENT AND VALID LICENSE IN
13 VIOLATION OF THIS ARTICLE IS GUILTY OF A CLASS 6 FELONY AND THE DIRECTOR
14 SHALL ASSESS A CIVIL PENALTY IN AN AMOUNT NOT LESS THAN \$5,000 AND NOT
15 MORE THAN \$10,000 FOR EACH VIOLATION, WHICH MAY BE ASSESSED FOR EACH
16 RESIDENT, OR PATIENT, WHO THE DEPARTMENT DETERMINES WAS IMPACTED BY THE
17 VIOLATION. EACH DAY THE SOBER LIVING HOME OPERATES WITHOUT A LICENSE IS A
18 SEPARATE CIVIL VIOLATION.

19 ~~E.~~ E. The director ~~may~~ SHALL impose a civil penalty on a person
20 that violates this article or the rules adopted pursuant to this article
21 in an amount of AT LEAST \$5,000 AND not more than ~~five hundred dollars~~
22 \$10,000 for each violation, WHICH MAY BE ASSESSED FOR EACH RESIDENT, OR
23 PATIENT, WHO THE DEPARTMENT DETERMINES WAS IMPACTED BY THE VIOLATION.
24 Each day that a violation occurs constitutes a separate violation. The
25 director ~~may~~ SHALL issue a notice that includes the ~~proposed~~ amount of the
26 civil penalty assessment. If a person requests a hearing to appeal an
27 assessment, the director may not take further action to enforce and
28 collect the assessment until the hearing process is complete. The
29 director shall impose a civil penalty only for those days for which the
30 violation has been documented by the department.

31 ~~F.~~ F. The department may impose sanctions and commence
32 disciplinary actions against a licensed sober living home, including
33 revoking the license. A license may not be suspended or revoked under
34 this article without affording the licensee notice and an opportunity for
35 a hearing as provided in title 41, chapter 6, article 10.

36 ~~F.~~ G. The department may contract with a third party to assist the
37 department with licensure and inspections.

38 Sec. 18. Section 36-2066, Arizona Revised Statutes, is amended to
39 read:

40 36-2066. Posting; sober living homes; update

41 A. The department shall post on its public website the name and
42 telephone number of each certified and licensed sober living home IN THIS
43 STATE and shall update the list quarterly. The department may not
44 disclose the address of a certified or licensed sober living home except
45 to a local jurisdiction for zoning purposes, local law enforcement and

1 emergency personnel. A sober living home's address is not a public record
2 and is not subject to title 39, chapter 1, article 2.

3 B. EXCEPT A SOBER LIVING HOME AS DEFINED IN SECTION 36-2061.01, THE
4 DEPARTMENT SHALL POST ON THE PARENT PAGE OF ITS PUBLIC WEBSITE, THE NAME,
5 ADDRESS, TELEPHONE NUMBER, DEPARTMENT-ISSUED LICENSE NUMBER, NATIONAL
6 PROVIDER IDENTIFICATION NUMBER, IF APPLICABLE, LOCAL JURISDICTION BUSINESS
7 LICENSE NUMBER AND LICENSURE STATUS OF EACH CERTIFIED AND LICENSED SOBER
8 LIVING HOME THAT DIRECTLY OR INDIRECTLY RECEIVES FEDERAL RESOURCES,
9 FEDERAL MONIES OR PAYMENT ON BEHALF OF BENEFICIARIES WITH FEDERAL HEALTH
10 CARE PROGRAM BENEFITS, INCLUDING BUT NOT LIMITED TO THE AMERICAN INDIAN
11 HEALTH PLAN. SOBER LIVING HOMES, AS DEFINED IN SECTION 36-2061.01 ARE
12 EXEMPT FROM CONFIDENTIALITY REQUIREMENTS AND THE DEPARTMENT SHALL DISCLOSE
13 THE ADDRESS. THE ADDRESS OF A SOBER LIVING HOME AS DEFINED IN SECTION
14 36-2601.01, IS A PUBLIC RECORD AND IS SUBJECT TO TITLE 39, CHAPTER 1,
15 ARTICLE 2.

