

House Engrossed

~~health facilities; complaints; investigations; training~~
(now: training; investigations; complaints; health facilities)

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2176

AN ACT

AMENDING SECTION 36-420.05, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 4, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-424.01, 36-424.02 AND 36-424.03; 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 36-420.05, Arizona Revised Statutes, is amended
3 to read:

4 36-420.05. Legal action or sale; effect on licensure; rules

5 A. The director may continue to pursue any court, administrative or
6 enforcement action against a licensee even if the health care institution
7 is in the process of being sold or transferred or has closed.

8 B. The department may deny an application for a health care
9 institution license if ~~either:~~

10 ~~1. The applicant, the licensee or a controlling person has a health~~
11 ~~care institution license that is in an enforcement action or court action~~
12 ~~related to the health and safety of the residents or patients.~~

13 ~~2. The department has determined for reasons other than those~~
14 ~~specified in paragraph 1 of this subsection that~~ the issuance of a new
15 license is likely to jeopardize resident or patient safety **BECAUSE THERE**
16 **ARE GROUNDS FOR LICENSURE DENIAL PURSUANT TO SECTION 36-425, SUBSECTION K.**

17 C. The department may deny the approval of a change in ownership of
18 a currently licensed health care institution if the department determines
19 that the transfer of ownership, whether involving a **NEW** direct owner or
20 **NEW** indirect owner, may jeopardize patient safety **BECAUSE THERE ARE**
21 **GROUNDS FOR LICENSURE DENIAL PURSUANT TO SECTION 36-425, SUBSECTION K.**

22 **D. THE DEPARTMENT SHALL ADOPT RULES OUTLINING THE EVALUATION**
23 **PROCESS FROM WHICH THE DIRECTOR WILL MAKE A DETERMINATION UNDER THIS**
24 **SECTION.**

25 Sec. 2. Title 36, chapter 4, article 2, Arizona Revised Statutes,
26 is amended by adding sections 36-424.01, 36-424.02 and 36-424.03, to read:

27 36-424.01. Complaint investigations; basis of complaints;
28 notification; priority matrix; statement of
29 deficiencies

30 **A. WHEN ENTERING A HEALTH CARE INSTITUTION FOR AN INVESTIGATION**
31 **RELATED TO A COMPLAINT FILED WITH THE DEPARTMENT, THE DEPARTMENT SHALL**
32 **NOTIFY THE LICENSEE OF THE NATURE OF THE COMPLAINT. THE DEPARTMENT SHALL**
33 **ENSURE THAT THE NOTICE DOES NOT INCLUDE PROTECTED HEALTH INFORMATION OR**
34 **INFORMATION THAT MAY IDENTIFY THE COMPLAINANT.**

35 **B. THE DEPARTMENT SHALL PROVIDE A PRIORITY MATRIX FOR COMPLAINTS**
36 **FILED AGAINST HEALTH CARE INSTITUTIONS ON THE DEPARTMENT'S PUBLIC WEBSITE**
37 **WITH A LINK TO THE RULES THAT GOVERN THE COMPLAINT PROCESS. THE PRIORITY**
38 **MATRIX SHALL DETAIL THE FOLLOWING:**

39 **1. THE VARIOUS LEVELS OF COMPLAINTS.**

40 **2. THE PROCESS FOR DETERMINING THE COMPLAINT LEVEL ASSIGNMENT.**

41 **3. THE TIME FRAMES FOR INITIATING A COMPLAINT INVESTIGATION.**

1 C. BEFORE CONDUCTING A COMPLAINT INVESTIGATION, THE DEPARTMENT
2 SHALL DISCLOSE TO THE LICENSEE:

3 1. THE LEVEL OF THE COMPLAINT.

4 2. ALL DOCUMENTS THAT AFFECT THE INTERNAL PROCEDURES OF THE
5 DEPARTMENT OR THAT IMPOSE ADDITIONAL REQUIREMENTS OR PENALTIES ON
6 LICENSEES.

7 D. THE DEPARTMENT SHALL INCLUDE IN A STATEMENT OF DEFICIENCIES THAT
8 IS ISSUED FOLLOWING A STATE SURVEY OR COMPLAINT INVESTIGATION THE CITATION
9 FOR THE STATUTE OR RULE THAT APPLIES TO EACH IDENTIFIED DEFICIENCY.

10 E. IN CONDUCTING A STATE SURVEY OR INITIAL COMPLAINT INVESTIGATION,
11 THE DEPARTMENT MAY NOT CONSIDER OR INVESTIGATE ANY ALLEGED VIOLATION THAT
12 OCCURRED MORE THAN ONE YEAR BEFORE THE DATE THAT THE STATE SURVEY OR
13 INITIAL COMPLAINT INVESTIGATION IS BEING CONDUCTED.

