NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* 1st as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 30. BOARD OF TECHNICAL REGISTRATION

PREAMBLE

1. **Sections Affected** — **Rulemaking Action**
   R4-30-221 — Amend

2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
   Authorizing Statute: A.R.S. § 32-106(B)

   Implementing Statute: A.R.S. § 32-106(B)

3. **The effective date of the rules:**
   December 18, 1997

4. **A list of all previous notices appearing in the Register addressing the final rule:**
   Notice of Rulemaking Docket Opening: 3 A.A.R. 1221, May 2, 1997

   Notice of Proposed Rulemaking: 3 A.A.R. 1716, June 27, 1997

5. **The name and address of agency personnel with whom persons may communicate regarding the rule:**

Name:	LaVern Douglas
Address:	Board of Technical Registration 1951 West Camelback, Suite 250 Phoenix, Arizona 85015
Telephone:	(602) 255-4053
Fax:	(602) 255-4051

6. **An explanation of the rule, including the agency's reason for initiating the rule:**
   The rule lists the engineering branches recognized by the Board for purposes of review of experience, selection of examination to be administered, definition of areas of examination to be administered and definition of areas of demonstrated proficiency to be inscribed on the seal.

   As of October 1996, the National Council of Examiners for Engineering and Surveying has ceased offering the Aeronautical/Aerospace examination.

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
   Not applicable.

8. **The summary of the economic, small business, and consumer impact:**
   There is no anticipated impact from this change.

9. **A description of the changes between the proposed rules, including supplemental notices, and final rules:**
   Minor grammatical changes that do not affect the substance of the rule were made at the suggestion of the Governor's Regulatory Review Council staff.

10. **A summary of the principal comments and the agency response to them:**
    The Board received no comments on the rule.

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
    Not applicable

12. **Incorporations by reference and their location in the rules:**
    None

13. **Was this rule previously adopted as an emergency rule ?**
    No

14. **The full text of the rules follows:**

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 30. BOARD OF TECHNICAL REGISTRATION

ARTICLE 2. REGISTRATION PROVISIONS

Section
R4-30-221. Engineering Branches Recognized

ARTICLE 2. REGISTRATION PROVISIONS

R4-30-221 Engineering Branches Recognized

A. The Board shall recognize the branches of engineering described below for review of experience, selection of examination, definition of examination areas, and definition of demonstrated proficiency areas to be inscribed on the seal. The categories do not limit the areas of a registrant's practice of engineering. (See R4-30-301(A), (10), (11), and (12))
   ~~1. Aeronautical: Consultation, investigation, evaluation, planning, design, location, development, and review of construction for aircraft, space vehicles, aerodynamics, dynamics and control, propulsion and other related systems.~~
   ~~2.~~1. No change.
   ~~3.~~2. No change.
   ~~4.~~3. No change.
   ~~5.~~4. No change.
   ~~6.~~5. No change.
   ~~7.~~6. No change.
   ~~8.~~7. No change.
   ~~9.~~8. No change.
   ~~10.~~9. No change.
   ~~11.~~10.No change.
   ~~12.~~11.No change.
   ~~13.~~12.No change.
   ~~14.~~13.No change.
   ~~15.~~14.No change.
   ~~16.~~15.No change.
   ~~17.~~16.No change.

B. No change.

NOTICE OF FINAL RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) ADMINISTRATION

PREAMBLE

1. **Sections Affected**

Sections Affected	Rulemaking Action
R9-22-101	Repeal
R9-22-102	Repeal
R9-22-101	New Section
R9-22-102	New Section
R9-22-103	New Section
R9-22-105	New Section
R9-22-107	New Section
R9-22-108	New Section
R9-22-109	New Section
R9-22-110	New Section
R9-22-112	New Section

2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
   Authorizing statute: A.R.S. § 36-2901.01(H)

   Implementing statute: A.R.S. § 36-2901 establishes statutory definitions; this Section adds to those definitions.

3. **The effective date of the rules:**
   December 8, 1997

4. **A list of all previous notices appearing in the Register addressing the final rule:**
   Notice of Rulemaking Docket Opening: 3 A.A.R. 1741, June 27, 1997

   Notice of Proposed Rulemaking: 3 A.A.R. 2443, September 5, 1997

5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Cheri Tomlinson, Policy and Rules Administrator

Address: Arizona Health Care Cost Containment System
Office of Policy Analysis and Coordination
801 East Jefferson, MD #4200
Phoenix, Arizona 85034

Telephone: (602) 417-4198

Fax: (602) 256-6756

6. **An explanation of the rule, including the agency's reasons for initiating the rule:**

Changes are proposed to 9 A.A.C. 22, Article 1, Definitions, so that the AHCCCS acute care program definitions could be reevaluated at the same time the ALTCS definitions were reviewed. By running these 2 rule packages parallel to 1 another, the Administration can be certain that the definitions used by the agency are current and appropriate.

The structure of the Article has also been improved so that rule users can quickly locate terms by including an alphabetized index in R9-22-101 listing the Section/citation of each term. In addition, R9-22-101 includes a subsection with definitions of general terms used in the AHCCCS program. Other Sections within Article 1 include terms used primarily within other Articles of this Chapter. While A.R.S. § 36-2901 establishes statutory definitions used by the AHCCCS acute care program, the definitions in 9 A.A.C. 22, Article 1 provide users with a more extensive, clear, and user-friendly set of definitions.

The definitions in 9 A.A.C. 22, Article 1 can be divided into 4 types: definitions that stayed the same; definitions that were added; definitions that were deleted; or, definitions that were changed.

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.

8. **The summary of the economic, small business, and consumer impact:**

It is anticipated that the economic impact will be nominal because the proposed changes are nonsubstantive and are designed to provide clarity to the definitions used by the Administration in implementing the AHCCCS acute care program.

The primary beneficiaries of the increased clarity and conciseness of the rules include:

- AHCCCS contractors (including health plans that are governmental entities and private business entities);
- AHCCCS providers (including providers that could be considered large, for example, hospitals, or small business, for example, individual doctor's offices);
- AHCCCS members;
- Indian Health Services; and
- The Administration.

9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

The changes between the proposed rules and the final rules are minimal and include:

- Updated citations;
- Grammatical, verb tense, punctuation, and minor wording changes;
- Changed "medicare crossover" to "medicare claim" in R9-22-101(17);
- Changed the definition of "accommodation" in R9-22-107; and
- Added definitions of "MI/MN".

10. **A summary of the principal comments and the agency response to them:**

There were no formal public comments received.

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None.

12. **Incorporations by reference and their location in the rules:**

None.

13. **Was this rule previously adopted as an emergency rule?**

No

14. **The full text of the rules follows:**

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) - ADMINISTRATION

ARTICLE 1. DEFINITIONS

Section

R9-22-101.	~~Definitions~~ Repealed
R9-22-102.	~~Renumbered~~ Repealed
R9-22-101.	Location of Definitions
R9-22-102.	Scope of Services Related Definitions
R9-22-103.	Eligibility and Enrollment Related Definitions
R9-22-105.	General Provisions and Standards Related Definitions
R9-22-107.	Standard for Payments Related Definitions
R9-22-108.	Grievance and Appeal Process Related Definitions
R9-22-109.	Quality Control Review and Analysis Related Definitions
R9-22-110.	1st- and 3rd-Party Liability Related Definitions
R9-22-112.	Behavioral Health Services Related Definitions

ARTICLE 1. DEFINITIONS

R9-22-101. ~~Definitions~~ Repealed

~~In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:~~

1. ~~"Accommodation" means those bed and board services provided to a patient during a hospital stay and includes the cost of all staffing, supplies, and equipment. The accommodation is typically semi-private except when the member must be isolated for medical reasons. Other types of accommodation include hospital routine medical/surgical units, intensive care units, and any other specialty care unit where bed and board are provided. Accommodation does not include observation.~~
2. ~~"Acute mental health services" means inpatient or outpatient health services provided to treat mental or emotional disorders, as necessary for crisis stabilization, evaluation, and determination of future service needs.~~
3. ~~"AFDC" means Aid to Families with Dependent Children under Title IV-A of the Social Security Act, as amended.~~
4. ~~"Aggregate" means the combined amount of hospital payments for covered services provided within the service area. It also applies outside the service area.~~
5. ~~"AHCCCS" means the Arizona Health Care Cost Containment System which is composed of the Administration, contractors, and other arrangements through which health care services are provided to eligible persons.~~
6. ~~"AHCCCS disqualified dependent" means a dependent child residing in a household with an AHCCCS disqualified spouse.~~
7. ~~"AHCCCS disqualified spouse" means the spouse of an MI/MN or state emergency services applicant, who is ineligible for AHCCCS MI/MN or state emergency services benefits because the spouse's separate property, when combined with other resources owned by all household members, exceeds the allowable resource limit.~~
8. ~~"AHCCCS hearing officer" means a person designated by the Director to preside over administrative hearings regarding eligibility appeals and grievances.~~
9. ~~"AHCCCS inpatient hospital day(s) of care" means the period of time beginning with the day of admission and includes each day of an inpatient stay for an eligible person, including the day of death, but excluding the day of discharge, provided that all medical necessity and medical review requirements have been met.~~
10. ~~"Air ambulance" means a helicopter or fixed wing aircraft licensed under the Department of Health Services and A.R.S. Title 36, Chapter 21.1, as amended, to be used in the event of an emergency to transport eligible persons to obtain services.~~
11. ~~"Ambulance" means any motor vehicle licensed pursuant to the Department of Health Services and A.R.S. Title 36, Chapter 21.1, especially designed or constructed, equipped and intended to be used, maintained and operated for the transportation of eligible persons requiring ambulance services.~~
12. ~~"Ancillary department" means the department of a hospital that provides ancillary services and outpatient services, which are defined in the Medicare Provider Reimbursement Manual.~~
13. ~~"Appeal" means a review process initiated in accordance with Article 8.~~
14. ~~"Appellant" means any person or entity directly affected by an adverse action, policy, or decision who initiates an appeal process.~~
15. ~~"Applicant" means a person who submits, or on whose behalf is submitted, a written, signed, and dated application for AHCCCS eligibility, but not for whom an eligibility determination has not been completed.~~
16. ~~"Application" means an official request for AHCCCS benefits made in accordance with Article 3.~~
17. ~~"Assignment" means enrollment of an eligible person with a contractor by the AHCCCS Administration.~~
18. ~~"Billed charges" means charges that a hospital includes on a claim for providing hospital services to an eligible person consistent with the rates and charges filed by the hospital with the Department of Health Services.~~
19. ~~"Capital costs" means capital related costs which are defined in the Medicare Provider Reimbursement Manual, Chapter 28, such as building and fixtures, and movable equipment.~~
20. ~~"Capped fee-for-service" means the payment mechanism by which contractors, subcontractors, and other providers of care are reimbursed upon submission of valid claims for specific AHCCCS covered services and equipment provided to eligible persons. Payments will be made in accordance with an upper, or capped, limit of payment as established by the Director.~~
21. ~~"Case record" means the file and all documents contained therein which are used to establish eligibility.~~
22. ~~"Casualty insurance" means liability insurance coverage related to injury due to accidents or negligence.~~
23. ~~"Catastrophic coverage limitation" means the financial limit as determined by the Director, beyond which the contractor is not at risk to provide or make reimbursement for treatment of illness or injury to members which results from, or is greatly aggravated by, a catastrophic occurrence or disaster including, but not limited to, natural disaster or an act of war, declared or undeclared, which occurs subsequent to enrollment.~~
24. ~~"Categorically eligible" means those persons who are eligible as defined by A.R.S. § 36-2901(4)(b) or who are receiving Medicaid coverage from another state or territory.~~