16 Sec. 19. Title 36, chapter 18, article 4, Arizona Revised Statutes,
17 is amended by adding sections 36-2068, 36-2069 and 36-2070, to read:

18 36-2068. Resident acceptance; notification; transportation

19 A. TO THE EXTENT ALLOWED BY FEDERAL LAW, AT THE TIME OF ACCEPTING A
20 RESIDENT INTO A SOBER LIVING HOME, THE SOBER LIVING HOME SHALL NOTIFY THE
21 RESIDENT'S FAMILY OR NEXT OF KIN WITHIN SEVENTY-TWO HOURS AFTER ACCEPTING
22 THE RESIDENT. THE NOTIFICATION SHALL BE DOCUMENTED IN THE RESIDENT'S
23 RECORD.

24 B. SOBER LIVING HOME MAY NOT COORDINATE, FACILITATE, ARRANGE FOR OR
25 SOLICIT TRANSPORTATION OF A PERSON TO THE SOBER LIVING HOME IF THE PERSON
26 IS OBVIOUSLY INTOXICATED OR UNDER THE INFLUENCE OF ALCOHOL OR OTHER
27 SUBSTANCES, UNLESS THE PERSON IS REFERRED BY AN APPROVED PROVIDER OF A
28 TRIBAL HEALTH CARE PROGRAM OR A REGIONAL BEHAVIORAL HEALTH AUTHORITY OR IS
29 COURT-ORDERED.

30 36-2069. Resident discharge; transportation; documentation

31 A SOBER LIVING HOME SHALL INQUIRE, BOTH VERBALLY AND IN WRITING,
32 WHETHER A RESIDENT WANTS TO BE TRANSPORTED TO THE RESIDENT'S PLACE OF
33 RESIDENCE OR AN ALTERNATIVE SAFE LIVING SPACE IN THIS STATE AS REQUESTED
34 BY THE RESIDENT AFTER DISCHARGE FROM THE SOBER LIVING HOME. THE
35 RESIDENT'S WISHES REGARDING TRANSPORTATION SHALL BE DOCUMENTED ON A FORM
36 PRESCRIBED BY THE DEPARTMENT OF HEALTH SERVICES, SIGNED BY THE RESIDENT
37 AND RETAINED IN THE RESIDENT'S RECORD. THE SOBER LIVING HOME SHALL ENSURE
38 SAFE AND RELIABLE TRANSPORTATION, AS DETERMINED BY THE DEPARTMENT OF
39 HEALTH SERVICES, FOR A RESIDENT WHO WISHES TO BE TRANSPORTED TO THE
40 RESIDENT'S PLACE OF RESIDENCE OR AN ALTERNATIVE SAFE LIVING SPACE IN THIS
41 STATE AS REQUESTED BY THE RESIDENT ON DISCHARGE.

36-2070. Notification requirements: rules: sex offender registration

A. A MANAGER OR STAFF OF A SOBER LIVING HOME SHALL NOTIFY THE DEPARTMENT, IN A DEPARTMENT-PROVIDED FORMAT, IMMEDIATELY AND NOT MORE THAN SIX HOURS AFTER ANY OF THE FOLLOWING OCCURS:

1. THE DEATH OF A RESIDENT, INCLUDING WHETHER THE DEATH MAY HAVE BEEN DRUG RELATED.

2. A RESIDENT NEEDED IMMEDIATE INTERVENTION BY AN EMERGENCY MEDICAL PROVIDER OR OTHER HEALTH CARE PROVIDER FOR A POSSIBLE OVERDOSE OR OTHER DRUG OR ALCOHOL-RELATED ILLNESS.

3. A SEX-RELATED CRIME MAY HAVE BEEN COMMITTED AT THE SOBER LIVING HOME.

4. ANY OTHER INCIDENT SPECIFIED IN RULE BY THE DEPARTMENT.

B. SOBER LIVING HOME MANAGERS AND STAFF MAY NOT HAVE A PERSONAL OR INTIMATE RELATIONSHIP WITH A RESIDENT OF THE SOBER LIVING HOME.

C. THE MANAGER OR STAFF OF A SOBER LIVING HOME SHALL CONTACT LAW ENFORCEMENT IF THE MANAGER OR STAFF IS INFORMED THAT A RESIDENT OF THE SOBER LIVING HOME MAY HAVE BEEN INVOLVED IN A SEX-RELATED CRIME.

D. A SOBER LIVING LICENSEE SHALL ENSURE THAT ANY RESIDENT OF THE LICENSEE'S SOBER LIVING HOME WHO IS REQUIRED TO REGISTER PURSUANT TO SECTION 13-3821 REGISTERS WITHIN THE STATUTORILY REQUIRED TIME FRAME AFTER ADMISSION TO THE SOBER LIVING HOME.

