

REFERENCE TITLE: hospitals; single group licenses

State of Arizona
Senate
Forty-eighth Legislature
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2008

SB 1117

Introduced by
Senators O'Halleran, Aguirre; Representatives Mason, Pancrazi, Ulmer:
Tobin

AN ACT

AMENDING SECTION 36-422, ARIZONA REVISED STATUTES; RELATING TO HEALTH CARE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 36-422, Arizona Revised Statutes, is amended to
3 read:
4 36-422. Application for license; notification of proposed
5 change in status; joint licenses; definition
6 A. A person who wishes to be licensed under this chapter to operate a
7 health care institution shall file with the department an application on a
8 form prescribed, prepared and furnished by the department. The application
9 shall contain the following:
10 1. The name and location of the health care institution.
11 2. Whether it is to be operated as a proprietary or nonproprietary
12 institution.
13 3. The name of the governing authority. The applicant shall be the
14 governing authority having the operative ownership of, or the governmental
15 agency charged with the administration of, the health care institution sought
16 to be licensed.
17 4. The name and business or residential address of each controlling
18 person and an affirmation that none of the controlling persons has been
19 denied a license or certificate ~~issued~~ by a health profession regulatory
20 board pursuant to title 32 or ~~issued~~ by a state agency pursuant to chapter 6,
21 article 7 or chapter 17 of this title or a license to operate a health care
22 institution in this state or another state or has had a license or
23 certificate issued by a health profession regulatory board pursuant to title
24 32 or issued by a state agency pursuant to chapter 6, article 7 or chapter 17
25 of this title or a license to operate a health care institution revoked. If
26 a controlling person has been denied a license or certificate ~~issued~~ by a
27 health profession regulatory board pursuant to title 32 or ~~issued~~ by a state
28 agency pursuant to chapter 6, article 7 or chapter 17 of this title or a
29 license to operate a health care institution in this state or another state
30 or has had a health care professional license or a license to operate a
31 health care institution revoked, the controlling person shall include in the
32 application a comprehensive description of the circumstances for the denial
33 or the revocation.
34 5. The class or subclass of health care institution to be established
35 or operated.
36 6. The types and extent of the health care services to be provided,
37 including emergency services, community health services and services to
38 indigent patients.
39 7. The name and qualifications of the chief administrative officer
40 implementing direction in that specific health care institution.
41 8. Other pertinent information required by the department for the
42 proper administration of this chapter and department rules.
43 B. An application filed pursuant to this section shall be signed as
44 follows:

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

3 2. If the applicant is a partnership or corporation, by two of the
4 partnership's or corporation's officers.

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

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

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

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

25 F. If a person operates a hospital in a setting that includes
26 **SATELLITE** facilities of the hospital that are located separately from the
27 main hospital building, the department at the request of the applicant or
28 licensee shall issue a single group license to the hospital and its
29 designated facilities ~~located within one half mile of the main hospital~~
30 ~~building~~ if all of the facilities meet or exceed department licensure
31 requirements for the designated facilities. ~~At the request of the applicant~~
32 ~~or licensee, the department shall also issue a single group license that~~
33 ~~includes the hospital and not more than five of its designated satellite~~
34 ~~facilities that are located farther than one half mile from the main hospital~~
35 ~~building if all of these facilities meet or exceed applicable department~~
36 ~~licensure requirements.~~ Each facility included under a single group license
37 is subject to the department's licensure requirements that are applicable to
38 that category of facility. Subject to compliance with applicable licensure
39 or accreditation requirements the department shall reissue individual
40 licenses for the facility of a hospital located in separate buildings from
41 the main hospital building when requested by the hospital. This subsection
42 does not apply to nursing care institutions and residential care
43 institutions. The department is not limited in conducting inspections of an
44 accredited health care institution to ensure that the institution meets
45 department licensure requirements.

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

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

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

23 J. For the purposes of this section:

24 1. "Accredited" means accredited by a nationally recognized
25 accreditation organization.

26 2. "Satellite facility" means an outpatient facility at which the
27 hospital provides outpatient medical services.