25. ~~"Certification period" means the period of time for which a person is certified as eligible for AHCCCS benefits.~~
26. ~~"Clean claim" means 1 that can be processed without obtaining additional information from the provider of the service or from a 3rd party. It does not include a claim from a provider who is under investigation for fraud or abuse, or a claim under review for medical necessity.~~
27. ~~"Continuous stay" means the period of time during which a member receives inpatient hospital services without interruption beginning with the day of admission and ending with the day of discharge or death of the member.~~
28. ~~"Contract" means a written agreement entered into between a person, organization, or other entities and the Administration to provide health care services to members under the provisions of A.R.S. Title 36, Chapter 29, and these rules.~~
29. ~~"Contractor" means a person, organization, or entity agreeing through a direct (prime) contracting relationship with the Administration to provide those goods and services specified by contract in conformance with the requirements of such contract and these rules.~~
30. ~~"Contractor of record" means the organization or entity in which a member is enrolled for the provision of AHCCCS services.~~
31. ~~"Copayment" means a monetary amount, specified by the Director, which the member pays directly to a contractor or provider at the time covered services are rendered.~~
32. ~~"Cost-to-charge ratio" means a hospital's costs for providing covered services divided by the hospital's covered charges for the same services.~~
33. ~~"County eligibility worker" means a county employee designated to conduct eligibility interviews and determinations for AHCCCS.~~
34. ~~"Covered charges" means billed charges that represent necessary, reasonable, and customary items of expense for AHCCCS-covered services that meet medical review criteria of the Administration or contractor.~~
35. ~~"Covered services" means those health and medical services described in Article 2.~~
36. ~~"Current residence" means the current dwelling place of the family household whether it be a house, mobile home, trailer, hogan, tent, or any shelter used as a dwelling.~~
37. ~~"DRI inflation factor" means the Data Resources Inc., Health Care Financing Administration-type hospital input price index for prospective hospital reimbursement which is published by DRI/McGraw-Hill.~~
38. ~~"Date of application" means the date on which the county eligibility office receives a completed and signed Part I of the AHCCCS application form or receives official notification from a provider of emergency services as specified in Article 3.~~
39. ~~"Date of determination" means the date on which a decision of the applicant's eligibility or ineligibility as an indigent or medically needy person, as an eligible low-income child, or as a state emergency services person is communicated by the county to the applicant by a Notice of Action and, for eligible applicants, to the Administration as specified in R9-22-334.~~
40. ~~"Day" means a calendar day unless otherwise specified in the text.~~
41. ~~"Deemed date of application" means the 30th day following either the original date of application or a previously deemed date of application. A deemed date of application is established for an untimely application and, for an untimely application, the deemed date shall replace the original date of application in determining the household's assets and resources and determining the household's income.~~
42. ~~"Dependent child" means an unborn child or unemancipated person who is under the age of 18 or is age 18 if a full-time student in a secondary school, or in a vocational, technical, or trade school that is directly linked to the high school for which the student is receiving credits to be applied toward graduation and who is reasonably expected to complete the program before reaching age 19.~~
43. ~~"DES" means the Department of Economic Security.~~
44. ~~"Determination" means the process by which an applicant is approved for coverage as an indigent or medically needy person, an eligible low-income child, or a state emergency services person. Determination includes the decision by the county of an applicant's eligibility or ineligibility, the communication, for eligible applicants, of the decision by the county to the AHCCCSA Notification Unit, and the communication of the decision by the county to the applicant by a Notice of Action.~~
45. ~~"Diagnostic services" means those services provided for the purpose of determining the nature and cause of a condition, illness, or injury.~~
46. ~~"Disenrollment" means the discontinuance of a member's entitlement to receive covered services from a specific AHCCCS contractor, and the member's name being deleted from the approved list of members furnished by the Administration to the contractor.~~
47. ~~"Disqualified household member" means a person who is ineligible for indigent, medically needy, eligible low-income child, or state emergency services coverage due to a refusal to cooperate with the Title XIX eligibility process as required by state law.~~
48. ~~"Eligible assistance children" means those children defined by A.R.S. § 36-2905.03(B).~~
49. ~~"Eligible low-income children" means those defined by A.R.S. § 36-2905.03(C) and (D).~~
50. ~~"Emancipated minor" means a person under age 18 who is married or divorced or in military service, or the subject of a court order declaring the minor to be emancipated (also see "Expressed emancipated minor").~~
51. ~~"Emergency ambulance service" means:~~
    a. ~~Emergency transportation by a licensed ambulance or air ambulance company or persons requiring emergency medical services.~~
    b. ~~Emergency medical services which are provided before, during, or after such transportation by a certified ambulance operator or attendant.~~
52. ~~"Emergency medical condition" means a medical condition (including emergency labor and delivery) manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:~~
    a. ~~Placing the patient's health in serious jeopardy;~~
    b. ~~Serious impairment to bodily functions; or~~
    c. ~~Serious dysfunction of any bodily organ or part.~~

53. ~~"Emergency medical services" means services provided after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that the absence of immediate medical attention could reasonably be expected to result in:~~
    a. ~~Placing the patient's health in serious jeopardy;~~
    b. ~~Serious impairment to bodily functions; or~~
    c. ~~Serious dysfunction of any bodily organ or part.~~
54. ~~"Encounter" means a record, submitted by a contractor and processed by AHCCCS, of medically related service or services that are rendered by a provider registered with AHCCCS to a member who is enrolled with the contractor on the date of service, and for which the contractor incurs any financial liability.~~
55. ~~"Enrollment" means the process by which a person who has been determined eligible becomes a member of a contractor's plan under AHCCCS, pursuant to the limitations specified in these rules.~~
56. ~~"E.P.S.D.T. services" means early and periodic screening, diagnosis, and treatment services for eligible persons under 21 years of age. For the purpose of these rules, the following meanings shall apply:~~
    a. ~~"Early" means, in the case of a family already enrolled in AHCCCS, as early as possible in the child's life or, in other cases, as soon as a family's eligibility for AHCCCS has been established.~~
    b. ~~"Periodic" means at appropriate intervals established by the Administration for screening to assure that a condition, illness, or injury is not incipient or present.~~
    c. ~~"Screening" means the use of quick, simple procedures carried out among large groups of people to sort out apparently well persons from those who may have a condition, illness, or injury and the identification of those in need of more definitive study. For the purposes of the AHCCCS program, screening and diagnosis are not synonymous.~~
    d. ~~"Diagnosis" means the determination of the nature or cause of a condition, illness, or injury through the combined use of health history, physical, developmental and psychological examination, laboratory tests, and X-rays.~~
    e. ~~"Treatment" means any type of health care or services recognized under the state Plan submitted pursuant to Title XIX of the Social Security Act to prevent or ameliorate a condition, illness, or injury or prevent or correct abnormalities detected by screening or diagnostic procedures.~~
57. ~~"Equity" means the full cash or market value of a resource minus valid liens or encumbrances.~~
58. ~~"Expressed emancipated minor" means a child whose parent or parents has or have signed a notarized affidavit indicating that the child is no longer under parental support and control, and that the parent or parents has or have surrendered claim to state and federal tax dependency deductions provided that the child is not living with a specified relative acting as a legal or de facto guardian and a court has not ordered custody with another person or agency.~~
59. ~~"Facility" means any premise owned, leased, used, or operated directly or indirectly by or for a contractor or its affiliates for purposes related to a contract, or maintained by a provider to provide services on behalf of a contractor.~~
60. ~~"Factor" means an organization, collection agency, service bureau, or individual who advances money to a provider for his or her accounts receivable which the provider has assigned, sold, or otherwise transferred, including transfer through the use of a power of attorney, to the organization or individual. The organization or individual receives an added fee or a deduction of a portion of the face value of the accounts receivable in return for the advanced money. For purposes of this paragraph, the term "factor" does not include business representatives, such as billing agents or accounting firms as described within these rules, or health care institutions.~~
61. ~~"Fair consideration" means money, goods, or services which can be valued in terms of money that was received in exchange for property or resources transferred, and that has a value equal to at least 80% of the property or resources transferred.~~
62. ~~"Federal emergency services" means emergency medical services covered under 42 CFR 440.255, March 14, 1991, as described herein and on file with the Office of the Secretary of State, to treat an emergency medical condition for a person who is determined eligible pursuant to 42 CFR 435.406(b) and (c), March 14, 1991, as described herein and on file with the Office of the Secretary of State.~~
63. ~~"Full cash value" means the current value on homes and other real properties as determined by the County Assessor's Office for the county in which the real property is located.~~
64. ~~"Generic drug" means the chemical or generic name, as determined by the United States Adopted Names Council (U.S.A.N.C.) and accepted by the federal Food and Drug Administration (FDA), of those drug products having the same active ingredients as prescribed brand name drugs.~~
65. ~~"Grievance" means a complaint arising from an adverse action, decision, or policy by a contractor, subcontractor, noncontracting provider, nonprovider, county, or the Administration, presented by a person or entity as specified by Article 8.~~
66. ~~"Gross business receipts" means the total cash received from the business activity.~~
67. ~~"Gross earnings from employment" means the total payment received by an employee from an employer in exchange for goods or services.~~
68. ~~"Head of household" means the family household member who assumes the responsibility for providing AHCCCS eligibility information for the family household members in accordance with Article 3 of these rules.~~
69. ~~"Hearing aid" means any wearable instrument or device designed for, or represented as aiding or compensating for impaired or defective human hearing, and any parts, attachments, or accessories of such instrument or device.~~
70. ~~"High risk pregnancy" means a pregnancy in which the mother, fetus, or newborn is or will be at increased risk for morbidity or mortality before or after delivery.~~
71. ~~"Hospital" means a health care institution that is licensed as a hospital by the Department of Health Services under A.R.S. Title 36, Chapter 4, Article 2, and certified as a provider under Title XVIII of the Social Security Act, as amended, or is currently determined to meet the requirements of certification.~~
72. ~~"ICU" means the intensive care unit of a hospital.~~

73. ~~"Incapacitated person" means any person who is mentally or physically impaired to the extent that he or she is unable to make or communicate responsible decisions concerning his or her person.~~
74. ~~"Income in kind" means any non-cash item or service received by an individual from a person or organization.~~
75. ~~"Indigent" means persons meeting income and resource criteria pursuant to A.R.S. § 11-297.~~
76. ~~"Inmate of a public institution" means a person defined by 42 CFR 435.1009, May 20, 1991, as described herein and on file with the Office of the Secretary of State.~~
77. ~~"Interim change" means either a change occurring after the date of application and before the eligibility decision or a change occurring during the certification period.~~
78. ~~"Legal guardian, conservator, executor, or public fiduciary" means a person appointed by a court or other protective order to be in charge of the affairs of a minor or incapacitated person.~~
79. ~~"Legend drugs" means those drugs which under federal or state law or regulations may be dispensed only by prescription.~~
80. ~~"Liquid assets" means all property and resources readily convertible to cash excluding a house or vehicle owned by a family household member.~~
81. ~~"Medicare crossover" means a claim for services covered by Medicare for an eligible person with Medicare coverage.~~
82. ~~"Medical education costs" means direct hospital costs for intern and resident salaries, fringes, and program costs, nursing school education, and paramedical education, which is defined in the Medicare Provider Reimbursement Manual, Chapter 28.~~
83. ~~"Medical equipment" means durable items and appliances that can withstand repeated use, are designed primarily to serve a medical purpose, and are not generally useful to a person in the absence of a medical condition, illness, or injury. This definition includes, but is not limited to, such items as bedpans, hospital beds, wheelchairs, crutches, trapeze bars, and oxygen equipment.~~
84. ~~"Medical record" means a single, complete record kept at the site of the eligible person's primary care physician which documents the medical services received by the eligible person, including inpatient discharge summary, outpatient, and emergency care.~~
85. ~~"Medical review" means a review involving clinical judgment of a claim or a request for a service before or after it is paid or rendered to ensure that services provided to eligible persons are medically necessary and are covered services and that required authorizations are obtained by the provider before and while the service is rendered. The criteria for medical review are established by the Administration or contractor based on medical practice standards that are updated periodically to reflect changes in medical care.~~
86. ~~"Medical services" means services pertaining to medical care that are performed at the direction of a physician, on behalf of eligible persons by physicians, dentists, nurses, or other health related professional and technical personnel.~~
87. ~~"Medical supplies" means consumable items which are designed specifically to meet a medical purpose.~~
88. ~~"Medically necessary" means those covered services provided by a physician or other licensed practitioner of the healing arts within the scope of their practice under state law to:~~
    a. ~~Prevent disease, disability, and other adverse health conditions or their progression, or~~
    b. ~~Prolong life.~~
89. ~~"Medically necessary dentures" means partial or full dentures and services that are determined to be the primary treatment of choice or an essential part of an overall treatment plan designed to alleviate a medical condition as determined by the primary care provider in consultation with the provider dentist.~~
90. ~~"Medically necessary sterilization" means sterilization to:~~
    a. ~~Prevent progression of disease, disability, or adverse health conditions;~~
    b. ~~Prolong life and promote physical health. Sterilization for family planning is not included.~~
91. ~~"Minor" means an unemancipated person who is under age 18.~~
92. ~~"New hospital" means any hospital for which Medicare Cost Report data and claim and encounter data are not available for hospital rate development from any owner or operator of the hospital, during either the initial prospective rate year or rebasing.~~
93. ~~"NICU" means the neonatal intensive care unit of a hospital that has been classified as a Level II or Level III perinatal center by the Arizona Perinatal Trust.~~
94. ~~"Noncontracting provider" means a provider who has a contract or subcontract with the system and renders covered services to an eligible person for whom such provider bears no contractual obligation.~~
95. ~~"Nursing facility (NF)" means an institution (or distinct part of an institution) defined by Section 1919(a) of the Social Security Act, October 1, 1990, as described herein and on file with the Office of the Secretary of State.~~
96. ~~"Open enrollment" means a period of time during which all currently enrolled members may select membership with another AHCCCS contractor when such choice is available.~~
97. ~~"Operating costs" means allowable accommodation and ancillary department hospital costs excluding capital and medical education costs.~~
98. ~~"Outlier" means a hospital claim or encounter in which the AHCCCS inpatient hospital days of care have operating costs per day that meet the criteria described in R9-22-712(A)(6).~~
99. ~~"Outpatient health services" means those preventive, diagnostic, rehabilitative, or palliative items or services which are ordinarily provided in hospitals, clinics, physicians' offices, and rural clinics, by licensed health care providers by, or under the direction of a physician or practitioner, to an outpatient.~~
100. ~~"Outpatient hospital service" means a service provided in an outpatient hospital setting that does not result in an admission.~~
101. ~~"Ownership change" means a change in a hospital's owner, lessor, or operator which is defined in 42 CFR 489.18(A).~~
102. ~~"Palliative services" means those services required to reduce the severity or relieve the symptoms of a condition, illness, or injury.~~
103. ~~"Peer group" means hospitals that share a common, stable, and independently definable characteristic or feature which significantly influences the cost of providing hospital services.~~

