Senate Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

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Second Regular Session
2014

CHAPTER 233

SENATE BILL 1216

AN ACT

AMENDING SECTIONS 36-401, 36-402, 36-405 AND 36-422, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 36-401, Arizona Revised Statutes, is amended to read:

36-401. Definitions; adult foster care

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

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

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

3. "Adult day health care facility" means a facility that provides adult day health services during a portion of a continuous twenty-four-hour period for compensation on a regular basis for five or more adults WHO ARE not related to the proprietor.

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

5. "Adult foster care home" means a residential setting that provides room and board and adult foster care services for at least one and no more than four adults who are participants in the Arizona long-term care system pursuant to chapter 29, article 2 of this title OR CONTRACTS FOR SERVICES WITH THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS and in which the sponsor or the manager resides with the residents and integrates the residents who are receiving adult foster care into that person's family.

6. "Adult foster care services" means supervision, assistance with eating, bathing, toileting, dressing, self-medication and other routines of daily living or services authorized by RULES ADOPTED PURSUANT TO SECTION 36-405 AND section 36-2939, subsection C ~~and rules adopted pursuant to that section~~.

7. "Assisted living center" means an assisted living facility that provides resident rooms or residential units to eleven or more residents.

8. "Assisted living facility" means a residential care institution, including an adult foster care home, that provides or contracts to provide supervisory care services, personal care services or directed care services on a continuous basis.

9. "Assisted living home" means an assisted living facility that provides resident rooms to ten or fewer residents.

10. "BEHAVIORAL HEALTH SERVICES" MEANS SERVICES THAT PERTAIN TO MENTAL HEALTH AND SUBSTANCE USE DISORDERS AND THAT ARE EITHER:

(a) PERFORMED BY OR UNDER THE SUPERVISION OF A PROFESSIONAL WHO IS LICENSED PURSUANT TO TITLE 32 AND WHOSE SCOPE OF PRACTICE ALLOWS FOR THE PROVISION OF THESE SERVICES.

(b) PERFORMED ON BEHALF OF PATIENTS BY BEHAVIORAL HEALTH STAFF AS PRESCRIBED BY RULE.

~~10.~~ 11. "Construction" means the building, erection, fabrication or installation of a health care institution.

~~11.~~ 12. "Continuous" means available at all times without cessation, break or interruption.

~~12.~~ 13. "Controlling person" means a person who:

(a) Through ownership, has the power to vote at least ten per cent of the outstanding voting securities.

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

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

(d) Holds a beneficial interest in ten per cent or more of the liabilities of the applicant or the licensee.

~~13.~~ 14. "Department" means the department of health services.

~~14.~~ 15. "Directed care services" means programs and services, including supervisory and personal care services, that are provided to persons who are incapable of recognizing danger, summoning assistance, expressing need or making basic care decisions.

~~15.~~ 16. "Direction" means authoritative policy or procedural guidance for the accomplishment of a function or activity.

~~16.~~ 17. "Director" means the director of the department of health services.

~~17.~~ 18. "Facilities" means buildings that are used by a health care institution for providing any of the types of services as defined in this chapter.

~~18.~~ 19. "Freestanding urgent care center":

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

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

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

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

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

(b) Does not include the following:

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

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

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

(iv) A physician's office that offers extended hours or same day appointments to existing and new patients and that does not meet the requirements of subdivision (a), item (i), (iii) or (iv) OF THIS PARAGRAPH. ~~For the purposes of this item, "physician" means a person licensed pursuant to title 32, chapter 13 or 17.~~

~~19.~~ 20. "Governing authority" means the individual, agency, PARTNERS, group or corporation, appointed, elected or otherwise designated, in which the ultimate responsibility and authority for the conduct of the health care institution are vested.

~~20.~~ 21. "Health care institution" means every place, institution, building or agency, whether organized for profit or not, that provides facilities with medical services, nursing services, BEHAVIORAL HEALTH SERVICES, health screening services, other health-related services, supervisory care services, personal care services or directed care services and includes home health agencies as defined in section 36-151, outdoor behavioral health care programs and hospice service agencies.

