

House Engrossed

long-term care; enforcement; memory care

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HOUSE BILL 2764

AN ACT

AMENDING SECTION 36-405, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-405.03; AMENDING SECTIONS 36-424, 36-425 AND 36-431.01, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-431.03; AMENDING SECTION 36-446.02, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 36-405, Arizona Revised Statutes, is amended to  
3 read:

4 36-405. Powers and duties of the director

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

25 B. The director, by rule, may:

26 1. Classify and subclassify health care institutions according to  
27 character, size, range of services provided, medical or dental specialty  
28 offered, duration of care and standard of patient care required for the  
29 purposes of licensure. Classes of health care institutions may include  
30 hospitals, infirmaries, outpatient treatment centers, health screening  
31 services centers and residential care facilities. Whenever the director  
32 reasonably deems distinctions in rules and standards to be appropriate  
33 among different classes or subclasses of health care institutions, the  
34 director may make such distinctions.

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

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

38 4. Prescribe standards for selecting health care-related  
39 demonstration projects.

40 5. Establish nonrefundable application and licensing fees for  
41 health care institutions, including a grace period and a fee for the late  
42 payment of licensing fees.

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

1           7. Establish a process for a licensee to request a different  
2 licensing fee due date, including any limits on the number of requests by  
3 the licensee.

4           C. The director, by rule, shall adopt licensing provisions that  
5 facilitate the colocation and integration of outpatient treatment centers  
6 that provide medical, nursing and health-related services with behavioral  
7 health services consistent with article 3.1 of this chapter.

8           D. THE DIRECTOR SHALL ESTABLISH A MODEL IN RULE FOR THE DEPARTMENT  
9 TO MONITOR HEALTH CARE INSTITUTIONS ON-SITE THAT ARE FOUND TO NOT BE IN  
10 SUBSTANTIAL COMPLIANCE WITH THE APPLICABLE LICENSURE REQUIREMENTS. THE  
11 DIRECTOR SHALL ESTABLISH ON-SITE MONITORING FEES FOR HEALTH CARE  
12 INSTITUTIONS THAT ARE SUBJECT TO THE ON-SITE MONITORING REQUIREMENTS.

13           E. THE DEPARTMENT MAY PROVIDE IN-SERVICE TRAINING TO HEALTH CARE  
14 INSTITUTIONS THAT REQUEST IN-SERVICE TRAINING RELATING TO REGULATORY  
15 COMPLIANCE OUTSIDE OF THE SURVEY PROCESS. THE DIRECTOR SHALL ESTABLISH IN  
16 RULE IN-SERVICE TRAINING FEES FOR HEALTH CARE INSTITUTIONS THAT REQUEST  
17 IN-SERVICE TRAINING FROM THE DEPARTMENT.

18           ~~D.~~ F. Ninety percent of the fees collected pursuant to this  
19 section shall be deposited, pursuant to sections 35-146 and 35-147, in the  
20 health services licensing fund established by section 36-414 and ten  
21 percent of the fees collected pursuant to this section shall be deposited,  
22 pursuant to sections 35-146 and 35-147, in the state general fund.

23           ~~E.~~ G. Subsection B, paragraph 5 of this section does not apply to  
24 a health care institution operated by a state agency pursuant to state or  
25 federal law or to adult foster care residential settings.

26           Sec. 2. Title 36, chapter 4, article 1, Arizona Revised Statutes,  
27 is amended by adding section 36-405.03, to read:

28           36-405.03. Memory care services; required licensure; rules;  
29                                   fees; advertisement; staff training  
30                                   requirements; definition

31           A. THE DIRECTOR SHALL ESTABLISH BY RULE LICENSURE SUBCLASS,  
32 INCLUDING FEES, FOR AN ASSISTED LIVING FACILITY THAT WISHES TO PROVIDE  
33 MEMORY CARE SERVICES.

34           B. AN ASSISTED LIVING FACILITY THAT REPRESENTS TO THE PUBLIC OR  
35 ADVERTISES THAT THE ENTITY PROVIDES MEMORY CARE SERVICES MUST BE LICENSED  
36 TO PROVIDE MEMORY CARE SERVICES.