~~104. "Pharmaceutical services" means medically necessary drugs prescribed by a primary care physician, a practitioner, or other physician or dentist upon referral by a primary care physician and dispensed in accordance with these rules.~~

~~105. "Pharmacist" means a person licensed as a pharmacist under A.R.S. Title 32, Chapter 18.~~

~~106. "Pharmacy" means an establishment where prescription orders are compounded and dispensed by, or under the direct supervision of, a licensed pharmacist and which is registered pursuant to A.R.S. Title 32, Chapter 18.~~

~~107. "Physicians' Current Procedural Terminology" (CPT) means the manual published and updated by the American Medical Association, which is a nationally accepted listing of descriptive terms and identifying codes for reporting medical services and procedures performed by physicians and provides a uniform language that will accurately designate medical, surgical, and diagnostic services.~~

~~108. "Physician services" means services provided within the scope of practice of medicine or osteopathy as defined by state law or by or under the personal supervision of an individual licensed under state law to practice medicine or osteopathy.~~

~~109. "Practitioner" means physicians' assistants and registered nurse practitioners who are certified and practicing in an appropriate affiliation with a primary care physician as authorized by law.~~

~~110. "Prepayment" means an arrangement in which a contractor agrees to provide health care services for a prospective, predetermined, periodic, fixed subscription premium.~~

~~111. "Prescription" means an order to a provider for covered services, which is signed or transmitted by a provider authorized to prescribe or order such services.~~

~~112. "Preventive health care" means those health care activities aimed at protection against, and early detection and minimization of, disease or disability.~~

~~113. "Prior authorization" means the process by which the Administration or contractor, whichever is applicable, authorizes in advance the delivery of covered services contingent on their medical necessity.~~

~~114. "Prospective rates" means inpatient or outpatient hospital rates defined in advance of a payment period and representing full payment for covered services excluding any quick pay discounts, slow pay penalties, non categorical discounts, and 3rd party payments regardless of billed charges or individual hospital costs.~~

~~115. "Prospective rate year" means the period from October 1 of each year to September 30 of the following year, except for the initial prospective rate year which is between March 1, 1993, and September 30, 1994.~~

~~116. "Public assistance" means benefits provided to a person either directly or indirectly by a city, county, federal, or state governmental agency based on financial needs.~~

~~117. "Quality management" means a methodology used by professional health personnel that assesses the degree of conformance to desired medical standards and practices; and activities designed to improve and maintain quality service and care, performed through a formal program with involvement of multiple organizational components and committees.~~

~~118. "Radiological services" means professional and technical x-ray and radioisotope services ordered by a physician or other licensed health professional for diagnosis, prevention, treatment, or assessment of a medical condition. Radiological services include portable x-ray, radioisotope, medical imaging, and radiation oncology.~~

~~119. "Rebasing" means the process by which new Medicare Cost Report data and AHCCCS claim and encounter data are collected and analyzed to reset periodically the inpatient hospital tiered per diem rates or the outpatient hospital cost-to-charge ratios.~~

~~120. "Referral" means the process whereby an eligible person is directed by a primary care physician to another appropriate provider or resource for diagnosis or treatment.~~

~~121. "Redetermination" means the process by which an AHCCCS member re-applies for a new eligibility certification period prior to the expiration of the current certification period.~~

~~122. "Refusal to cooperate" means that a person has refused to be interviewed by or has failed to provide information or available verification to county or DES eligibility staff or an eligibility quality control reviewer, or has refused to sign the Intent to Cooperate Form, or has failed to keep a scheduled appointment without providing a reasonable explanation, or has voluntarily withdrawn from the application for federal benefits when such an application is required by state law.~~

~~123. "Rehabilitation services" means physical and respiratory therapy, audiology services, and other restorative services and items, excluding outpatient speech and occupational therapy and hearing aids for eligible persons 21 years and older, required to reduce physical disability and restore the eligible person to an optimal functional level.~~

~~124. "Residual services" means all services not covered by AHCCCS that were available to county eligible individuals through county indigent medical care programs on January 1, 1981.~~

~~125. "Retroactive coverage for medically needy, medically indigent, eligible low income children, or state emergency services persons" means the 2 day period prior to the date of determination during which AHCCCS is responsible for payment of emergency services which are not used to meet the household's spenddown liability.~~

~~126. "Same day admit/discharge (SDAD)" means a hospital stay with the admit and discharge occurring on the same calendar day.~~

~~127. "Scope of services" means those covered, limited, and excluded services set forth in Article 2 of these rules.~~

~~128. "Separate property" means real and personal property of a spouse, owned by such spouse before the marriage, or acquired by gift, devise, or descent after the marriage.~~

~~129. "Service area" means the geographical area designated by the Administration within which a contractor shall provide, directly or through subcontract, covered health care services to members.~~

~~130. "Service location" means any location at which a member obtains any health care service provided by the contractor under the terms of a contract.~~

~~131. "Service site" means the location designated by the contractor at which members shall receive services from a primary care physician.~~

~~132. "Sick newborn" means an infant who is hospitalized from the date of birth and who meets 1 or more of the following:~~

~~a. Had a birth weight less than 1500 grams; or~~

~~b. Has a deteriorating or unstabilized condition requiring admission within 72 hours of birth to a level III perinatal care center, as defined by the Arizona Perinatal Trust, Recommendations and Guidelines for Perinatal Care Centers in Arizona, 1987, as described herein and on file with the Office of the Secretary of State; copies also are available at the central office of the AHCCCS Administration; or~~

~~c. Has respiratory distress syndrome requiring ventilator support; or~~

~~d. Has significant medical problems requiring care for more than 72 hours in a level II or level III perinatal care center, as defined by the Arizona Perinatal Trust, Recommendations and Guidelines for Perinatal Care Centers in Arizona, 1987, as described herein and on file with the Office of the Secretary of State; copies also are available at the central office of the AHCCCS Administration.~~

~~133. "S.O.B.R.A." means Section 9401 of the Sixth Omnibus Budget Reconciliation Act, 1986, as amended by the Medicare Catastrophic Coverage Act of 1988, 42 U.S.C. 1396a(a)(10)(A)(ii)(IX), July 1, 1988, as described herein and on file with the Office of the Secretary of State.~~

~~134. "Specialist" means a Board eligible or certified physician who declares himself or herself as such and practices a specific medical specialty.~~

~~135. "Social Security Administration (SSA)" means an agency of the federal government responsible for administering certain titles of the Social Security Act, as amended.~~

~~136. "Specified relative" means a nonparent caretaker of a dependent child who is a grandmother, grandfather, sister, brother, stepmother, stepfather, aunt, uncle, 1st cousin, niece, nephew, or person of preceding generations. A specified relative must be 18 or over to apply on behalf of a dependent child, unless awarded custody by a court.~~

~~137. "Spend down" means the dollar value of incurred medical expenses that the family household must have in order to bring their net annual income within the eligibility income limit.~~

~~138. "Spouse" means the husband or wife of an AHCCCS applicant or household member, who has entered into a contract of marriage, recognized as valid by the state of Arizona.~~

~~139. "State emergency services" means emergency medical services to treat an emergency medical condition, which services are covered under R9-22-217 for a person who is determined eligible pursuant to A.R.S. § 36-2905.05.~~

~~140. "Subcontract" means an agreement entered into by a contractor with any of the following:~~

~~a. A provider of health care services who agrees to furnish covered services to members.~~

~~b. A marketing organization.~~

~~c. Any other organization or person who agrees to perform any administrative function or service for the contractor specifically related to securing or fulfilling the contractor's obligations to the Administration under the terms of a contract.~~

~~141. "SSI" means Supplemental Security Income under Title XVI of the Social Security Act, as amended.~~

~~142. "Third party" means any individual, entity, or program that is or may be liable to pay all or part of the medical cost of injury, disease, or disability of an AHCCCS applicant or member.~~

~~143. "Tier" means a grouping of inpatient hospital services into levels of care based on diagnosis, procedure or revenue codes, peer group, or NICU classification level, or any combination of these items.~~

~~144. "Tiered per diem" means a payment structure in which payment is made on a per day basis depending upon the tier into which an AHCCCS inpatient hospital day of care is assigned.~~

~~145. "Third party liability" means the resources available from a person or entity that is or may be, by agreement, circumstance or otherwise, liable to pay all or part of the medical expenses incurred by an AHCCCS applicant or eligible person.~~

~~146. "Total inpatient hospital days" means the total number of days, including all hospital subprovider and nursery days from the Medicare Cost Report for all payors. Observation days and swing bed days are not included.~~

~~147. "Untimely application" means an MI/MN application for which the date of determination is later than the 30th day following the date of application or, if the head of the household has agreed in writing to an extension, later than the 60th day following the date of application. For MI/MN S.O.B.R.A. dual applications, when the completed application has been submitted to DES within 30 days after the date of application but DES has not determined S.O.B.R.A. eligibility within 30 days after the date of application, the application for those household members for whom S.O.B.R.A. eligibility is being determined is not an untimely application if the date of determination is not later than the 10th working day after a determination of S.O.B.R.A. eligibility has been made by DES or the 20th working day after the application was forwarded to DES, whichever is earlier.~~

~~148. "Utilization control" means the overall accountability program encompassing quality management and utilization review.~~

~~149. "Utilization review" means a methodology used by professional health personnel that assesses the medical indications, appropriateness, and efficiency of care provided.~~

~~150. "Work-related expenses" means non-reimbursed expenses related to employment for travel, meals, lodging, uniforms, licenses for employment, union dues, tools, or material required for employment.~~

R9-22-101. Location of Definitions.

A. Location of definitions. Definitions applicable to Chapter 22 are found in the following:

Definition	Section or Citation
1. "1st-party liability"	R9-22-110
2. "3rd party"	R9-22-110
3. "3rd-party liability"	R9-22-110
4. "Accommodation"	R9-22-107
5. "Acute mental health services"	R9-22-112
6. "AFDC"	R9-22-101
7. "Aggregate"	R9-22-107
8. "AHCCCS"	R9-22-101
Definition	Section or Citation
9. "AHCCCS-disqualified dependent"	R9-22-103
10. "AHCCCS-disqualified spouse"	R9-22-103
11. "AHCCCS hearing officer"	R9-22-108
12. "AHCCCS-inpatient hospital day or days of care"	R9-22-107
13. "Ambulance"	R9-22-102