~~21.~~ 22. "Health-related services" means services, other than medical, that pertain to general supervision, protective, preventive and personal care services, supervisory care services or directed care services.

~~22.~~ 23. "Health screening services" means the acquisition, analysis and delivery of health-related data of individuals to aid in the determination of the need for medical services.

~~23.~~ 24. "Hospice" means a hospice service agency or the provision of hospice services in an inpatient facility.

~~24.~~ 25. "Hospice service" means a program of palliative and supportive care for terminally ill persons and their families or caregivers.

~~25.~~ 26. "Hospice service agency" means an agency or organization, or a subdivision of that agency or organization, that is engaged in providing hospice services at the place of residence of its clients.

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

~~27.~~ 28. "Licensed capacity" means the total number of persons for whom the health care institution is authorized by the department to provide services as required pursuant to this chapter if the person is expected to stay in the health care institution for more than twenty-four hours. For a hospital, licensed capacity means only those beds specified on the hospital license.

~~28.~~ 29. "Medical services" means the services that pertain to medical care and that are performed at the direction of a physician on behalf of patients by physicians, dentists, nurses and other professional and technical personnel.

~~29.~~ 30. "Modification" means the substantial improvement, enlargement, reduction or alteration of or other change in a health care institution.

~~30.~~ 31. "Nonproprietary institution" means any health care institution that is organized and operated exclusively for charitable purposes, no part of the net earnings of which inures to the benefit of any private shareholder or individual, or that is operated by the state or any political subdivision of the state.

~~31.~~ 32. "Nursing care institution" means a health care institution that provides inpatient beds or resident beds and nursing services to persons who need continuous nursing services but who do not require hospital care or direct daily care from a physician.

~~32.~~ 33. "Nursing services" means those services that pertain to the curative, restorative and preventive aspects of nursing care and that are performed at the direction of a physician by or under the supervision of a registered nurse licensed in this state.

~~33.~~ 34. "Organized medical staff" means a formal organization of physicians, and dentists where appropriate, with the delegated authority and responsibility to maintain proper standards of medical care and to plan for continued betterment of that care.

~~34.~~ 35. "Outdoor behavioral health care program" means an agency that provides behavioral health services in an outdoor environment as an alternative to behavioral health services that are provided in a health care institution with facilities. Outdoor behavioral health care programs do not include:

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

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

(c) Outdoor youth programs licensed by the department of economic security.

~~35.~~ 36. "Personal care services" means assistance with activities of daily living that can be performed by persons without professional skills or professional training and includes the coordination or provision of intermittent nursing services and the administration of medications and treatments by a nurse who is licensed pursuant to title 32, chapter 15 or as otherwise provided by law.

~~36.~~ 37. "Physician" means any person who is licensed pursuant to title 32, chapter 13 or 17.