Sec. 20. Section 41-619.51, Arizona Revised Statutes, is amended to read:

41-619.51. Definitions

In this article, unless the context otherwise requires:

1. "Agency" means the supreme court, the department of economic security, the department of child safety, the department of education, the department of health services, the department of juvenile corrections, the department of emergency and military affairs, the department of public safety, the department of transportation, the state real estate department, the department of insurance and financial institutions, the Arizona game and fish department, the Arizona department of agriculture, the board of examiners of nursing care institution administrators and assisted living facility managers, the state board of dental examiners, the Arizona state board of pharmacy, the board of physical therapy, the state board of psychologist examiners, the board of athletic training, the board of occupational therapy examiners, the state board of podiatry examiners, the acupuncture board of examiners the state board of technical registration, ~~or~~ the board of massage therapy or the Arizona department of housing.

2. "Board" means the board of fingerprinting.

3. "Central registry exception" means notification to the department of economic security, the department of child safety or the department of health services, as appropriate, pursuant to section

1 41-619.57 that the person is not disqualified because of a central
2 registry check conducted pursuant to section 8-804.

3 4. "Expedited review" means an examination, in accordance with
4 board rule, of the documents an applicant submits by the board or its
5 hearing officer without the applicant being present.

6 5. "Good cause exception" means the issuance of a fingerprint
7 clearance card to an employee pursuant to section 41-619.55.

8 6. "Person" means a person who is required to be fingerprinted
9 pursuant to this article or who is subject to a central registry check and
10 any of the following:

- 11 (a) Section 3-314.
- 12 (b) Section 8-105.
- 13 (c) Section 8-322.
- 14 (d) Section 8-463.
- 15 (e) Section 8-509.
- 16 (f) Section 8-802.
- 17 (g) Section 8-804.
- 18 (h) Section 15-183.
- 19 (i) Section 15-503.
- 20 (j) Section 15-512.
- 21 (k) Section 15-534.
- 22 (l) Section 15-763.01.
- 23 (m) Section 15-782.02.
- 24 (n) Section 15-1330.
- 25 (o) Section 15-1881.
- 26 (p) Section 17-215.
- 27 (q) Section 28-3228.
- 28 (r) Section 28-3413.
- 29 (s) Section 32-122.02.
- 30 (t) Section 32-122.05.
- 31 (u) Section 32-122.06.
- 32 (v) Section 32-823.
- 33 (w) Section 32-1232.
- 34 (x) Section 32-1276.01.
- 35 (y) Section 32-1284.
- 36 (z) Section 32-1297.01.
- 37 (aa) Section 32-1904.
- 38 (bb) Section 32-1941.
- 39 (cc) Section 32-1982.
- 40 (dd) Section 32-2022.
- 41 (ee) Section 32-2063.
- 42 (ff) Section 32-2108.01.
- 43 (gg) Section 32-2123.
- 44 (hh) Section 32-2371.
- 45 (ii) Section 32-3430.

- 1 (jj) Section 32-3620.
- 2 (kk) Section 32-3668.
- 3 (ll) Section 32-3669.
- 4 (mm) Section 32-3922.
- 5 (nn) Section 32-3924.
- 6 (oo) Section 32-4222.
- 7 (pp) Section 32-4128.
- 8 (qq) Section 36-113.
- 9 (rr) Section 36-207.
- 10 (ss) Section 36-411.
- 11 (tt) Section 36-425.03.
- 12 (uu) Section 36-446.04.
- 13 (vv) Section 36-594.01.
- 14 (ww) Section 36-594.02.
- 15 (xx) Section 36-766.01.
- 16 (yy) Section 36-882.
- 17 (zz) Section 36-883.02.
- 18 (aaa) Section 36-897.01.
- 19 (bbb) Section 36-897.03.
- 20 (ccc) SECTION 36-2062.01.
- 21 ~~(ccc)~~ (ddd) Section 36-3008.
- 22 ~~(ddd)~~ (eee) Section 41-619.53.
- 23 ~~(eee)~~ (fff) Section 41-1964.
- 24 ~~(fff)~~ (ggg) Section 41-1967.01.
- 25 ~~(ggg)~~ (hhh) Section 41-1968.
- 26 ~~(hhh)~~ (iii) Section 41-1969.
- 27 ~~(iii)~~ (jjj) Section 41-2814.
- 28 ~~(jjj)~~ (kkk) Section 41-4025.
- 29 ~~(kkk)~~ (lll) Section 46-141, subsection A or B.
- 30 ~~(lll)~~ (mmm) Section 46-321.