14.	"Ancillary department"	R9-22-107
15.	"Appeal"	R9-22-108
16.	"Applicant"	R9-22-101
17.	"Application"	R9-22-101
18.	"Assignment"	R9-22-101
19.	"Billed charges"	R9-22-107
20.	"Capital costs"	R9-22-107
21.	"Capped fee-for-service"	R9-22-101
22.	"Case record"	R9-22-103
23.	"Categorically eligible"	A.R.S. § 36-2901(4)(b)
24.	"Certification error"	A.R.S. § 36-2905.01
25.	"Certification period"	R9-22-103
26.	"Clean claim"	A.R.S. § 36-2904
27.	"Contract"	R9-22-101
28.	"Contractor"	R9-22-101
29.	"Contractor of record"	R9-22-101
30.	"Copayment"	R9-22-107
31.	"Cost-to-charge ratio"	R9-22-107
32.	"County eligibility worker"	R9-22-103
33.	"Covered charges"	R9-22-107
34.	"Covered services"	R9-22-102
35.	"CPT"	R9-22-107
36.	"Date of application"	R9-22-103
37.	"Date of determination"	R9-22-103
38.	"Day"	R9-22-101
39.	"Deemed date of application"	R9-22-103
40.	"Dentures"	R9-22-102
41.	"Dependent child"	R9-22-103
42.	"DES"	R9-22-103
43.	"Determination"	R9-22-103
44.	"Diagnostic services"	R9-22-102
45.	"Disenrollment"	R9-22-103
46.	"Disqualified household member"	R9-22-103
47.	"DME"	R9-22-102
48.	"DRI inflation factor"	R9-22-107
49.	"Eligible assistance children"	A.R.S. § 36-2905.03(B)
50.	"Eligible low income children" and (D)	A.R.S. § 36-2905.03(C)
51.	"Eligible person"	A.R.S. § 36-2901(4)
52.	"Emancipated minor"	R9-22-103
53.	"Emergency medical condition"	42 U.S.C. 1396b(v)
54.	"Emergency medical services"	R9-22-102
55.	"Encounter"	R9-22-107
56.	"Enrollment"	R9-22-103
57.	"E.P.S.D.T. services"	R9-22-102
58.	"Equity"	R9-22-103
59.	"Expressed emancipated minor"	R9-22-103
60.	"Facility"	R9-22-101
61.	"Factor"	R9-22-101
62.	"Fair consideration"	R9-22-103
63.	"Federal emergency services program"	R9-22-101
64.	"Full cash value"	R9-22-103
65.	"Grievance"	R9-22-108
66.	"Gross earnings from employment"	R9-22-103
67.	"GSA"	R9-22-101
68.	"Guardian"	R9-22-103
69.	"Head of household"	R9-22-103
70.	"Hearing aid"	R9-22-102
Definition		Section or Citation
71.	"Home health services"	R9-22-102
72.	"Hospital"	R9-22-101
73.	"ICU"	R9-22-107
74.	"Incapacitated person"	R9-22-103
75.	"Income in kind"	R9-22-103
76.	"Indigent"	A.R.S. § 11-297
77.	"Inmate of a public institution"	42 CFR 435.1009
78.	"Interim change"	R9-22-103
79.	"License or licensure"	R9-22-101
80.	"Liquid assets"	R9-22-103
81.	"Medical education costs"	R9-22-107
82.	"Medical record"	R9-22-101
83.	"Medical review"	R9-22-107
84.	"Medical services"	R9-22-101
85.	"Medical supplies"	R9-22-102
86.	"Medically necessary"	R9-22-101
87.	"Medicare claim"	R9-22-107
88.	"Medicare HMO"	R9-22-101
89.	"MI/MN"	A.R.S. § 36-2901(4)(a) and (c)
90.	"Minor"	R9-22-103
91.	"New hospital"	R9-22-107
92.	"NF"	42 U.S.C. 1396r(a)
93.	"NICU"	R9-22-107
94.	"Noncontracting provider"	A.R.S. § 36-2931
95.	"Occupational therapy"	R9-22-102
96.	"Open enrollment"	R9-22-103
97.	"Operating costs"	R9-22-107
98.	"Outlier"	R9-22-107
99.	"Outpatient hospital service"	R9-22-107
100.	"Ownership change"	R9-22-107
101.	"Peer group"	R9-22-107
102.	"Pharmaceutical service"	R9-22-102
103.	"Physical therapy"	R9-22-102
104.	"Physician"	R9-22-102
105.	"Practitioner"	R9-22-102
106.	"Prescription"	R9-22-102
107.	"Primary care provider"	R9-22-102
108.	"Primary care provider services"	R9-22-102
109.	"Prior authorization"	R9-22-102
110.	"Private duty nursing services"	R9-22-102
111.	"Prospective rates"	R9-22-107
112.	"Prospective rate year"	R9-22-107
113.	"Public assistance"	R9-22-103
114.	"Quality management"	R9-22-105
115.	"Radiology services"	R9-22-102
116.	"Rebasing"	R9-22-107
117.	"Redetermination"	R9-22-103
118.	"Referral"	R9-22-101
119.	"Refusal to cooperate"	R9-22-103
120.	"Rehabilitation services"	R9-22-102
121.	"Reinsurance".	R9-22-107
122.	"RFP"	R9-22-105
123.	"Respiratory therapy"	R9-22-102
124.	"Scope of services"	R9-22-102
125.	"SDAD"	R9-22-107
126.	"Separate property"	R9-22-103
127.	"Service location"	R9-22-101
128.	"Service site"	R9-22-101
129.	"S.O.B.R.A."	R9-22-103
130.	"Specialist"	R9-22-102
131.	"Specified relative"	R9-22-103
132.	"Speech therapy"	R9-22-102
133.	"Spend down"	R9-22-103
134.	"Spouse"	R9-22-103
Definition		Section or Citation
135.	"SSA"	P.L. 103-296, Title I
136.	"SSI"	R9-22-103
137.	"State emergency services program"	R9-22-101
138.	"Sterilization"	R9-22-102
139.	"Subcontract"	R9-22-101
140.	"Tier"	R9-22-107

141. "Tiered per diem" R9-22-107
142. "Total inpatient hospital days" R9-22-107
143. "Untimely application" R9-22-103
144. "Utilization management" R9-22-105
145. "Work-related expenses" R9-22-103

B. General definitions. In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "AFDC" means Aid to Families with Dependent Children under Title IV-A of the Social Security Act, as amended.
2. "AHCCCS" means the Arizona Health Care Cost Containment System, which is composed of the Administration, contractors, and other arrangements through which health care services are provided to an eligible person or member.
3. "Applicant" means a person who submits, or on whose behalf is submitted, a written, signed, and dated application for AHCCCS benefits which has been either completed or denied.
4. "Application" means an official request for AHCCCS benefits made in accordance with Article 3.
5. "Assignment" means enrollment of an eligible person with a contractor by the AHCCCS Administration.
6. "Capped fee-for-service" means the payment mechanism by which providers of care are reimbursed upon submission of valid claims for specific AHCCCS covered services and equipment provided to eligible persons. Payments are made in accordance with an upper, or capped, limit as established by the Director.
7. "Continuous stay" means the period of time during which an eligible person or member receives inpatient hospital services without interruption beginning with the day of admission, and ending with the day of discharge or date of death.
8. "Contract" means a written agreement entered into between a person, organization, or other entity and the Administration to provide health care services to members under the provisions of A.R.S. Title 36, Chapter 29, and these rules.
9. "Contractor" means a person, organization, or entity that agrees through a direct contracting relationship with the Administration to provide goods and services specified by the contract in conformance with the requirements of the contract and these rules.
10. "Contractor of record" means the organization or entity in which a member is enrolled for the provision of AHCCCS services.
11. "Day" means a calendar day unless otherwise specified in the text.
12. "Eligible person" has the meaning in A.R.S. § 36-2901(4).
13. "Facility" means a building or portion of a building licensed or certified by the Arizona Department of Health Services as a health care institution, according to A.R.S. Title 36, Chapter 4, to provide medical services, nursing services, or other health care or health-related services.
14. "Factor" means an organization, collection agency, service bureau, or individual who advances money to a provider for accounts receivable that the provider assigns, sells, or otherwise transfers, including transfers through the use of a power of attorney, to the organization, collection agency, service bureau, or individual which receives an added fee or a deduction of a portion of the face value of the accounts receivable in return for the advanced money. The term "factor" does not include business representatives, such as billing agents or accounting firms as described within these rules, or health care institutions.
15. "Federal emergency services program" means a program designed to provide emergency medical services covered under 42 U.S.C. 1396b(v), to treat an emergency medical condition for a categorically eligible person who is determined eligible according to A.R.S. § 36-2903.03.
16. "GSA" means a geographical service area designated by the Administration within which a contractor of record provides, directly or through subcontract, covered health care services to members enrolled with that contractor of record.
17. "Hospital" means a health care institution that is licensed as a hospital by the Arizona Department of Health Services under A.R.S. Title 36, Chapter 4, Article 2, and certified as a provider under Title XVIII of the Social Security Act, as amended, or is currently determined to meet the requirements of certification.
18. "Indigent" means meeting income and resource criteria according to A.R.S. § 11-297.
19. "Inmate of a public institution" means a person defined by 42 CFR 435.1009.
20. "License" or "licensure" means a nontransferable authorization that is based on established standards in law, is issued by a state or county regulatory agency or board, and allows a health care provider to render a health care service lawfully.
21. "Medical record" means all documents that [illegible] medical and behavioral health services provid[illegible] eligible person or member and that are kept at the [illegible] of the provider.
22. "Medical services" means health care services provided to an eligible person or member by a physician, practitioner, dentist, or by health professionals and technical personnel under the direction of a physician, practitioner, or dentist.
23. "Medically necessary" means covered services provided by and within the scope of practice under state law of a physician or other licensed practitioner of the healing arts to:
    a. Prevent disease, disability, and other adverse health conditions or their progression, or
    b. Prolong life.
24. "Medicare HMO" means a health maintenance organization that has a current contract with the Health Care Financing Administration (HCFA) for participation in the Medicare program according to 42 CFR 417(L).
25. "MI/MN" means medically indigent and medically needy as defined A.R.S § 36-2901(4)(a) and (c).
26. "Noncontracting provider" has the meaning in A.R.S. § 36-2931.
27. "NF" means nursing facility as is defined in 42 U.S.C. 1396r(a).
28. "Referral" means the process by which an eligible person or member is directed by a primary care provider or attending physician to another appropriate provider or resource for diagnosis or treatment.
29. "Service location" means any location at which a member obtains any health care service provided by the contractor of record under the terms of a contract.

30. "Service site" means a location designated by the contractor of record as the location at which a member is to receive health care services.
31. "State emergency services program" means a program designed to provide emergency medical services identified as covered under A.A.C. R9-22-217 to treat an emergency medical condition for a person who is determined eligible according to A.R.S. § 36-2905.05.
32. "Subcontract" means an agreement entered into by a contractor with any of the following:
    a. A provider of health care services who agrees to furnish covered services to members;
    b. A marketing organization; and
    c. Any other organization or person who agrees to perform any administrative function or service for the contractor specifically related to securing or fulfilling the contractor's obligations to the Administration under the terms of a contract.

R9-22-102. Scope of Services Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "Ambulance" means a medical transport vehicle that is registered by and part of an ambulance service licensed by the Arizona Department of Health Services according to A.R.S. Title 36, Chapter 21.1, and A.A.C. Title 9, Chapter 13; and includes ground, air, and water ambulances that are staffed and equipped as a basic life support (BLS) vehicle or an advanced life support (ALS) vehicle. Ambulances may be used to provide:
    a. Emergency transportation for eligible persons or members requiring emergency medical services; or
    b. Medically necessary transportation from 1 medical facility to another; and
    c. Any necessary emergency medical services that a certified emergency medical technician (EMT), an Intermediate EMT or paramedic, a registered nurse or a physician assistant, provides before, during, or after transportation.
2. "Covered services" means the health and medical services described in Articles 2 and 12.
3. "Dentures" means a partial or complete set of artificial teeth and services that are determined to be medically necessary, and the primary treatment of choice, or an essential part of an overall treatment plan, designed to alleviate a medical condition as determined by the primary care provider in consultation with the dental service provider.
4. "Diagnostic services" means services provided for the purpose of determining the nature and cause of a condition, illness, or injury.
5. "DME" means durable medical equipment, which is an item or appliance that can withstand repeated use, is designed to serve a medical purpose, and is not generally useful to a person in the absence of a medical condition, illness, or injury.
6. "Emergency medical condition" has meaning in 42 U.S.C. 1396b(v).
7. "Emergency medical services" means services provided after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) that the absence of immediate medical attention could reasonably be expected to result in:
    a. Placing the patient's health in serious jeopardy;
    b. Serious impairment to bodily functions; or
    c. Serious dysfunction of any bodily organ or part.
8. "E.P.S.D.T. services" means early and periodic screening, diagnosis, and treatment services for eligible persons or members less than 21 years of age. For the purpose of these rules:
    a. "Early" means, in the case of an eligible person less than 21 years of age, as early as possible in the person's life or, in other cases, as soon as the person becomes eligible;
    b. "Periodic" means at appropriate intervals established by the Administration for screening to ensure that a condition, illness, or injury is not incipient or present;
    c. "Screening" means the use of quick, simple procedures carried out among large groups of people to distinguish apparently well persons from those who may have a condition, illness, or injury and the identification of those in need of more definitive study. For the purposes of AHCCCS, screening and diagnosis are not synonymous;
    d. "Diagnosis" means the determination of the nature or cause of a condition, illness, or injury through the combined use of health history, physical, developmental and psychological examination, laboratory tests, X-rays; and
    e. "Treatment" means any type of health care or service recognized under the state Plan submitted according to Title XIX of the Social Security Act to prevent or ameliorate a condition, illness, or injury or prevent or correct abnormalities detected by screening or diagnostic procedures.
9. "Hearing aid" means a wearable instrument or device designed for, or represented as aiding or compensating for impaired or defective human hearing, and any parts, attachments, or accessories of the instrument or device.
10. "Home health services" means the services that are provided by a home health agency that coordinates in-home intermittent services for curative, habilitative care. This includes home-health aide services, licensed nurse services, and medical supplies, equipment, and appliances.
11. "Medical supplies" means consumable items that are designed specifically to meet a medical purpose.
12. "Occupational therapy" means the medically prescribed treatment provided by or under the supervision of a licensed occupational therapist, to restore or improve an individual's ability to perform tasks required for independent functioning.
13. "Pharmaceutical service" means medically necessary medications that are prescribed by a physician, practitioner, or dentist, and are dispensed by a licensed pharmacist through a registered pharmacy.
14. "Physical therapy" means treatment services to restore or improve muscle tone, joint mobility, or physical function provided by or under the supervision of a registered physical therapist.
15. "Physician" means a person licensed as an allopathic or osteopathic physician according to A.R.S. Title 32, Chapter 13 or Chapter 17.
16. "Practitioner" means a physician assistant licensed under A.R.S. Title 32, Chapter 25, or a certified nurse practitioner licensed under A.R.S. Title 32, Chapter 15.
17. "Prescription" means an order to provide covered services, which is signed or transmitted by a provider authorized to prescribe or order services.

18. "Primary care provider" means an individual who meets the requirements of A.R.S. § 36-2901, and who is responsible for the management of a member's or eligible person's health care.
19. "Primary care provider services" means healthcare services provided by and within the scope of practice, as defined by law, of a licensed physician, certified nurse practitioner, or licensed physician assistant.
20. "Prior authorization" means the process by which the Administration or contractor, whichever is applicable, authorizes, in advance, the delivery of covered services contingent on their medical necessity.
21. "Private duty nursing services" means nursing services provided to a member or eligible person who requires more individual and continuous care than is available from a visiting nurse, or routinely provided by the nursing staff of a nursing facility or ICF-MR, and that are provided by a registered nurse or licensed practical nurse.
22. "Radiology" means professional and technical services rendered to provide medical imaging, radioisotope services, and radiation oncology.
23. "Rehabilitation services" means physical, occupational, and speech therapies, and items to assist in improving or restoring a person's functional level.
24. "Respiratory therapy" means treatment services to restore, maintain, or improve respiratory functions and is provided by, or under the supervision of, a respiratory therapist licensed according to A.R.S. Title 32, Chapter 35.
25. "Scope of services" means the covered, limited, and excluded services under Articles 2 and 12 of these rules.
26. "Specialist" means a Board eligible or certified physician who declares himself or herself as a specialist and practices a specific medical specialty.
27. "Speech therapy" means medically prescribed diagnostic and treatment services provided by, or under the supervision of, a certified speech therapist.
28. "Sterilization" means a medically necessary procedure, not for purpose of family planning, to render an eligible person or member barren in order to:
    a. Prevent the progression of disease, disability, or adverse health conditions; or
    b. Prolong life and promote physical health.