37           C. THE DIRECTOR SHALL ESTABLISH BY RULE MINIMUM TRAINING STANDARDS  
38 FOR STAFF AND CONTRACTORS WHO WORK IN AN ASSISTED LIVING FACILITY THAT IS  
39 LICENSED TO PROVIDE MEMORY CARE SERVICES. THE TRAINING STANDARDS SHALL  
40 INCLUDE A MINIMUM OF EIGHT HOURS OF INITIAL MEMORY CARE SERVICES TRAINING  
41 AND FOUR HOURS OF ANNUAL CONTINUING EDUCATION. IN ADDITION TO THE EIGHT  
42 HOURS OF INITIAL TRAINING, THE TRAINING STANDARDS FOR ASSISTED LIVING  
43 FACILITY MANAGERS SHALL INCLUDE A MINIMUM OF FOUR HOURS OF MEMORY CARE  
44 SERVICES TRAINING THAT IS SPECIFICALLY FOR ASSISTED LIVING FACILITY  
45 MANAGERS. THE DEPARTMENT SHALL APPROVE THE MEMORY CARE SERVICES TRAINING

1 PROGRAMS, AND THE TRAINING PROGRAMS SHALL PROVIDE STAFF AND CONTRACTORS  
2 WHO COMPLETE THE TRAINING A CERTIFICATE OF COMPLETION THAT MAY BE USED TO  
3 WORK AT ANY ASSISTED LIVING FACILITY THAT IS LICENSED TO PROVIDE MEMORY  
4 CARE SERVICES. IF A STAFF MEMBER OR CONTRACTOR HAS NOT WORKED AT AN  
5 ASSISTED LIVING FACILITY THAT IS LICENSED TO PROVIDE MEMORY CARE SERVICES  
6 FOR A PERIOD OF TWELVE MONTHS, THE PERSON IS REQUIRED TO REPEAT THE  
7 INITIAL TRAINING.

8 D. AN ASSISTED LIVING FACILITY THAT IS LICENSED TO PROVIDE MEMORY  
9 CARE SERVICES IS REQUIRED TO PROVIDE TO THE DEPARTMENT DURING AN  
10 INVESTIGATION OR COMPLIANCE SURVEY DOCUMENTATION OF STAFF TRAINING AS  
11 PRESCRIBED IN SUBSECTION C OF THIS SECTION. FAILURE TO PROVIDE COMPLETE  
12 STAFF TRAINING DOCUMENTATION SHALL BE CITED AS A DEFICIENCY.

13 E. FOR THE PURPOSES OF THIS SECTION, "MEMORY CARE SERVICES" MEANS  
14 SERVICES THAT SUPPORT INDIVIDUALS WITH DEMENTIA AND OTHER PROGRESSIVE AND  
15 NEURODEGENERATIVE BRAIN DISORDERS, INCLUDING SPECIALIZED ENVIRONMENTAL  
16 FEATURES, CARE PLANNING, DIRECTED CARE SERVICES, MEDICATION ADMINISTRATION  
17 SERVICES, SPECIALIZED ACCOMMODATIONS, ACTIVITY PROGRAMMING OR OTHER  
18 SERVICES REQUIRED BY THE DEPARTMENT IN RULE.

19 Sec. 3. Section 36-424, Arizona Revised Statutes, is amended to  
20 read:

21 36-424. Inspections; suspension or revocation of license;  
22 report to board of examiners of nursing care  
23 institution administrators and assisted living  
24 facility managers

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

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

10 4. A RESIDENTIAL CARE INSTITUTION, UNLESS IT HAS THE SAME DIRECT  
11 OWNER OR INDIRECT OWNER AS A HOSPITAL LICENSED PURSUANT TO THIS CHAPTER.

12 5. A NURSING CARE INSTITUTION, UNLESS IT HAS THE SAME DIRECT OWNER  
13 OR INDIRECT OWNER AS A HOSPITAL LICENSED PURSUANT TO THIS CHAPTER.