31 Sec. 21. Section 41-1758, Arizona Revised Statutes, is amended to
32 read:

33 41-1758. Definitions

34 In this article, unless the context otherwise requires:

- 35 1. "Agency" means the supreme court, the department of economic
36 security, the department of child safety, the department of education, the
37 department of health services, the department of juvenile corrections, the
38 department of emergency and military affairs, the department of public
39 safety, the department of transportation, the state real estate
40 department, the department of insurance and financial institutions, the
41 board of fingerprinting, the Arizona game and fish department, the Arizona
42 department of agriculture, the board of examiners of nursing care
43 institution administrators and assisted living facility managers, the
44 state board of dental examiners, the Arizona state board of pharmacy, the
45 board of physical therapy, the state board of psychologist examiners, the

1 board of athletic training, the board of occupational therapy examiners,
2 the state board of podiatry examiners, the acupuncture board of examiners
3 the state board of technical registration, ~~or~~ the board of massage therapy
4 or the Arizona department of housing.

5 2. "Division" means the fingerprinting division in the department
6 of public safety.

7 3. "Electronic or internet-based fingerprinting services" means a
8 secure system for digitizing applicant fingerprints and transmitting the
9 applicant data and fingerprints of a person or entity submitting
10 fingerprints to the department of public safety for any authorized purpose
11 under this title. For the purposes of this paragraph, "secure system"
12 means a system that complies with the information technology security
13 policy approved by the department of public safety.

14 4. "Good cause exception" means the issuance of a fingerprint
15 clearance card to an applicant pursuant to section 41-619.55.

16 5. "Person" means a person who is required to be fingerprinted
17 pursuant to any of the following:

- 18 (a) Section 3-314.
- 19 (b) Section 8-105.
- 20 (c) Section 8-322.
- 21 (d) Section 8-463.
- 22 (e) Section 8-509.
- 23 (f) Section 8-802.
- 24 (g) Section 15-183.
- 25 (h) Section 15-503.
- 26 (i) Section 15-512.
- 27 (j) Section 15-534.
- 28 (k) Section 15-763.01.
- 29 (l) Section 15-782.02.
- 30 (m) Section 15-1330.
- 31 (n) Section 15-1881.
- 32 (o) Section 17-215.
- 33 (p) Section 28-3228.
- 34 (q) Section 28-3413.
- 35 (r) Section 32-122.02.
- 36 (s) Section 32-122.05.
- 37 (t) Section 32-122.06.
- 38 (u) Section 32-823.
- 39 (v) Section 32-1232.
- 40 (w) Section 32-1276.01.
- 41 (x) Section 32-1284.
- 42 (y) Section 32-1297.01.
- 43 (z) Section 32-1904.
- 44 (aa) Section 32-1941.
- 45 (bb) Section 32-1982.

- 1 (cc) Section 32-2022.
- 2 (dd) Section 32-2063.
- 3 (ee) Section 32-2108.01.
- 4 (ff) Section 32-2123.
- 5 (gg) Section 32-2371.
- 6 (hh) Section 32-3430.
- 7 (ii) Section 32-3620.
- 8 (jj) Section 32-3668.
- 9 (kk) Section 32-3669.
- 10 (ll) Section 32-3922.
- 11 (mm) Section 32-3924.
- 12 (nn) Section 32-4128.
- 13 (oo) Section 32-4222.
- 14 (pp) Section 36-113.
- 15 (qq) Section 36-207.
- 16 (rr) Section 36-411.
- 17 (ss) Section 36-425.03.
- 18 (tt) Section 36-446.04.
- 19 (uu) Section 36-594.01.
- 20 (vv) Section 36-594.02.
- 21 (ww) Section 36-766.01.
- 22 (xx) Section 36-882.
- 23 (yy) Section 36-883.02.
- 24 (zz) Section 36-897.01.
- 25 (aaa) Section 36-897.03.
- 26 (bbb) SECTION 36-2062.01.
- 27 ~~(bbb)~~ (ccc) Section 36-3008.
- 28 ~~(ccc)~~ (ddd) Section 41-619.52.
- 29 ~~(ddd)~~ (eee) Section 41-619.53.
- 30 ~~(eee)~~ (fff) Section 41-1964.
- 31 ~~(fff)~~ (ggg) Section 41-1967.01.
- 32 ~~(ggg)~~ (hhh) Section 41-1968.
- 33 ~~(hhh)~~ (iii) Section 41-1969.
- 34 ~~(iii)~~ (jjj) Section 41-2814.
- 35 ~~(jjj)~~ (kkk) Section 41-4025.
- 36 ~~(kkk)~~ (lll) Section 46-141, subsection A or B.
- 37 ~~(lll)~~ (mmm) Section 46-321.