R9-22-103. Eligibility and Enrollment Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "AHCCCS-disqualified dependent" means a natural or adoptive dependent minor residing in a household with an AHCCCS-disqualified spouse.
2. "AHCCCS-disqualified spouse" means the spouse of an MI/MN or state emergency services applicant, who is ineligible for AHCCCS MI/MN or state emergency services benefits because the spouse's separate property, when combined with other resources owned by all household members, exceeds the allowable resource limit.
3. "Case record" means the file and all documents in the file that are used to establish eligibility.
4. "Categorically eligible" means a person who is eligible as defined by A.R.S. § 36-2901(4)(b).
5. "Certification period" means the period of time for which a person is certified under A.R.S. § 36-2901(4)(a), (c), (h), and (j) as eligible for AHCCCS benefits.
6. "County eligibility worker" means a county employee designated to conduct eligibility interviews and determinations for AHCCCS.
7. "Date of application" means the date on which the county eligibility office receives a completed and signed Part I of the AHCCCS application form or receives official notification from a provider of emergency services as specified in Article 3.
8. "Date of determination" means the date on which a decision of an applicant's eligibility or ineligibility as an indigent, medically needy person, eligible low-income child, or state emergency services person is communicated by the county to the applicant by a Notice of Action and, for eligible applicants, to the Administration as specified in R9-22-Article 3.
9. "Deemed date of application" means the 30th day following either the original date of application or a previously deemed date of application. A deemed date of application is established for an untimely application, and replaces the original date of application in determining a household's assets, resources, and income.
10. "Dependent child" means an unborn child, an unemancipated minor, or an 18 year old, if all of the following 3 conditions exist:
    a. The 18 year old is a full-time student in a secondary school, or in a vocational, technical or trade school that grant credits to be applied toward secondary school graduation;
    b. The 18 year old is reasonably expected to graduate before reaching age 19; and
    c. The 18 year old resides with 1 or both parents or a specified relative.
11. "DES" means the Department of Economic Security.
12. "Determination" means the process by which an applicant is approved or denied for coverage as an indigent or medically needy person, an eligible low-income child, or a state emergency services person. Determination includes the decision by the county of an applicant's eligibility or ineligibility, the communication, for eligible applicants, of the decision by the county to the Administration's Notification Unit, and the communication of the decision by the county to the applicant by a Notice of Action.
13. "Disenrollment" means the discontinuance of a member's entitlement to receive covered services from a contractor of record.
14. "Disqualified household member" means a person who is ineligible for indigent, medically needy, eligible low-income child, or state emergency services coverage due to a refusal to cooperate with the Title XIX eligibility process as required by state law.
15. "Eligible assistance children" means the children defined by A.R.S. § 36-2905.03(B).
16. "Eligible low income children" means the children defined by A.R.S. § 36-2905.03(C) and (D).
17. "Emancipated minor" means a minor who is married or divorced, in military service, or the subject of a court order declaring the minor to be emancipated.
18. "Enrollment" means the process by which an eligible person becomes a member of a contractor's plan.
19. "Equity" means the full cash or market value of a resource minus valid liens, encumbrances or both.

20. "Expressed emancipated minor" means a minor whose parent(s) has/have signed a notarized affidavit indicating that the minor is no longer under parental support and control, and that the parent(s) has/have surrendered claim to the state and federal tax dependency deductions provided that the minor is not living with a parent or a specified relative acting as a legal or de facto guardian, and a court has not ordered custody with another person or agency.
21. "Fair consideration" means money or goods or services that can be valued in terms of money that is received in exchange for property or resources transferred and that has a value equal to at least 80% of the property or resources transferred.
22. "Full cash value" means the current value of real properties as determined by the County Assessor's Office for the county in which the real property is located.
23. "Gross earnings from employment" means the total payment received by an employee from an employer in exchange for goods or services.
24. "Guardian" means a guardian, conservator, executor, or public fudiciary appointed by a court or other protective order to be in charge of the affairs of a minor or incapacitated person.
25. "Head of household" means the family household member who assumes the responsibility for providing AHCCCS eligibility information for the family household members in accordance with Article 3 of these rules.
26. "Incapacitated person" means a person who is mentally or physically impaired to the extent that the person is unable to make or communicate responsible decisions concerning the person.
27. "Income in kind" means any non-cash item or service received by an individual from a person or organization.
28. "Interim change" means either a change occurring after the date of application and before the eligibility decision or a change occurring during the certification period.
29. "Liquid assets" means all property and resources readily convertible to cash.
30. "Minor" means a person who is less than age 18.
31. "Open enrollment" means a period of time during which all eligible persons and members may choose to be enrolled with another available contractor of record.
32. "Public assistance" means benefits provided to a person, either directly or indirectly by a city, county, federal, or state governmental agency, based on financial needs.
33. "Redetermination" means the process by which an eligible person under A.R.S. § 36-2901.4(a), (c), or (h) applies for a new eligibility certification period before expiration of the current certification period.
34. "Refusal to cooperate" means that a person refuses to be interviewed by or fails to provide, upon written request, information or available verification to the county, DES, or Administration's eligibility staff or an eligibility quality control reviewer, or refuses to sign the Intent to Cooperate Form, or fails to keep a scheduled appointment without providing a reasonable explanation, or voluntarily withdraws an application for federal benefits when the an application is required by state law.
35. "Separate property" means real and personal property of a spouse, owned by the spouse before the marriage, or acquired by gift, devise, or descent after the marriage.
36. "S.O.B.R.A." means Section 9401 of the Sixth Omnibus Budget Reconciliation Act, 1986, as amended by the Medicare Catastrophic Coverage Act of 1988, 42 U.S.C., 1396a(a)(10)(A)(ii)(IX), July 1, 1988.
37. "SSA" means Social Security Administration as defined in P.L. 103-296, Title I.
38. "Specified relative" means a nonparent caretaker of a dependent child who is a grandmother, grandfather, sister, brother, stepmother, stepfather, stepbrother, stepsister, aunt, uncle, 1st cousin, niece, nephew, or person of preceding generations whose relationship to the child is described by any of these terms preceded by a single "great" or "grand". A specified relative must be at least 18 years old to apply on behalf of a dependent child, unless awarded custody by a court.
39. "Spend down" means the dollar value of medical expenses that a family household must have incurred and either have paid or remain responsible to pay in order to bring its net annual income within the eligibility income limit.
40. "Spouse" means the husband or wife of an AHCCCS applicant or household member, who has entered into a contract of marriage, recognized as valid by Arizona.
41. "SSI" means Supplemental Security Income under Title XVI of the Social Security Act, as amended.
42. "Untimely application" means an MI/MN application for which the date of determination is later than the 30th day following the date of application or, if the head of the household has agreed in writing to an extension, later than the 60th day following the date of application. For MI/MN-S.O.B.R.A. dual applications, if the completed application is submitted to DES within 30 days after the date of application but DES does not determine S.O.B.R.A. eligibility within 30 days after the date of application, the application for those household members for whom S.O.B.R.A. eligibility is being determined is not an untimely application if the date of determination is not later than 10 working days after a determination of S.O.B.R.A. eligibility is made by DES or 20 working days after the application is forwarded to DES, whichever is earlier.
43. "Work-related expenses" means non-reimbursed expenses related to employment for travel, meals, lodging, uniforms, licenses for employment, union dues, tools, or materials required for employment.

R9-22-104. Reserved

R9-22-105. General Provisions and Standards Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "Quality management" means a methodology and activities used by professional health personnel through a formal program involving multiple organizational components and committees to:
   a. Assess the degree of conformance to desired medical standards and practices and;
   b. Improve or maintain quality service and care.
2. "RFP" means a request for proposals which is a document prepared by the Administration that describes the services required and that instructs prospective offerors how to prepare a response (proposal).
3. "Utilization management" means a methodology used by professional health personnel that assesses the medical indications, appropriateness, and efficiency of care provided.

R9-22-106. Reserved

R9-22-107. Standard for Payments Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "Accommodation" means the bed and board services provided to a patient during an inpatient hospital stay and includes the cost of all staffing, supplies, and equipment. The accommodation is typically semi-private except when the member must be isolated for medical reasons. Other types of accommodation include hospital routine medical/surgical units, intensive care units, and any other specialty care unit in which bed and board are provided.
2. "Aggregate" means the combined amount of hospital payments for covered services provided within and outside the service area.
3. "AHCCCS inpatient hospital day(s) of care" means the period of time beginning with the day of admission and includes each day of an inpatient stay for an eligible person, including the day of death, but excluding the day of discharge, provided that all medical necessity and medical review requirements are met.
4. "Ancillary department" means the department of a hospital that provides ancillary services and outpatient services, which are defined in the Medicare Provider Reimbursement Manual.
5. "Billed charges" means charges that a hospital includes on a claim for providing hospital services to an eligible person or member consistent with the rates and charges filed by the hospital with the Arizona Department of Health Services.
6. "Capital costs" means capital-related costs, which are defined in the Medicare Provider Reimbursement Manual, Chapter 28, such as building and fixtures, and movable equipment.
7. "Clean claim" has the meaning in A.R.S. § 36-2904.
8. "Copayment" means a monetary amount, specified by the Director, that a member pays directly to a contractor or provider at the time covered services are rendered.
9. "Cost-to-charge ratio" means a hospital's costs for providing covered services divided by the hospital's covered charges for the same services.
10. "Covered charges" means billed charges that represent medically necessary, reasonable, and customary items of expense for AHCCCS-covered services that meet medical review criteria of the Administration or contractor.
11. "CPT" means current procedural terminology, the manual published and updated by the American Medical Association, which is a nationally accepted listing of descriptive terms and identifying codes for reporting medical services and procedures performed by physicians and provides a uniform language that will accurately designate medical, surgical, and diagnostic services.
12. "DRI inflation factor" means the Data Resources Inc., Health Care Financing Administration-type hospital input price index for prospective hospital reimbursement, which is published by DRI/McGraw-Hill.
13. "Encounter" means a record of medical service, submitted by a contractor and processed by AHCCCS, that is rendered by a provider registered with AHCCCS to a member who is enrolled with the contractor on the date of service, and for which the contractor incurs any financial liability.
14. "ICU" means the intensive care unit of a hospital.
15. "Medical education costs" means direct hospital costs for intern and resident salaries, fringes, and program costs, nursing school education, and paramedical education, which is defined in the Medicare Provider Reimbursement Manual, Chapter 28.
16. "Medical review" means a review involving clinical judgment of a claim or a request for a service before or after it is paid or rendered to ensure that services provided to an eligible person or member are medically necessary and covered services and that required authorizations are obtained by the provider. The criteria for medical review are established by the Administration or contractor based on medical practice standards that are updated periodically to reflect changes in medical care.
17. "Medicare claim" means a claim for Medicare covered services for an eligible person or member with Medicare coverage.
18. "New hospital" means any hospital for which Medicare Cost Report data and claim and encounter data are not available for hospital rate development from any owner or operator of the hospital, during either the initial prospective rate year or rebasing.
19. "NICU" means the neonatal intensive care unit of a hospital that has been classified as a Level II or Level III perinatal center by the Arizona Perinatal Trust.
20. "Operating costs" means allowable accommodation and ancillary department hospital costs excluding capital and medical education costs.
21. "Outlier" means a hospital claim or encounter in which the AHCCCS inpatient hospital days of care have operating costs per day that meet the criteria described in A.A.C. R9-22-712.
22. "Outpatient hospital service" means a service provided in an outpatient hospital setting that does not result in an admission.
23. "Ownership change" means a change in a hospital's owner, lessor, or operator as defined in 42 CFR 489.18(A).
24. "Peer group" means hospitals that share a common, stable, and independently definable characteristic or feature that significantly influences the cost of providing hospital services.
25. "Prospective rates" means inpatient or outpatient hospital rates defined in advance of a payment period and representing full payment for covered services excluding any quick-pay discounts, slow-pay penalties, non-categorical discounts, and 1st-and 3rd-party payments regardless of billed charges or individual hospital costs.
26. "Prospective rate year" means the period from October 1 of each year to September 30 of the following year, except for the initial prospective rate year, which is between March 1, 1993, and September 30, 1994.
27. "Rebasing" means the process by which new Medicare Cost Report data, AHCCCS claim, and encounter data are collected and analyzed to reset periodically the inpatient hospital tiered per diem rates or the outpatient hospital cost-to-charge ratios.
28. "Reinsurance" means a risk-sharing program provided by the Administration to contractors for the reimbursement of certain contract service costs incurred by a member or eligible person beyond a certain monetary threshold.

