

HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2176**

Willoughby Floor Amendment

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1. Removes the change that requires, rather than allows, the DHS Director to accept proof that a health care institution is an accredited hospital or an accredited health care institution in lieu of all compliance inspections.
 2. Allows DHS to deny an application for a health care institution license if the issuance of a new license is likely to jeopardize resident or patient safety because there are grounds for licensure denial pursuant to statute.
 3. Permits DHS to deny the approval of a change in ownership of a currently licensed health care institution if DHS determines that the transfer of ownership, whether involving a new direct or indirect owner, may jeopardize patient safety because there are grounds for licensure pursuant to statute.
 4. Prohibits DHS from considering or investigating any alleged violation that occurred more than one year before the date that the state survey or initial complaint investigation is being conducted.

Amendment explanation prepared by A. Graham

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2/18/2025

WILLOUGHBY FLOOR AMENDMENT
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2176
(Reference to HEALTH & HUMAN SERVICES S/E Committee Amendment)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

~~[GREEN STRIKEOUT IN BRACKETS]~~ indicates new text removed from statute or previously enacted session law.

~~[Green strikeout in brackets]~~ indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

~~<<Green strikeout in carets>>~~ indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

2 Strike everything after the enacting clause and insert:

3 "Section 1. Section 36-420.05, Arizona Revised Statutes, is amended
4 to read:

5 36-420.05. Legal action or sale; effect on licensure; rules

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

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

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

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

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

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

1 <<Sec. 2. ~~Section 36-424, Arizona Revised Statutes, is amended to~~
2 ~~read:~~

3 ~~36-424. Inspections; suspension or revocation of license;~~
4 ~~report to board of examiners of nursing care~~
5 ~~institution administrators and assisted living~~
6 ~~facility managers~~

7 ~~A. Except as provided in subsection B of this section, the director~~
8 ~~shall inspect the premises of the health care institution and investigate~~
9 ~~the character and other qualifications of the applicant to ascertain~~
10 ~~whether the applicant and the health care institution are in substantial~~
11 ~~compliance with the requirements of this chapter and the rules established~~
12 ~~pursuant to this chapter. The director may prescribe rules regarding~~
13 ~~department background investigations into an applicant's character and~~
14 ~~qualifications.~~

15 ~~B. The director may SHALL accept proof that a health care~~
16 ~~institution is an accredited hospital or is an accredited health care~~
17 ~~institution in lieu of all compliance inspections required by this chapter~~
18 ~~if the director receives a copy of the health care institution's~~
19 ~~accreditation report for the licensure period and the health care~~
20 ~~institution is accredited by an independent, nonprofit accrediting~~
21 ~~organization approved by the secretary of the United States department of~~
22 ~~health and human services. If the health care institution's accreditation~~
23 ~~report is not valid for the entire licensure period, the department may~~
24 ~~conduct a compliance inspection of the health care institution during the~~
25 ~~time period the department does not have a valid accreditation report for~~
26 ~~the health care institution. For the purposes of this subsection, each~~
27 ~~licensed premises of a health care institution must have its own~~
28 ~~accreditation report. The director may not accept an accreditation report~~
29 ~~in lieu of a compliance inspection of:~~

30 ~~1. An intermediate care facility for individuals with intellectual~~
31 ~~disabilities.~~

32 ~~2. A nursing-supported group home.~~

33 ~~3. A health care institution if the health care institution has~~
34 ~~been subject to an enforcement action pursuant to section 36-427 or~~
35 ~~36-431.01 within the year preceding the annual licensing fee anniversary~~
36 ~~date.~~

37 ~~C. On a determination by the director that there is reasonable~~
38 ~~cause to believe a health care institution is not adhering to the~~
39 ~~licensing requirements of this chapter, the director and any duly~~
40 ~~designated employee or agent of the director, including county health~~
41 ~~representatives and county or municipal fire inspectors, consistent with~~
42 ~~standard medical practices, may enter on and into the premises of any~~
43 ~~health care institution that is licensed or required to be licensed~~
44 ~~pursuant to this chapter at any reasonable time for the purpose of~~
45 ~~determining the state of compliance with this chapter, the rules adopted~~
46 ~~pursuant to this chapter and local fire ordinances or rules. Any~~
47 ~~application for licensure under this chapter constitutes permission for~~

~~and complete acquiescence in any entry or inspection of the premises during the pendency of the application and, if licensed, during the term of the license. If an inspection reveals that the health care institution is not adhering to the licensing requirements established pursuant to this chapter, the director may take action authorized by this chapter. Any health care institution, including an accredited hospital, whose license has been suspended or revoked in accordance with this section is subject to inspection on application for relicensure or reinstatement of license.~~

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

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

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

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

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

1. THE VARIOUS LEVELS OF COMPLAINTS.
2. THE PROCESS FOR DETERMINING THE COMPLAINT LEVEL ASSIGNMENT.
3. THE TIME FRAMES FOR INITIATING A COMPLAINT INVESTIGATION.

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

1. THE LEVEL OF THE COMPLAINT.
2. ALL DOCUMENTS THAT AFFECT THE INTERNAL PROCEDURES OF THE DEPARTMENT OR THAT IMPOSE ADDITIONAL REQUIREMENTS OR PENALTIES ON LICENSEES.

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

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

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

A. IF A LICENSEE RECEIVES A STATEMENT OF DEFICIENCIES FOLLOWING A STATE SURVEY OR COMPLAINT INVESTIGATION AND THE LICENSEE WISHES TO DISPUTE

1 ANY OF THE IDENTIFIED DEFICIENCIES, THE LICENSEE, DURING THE INFORMAL
2 DISPUTE RESOLUTION PROCESS, SHALL INDICATE TO THE DEPARTMENT EACH
3 DEFICIENCY THE LICENSEE IS DISPUTING AND PROVIDE:

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

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

7 3. ANY SUPPORTING DOCUMENTATION THAT EXPLAINS THE REASON THE
8 DEFICIENCY SHOULD BE RESCINDED.

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

15 C. IF THE DEPARTMENT APPROVES THE REMOVAL OF ALL DEFICIENCIES FROM
16 THE STATEMENT OF DEFICIENCIES DURING THE INFORMAL DISPUTE RESOLUTION
17 PROCESS, THE DEPARTMENT SHALL CLOSE THE COMPLAINT.

18 36-424.03. Surveyors and supervisors; annual training
19 program; objectives

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

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

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

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

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

32 4. THE IMPORTANCE OF CLEAR AND TRANSPARENT COMMUNICATION WITH
33 LICENSEES.

34 C. THE DEPARTMENT SHALL IMPLEMENT AN ANNUAL PROCESS FOR ALL
35 LICENSING SURVEYORS AND THE SUPERVISORS AND MANAGERS OF LICENSING
36 SURVEYORS TO DEMONSTRATE PRACTICAL KNOWLEDGE AND UNDERSTANDING OF THE
37 FOLLOWING:

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

40 2. ASCERTAINING WHETHER A COMPLAINT OR GRIEVANCE FILED WITH THE
41 DEPARTMENT SHOULD RESULT IN OPENING A COMPLAINT INVESTIGATION UNDER THIS
42 CHAPTER.

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

45 4. THE IMPORTANCE OF CLEAR AND TRANSPARENT COMMUNICATION WITH
46 LICENSEES."

House Amendments to H.B. 2176

- 1 Enroll and engross to conform
- 2 Amend title to conform

JULIE WILLOUGHBY

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02/19/2025
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