38 6. "Vulnerable adult" has the same meaning prescribed in section
39 13-3623.

40 Sec. 22. Section 41-1758.01, Arizona Revised Statutes, is amended
41 to read:

42 41-1758.01. Fingerprinting division; powers and duties

43 A. The fingerprinting division is established in the department of
44 public safety and shall:

1 1. Conduct fingerprint background checks for persons and applicants
2 who are seeking licenses from state agencies, employment with licensees,
3 contract providers and state agencies or employment or educational
4 opportunities with agencies that require fingerprint background checks
5 pursuant to sections 3-314, 8-105, 8-322, 8-463, 8-509, 8-802, 15-183,
6 15-503, 15-512, 15-534, 15-763.01, 15-782.02, 15-1330, 15-1881, 17-215,
7 28-3228, 28-3413, 32-122.02, 32-122.05, 32-122.06, 32-823, 32-1232,
8 32-1276.01, 32-1284, 32-1297.01, 32-1904, 32-1941, 32-1982, 32-2022,
9 32-2063, 32-2108.01, 32-2123, 32-2371, 32-3430, 32-3620, 32-3668, 32-3669,
10 32-3922, 32-3924, 32-4128, 32-4222, 36-113, 36-207, 36-411, 36-425.03,
11 36-446.04, 36-594.01, 36-594.02, 36-766.01, 36-882, 36-883.02, 36-897.01,
12 36-897.03, 36-2062.01, 36-3008, 41-619.52, 41-619.53, 41-1964, 41-1967.01,
13 41-1968, 41-1969, 41-2814, ~~AND~~ 41-4025, section 46-141, subsection A or B
14 and section 46-321.

15 2. Issue fingerprint clearance cards. On issuance, a fingerprint
16 clearance card becomes the personal property of the cardholder and the
17 cardholder shall retain possession of the fingerprint clearance card.

18 3. On submission of an application for a fingerprint clearance
19 card, collect the fees established by the board of fingerprinting pursuant
20 to section 41-619.53 and deposit, pursuant to sections 35-146 and 35-147,
21 the monies collected in the board of fingerprinting fund.

22 4. Inform in writing each person who submits fingerprints for a
23 fingerprint background check of the right to petition the board of
24 fingerprinting for a good cause exception pursuant to section 41-1758.03,
25 41-1758.04 or 41-1758.07.

26 5. If after conducting a state and federal criminal history records
27 check the division determines that it is not authorized to issue a
28 fingerprint clearance card to a person, inform the person in writing that
29 the division is not authorized to issue a fingerprint clearance card. The
30 notice shall include the criminal history information on which the denial
31 was based. This criminal history information is subject to dissemination
32 restrictions pursuant to section 41-1750 and Public Law 92-544.

33 6. Notify the person in writing if the division suspends, revokes
34 or places a driving restriction notation on a fingerprint clearance card
35 pursuant to section 41-1758.04. The notice shall include the criminal
36 history information on which the suspension, revocation or placement of
37 the driving restriction notation was based. This criminal history
38 information is subject to dissemination restrictions pursuant to section
39 41-1750 and Public Law 92-544.

40 7. Administer and enforce this article.

41 B. The fingerprinting division may contract for electronic or
42 internet-based fingerprinting services through an entity or entities for
43 the acquisition and transmission of applicant fingerprint and data
44 submissions to the department, including identity verified fingerprints
45 pursuant to section 15-106. The entity or entities contracted by the

1 department of public safety may charge the applicant a fee for services
2 provided pursuant to this article. The entity or entities contracted by
3 the department of public safety shall comply with:

4 1. All information privacy and security measures and submission
5 standards established by the department of public safety.

6 2. The information technology security policy approved by the
7 department of public safety.

8 Sec. 23. Rulemaking exemption; intent

9 Notwithstanding any other law, for the purposes of this act and
10 amending the rules relating to behavioral health entities and sober living
11 homes as defined in sections 36-401 and 36-2061, Arizona Revised Statutes,
12 respectively. The department of health services is exempt from the
13 rulemaking requirements of title 41, chapters 6 and 6.1, Arizona Revised
14 Statutes, through June 30, 2025.