29. "SDAD" means same day admit and discharge, which is a hospital stay with the admit and discharge occurring on the same calendar day.
30. "Tier" means a grouping of inpatient hospital services into levels of care based on diagnosis, procedure or revenue codes, peer group, or NICU classification level, or any combination of these items.
31. "Tiered per diem" means a payment structure in which payment is made on a per-day basis depending upon the tier into which an AHCCCS inpatient hospital day of care is assigned.
32. "Total inpatient hospital days" means the total number of days, including all hospital subprovider and nursery days, from the Medicare Cost Report for all payors. Observation days and swing bed days are not included.

R9-22-108. Grievance and Appeal Process Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "AHCCCS hearing officer" means a person designated by the Director to preside over administrative hearings regarding eligibility appeals and grievances.
2. "Appeal" means a review process initiated in accordance with Article 8.
3. "Grievance" means a complaint initiated in accordance with Article 8.

R9-22-109. Quality Management and Analysis Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning: "Certification error" has the meaning in A.R.S. § 36-2905.01.

R9-22-110. 1st- and 3rd-Party Liability Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning:

1. "1st-party liability" means the resources available from any insurance or other coverage obtained directly or indirectly by a member or eligible person that provides benefits directly to the member or eligible person and is liable to pay all or part of the expenses for medical services incurred by the Administration, a contractor, a member, or an eligible person.
2. "3rd party" means an individual, entity, or program that is or may be liable to pay all or part of the medical cost of injury, disease, or disability of an applicant, eligible person, or member.
3. "3rd-party liability" means the resources available from an individual, entity, or program that is or may be, by agreement, circumstance, or otherwise, liable to pay all or part of the medical expenses incurred by an applicant, eligible person, or member.

R9-22-111. Reserved

R9-22-112. Behavioral Health Services Related Definitions

In addition to definitions contained in A.R.S. § 36-2901, the words and phrases in this Chapter have the following meanings unless the context explicitly requires another meaning: "Acute mental health services" means inpatient or outpatient health services provided to treat mental or emotional disorders, as necessary for crisis stabilization, evaluation, and determination of future service needs.

NOTICE OF FINAL RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) ARIZONA LONG-TERM CARE SYSTEM

PREAMBLE

1. **Sections Affected** — **Rulemaking Action**

Sections Affected	Rulemaking Action
R9-28-101	Repeal
R9-28-101	New Section
R9-28-102	New Section
R9-28-103	New Section
R9-28-104	New Section
R9-28-105	New Section
R9-28-106	New Section
R9-28-107	New Section
R9-28-108	New Section
R9-28-109	New Section
R9-28-111	New Section

2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

   Authorizing statute: A.R.S. § 36-2932(P)

   Implementing statutes: A.R.S. §§ 36-2901 and 36-2931 establish statutory definitions; this Section adds to those definitions.

3. **The effective date of the rules:**

   December 8, 1997

4. **A list of all previous notices appearing in the Register addressing the final rule:**
   Notice of Rulemaking Docket Opening: 1 A.A.R. 2764, December 22, 1995

   Notice of Proposed Rulemaking: 3 A.A.R. 2456, September 5, 1997

5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Cheri Tomlinson, Policy and Rules Administrator
Address:	Arizona Health Care Cost Containment System 801 East Jefferson, MD #4200 Phoenix, Arizona 85034
Telephone:	(602) 417-4198
Fax:	(602) 256-6756

6. **An explanation of the rule, including the agency's reasons for initiating the rule:**
   Changes are made to 9 A.A.C. 28, Article 1, Definitions, as the result of a 5-year-review report. The package is developed parallel with a rule package for the AHCCCS acute care definitions in 9 A.A.C. 22, Article 1 to ensure the integrity of all definitions used by the Administration and to cross-reference definitions whenever appropriate.

   The structure of the Article has also been improved so that rule users can quickly locate terms by including an alphabetized index in R9-28-101 listing the Section/citation of each term. In addition, R9-28-101 includes a subsection with definitions of general terms used in the ALTCS program. Other Sections within Article 1 include terms used primarily within other Articles of this Chapter. While A.R.S. § 36-2901 and § 36-2931 establish statutory definitions used by the ALTCS program, the definitions in 9 A.A.C. 28, Article 1 augment and add to the statutory definitions and are designed to provide the user with a more extensive and user-friendly set of definitions.

   The definitions in 9 A.A.C. 28, Article 1 can be divided into 4 types: definitions that stayed the same; definitions that were added; definitions that were deleted; or definitions that were changed.

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
   Not applicable

8. **The summary of the economic, small business, and consumer impact:**
   The economic impact is nominal and the changes are designed to make the definitions more user friendly for all interested parties. The changes are nonsubstantive and will benefit rule users by ensuring that accurate and complete definitions can be located in a timely fashion.

   The primary users of these definitions who will benefit from increased clarity and conciseness of the changes include:

   - AHCCCS contractors (including ALTCS program contractors that are governmental entities and private business entities);
   - ALTCS providers (including ALTCS providers that could be considered large, for example, nursing facilities, or small business entities);
   - ALTCS members;
   - Indian Health Services; and
   - The Administration.

9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
   The changes between the proposed rules and the final rules are minimal and include:

   - Updated citations;
   - Minor wording, grammatical, and punctuation changes;
   - Changed "behavioral health alternative residential facility" to "behavioral health services agency" in R9-28-101(B)(3)(a)(iii);
   - Added definitions of "IHS" and "JCAHO".

10. **A summary of the principal comments and the agency response to them:**
    The Administration received 1 formal comment regarding R9-28-101(B)(3). The Administration agreed with the comment and amended the language. The change was made to conform with Laws 1997, Ch. 159.

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
    None.

12. **Incorporations by reference and their location in the rules:**
    None.

13. **Was this rule previously adopted as an emergency rule?**
No.

14. **The full text of the rules follows:**

TITLE 9. HEALTH SERVICES

CHAPTER 28. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM (AHCCCS) ARIZONA LONG-TERM CARE SYSTEM

ARTICLE 1. DEFINITIONS

Section
R9-28-101. ~~Definitions~~ Repealed
R9-28-101. General Definitions
R9-28-102. Covered Services Related Definitions
R9-28-103. Preadmission Screening Related Definitions
R9-28-104. Eligibility and Enrollment Related Definitions
R9-28-105. Program Contractor and Provider Standards Related Definitions
R9-28-106. Program Contracts and Procurement Process Related Definitions
R9-28-107. Standard for Payments Related Definitions
R9-28-108. Grievance and Appeal Process Related Definitions
R9-28-109. 1st-and 3rd-party Liability Related Definitions
R9-28-111. Behavioral Health Services Related Definitions

ARTICLE 1. DEFINITIONS

R9-28-101. ~~Definitions~~ Repealed

~~The following words and phrases, in addition to definitions contained in A.R.S. Title 36, Chapter 29, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:~~

1. ~~"ALTCS" means Arizona Long-Term Care System as authorized by A.R.S. §36-2931-36-2932.~~
2. ~~"Adjusted billed charges" means payments by the Administration or ALTCS program contractors to hospitals based on a percentage of billed charges.~~
3. ~~"Affiliated organization" means an organization that has an ownership or management interest in an offeror, or an organization in which the offeror has an ownership or management interest, including a wholly or partially owned subsidiary.~~
4. ~~"Alternate residential setting" means licensed adult foster care homes for the non-developmentally disabled, or for the developmentally disabled, group homes, adult developmental homes, child developmental foster homes and large group residential settings for adults and children.~~
5. ~~"Appeal" means a review process initiated in accordance with Article 8 of this Chapter.~~
6. ~~"Attendant care" means a service provided by a qualified attendant as described by the ALTCS Attendant Care service specifications, dated March 1992, incorporated by reference herein and on file with the Office of the Secretary of State~~
7. ~~"Behavior intervention training" means services which provide intervention, education and training in the use of techniques designed to intervene and modify an individual's behavior such as behavior modification, including reinforcement, time-out, and extinction.~~
8. ~~"Capped fee-for-service" means the maximum payment mechanism by which providers and noncontracting providers are reimbursed by the Administration upon submission of valid claims for specific ALTCS covered services and equipment provided to eligible persons.~~
9. ~~"Case manager" means a person who is either a social worker, social work assistant, physician assistant, licensed registered nurse, or an individual with a minimum of 2 years' experience in providing case management services to the elderly and physically disabled or to developmentally disabled persons.~~
10. ~~"Case management plan" means the service plan developed by the case manager which involves the overall management of a member's or eligible person's care, and the continued monitoring and reassessment of a member's or eligible person's need for services.~~
11. ~~"Case record" means the file and all documents contained therein which are used to establish all aspects of ALTCS eligibility.~~
12. ~~"Certified" means a professional person, a facility or an organization that has met established criteria for 1 or more specific functions and thereby meets applicable federal or state requirements.~~
13. ~~"C.F.R." means Code of Federal Regulations, October 1, 1987 edition, unless otherwise specified in this Chapter.~~
14. ~~"Clinic services" means preventive, diagnostic, therapeutic, rehabilitative, or palliative services that are provided in an outpatient setting.~~
15. ~~"Comprehensive plan for delivery of services" means the annual plan which program contractors submit to the Director as prescribed in A.R.S. §36-2940(C).~~
16. ~~"Convalescent care" means care provided to members who require services for less than 90 days in a long-term care setting.~~
17. ~~"County of fiscal responsibility" means the county in which an ALTCS member is enrolled.~~
18. ~~"Customized durable medical equipment and supplies" means durable equipment or supplies adapted to an individual's particular situation.~~
19. ~~"Developmental disability" means a severe, chronic disability described by A.R.S. §36-551.11. 36-551.~~
20. ~~"Discussions" means oral or written exchanges of information or any form of negotiation in the contracting process.~~
21. ~~"Disenrollment" means the discontinuance of a member's entitlement to receive covered services from an ALTCS program contractor.~~
22. ~~"Durable medical equipment" means reusable medical equipment that is medically necessary and ordered by the physician primary care provider.~~
23. ~~"Enrollment" means the process by which a person who has been determined eligible becomes a member with an ALTCS program contractor.~~
24. ~~"Equity interest in home" means the current market value of a home minus valid liens or encumbrances.~~
25. ~~"Estate" means the degree, quantity, nature and extent of interest which a person has in real and personal property.~~

26. ~~"Federal financial participation" means that portion of the cost of a service or program funded by the federal government.~~
27. ~~"Grievance" means a complaint initiated in accordance with Article 8.~~
28. ~~"Home health services" means those services that are provided by a Home Health agency coordinating in-home intermittent services for curative, habilitative care. This includes home health aide services, licensed nurse services, medical supplies, equipment and appliances.~~
29. ~~"Inspection of care" means an annual review of eligible persons in ICF-MRs, and IMDs to ensure appropriate placement, utilization and quality of care.~~
30. ~~"Institution for mental diseases" means facility defined by 42 C.F.R. §440.140(a)(2), April 1, 1991, incorporated by reference herein and on file with the Office of the Secretary of State.~~
31. ~~"Institutionalized individual" means an individual who is in a medical institution or nursing facility and receiving an appropriate level of care at a nursing facility (NF) or at an ICF/MR or who receives, or will receive, home and community based services.~~
32. ~~"Intermediate care facility for the mentally retarded" (ICF-MR) means a facility whose primary purpose is to provide health, and rehabilitative services to the developmentally disabled Services are above the service level of by supervisory or personal care, and the room and board level but are less intensive than skilled nursing services.~~
33. ~~"Lawfully residing" means the occupation of a dwelling with the intent to remain in other than a transitory state.~~
34. ~~"Licensed" means a person, facility, or organization has met the registration requirements for licensure and is currently licensed and registered by the proper authority.~~
35. ~~"Mobility training" means a service that provides training to improve the functional mobility of a person to enable travel throughout the home and the community.~~
36. ~~"Multiple source drug" means a drug marketed or sold by 2 or more manufacturers or labelers, or a drug marketed or sold by the same manufacturer or labeler under 2 or more different proprietary names or under both a proprietary name and without such a name.~~
37. ~~"Nursing facility" (NF) "NF" means an institution (or distinct part of an institution) defined by section 1919(a) of the Social Security Act, October 1, 1990, incorporated by reference herein and on file with the Office of the Secretary of State.~~
38. ~~"Occupational therapy" means the medically prescribed treatment concerned with improving or restoring functions which have been impaired or permanently lost or reduced by illness or injury or other health related conditions, to restore, maintain or improve the individual's ability to perform tasks required for independent functioning. provided by or under supervision of licensed or registered occupational therapists.~~
39. ~~"Offeror" means a person or other entity which submits a proposal to the Administration in response to a Request for Proposals.~~
40. ~~"Orientation training" means a planned program of activities which promote awareness of an individual's surroundings according to person, place and time.~~
41. ~~"Own home" means the current dwelling place of the applicant or recipient (A/R), whether it be a house, mobile home, apartment, trailer or any other similar shelter used as a dwelling by the A/R. It may be owned, leased, or rented, or occupied at no cost by the A/R. However, the term "own home" or residence does not include a hospital, supervisory care home, nursing home, adult care home, day care group home or other similar institution. The term also does not include any commercially operated living arrangement in which the A/R is supplied by the facility with services defined in A.R.S. §36-2939.C. in addition to accommodations. Services may be provided by a home health agency or other community based organization. The term "own home" does not refer to a residence of an A/R who has been determined to be developmentally disabled.~~
42. ~~"Physical therapy" means a service which provides treatment to restore, maintain or improve muscle tone, joint mobility, or physical function provided by or under the supervision of a registered physical therapist.~~
43. ~~"Preadmission screening" (PAS) means the process of determining the functional, medical, nursing and social needs for ALTCS services.~~
44. ~~"Preadmission screening and annual resident review" (PASARR) means the 2 step screening process for mental illness and mental retardation pursuant to A.R.S. §36-2936.I. The level I screening is utilized to identify potentially mentally ill (MI) or mentally retarded (MR) persons prior to nursing facility admission. The level II screening is the portion of the process that is the in-depth assessment of potentially MI or MR persons referred through the level I process.~~
45. ~~"Primary care physician" includes, but is not limited to, a physician who is a family practitioner, general practitioner, pediatrician, general internist or an obstetrician or gynecologist or, under the supervision of a physician, a physician's assistant or nurse practitioner.~~
46. ~~"Private duty nursing services" means nursing services for recipients who require more individual and continuous care than is available from a visiting nurse, or routinely provided by the nursing staff of the hospital, or skilled nursing facility, and that are provided by a registered nurse or licensed practical nurse, under the direction of the recipient's physician and to a recipient in his own home or in a hospital or skilled nursing facility.~~
47. ~~"Program contractor" means a county or group of counties, the Arizona Department of Economic Security or any other person that contracts with the Administration to provide services to members.~~
48. ~~"Property" means the personal and real property in which the individual has a legal interest or claim of ownership. Personal property means all property that cannot be classified as real property. Personal property may include money, furniture, merchandise, animals, notes, bonds, annuities, stocks, shares, patents and copyrights. Real property means land, and generally whatever is erected or growing upon or affixed to land.~~
49. ~~"Proposal" means all documents submitted by an offeror in response to a Request for Proposals by the Administration.~~
50. ~~"Qualified offer" means an offer submitted by a responsible and responsive offeror.~~
51. ~~"Quarterly resident assessment" means a comprehensive, standardized assessment of the medical, functional and psychological needs of each ALTCS eligible resident of a nursing facility, which is required upon the res-~~