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

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

38 Sec. 4. Section 36-425, Arizona Revised Statutes, is amended to  
39 read:

40 36-425. Inspections; issuance of license; posting  
41 requirements; provisional license; denial of  
42 license

43 A. On receipt of a properly completed application for a health care  
44 institution license, the director shall conduct an inspection of the  
45 health care institution as prescribed by this chapter. If an application

1 for a license is submitted due to a planned change of ownership, the  
2 director shall determine the need for an inspection of the health care  
3 institution. Based on the results of the inspection and after the  
4 submission of the applicable licensing fee, the director shall either deny  
5 the license or issue a regular or provisional license. A license issued  
6 by the department shall be posted in a conspicuous location in the  
7 reception area of that HEALTH CARE institution.

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

19 1. The health care institution has subsequently terminated its  
20 critical access hospital designation.

21 2. The licensed capacity of the health care institution does not  
22 exceed its licensed capacity before its designation as a critical access  
23 hospital.

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

27 C. A health care institution license does not expire and remains  
28 valid unless:

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

30 2. The license is considered void because the licensee did not pay  
31 the licensing fee, CIVIL PENALTIES OR PROVIDER AGREEMENT FEES before the  
32 ~~licensing fee~~ RELEVANT due date OR DID NOT ENTER INTO AN AGREEMENT WITH  
33 THE DEPARTMENT BEFORE THE RELEVANT DUE DATE TO PAY ALL OUTSTANDING FEES OR  
34 CIVIL PENALTIES.

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

39 E. If the department determines a facility, EXCEPT FOR A  
40 RESIDENTIAL CARE INSTITUTION OR A NURSING CARE INSTITUTION THAT DOES NOT  
41 HAVE THE SAME DIRECT OWNER OR INDIRECT OWNER AS A HOSPITAL LICENSED  
42 PURSUANT TO THIS CHAPTER, to be deficiency free on a compliance survey,  
43 the department shall not conduct a compliance survey of that facility for  
44 twenty-four months after the date of the deficiency free survey. This

1 subsection does not prohibit the department from enforcing licensing  
2 requirements as authorized by section 36-424.

3 F. A hospital licensed as a rural general hospital may provide  
4 intensive care services.

5 G. The director shall issue a provisional license for a period of  
6 not more than one year if an inspection or investigation of a currently  
7 licensed health care institution or a health care institution for which an  
8 applicant is seeking a license reveals that the HEALTH CARE institution is  
9 not in substantial compliance with department licensure requirements and  
10 the director believes that the immediate interests of the patients and the  
11 general public are best served if the HEALTH CARE institution is given an  
12 opportunity to correct deficiencies. The applicant or licensee shall  
13 agree to carry out a plan to eliminate deficiencies that is acceptable to  
14 the director. The director shall not issue consecutive provisional  
15 licenses to a single health care institution. The director shall not  
16 issue a license to the current licensee or a successor applicant before  
17 the expiration of the provisional license unless the health care  
18 institution submits an application for a substantial compliance survey and  
19 is found to be in substantial compliance. The director may issue a  
20 license only if the director determines that the HEALTH CARE institution  
21 is in substantial compliance with the licensure requirements of the  
22 department and this chapter. This subsection does not prevent the  
23 director from taking action to protect the safety of patients pursuant to  
24 section 36-427.

25 H. Subject to the confidentiality requirements of articles 4 and 5  
26 of this chapter, title 12, chapter 13, article 7.1 and section 12-2235,  
27 the licensee shall keep current department inspection reports at the  
28 health care institution. Unless federal law requires otherwise, the  
29 licensee shall post in a conspicuous location a notice that identifies the  
30 location at that HEALTH CARE institution where the inspection reports are  
31 available for review.

32 I. A health care institution shall immediately notify the  
33 department in writing when there is a change of the chief administrative  
34 officer specified in section 36-422, subsection A, paragraph 1,  
35 subdivision (g).

36 J. When the department issues an original license or an original  
37 provisional license to a health care institution, it shall notify the  
38 owners and lessees of any agricultural land within one-fourth mile of the  
39 health care institution. The health care institution shall provide the  
40 department with the names and addresses of owners or lessees of  
41 agricultural land within one-fourth mile of the proposed health care  
42 institution.