1 ~~37.~~ 38. "Residential care institution" means a health care institution
2 other than a hospital or a nursing care institution that provides resident
3 beds or residential units, supervisory care services, personal care services,
4 BEHAVIORAL HEALTH SERVICES, directed care services or health-related services
5 for persons who do not need continuous nursing services.
6 ~~38.~~ 39. "Residential unit" means a private apartment, unless otherwise
7 requested by a resident, that includes a living and sleeping space, kitchen
8 area, private bathroom and storage area.
9 ~~39.~~ 40. "Respite care services" means services that are provided by a
10 licensed health care institution to persons otherwise cared for in foster
11 homes and in private homes to provide an interval of rest or relief of not
12 more than thirty days to operators of foster homes or to family members.
13 ~~40.~~ 41. "Substantial compliance" means that the nature or number of
14 violations revealed by any type of inspection or investigation of a health
15 care institution does not pose a direct risk to the life, health or safety of
16 patients or residents.
17 ~~41.~~ 42. "Supervision" means direct overseeing and inspection of the
18 act of accomplishing a function or activity.
19 ~~42.~~ 43. "Supervisory care services" means general supervision,
20 including daily awareness of resident functioning and continuing needs, the
21 ability to intervene in a crisis and assistance in the self-administration of
22 prescribed medications.
23 ~~43.~~ 44. "Temporary license" means a license THAT IS issued by the
24 department to operate a class or subclass of a health care institution at a
25 specific location AND that is valid until an initial licensing inspection.
26 ~~44.~~ 45. "Unscheduled medical services" means medically necessary
27 periodic health care services that are unanticipated or cannot reasonably be
28 anticipated and that require medical evaluation or treatment before the next
29 business day.
30 B. If there are fewer than four Arizona long-term care system
31 participants receiving adult foster care in an adult foster care home,
32 nonparticipating adults may receive other types of services that are
33 authorized by law to be provided in the adult foster care home as long as the
34 number of adults served, including the Arizona long-term care system
35 participants, does not exceed four.
36 C. Nursing care services may be provided by the adult foster care
37 licensee if the licensee is a nurse who is licensed pursuant to title 32,
38 chapter 15 and the services are limited to those allowed pursuant to law.
39 The licensee shall keep a record of nursing services rendered.
40 Sec. 2. Section 36-402, Arizona Revised Statutes, is amended to read:
41 36-402. Exemptions
42 A. This chapter and the rules adopted by the director pursuant to this
43 chapter do not authorize the licensure, supervision, regulation or control
44 of:

1. The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely on treatment by prayer or spiritual means in accordance with the creed or tenets of any well-recognized church or religious denomination.

2. Establishments, such as motels, hotels and boarding houses, that provide domiciliary and ancillary commercial services, but do not provide adaptive, medical, hospital, nursing, BEHAVIORAL HEALTH, health-related or supervisory care services.

3. Private offices and clinics of health care providers licensed under title 32 that are not freestanding urgent care centers, unless:

(a) Patients are kept overnight as bed patients or treated otherwise under general anesthesia, except when treatment by general anesthesia is regulated by title 32, chapter 11.

(b) The office or clinic is an abortion clinic. For the purposes of this subdivision, "abortion clinic" has the same meaning prescribed in section 36-449.01.

4. Dispensaries and first aid stations located within business or industrial establishments maintained solely for the use of employees if the facility does not contain inpatient beds and is under the supervision of a physician.

5. The collection, processing or distribution of whole human blood, blood components, plasma, blood fractions or derivatives procured, processed or distributed by federally licensed and regulated blood banks.

6. Places where four or fewer adults not related to the administrator or owner receive adult day health services for compensation on a regular basis.

7. Places at which persons receive health-related services only from relatives or from legal guardians or places that do not purport to be establishments that regularly provide health-related services and at which one or two persons receive health-related services on a twenty-four-hour basis.

8. The Arizona pioneers' home. However, the department of health services shall evaluate the health and sanitation conditions at the Arizona pioneers' home annually using the standards applicable to licensed nursing care institutions.

9. The personal residence of a terminally ill person, or the personal residence of that person's relative or guardian, where that person receives hospice services from a hospice service agency.

10. All medical and health-related facilities and services that are provided to inmates who are confined in a state prison. The state department of corrections shall annually evaluate the medical and health-related facilities and services that are provided to inmates to determine that the facilities and services meet the applicable standards that are adopted by the director of the department of health services. The state department of corrections shall report the results of its annual evaluation and the actual