~~ident's admission to the facility and periodically thereafter.~~

52. ~~"Reassessment" means the process of determining the functional, medical, nursing and social needs, on at least an annual, basis for all currently eligible ALTCS clients.~~
53. ~~"Reinsurance" means a stop-loss program where the Administration will assume a portion of the medical costs for those ALTCS members incurring more than a specified threshold amount of allowable medical costs in a contract year.~~
54. ~~"Request for Proposals" (RFP) means all documents, whether attached or incorporated by reference, which are used by the Administration for soliciting a proposal pursuant to Article 6 of this Chapter. This term also encompasses all supplements or amendments to the original RFP.~~
55. ~~"Respiratory therapy" means a service which provides treatment to restore, maintain or improve respiratory functions.~~
56. ~~"Respite care" means a short-term service provided in a facility or a home and community based service setting to an individual only when necessary to relieve the family member or other persons caring for the individual.~~
57. ~~"Responsible offeror" means a person or entity who has the capability to perform the contract requirements and the integrity and reliability which will assure good faith performance.~~
58. ~~"Responsive offeror" means a person or entity who submits a proposal which conforms in all material respects to the Request for Proposals.~~
59. ~~"Room and board" means a service that provides lodging and meals.~~
60. ~~"Sensory-motor development training" means a planned program to increase reaction to sensory stimuli which will allow an individual to improve his auditory, visual and physical functioning.~~
61. ~~"Speech therapy" means medically prescribed diagnostic and treatment services provided by, or under the supervision of, a certified speech therapist.~~
62. ~~"Therapeutic leave days" means a period of absence from a nursing care institution as ordered by a physician for the purpose of trial visits or therapeutic home visits.~~
63. ~~"Training in independent living" means a planned program of training which promotes skill development in independent living, self-care, communication and social relationships.~~
64. ~~"Transportation" means a service that provides or assists in obtaining transportation for individuals.~~
65. ~~"Uniform cost reporting" means a consistent and approved method of recording and reporting costs.~~
66. ~~"Ventilator dependent means individuals who are medically dependent on a ventilator for life support at least 6 hours per day and have been dependent on ventilator support as an inpatient in a hospital, SNF or ICF for 30 consecutive days.~~

ARTICLE 1. DEFINITIONS

R9-28-101. General Definitions

A. Location of definitions. Definitions applicable to Chapter 28 are found in the following:

Definition	Section or Citation
1. "AFDC"	R9-22-101
2. "Aggregate"	R9-22-107
3. "AHCCCS"	R9-22-101
4. "AHCCCS hearing officer"	R9-28-108
5. "ALTCS"	A.R.S. § 36-2932
6. "Alternative HCBS setting"	R9-28-101
7. "Ambulance"	R9-22-102
8. "Appeal"	R9-22-108
9. "Bed hold"	R9-28-102
10. "Behavior intervention"	R9-28-102
11. "Billed charges"	R9-22-107
12. "Capped fee-for-service"	R9-22-101
13. "Case management plan"	R9-28-101
14. "Case manager"	R9-28-101
15. "Case record"	R9-22-103
16. "Categorically eligible"	A.R.S. § 36-2934
17. "Certification"	R9-28-105
18 "CFR"	R9-28-101
19. "Clean claim"	A.R.S § 36-2904
20. "Comprehensive plan for delivery of services"	R9-28-105
21. "Contract"	R9-22-101
22. "Contractor"	R9-22-101
23. "County of fiscal responsibility"	R9-28-104
24. "Covered services"	R9-22-102
25. "CPT"	R9-22-107
26. "Day"	R9-22-101
27. "Designated representative"	R9-28-104
28. "Developmental disability"	A.R.S. § 36-551
29. "Diagnostic services"	R9-22-102
30. "Disenrollment"	R9-22-103
31. "DME"	R9-22-102
32. "Eligible person"	A.R.S. § 36-2931
33. "Emergency medical services	R9-22-102
34. "Encounter"	R9-22-107
35. "Enrollment"	R9-22-103
36. "Estate"	A.R.S. § 14-1201
37. "Facility"	R9-22-101
38. "Factor"	R9-22-101
39. "Grievance"	R9-22-108
40. "Guardian"	R9-22-103
41. "HCBS"	A.R.S. §§ 36-2931 and 36-2939
42. "Home"	R9-28-101
43. "Home health services"	R9-22-102
44. "Hospital"	R9-22-101
45. "ICF-MR"	R9-28-101
46. "IHS"	R9-28-101
47. "IMD"	42 CFR 435.1009
48. "Inspection of care"	R9-28-105
49. "JCAHO"	R9-28-101
50. "Institutionalized individual"	R9-28-104
51. "License" or "licensure"	R9-22-101
52. "Medical record"	R9-22-101
53. "Medical services"	R9-22-101
54. "Medical supplies"	R9-22-102
55. "Medically eligible"	R9-28-104
56. "Medically necessary"	R9-22-101
57. "Member"	A.R.S. § 36-2931
58. "Minor"	R9-22-103
59. "NF"	42 U.S.C. 1396r(a)
60. "Noncontracting provider"	A.R.S. § 36-2931
61. "Occupational therapy"	R9-22-102
62. "Physical therapy"	R9-22-102
63. "PAS"	R9-28-103
64. "PASARR"	R9-22-103
65. "Pharmaceutical service"	R9-22-102
66. "Physician	R9-22-102
67. "Practitioner"	R9-22-102
68. "Primary care provider"	R9-22-102

69 "Primary care provider services" R9-22-102
70. "Prior authorization" R9-22-102
71. "Private duty nursing services" R9-22-102
72. "Program contractor" A.R.S. § 36-2931
73. "Provider" A.R.S. § 36-2931
74. "Quality management" R9-22-105
75. "Radiology services" R9-22-102
76. "Reassessment" R9-28-103
77. "Referral" R9-22-101
78. "Reinsurance" R9-22-107
79. "Respiratory therapy" R9-22-102
80. "Respite care" R9-28-102
81. "RFP" R9-22-105
82. "Room and board" R9-28-102
83. "Scope of services" R9-22-102
84. "Speech therapy" R9-22-102
85. "Spouse" R9-22-103
86. "SSA" P.L. 103-296, Title I
87. "SSI" R9-22-103
88. "Subcontract" R9-22-101
89. "Utilization management" R9-22-105
90. "Ventilator dependent" R9-28-102

B. General definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:
1. "AHCCCS" is defined in R9-22-Article 1.
2. "ALTCS" means the Arizona Long-Term Care System as authorized by A.R.S. § 36-2932.
3. "Alternative HCBS setting" means a living arrangement approved by the Director and licensed or certified by a regulatory agency of the state, where a member may reside and receive HCBS including:
   a. For a person with a developmental disability (DD) as specified in A.R.S. § 36-551:
      i. Community residential setting as defined in A.R.S. 36-551;
      ii. Group home as defined in A.R.S § 36-551;
      iii. State operated group home as defined in A.R.S. § 36-591;
      iv. Family foster home as defined in 6 A.A.C. 5, Article 58;
      v. Group foster home as defined in 6 A.A.C. 5, Article 59;
      vi. Licensed residential facility for persons with traumatic brain injury as specified in A.R.S. § 36-2939(C); and
      vii. Behavioral health service agency as specified in A.R.S. § 36-2939(B)(2) and 9 A.A.C. 20, Articles 6, 7, and 8 for Levels I, II, or III;
   b. For persons who are elderly or physically disabled (EPD):
      ~~i. Residential care institutions as specified in A.R.S. § 36-2939(C); including adult foster care home as defined in A.R.S. § 36-401; adult care home as defined in A.R.S. § 36-448, and Laws 1995, amended 1997, Ch. 256; supportive residential living center as defined in A.R.S. § 36-1301;~~
      ii. Licensed residential facility for a person with a traumatic brain injury as specified in A.R.S. 36-2939(C); and
      iii. Behavioral health service agency as specified in A.R.S. § 36-2939(C) and 9 A.A.C 20, Articles 6, 7, and 8 for levels I and II.
4. "Case management plan" means a service plan developed by a case manager that involves the overall management of a member's or eligible person's care, and the continued monitoring and reassessment of the member's or eligible person's need for services.
5. "Case manager" means an individual who is either a degreed social worker, or a licensed registered nurse, or an individual with a minimum of 2 years of experience in providing case management services to individuals who are elderly and physically disabled or have developmental disabilities.
6. "CFR" means Code of Federal Regulations, unless otherwise specified in this Chapter.
7. "Contract" is defined in 9 A.A.C. 22, Article 1.
8. "Contractor" is defined in 9 A.A.C. 22, Article 1.
9. "Day" is defined in 9 A.A.C. 22, Article 1.
10. "Disenrollment" is defined in 9 A.A.C. 22, Article 1.
11. "Eligible person" has the meaning in A.R.S. § 36-2931.
12. "Enrollment" is defined in 9 A.A.C. 22, Article 1.
13. "Facility" is defined in 9 A.A.C. 22, Article 1.
14. "Factor" is defined in 9 A.A.C. 22, Article 1.
15. "HCBS" means home and community based services as defined in A.R.S. §§ 36-2931 and 36-2939.
16. "Home" means a residential dwelling that is owned, rented, leased, or occupied at no cost to the member including a:
    a. House;
    b. Mobile home;
    c. Apartment, or
    d. Other similar shelter.

    A home is not a facility, setting, or institution, or a portion and any of these, licensed or certified by a regulatory agency of the state as a:
    a. Health care institution as defined in A.R.S. § 36-401;
    b. Residential care institution as defined in A.R.S. § 36-401;
    c. Community residential facility as defined in A.R.S. § 36-551; or
    d. Behavioral health service facility as defined in 9 A.A.C. 20, Articles 6, 7, and 8.
17. "Hospital" is defined in 9 A.A.C. 22, Article 1.
18. "ICF-MR" has the meaning in 42 CFR 435.1009 and 440.150.
19. "IHS" means the Indian Health Services.
20. "JCAHO" means the Joint Commission on Accreditation of Healthcare Organizations.
21. "License" or "licensure" is defined in 9 A.A.C. 22, Article 1.
22. "Medical record" is defined in 9 A.A.C. 22, Article 1.
23. "Medical services" is defined in 9 A.A.C. 22, Article 1.
24. "Medically necessary" is defined in 9 A.A.C. 22, Article 1.
25. "Member" has the meaning in A.R.S. § 36-2931.
26. "NF" means nursing facility and is defined in 9 A.A.C. 22, Article 1.
27. "Noncontracting provider" has the meaning in A.R.S. § 36-2931.
28. "Program contractor" has the meaning in A.R.S. § 36-2931.
29. "Provider" has the meaning in A.R.S. § 36-2931.
30. "Referral" is defined in 9 A.A.C. 22, Article 1.
31. "SSA" means Social Security Administration as defined in P.L. 103-296, Title I.

32. "SSI" is defined in 9 A.A.C. 22, Article 1.
33. "Subcontract" is defined in 9 A.A.C. 22, Article 1.