43 K. In addition to the grounds for denial of licensure prescribed  
44 pursuant to subsection A of this section, the director may deny a license  
45 because an applicant or anyone in a business relationship with the

1 applicant, including stockholders and controlling persons, has had a  
2 license to operate a health care institution denied, revoked or suspended  
3 or a license or certificate issued by a health profession regulatory board  
4 pursuant to title 32 or issued by a state agency pursuant to chapter 6,  
5 article 7 or chapter 17 of this title denied, revoked or suspended or has  
6 a licensing history of recent serious violations occurring in this state  
7 or in another state that posed a direct risk to the life, health or safety  
8 of patients or residents.

9 L. In addition to the requirements of this chapter, the director  
10 may prescribe by rule other licensure requirements.

11 Sec. 5. Section 36-431.01, Arizona Revised Statutes, is amended to  
12 read:

13 36-431.01. Violations; civil penalties; enforcement

14 A. The director may assess a civil penalty against a person who  
15 violates this chapter or a rule adopted pursuant to this chapter in an  
16 amount of not ~~to exceed five hundred dollars~~ MORE THAN \$1,000 for each  
17 violation, WHICH MAY BE ASSESSED FOR EACH RESIDENT OR PATIENT WHO THE  
18 DEPARTMENT DETERMINES WAS IMPACTED BY THE VIOLATION. Each day that a  
19 violation occurs constitutes a separate violation.

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

25 C. In determining the AMOUNT OF THE civil penalty pursuant to  
26 subsection A of this section, the department shall ~~consider~~ ESTABLISH A  
27 MODEL IN RULE THAT CONSIDERS the following:

- 28 1. Repeated violations of statutes or rules.
- 29 2. Patterns of noncompliance.
- 30 3. Types of violations.
- 31 4. THE severity of violations.
- 32 5. THE potential for and occurrences of actual harm, INCLUDING TO  
33 PATIENTS, STAFF OR RESIDENTS.
- 34 6. Threats to health and safety, INCLUDING TO PATIENTS, STAFF OR  
35 RESIDENTS.
- 36 7. THE number of persons affected by the violations.
- 37 8. THE number of violations.
- 38 9. THE size of the facility.
- 39 10. THE length of time that the violations have been occurring.
- 40 11. THE TYPE OF HEALTH CARE INSTITUTION.

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



1 rules adopted by the director that conform to guidelines or regulations  
2 adopted by the secretary of the United States department of health and  
3 human services pursuant to 42 United States Code section 1396r.

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

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

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

21 Sec. 6. Title 36, chapter 4, article 2, Arizona Revised Statutes,  
22 is amended by adding section 36-431.03, to read:

23 **36-431.03. Legal action or sale; effect on licensure**

24 **A. THE DIRECTOR MAY CONTINUE TO PURSUE ANY COURT, ADMINISTRATIVE OR**  
25 **ENFORCEMENT ACTION AGAINST A LICENSEE EVEN IF THE HEALTH CARE INSTITUTION**  
26 **IS IN THE PROCESS OF BEING SOLD OR TRANSFERRED, OR IF THE HEALTH CARE**  
27 **INSTITUTION HAS CLOSED.**

28 **B. IF THE DEPARTMENT DETERMINES PATIENT SAFETY MAY BE IN JEOPARDY**  
29 **DUE TO THE ACTIONS OF A LICENSEE, THE DEPARTMENT MAY DENY A NEW**  
30 **APPLICATION FOR LICENSURE OF A CURRENTLY LICENSED HEALTH CARE INSTITUTION**  
31 **WHILE ANY ENFORCEMENT OR COURT ACTION RELATED TO THE LICENSURE OR**  
32 **OPERATION OF THE HEALTH CARE INSTITUTION IS PENDING AGAINST THAT HEALTH**  
33 **CARE INSTITUTION'S CURRENT LICENSEE.**

34 **C. THE DEPARTMENT MAY DENY THE APPROVAL OF A CHANGE IN OWNERSHIP OF**  
35 **A CURRENTLY LICENSED HEALTH CARE INSTITUTION IF THE DEPARTMENT DETERMINES**  
36 **THAT THE TRANSFER OF OWNERSHIP, WHETHER INVOLVING A DIRECT OWNER OR**  
37 **INDIRECT OWNER, MAY JEOPARDIZE PATIENT SAFETY.**

38 Sec. 7. Section 36-446.02, Arizona Revised Statutes, is amended to  
39 read:

40 **36-446.02. Board of examiners; terms; meetings; quorum;**  
41 **effect of vacancies; compensation**

42 A. The board of examiners of nursing care institution  
43 administrators and assisted living facility managers is established  
44 consisting of ~~eleven~~ **THIRTEEN** members appointed by the governor.