1 findings, including a plan of correction for any deficiencies, to the
2 director of the department of health services. The department of health
3 services shall conduct validation surveys on a percentage of the medical and
4 health-related facilities, the number of which shall be determined by the
5 state department of corrections and the department of health services. The
6 director of the state department of corrections shall maintain the annual
7 evaluation reports. This paragraph does not apply to licensed behavioral or
8 mental health inpatient treatment facilities that the state department of
9 corrections operates.
10 11. A facility that provides medical and health services to inmates who
11 are confined in a county jail. The sheriff shall annually evaluate the
12 facility to determine if it meets the applicable standards that are adopted
13 by either a national corrections commission on health care or an American
14 correctional association, or the sheriff shall annually submit the facility
15 to a similar separate inspection by an outside agency with medical
16 standards. The sheriff must submit the certificate of accreditation or proof
17 of successful inspection to the department annually and keep a copy of the
18 certificate or proof of inspection.
19 12. COMMUNITY EDUCATION, ADVOCACY OR RECOVERY SUPPORT GROUPS THAT ARE
20 NOT OWNED OR OPERATED BY OR CONTRACTED TO PROVIDE SERVICES WITH A HEALTH CARE
21 INSTITUTION.
22 B. A medical and health-related facility that provides medical and
23 health services exclusively to persons who are incarcerated, detained or
24 confined under court order or court jurisdiction is exempt from the
25 patient-per-room capacity requirements provided in rule if the facility:
26 1. Does not exceed its intended medical and custodial purposes.
27 2. Adopts policies and procedures to comply with the national
28 commission on correctional health care standards, or equivalent standards.
29 3. As soon as practicable, becomes accredited by the national
30 commission on correctional health care, or by an equivalent organization.
31 4. Once accreditation is obtained, submits a certificate of
32 accreditation to the department of health services annually.
33 5. Maintains a copy of the certificate of accreditation.
34 6. Maintains patient and custodial records, including on-site current
35 photographs and fingerprints, if permitted by applicable law.
36 7. Makes patient lists with inmate identifiers available to the state
37 department of corrections on reasonable request.
38 8. Provides timely notice of any major incident involving public
39 safety to the appropriate law enforcement agency and allows that agency
40 access to the facility for the purposes of law enforcement and investigation.
41 C. Subsection B of this section does not apply to health care
42 institutions that exclusively provide behavioral health services.

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

36-405. Powers and duties of the director

A. The director shall adopt rules to establish minimum standards and requirements for the construction, modification and licensure of health care institutions necessary to assure the public health, safety and welfare. The standards and requirements shall relate to the construction, equipment, sanitation, staffing for medical, nursing and personal care services, and record keeping pertaining to the administration of medical, nursing, BEHAVIORAL HEALTH and personal care services, in accordance with generally accepted practices of health care. The director shall use the current standards adopted by the joint commission on accreditation of hospitals and the commission on accreditation of the American osteopathic association or those adopted by any recognized accreditation organization approved by the department as guidelines in prescribing minimum standards and requirements under this section.

B. The director, by rule, may:

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

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

3. Prescribe the criteria for the licensure inspection process.

4. Prescribe standards for the selection of health care related demonstration projects.

5. Establish and collect nonrefundable fees for health care institutions for license applications, initial licenses, renewal licenses and architectural drawing reviews.

C. THE DIRECTOR, BY RULE, MAY ADOPT LICENSING PROVISIONS THAT FACILITATE THE COLOCATION AND INTEGRATION OF OUTPATIENT TREATMENT CENTERS THAT PROVIDE MEDICAL, NURSING AND HEALTH-RELATED SERVICES WITH BEHAVIORAL HEALTH SERVICES, INCLUDING PROVISIONS FOR AVOIDING DUPLICATIVE REQUIREMENTS FOR CONSTRUCTION, RECORD KEEPING, ANCILLARY SERVICES, EQUIPMENT AND OPERATION FOR A FACILITY AT A SINGLE LOCATION THAT OPERATES WITH MORE THAN ONE LICENSE.

~~C.~~ D. ~~Beginning January 1, 2010,~~ Ninety per cent of the fees collected pursuant to this section shall be deposited, pursuant to sections 35-146 and 35-147, in the health services licensing fund established by section 36-414 and ten per cent of the fees collected pursuant to this section shall be deposited, pursuant to sections 35-146 and 35-147, in the state general fund.

