

Senate Engrossed

~~health care institutions; licensing; complaints~~
(now: health care institutions; licensing; compliance)

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1162

AN ACT

AMENDING TITLE 36, CHAPTER 4, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 36-405.04; 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. Title 36, chapter 4, article 1, Arizona Revised
3 Statutes, is amended by adding section 36-405.04, to read:

4 36-405.04. Licensing and monitoring of health care
5 institutions; joint review of monitoring and
6 compliance functions; reporting requirement

7 A. THE DEPARTMENT SHALL LICENSE AND MONITOR THE OPERATION OF HEALTH
8 CARE INSTITUTIONS TO ENSURE COMPLIANCE WITH THIS CHAPTER.

9 B. THE DEPARTMENT AND THE ARIZONA HEALTH CARE COST CONTAINMENT
10 SYSTEM SHALL COORDINATE TO REVIEW MONITORING AND COMPLIANCE FUNCTIONS TO
11 IDENTIFY AREAS OF OVERLAP RELATED TO HEALTH CARE INSTITUTION LICENSING
12 STANDARDS. THE REVIEW MUST INCLUDE, AT A MINIMUM:

13 1. LICENSING, CERTIFICATION AND ENROLLMENT REQUIREMENTS.

14 2. ON-SITE SURVEYS, INSPECTIONS, AUDITS AND OTHER COMPLIANCE
15 ACTIVITIES.

16 3. DATA COLLECTION AND REPORTING REQUIREMENTS.

17 4. CORRECTIVE ACTION AND ENFORCEMENT PROCESSES APPLICABLE TO HEALTH
18 CARE INSTITUTIONS.

19 C. THE DEPARTMENT AND THE ARIZONA HEALTH CARE COST CONTAINMENT
20 SYSTEM SHALL:

21 1. IDENTIFY OPPORTUNITIES TO ELIMINATE OR REDUCE DUPLICATIVE,
22 REDUNDANT OR INCONSISTENT REQUIREMENTS WHILE MAINTAINING PATIENT SAFETY
23 AND APPROPRIATE REGULATORY OVERSIGHT.

24 2. COORDINATE OR ALIGN POLICIES, PROCEDURES AND OPERATIONAL
25 PRACTICES TO MINIMIZE ADMINISTRATIVE BURDENS ON HEALTH CARE INSTITUTIONS.

26 D. THIS SECTION DOES NOT REQUIRE ANY ACTION THAT IS INCONSISTENT
27 WITH FEDERAL MEDICAID CONDITIONS OF PARTICIPATION, CONDITIONS OF PAYMENT
28 OR OTHER APPLICABLE FEDERAL REQUIREMENTS.

29 E. ON OR BEFORE DECEMBER 31, 2026 AND ON OR BEFORE OCTOBER 31 EVERY
30 FOUR YEARS THEREAFTER, THE DEPARTMENT SHALL SUBMIT A WRITTEN REPORT TO THE
31 HOUSE OF REPRESENTATIVES AND THE SENATE HEALTH AND HUMAN SERVICES
32 COMMITTEES, OR THEIR SUCCESSOR COMMITTEES, THAT SUMMARIZES THE FINDINGS OF
33 THE REVIEW, IDENTIFIES AREAS OF DUPLICATION OR OVERLAP AND INCLUDES
34 RECOMMENDATIONS FOR STATUTORY, REGULATORY OR ADMINISTRATIVE CHANGES.