R9-28-102. Covered Services Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:

1. "Ambulance" is defined in 9 A.A.C. 22, Article 1.
2. "Bed hold" means a 24 hour per day unit of service that is authorized by an ALTCS case manager or designee during a period of short-term hospitalization or therapeutic leave that meets the requirement specified in 42 CFR 483.12.
3. "Behavior intervention" means the planned interruption of an eligible person's or member's inappropriate behavior using techniques such as reinforcement, training, behavior modification, and other systematic procedures intended to result in more acceptable behavior.
4. "Covered services" is defined in 9 A.A.C. 22, Article 1.
5. "Diagnostic services is defined in 9 A.A.C. 22, Article 1.
6. "DME" means durable medical equipment and is defined in 9 A.A.C. 22, Article 1.
7. "Emergency medical services" is defined in 9 A.A.C. 22, Article 1.
8. "Home health services" is defined in 9 A.A.C. 22, Article 1.
9. "Medical supplies" is defined in 9 A.A.C. 22, Article 1.
10. "Occupational therapy" is defined in 9 A.A.C. 22, Article 1.
11. "Pharmaceutical service" is defined in 9 A.A.C. 22, Article 1.
12. "Physician" is defined in 9 A.A.C. 22, Article 1.
13. "Physical therapy" is defined in 9 A.A.C. 22, Article 1.
14. "Practitioner" is defined in 9 A.A.C. 22, Article 1.
15. "Primary care provider" is defined in 9 A.A.C. 22, Article 1.
16. "Primary care provider services" is defined in 9 A.A.C. 22, Article 1.
17. "Prior authorization" is defined in 9 A.A.C. 22, Article 1.
18. "Private duty nursing services" is defined in 9 A.A.C. 22, Article 1.
19. "Radiology services" is defined in 9 A.A.C. 22, Article 1.
20. "Respiratory therapy" is defined in 9 A.A.C. 22, Article 1.
21. "Respite care" means a short-term service provided in a NF or a home and community based service setting to an individual when necessary to relieve a family member or other person caring for the individual.
22. "Room and board" means lodging and meals.
23. "Scope of services" is defined in 9 A.A.C. 22, Article 1.
24. "Speech therapy" is defined in 9 A.A.C. 22, Article 1.
25. "Ventilator dependent", for purposes of ALTCS eligibility, means an individual is medically dependent on a ventilator for life support at least 6 hours per day and has been dependent on ventilator support as an inpatient in a hospital, NF, or ICF-MR for 30 consecutive days.

R9-28-103. Preadmission Screening Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:

1. "Case record" is defined in 9 A.A.C. 22, Article 1.
2. "Developmental disability" means a disability described in A.R.S. § 36-551.
3. "Guardian" is defined in 9 A.A.C. 22, Article 1.
4. "Minor" is defined in 9 A.A.C. 22, Article 1.
5. "PAS" means preadmission screening, which is the process of determining an individual's risk of institutionalization at a NF or ICF-MR level of care, as specified in Article 3 of this Chapter.
6. "PASARR" means preadmission screening and annual resident review, which is the 2-step screening process for mental illness and mental retardation according to A.R.S. § 36-2936. The level I screening is used to identify potentially mentally ill (MI) or mentally retarded (MR) individuals before nursing facility admission. The level II screening used to make an in-depth assessment of potentially MI or MR individuals referred through the level I screening and to determine the appropriateness of nursing facility care and the need for special services for the MI or MR individual.
7. "Reassessment" means the process of redetermining PAS eligibility for ALTCS services on an annual or periodic basis, as appropriate, for all members and eligible persons.

R9-28-104. Eligibility and Enrollment Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:

1. "Categorically Eligible" has the meaning in A.R.S. § 36-2934.
2. "County of fiscal responsibility" means the county that is financially responsible for the state's share of ALTCS funding.
3. "Designated representative" means an individual other than a spouse or a parent of a dependent child, who applies for ALTCS on behalf of another individual.
4. "Institutionalized individual" as defined for the purpose of ALTCS eligibility, means an individual who is in a medical institution or NF and receives an appropriate level of care at the NF or at an ICF/MR or who receives or will receive HCBS.
5. "Medically eligible" means meeting the ALTCS medical eligibility criteria according to Article 3.
6. "Spouse" is defined in 9 A.A.C. 22, Article 1.

R9-28-105. Program Contractor and Provider Standards Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:

1. "Certification" means a voluntary process by which a federal or state regulatory entity grants recognition to an individual, facility, or organization which has met certain prerequisite qualifications specified by the regulatory entity and which may assume or use the word "certified" in his, her or its title or designation to perform prescribed health professional tasks.
2. "Comprehensive plan for delivery of services" means the plan that program contractors submit to the Director as prescribed in A.R.S. § 36-2940.
3. "Inspection of care" means an annual review of members and eligible persons residing in ICF-MRs, behavioral health residential treatment centers, inpatient

psychiatric facilities for individuals less than age of 21, and IMDs to ensure appropriate placement, utilization, and quality of care.
4. "Quality management" is defined in 9 A.A.C. 22, Article 1.
5. "Utilization management" is defined in 9 A.A.C. 22, Article 1.

R9-28-106. Program Contracts and Procurement Process Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning: "RFP" means request for proposal and is defined in 9 A.A.C. 22, Article 1.

R9-28-107. Standards for Payments Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:
1. "Aggregate" is defined in 9 A.A.C. 22, Article 1.
2. "Billed charges" is defined in 9 A.A.C. 22, Article 1.
3. "Capped fee-for-service" is defined in 9 A.A.C. 22, Article 1.
4. "Clean claim" is defined in 9 A.A.C. 22, Article 1.
5. "CPT" is defined in 9 A.A.C. 22, Article 1.
6. "Encounter" is defined in 9 A.A.C. 22, Article 1.
7. "Reinsurance" is defined in 9 A.A.C. 22, Article 1.

R9-28-108. Grievance and Appeal Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning:
1. "AHCCCS hearing officer" is defined in 9 A.A.C. 22, Article 1.
2. "Appeal" is defined in 9 A.A.C. 22, Article 1.
3. "Grievance" is defined in 9 A.A.C. 22, Article 1.

R9-28-109. 1st-and 3rd-party Liability Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1, have the following meanings unless the context of the Chapter explicitly requires another meaning: "Estate" has the meaning in A.R.S. § 14-1201.

R9-28-110. Reserved

R9-28-111. Behavioral Health Services Related Definitions
Definitions. The following words and phrases, in addition to definitions contained in A.R.S. §§ 36-2901 and 36-2931, and A.A.C. Title 9, Chapter 22, Article 1 have the following meanings unless the context of the Chapter explicitly requires another meaning: "IMD" means an institution for mental disease as defined in 42 CFR 435.1009.

NOTICE OF FINAL RULEMAKING

TITLE 15. REVENUE

CHAPTER 5. DEPARTMENT OF REVENUE - TRANSACTION PRIVILEGE AND USE TAX SECTION

PREAMBLE

1. **Sections Affected** / **Rulemaking Action**

Sections Affected	Rulemaking Action
R15-5-1704	Amend
R15-5-1705	Amend
R15-5-1706	Amend
R15-5-1708	Amend
R15-5-1709	Amend

2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
   Authorizing statutes:A.R.S. §§ 42-105, 42-1303

   Implementing statute:A.R.S. § 42-1310.14

3. **The effective date of the rules:**
   December 16, 1997

4. **A list of all previous notices appearing in the Register addressing the final rule:**
   Notice of Rulemaking Docket Opening: 1 A.A.R. 2958, December 29, 1995

   Notice of Proposed Rulemaking: 3 A.A.R. 2243, August 22, 1997

5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
   Name: Ernest Powell, Tax Analyst

   Address: Tax Research and Analysis Section
   Arizona Department of Revenue
   1600 West Monroe
   Phoenix, Arizona 85007

Telephone: (602) 542-4672

Fax: (602) 542-4680

6. **An explanation of the rule, including the agency's reasons for initiating the rule:**
The rules provide guidance in the application of transaction privilege tax to persons engaged in business under the restaurant classification. The rules were initiated as a result of the department's 5-year review of Article 17. The rules are adopted as amended to conform to current rulemaking guidelines.

Also, R15-5-1704 is adopted as amended to clarify that all sales by restaurants to government agencies are subject to tax, unless a specific exemption applies. The current rule only addresses sales to the military. In addition, R15-5-1709 is adopted as amended to clarify when a restaurant is taxable on the value of coupons that it accepts.

7. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable.

8. **The summary of the economic, small business, and consumer impact:**
Identification of the Rulemaking:

As a result of the Department's 5-year review of Article 17, the Department has adopted the rules as amended to conform to current rulemaking guidelines.

Also, the Department has adopted as amended R15-5-1704 to clarify that all sales by restaurants to government agencies are subject to tax, unless a specific exemption applies. In addition, the Department has adopted as amended R15-5-1709 to clarify when a restaurant is taxable on the value of coupons that it accepts.

Summary of Information in the Economic, Small Business, and Consumer Impact Statement:

It is expected that the benefits of the rules will be greater than the costs. The amendment of these rules will benefit the public by making the rules conform to current rulemaking guidelines which will make the rules clearer and easier to understand. In addition, the amendment of R15-5-1704 and R15-5-1709 will benefit the public by providing additional guidance regarding sales to government agencies and the acceptance of coupons. The Department will incur the costs associated with the rulemaking process. Taxpayers are not expected to incur any expense in the amendment of these rules.

9. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
Based on the review performed by staff to the Governor's Regulatory Review Council, the Department made the following changes:

R15-5-1708 Replaced "In cases where" with "If" at the beginning of subsection (B). Also, replaced "when" with "if" after the word "or" in subsection (B).

R15-5-1709 Deleted paragraph (1).

10. **A summary of the principal comments and the agency response to them:**
The Department did not receive any written or oral comments on the rule action after the publication of the rulemaking in the Notice of Proposed Rulemaking.

11. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
None.

12. **Incorporations by reference and their location in the rules:**
None.

13. **Was the rule previously adopted as an emergency rule?**
No.

14. **The full text of the rules follows:**

TITLE 15. REVENUE

CHAPTER 5. DEPARTMENT OF REVENUE
TRANSACTION PRIVILEGE AND USE TAX SECTION

ARTICLE 17. ~~SALES TAX—~~ RESTAURANT ~~RESTAURANTS AND BARS~~ CLASSIFICATION

Section
R15-5-1704. Providing Food or Drink to Government Agencies ~~Meals served to military personnel~~
R15-5-1705. Amusement Devices ~~machines~~
R15-5-1706. Cover Charges ~~charges~~
R15-5-1708. Gratuities (Tips ~~tips~~)
R15-5-1709. Coupon Redemption ~~redemption~~

ARTICLE 17. ~~SALES TAX—~~ RESTAURANT ~~RESTAURANTS AND BARS~~ CLASSIFICATION

R15-5-1704 Providing Food or Drink to Government Agencies ~~Meals served to military personnel~~

A restaurant's gross proceeds of sales or gross income from sales of food or drink to ~~Income from meals served to military personnel or inductees, paid by~~ the United States Government, the state or its political subdivisions, or any other government agency, or its employees is included in the tax base under the restaurant classification unless exempt as a sale to a qualifying hospital under A.R.S. § 42-1310.14(B)(7) or as a sale *for consumption within the premises of a prison, jail or other institution under the jurisdiction of the state department of corrections, the department of public safety, the department of juvenile corrections or a county sheriff* under A.R.S. § 42-1310.14(B)(9) ~~for consumption on the restaurant premises, is taxable~~.

R15-5-1705 Amusement Devices ~~machines~~

A restaurant's gross proceeds of sales or gross income ~~Income derived~~ from the operation of amusement devices ~~machines such as record players, pool tables, and pinball games,~~ is included in the tax base ~~subject to the tax~~ under the amusement classification (see Article 4).

R15-5-1706 Cover Charges ~~charges~~

A restaurant's gross proceeds of sales or gross income from ~~When~~ a cover charge or other minimum charge ~~is made by a restaurant or bar, the income therefrom~~ is included in the tax base under the restaurant classification ~~subject to the tax~~.

R15-5-1708 Gratuities (Tips ~~tips~~)

A. A restaurant's gross receipts from gratuities that are ~~Amounts charged~~ separately stated on the ~~by the seller on a~~ check or bill ~~for gratuities~~ are not included in the restaurant's tax base ~~subject to the tax~~ if ~~under the following conditions~~:

   1. The exact amount charged on a check for gratuities is ~~must be~~ segregated on the seller's records for the account of the employees actually providing the services; and
   2. The amounts so segregated are ~~must be~~ distributed directly to the employees providing the services for which the charges were made.

B. If a restaurant ~~In cases where the amounts charged~~ cannot ~~be~~ specifically segregate the charges for gratuities ~~segregated~~ or if ~~when~~ any portion of the amounts charged for gratuities is not distributed to the employees involved, the total gross receipts from the gratuities are ~~amount is~~ included in the tax base under the restaurant classification ~~taxable as part of the gross receipts~~.

R15-5-1709 Coupon Redemption ~~redemption~~

A restaurant that accepts coupons is subject to transaction privilege tax on the full sales price of the food or beverage before the coupon value is deducted if the restaurant receives advertising, services or products in exchange for providing the discounts. ~~Coupons offering special or discount prices, such as 2 items for the price of 1, issued by dinner clubs or other similar advertisers are taxable at full value when accepted by member establishments.~~