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

Sec. 4. Section 36-422, Arizona Revised Statutes, is amended to read:

36-422. Application for license; notification of proposed change in status; joint licenses; definitions

A. A person who wishes to apply for an initial license or to renew a license to operate a health care institution pursuant to this chapter shall file with the department an application on a written or electronic form THAT IS prescribed, prepared and furnished by the department. The application shall contain the following:

1. The name and location of the health care institution.

2. Whether it is to be operated as a proprietary or nonproprietary institution.

3. The name of the governing authority. The applicant shall be the governing authority having the operative ownership of, or the governmental agency charged with the administration of, the health care institution sought to be licensed. IF THE APPLICANT IS A PARTNERSHIP THAT IS NOT A LIMITED PARTNERSHIP, THE PARTNERS SHALL MAKE THE APPLICATION JOINTLY, AND THE PARTNERS ARE JOINTLY THE GOVERNING AUTHORITY FOR PURPOSES OF THIS ARTICLE.

4. The name and business or residential address of each controlling person and an affirmation that none of the controlling persons has been denied a license or certificate by a health profession regulatory board pursuant to title 32 or by a state agency pursuant to chapter 6, article 7 or chapter 17 of this title or a license to operate a health care institution in this state or another state or has had a license or certificate issued by a health profession regulatory board pursuant to title 32 or issued by a state agency pursuant to chapter 6, article 7 or chapter 17 of this title or a license to operate a health care institution revoked. If a controlling person has been denied a license or certificate by a health profession regulatory board pursuant to title 32 or by a state agency pursuant to chapter 6, article 7 or chapter 17 of this title or a license to operate a health care institution in this state or another state or has had a health care professional license or a license to operate a health care institution revoked, the controlling person shall include in the application a comprehensive description of the circumstances for the denial or the revocation.

5. The class or subclass of health care institution to be established or operated.

6. The types and extent of the health care services to be provided, including emergency services, community health services and services to indigent patients.

7. The name and qualifications of the chief administrative officer implementing direction in that specific health care institution.

8. Other pertinent information required by the department for the proper administration of this chapter and department rules.

B. An application filed pursuant to this section shall contain the written or electronic signature of:

1. If the applicant is an individual, the owner of the health care institution.

2. If the applicant is a partnership, LIMITED LIABILITY COMPANY or corporation, two of the ~~partnership's or corporation's~~ officers OF THE CORPORATION OR MANAGING MEMBERS OF THE PARTNERSHIP OR LIMITED LIABILITY COMPANY OR THE SOLE MEMBER OF THE LIMITED LIABILITY COMPANY IF IT HAS ONLY ONE MEMBER.

3. If the applicant is a governmental unit, the head of the governmental unit.

C. An application for licensure or relicensure shall be filed at least sixty but not more than one hundred twenty days before the anticipated operation or the expiration date of the current license. An application for a substantial compliance survey submitted pursuant to section 36-425, subsection G shall be filed at least thirty days before the date on which the substantial compliance survey is requested.

D. If a current licensee intends to terminate the operation of a licensed health care institution or if a change of ownership is planned either during or at the expiration of the term of the license, the current licensee shall notify the director in writing at least thirty days before the termination of operation or change in ownership is to take place. The current licensee is responsible for preventing any interruption of services required to sustain the life, health and safety of the patients or residents. A new owner shall not begin operating the health care institution until the director issues a license.

E. A licensed health care institution for which operations have not been terminated for more than thirty days may be relicensed pursuant to the standards that were applicable under its most recent license.

F. If a person operates a hospital in a county with a population of more than five hundred thousand persons in a setting that includes satellite facilities of the hospital that are located separately from the main hospital building, the department at the request of the applicant or licensee shall issue a single group license to the hospital and its designated satellite facilities located within one-half mile of the main hospital building if all of the facilities meet or exceed department licensure requirements for the designated facilities. At the request of the applicant or licensee, the department shall also issue a single group license that includes the hospital and not more than ten of its designated satellite facilities that are located farther than one-half mile from the main hospital building if all of these facilities meet or exceed applicable department licensure requirements. Each facility included under a single group license is subject to the department's licensure requirements that are applicable to that category of facility.