- 1           B. The board shall include:
- 2           1. One administrator who holds an active license issued pursuant to
- 3 this article.
- 4           2. One ASSISTED LIVING FACILITY manager who holds an active license
- 5 issued pursuant to this article.
- 6           3. One administrator of a nonprofit or faith-based skilled nursing
- 7 facility.
- 8           4. One administrator of a proprietary skilled nursing facility.
- 9           5. Two managers of an assisted living center ~~as defined in section~~
- 10 ~~36-401.~~
- 11           6. One manager of an assisted living home ~~as defined in section~~
- 12 ~~36-401.~~
- 13           ~~7. Two public members who are not affiliated with a nursing care~~
- 14 ~~institution or an assisted living facility.~~
- 15           ~~8.~~ 7. One public member who represents an organization that
- 16 advocates for the elderly.
- 17           ~~9.~~ 8. One person who is a family member of a resident in either a
- 18 skilled nursing facility or an assisted living facility at the time the
- 19 person is appointed to the board.
- 20           9. ONE PERSON WHO IS A CURRENT OR FORMER RESIDENT OF A SKILLED
- 21 NURSING FACILITY OR AN ASSISTED LIVING FACILITY.
- 22           10. ONE PUBLIC MEMBER WHO REPRESENTS AN ORGANIZATION THAT ADVOCATES
- 23 FOR INDIVIDUALS WITH ALZHEIMER'S DISEASE, DEMENTIA OR OTHER RELATED
- 24 NEUROCOGNITIVE DISEASES OR DISORDERS.
- 25           11. ONE PERSON WHO REPRESENTS AN ORGANIZATION THAT ADVOCATES FOR
- 26 PERSONS WHO HAVE PHYSICAL DISABILITIES.
- 27           12. ONE PERSON WHO REPRESENTS AN ORGANIZATION THAT ADVOCATES FOR
- 28 PERSONS WHO HAVE INTELLECTUAL OR DEVELOPMENTAL DISABILITIES.
- 29           C. Board members who are not affiliated with a nursing care
- 30 institution or an assisted living facility shall not have a direct
- 31 financial interest in nursing care institutions or assisted living
- 32 facilities.
- 33           D. A board member shall not serve on any other board relating to
- 34 long-term care during the member's term with the board.
- 35           E. The term of a board member automatically ends when that member
- 36 no longer meets the qualifications for appointment to the board. The
- 37 board shall notify the governor of the board vacancy.
- 38           F. Board members who are not affiliated with a nursing care
- 39 institution or an assisted living facility shall be appointed for two-year
- 40 terms. Board members who are the administrator of a nursing care
- 41 institution or the manager of an assisted living facility shall be
- 42 appointed for three-year terms.
- 43           G. A board member shall not serve for more than two consecutive
- 44 terms.

1 H. The board shall meet at least twice a year.

2 I. A majority of the board members constitutes a quorum.

3 J. Board members are eligible to receive compensation as determined  
4 pursuant to section 38-611 for each day actually spent performing their  
5 duties under this chapter.

6 K. A board member who is absent from three consecutive regular  
7 meetings or who fails to attend more than fifty percent of board meetings  
8 over the course of one calendar year vacates the board member's position.  
9 The board shall notify the governor of the vacancy.

10 Sec. 8. Rulemaking exemption

11 Notwithstanding any other law, for the purposes of this act, the  
12 department of health services is exempt from the rulemaking requirements  
13 of title 41, chapters 6 and 6.1, Arizona Revised Statutes, until July 1,  
14 2025, except that the department shall hold at least two public meetings.

15 Sec. 9. Effective date

16 Section 36-405.03, Arizona Revised Statutes, as added by this act,  
17 is effective from and after June 30, 2025.