14 36-424.02. Statement of deficiencies; informal dispute
15 resolution; written decision

16 A. IF A LICENSEE RECEIVES A STATEMENT OF DEFICIENCIES FOLLOWING A
17 STATE SURVEY OR COMPLAINT INVESTIGATION AND THE LICENSEE WISHES TO DISPUTE
18 ANY OF THE IDENTIFIED DEFICIENCIES, THE LICENSEE, DURING THE INFORMAL
19 DISPUTE RESOLUTION PROCESS, SHALL INDICATE TO THE DEPARTMENT EACH
20 DEFICIENCY THE LICENSEE IS DISPUTING AND PROVIDE:

21 1. A DETAILED EXPLANATION OF WHY THE LICENSEE BELIEVES THE
22 INFORMATION CONTAINED IN THE STATEMENT OF DEFICIENCIES IS INACCURATE.

23 2. A REQUEST FOR THE INFORMATION TO BE CORRECTED OR RESCINDED.

24 3. ANY SUPPORTING DOCUMENTATION THAT EXPLAINS THE REASON THE
25 DEFICIENCY SHOULD BE RESCINDED.

26 B. THE DEPARTMENT SHALL REVIEW THE INFORMATION AND DOCUMENTATION
27 PROVIDED BY THE LICENSEE PURSUANT TO SUBSECTION A OF THIS SECTION WITHIN
28 TEN BUSINESS DAYS AFTER RECEIVING THE INFORMATION AND RENDER A WRITTEN
29 DECISION. THE WRITTEN DECISION SHALL STATE WHETHER THE LICENSEE'S REQUEST
30 IS APPROVED OR DENIED AND SHALL CONTAIN A DETAILED EXPLANATION OF THE
31 APPROVAL OR DENIAL FOR EACH DEFICIENCY CONTAINED IN THE DISPUTE.

32 C. IF THE DEPARTMENT APPROVES THE REMOVAL OF ALL DEFICIENCIES FROM
33 THE STATEMENT OF DEFICIENCIES DURING THE INFORMAL DISPUTE RESOLUTION
34 PROCESS, THE DEPARTMENT SHALL CLOSE THE COMPLAINT.

35 36-424.03. Surveyors and supervisors; annual training
36 program; objectives

37 A. THE DEPARTMENT SHALL IMPLEMENT AN ANNUAL TRAINING PROGRAM FOR
38 ALL LICENSING SURVEYORS AND THE SUPERVISORS AND MANAGERS OF LICENSING
39 SURVEYORS TO ENSURE COMPLIANCE WITH THIS CHAPTER.

40 B. THE TRAINING PROGRAM SHALL INCLUDE MODULES THAT TRAIN SURVEYORS
41 AND THE SUPERVISORS AND MANAGERS OF LICENSING SURVEYORS ON THE FOLLOWING:

42 1. THE DEPARTMENT'S GOVERNING POLICIES AND PROCEDURES AND THE
43 STATUTES AND RULES FOR WHICH THE EMPLOYEE IS RESPONSIBLE.

1 2. HOW TO ASCERTAIN WHETHER A COMPLAINT OR GRIEVANCE FILED WITH THE
2 DEPARTMENT SHOULD RESULT IN OPENING A COMPLAINT INVESTIGATION UNDER THIS
3 CHAPTER.

4 3. HOW TO ACT IN A PROFESSIONAL MANNER WITH AN EMPHASIS ON DIGNITY
5 AND RESPECT.

6 4. THE IMPORTANCE OF CLEAR AND TRANSPARENT COMMUNICATION WITH
7 LICENSEES.

8 C. THE DEPARTMENT SHALL IMPLEMENT AN ANNUAL PROCESS FOR ALL
9 LICENSING SURVEYORS AND THE SUPERVISORS AND MANAGERS OF LICENSING
10 SURVEYORS TO DEMONSTRATE PRACTICAL KNOWLEDGE AND UNDERSTANDING OF THE
11 FOLLOWING:

12 1. THE DEPARTMENT'S GOVERNING POLICIES AND PROCEDURES AND THE
13 STATUTES AND RULES FOR WHICH THE EMPLOYEE IS RESPONSIBLE.

14 2. ASCERTAINING WHETHER A COMPLAINT OR GRIEVANCE FILED WITH THE
15 DEPARTMENT SHOULD RESULT IN OPENING A COMPLAINT INVESTIGATION UNDER THIS
16 CHAPTER.

17 3. HOW TO ACT IN A PROFESSIONAL MANNER WITH AN EMPHASIS ON DIGNITY
18 AND RESPECT.

19 4. THE IMPORTANCE OF CLEAR AND TRANSPARENT COMMUNICATION WITH
20 LICENSEES.