Subject to compliance with applicable licensure or accreditation requirements, the department shall reissue individual licenses for the facility of a hospital located in separate buildings from the main hospital building when requested by the hospital. This subsection does not apply to nursing care institutions and residential care institutions. The department is not limited in conducting inspections of an accredited health care institution to ensure that the institution meets department licensure requirements. If a person operates a hospital in a county with a population of five hundred thousand persons or less in a setting that includes satellite facilities of the hospital that are located separately from the main hospital building, the department at the request of the applicant or licensee shall issue a single group license to the hospital and its designated satellite facilities located within thirty-five miles of the main hospital building if all of the facilities meet or exceed department licensure requirements for the designated facilities. At the request of the applicant or licensee, the department shall also issue a single group license that includes the hospital and not more than ten of its designated satellite facilities that are located farther than thirty-five miles from the main hospital building if all of these facilities meet or exceed applicable department licensure requirements.

G. If a county with a population of more than one million persons or a special health care district in a county with a population of more than one million persons operates an accredited hospital that includes the hospital's accredited facilities that are located separately from the main hospital building and the accrediting body's standards as applied to all facilities meet or exceed the department's licensure requirements, the department shall issue a single license to the hospital and its facilities if requested to do so by the hospital. If a hospital complies with applicable licensure or accreditation requirements, the department shall reissue individual licenses for each hospital facility that is located in a separate building from the main hospital building if requested to do so by the hospital. This subsection does not limit the department's duty to inspect a health care institution to determine its compliance with department licensure standards. This subsection does not apply to nursing care institutions and residential care institutions.

H. An applicant or licensee must notify the department within thirty days after any change regarding a controlling person and provide the information and affirmation required pursuant to subsection A, paragraph 4 of this section.

I. This section does not limit the application of federal laws and regulations to an applicant or licensee certified as a medicare or an Arizona health care cost containment system provider under federal law.

J. Except for an outpatient treatment center providing dialysis services or abortion procedures, a person wishing to begin operating an outpatient treatment center before an initial licensing inspection is completed shall submit all of the following:

1. The initial license application required pursuant to this section.
2. All applicable application and license fees.
3. A written request for a temporary license that includes:
(a) The anticipated date of operation.
(b) An attestation signed by the applicant that the applicant and the facility comply with and will continue to comply with the applicable licensing statutes and rules.
K. Within seven days of the department's receipt of the items required in subsection J OF THIS SECTION, but not before the anticipated operation date submitted in subsection C OF THIS SECTION, the department shall issue a temporary license that includes:
1. The name of the facility.
2. The name of the licensee.
3. The facility's class or subclass.
4. The temporary license's effective date.
5. The location of the licensed premises.
L. A facility may begin operating on the effective date of the temporary license.
M. The director may cease the issuance of temporary licenses at any time if the director believes that public health and safety is endangered.
N. For the purposes of this section:
1. "Accredited" means accredited by a nationally recognized accreditation organization.
2. "Satellite facility" means an outpatient facility at which the hospital provides outpatient medical services.
Sec. 5. Rulemaking; department of health services; exemption
For the purposes of implementing this act, the department of health services is exempt from the rulemaking requirements of title 41, chapter 6, Arizona Revised Statutes, until April 30, 2015, except that the department shall provide public notice and an opportunity for public comment on proposed rules at least thirty days before the rules are adopted or amended.

APPROVED BY THE GOVERNOR APRIL 25, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2014.

Passed the House April 23, 2014,

by the following vote: 54 Ayes,

0 Nays, 6 Not Voting

Speaker of the House

Chief Clerk of the House

Passed the Senate February 20, 2014,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

24 day of April, 2014,

at 9:25 o'clock A M.

Secretary to the Governor

Approved this 25th day of

April, 2014,

at 10:43 o'clock A M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25th day of April, 2014,

at 11:53 o'clock a M.

Secretary of State

S.B. 1216