NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 3. AGRICULTURE

CHAPTER 2. DEPARTMENT OF AGRICULTURE
ANIMAL SERVICES DIVISION

PREAMBLE

1. Sections Affected **Rulemaking Action**
R3-2-206 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. §§ 3-107 (A)(1), 3-1203(B)(1)

Implementing statutes: A.R.S. §§ 3-2046, 3-2081

3. A list of all previous notices appearing in the Register addressing the adopted rule:
Notice of Rulemaking Docket Opening: 7 A.A.R. 4360, October 19, 2001

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

Name:	Sherry D. Blatner, Rules Specialist
Address:	Department of Agriculture 1688 W. Adams, Room 235 Phoenix, AZ 85007
Telephone:	(602) 542-0962
Fax:	(602) 542-5420
E-mail:	sherry.blatner@agric.state.az.us

5. An explanation of the rule, including the agency's reasons for initiating the rule:
This rulemaking conforms the Department's rules regarding disposal of dead animals with rules promulgated by the Department of Environmental Quality, provides additional safeguards for health issues related to dead animals, and clarifies existing language.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material.
None

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 preliminary summary of the economic, small business, and consumer impact:
A. *The Arizona Department of Agriculture*.

The Department will incur modest expenses related to training staff and educating the regulated community on the amendments.

B. *Political Subdivision.*
Implementation of this rulemaking will increase the number of animal carcasses disposed of at registered sanitary landfills, some of which are municipally owned. However, the Department of Environmental Quality rules already permit the disposal of large animals at these landfills.

C. *Businesses Directly Affected By the Rulemaking.*
Businesses licensed to transport animal carcasses will be permitted to dispose of the carcasses at sanitary landfills registered with the Arizona Department of Environmental Quality. Animals that die from anthrax or a foreign animal disease may be disposed of only as directed by the State Veterinarian.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Sherry D. Blatner

Address: Department of Agriculture
1688 W. Adams, Room 235
Phoenix, AZ 85007

Telephone: (602) 542-0962

Fax: (602) 542-5420

E-mail: sherry.blatner@agric.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Department of Agriculture will schedule a public hearing if a written request for a public hearing is made to the person in item #4.

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. The full text of the rules follows:

TITLE 3. AGRICULTURE

CHAPTER 2. DEPARTMENT OF AGRICULTURE
ANIMAL SERVICES DIVISION

ARTICLE 2. MEAT AND POULTRY INSPECTION

Section

R3-2-206. Purchase, Sale, Collection, Transportation, Disposition, and Use of Meat or Meat Food Products; Dead Animals; Animal Bone, Animal Fat, Animals, Animal Offals

ARTICLE 2. MEAT AND POULTRY INSPECTION

R3-2-206. Purchase, Sale, Collection, Transportation, Disposition, and Use of Meat or Meat Food Products; Dead Animals; Animal Bone, Animal Fat, ~~Animals~~ Animal Offals

A. No person shall buy, sell, offer for sale, store, transport, receive, or collect any meat or meat food product except as provided in this subsection.

1. Any of the following meat or meat food products may be bought, sold, or offered for sale as animal food and may be stored, transported, received, or collected anywhere within the state:
   a. Any meat or meat food product which has been processed in an animal food manufacturing plant licensed by the Department;
   b. Any meat or meat food product which has come from an animal that has died by slaughter or has been approved or passed for animal food by either state or federal meat inspectors;
   c. Any meat or meat food product which has been thoroughly cooked at a minimum temperature of 180×F. for 30 minutes and has been certified by state or federal meat inspectors having jurisdiction at the place of processing.

2. A carcass with the hide, hair, or pelt still on the carcass may be bought, sold, offered for sale, collected and transported to, or received or stored by the following only:
   a. A rendering or tallow plant,
   b. A state or county diagnostic laboratory or crematory, ~~or~~
   c. An animal food manufacturing plant~~.~~, or
   d. A landfill registered with the Arizona Department of Environmental Quality.
3. Any meat or meat food product described in subsections (A)(1) and (2)(a) and (2)(c) shall be denatured with a denaturant that will not leave a toxic residue and is removable when steam is distilled at atmospheric pressure.
4. Any meat or meat food product that has been condemned by state or federal meat inspectors shall be treated as provided in 9 CFR 314.3, which has been incorporated by reference in R3-2-202, and may be disposed of as provided in that rule or may be collected and transported to or received and stored in a rendering or tallow plant or a state or county diagnostic laboratory or crematory.

B. A person engaged commercially in the collection or transportation of dead animal carcasses or inedible meat shall be registered with the Department as a dead animal hauler and shall maintain and keep all records for such period of time as required by ~~R3-2-208(C)~~ R3-2-203(C).

C. All vehicles and other means of conveyance used to transport dead animal carcasses or inedible meat shall be leak proof, constructed of impervious materials that permit thorough cleaning and sanitizing, and equipped to assure the control of insects and odors and prevent the spread of disease. In addition, the Department of Environmental Quality vehicle requirements prescribed in R18-13-310(A) and (B) shall apply.

D. Except as provided in subsection (E), ~~A~~ a dead animal carcass may be ~~processed~~ rendered or made into animal food only at a licensed rendering or an animal food manufacturing plant as prescribed in A.R.S. § 3-2088 and this Article.

E. Dead animals diagnosed with anthrax or a foreign animal disease shall be handled as directed by the State Veterinarian.

~~E.~~F. Discarded animal bone, animal fat, and animal offals generated by wholesale food manufacturers shall be transported~~, and~~ received~~, and rendered~~ only by a:

1. ~~licensed~~ Licensed rendering plant., or
2. Landfill, as prescribed in subsection (A)(2)(d).

NOTICE OF PROPOSED RULEMAKING

TITLE 7. EDUCATION

CHAPTER 2. STATE BOARD OF EDUCATION

ARTICLE 3. CURRICULUM REQUIREMENTS AND SPECIAL PROGRAMS

PREAMBLE

1. Sections Affected | **Rulemaking Action**
R7-2-306 | Amend

2. The specific authority for the rulemaking, including both the authorizing statue (general) and the statutes the rules are implementing (specific):
Implementing statutes: A.R.S. §§ 15-203(A), 15-741 and 15-751

3. A list of all previous notices appearing in the Register addressing the proposed rule:
Notice of Rulemaking Docket Opening, 7 A.A.R. 4919, October 19, 2001

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

Name:	Corinne L. Velasquez, Executive Director
Address:	State Board of Education 1535 W. Jefferson, Room 418 Phoenix, AZ 85007
Telephone:	(602) 542-5057
Fax:	(602) 542-3046

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

The State Board of Education is proposing to amend R72-306, Bilingual Programs and English as a Second Language Programs, to conform with the recent changes ordered or approved by the Court in the case *Flores* v. *State of Arizona* and Proposition 203.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

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 preliminary summary of the economic, small business and consumer impact:

A.R.S. § 15-752 states, "As much as possible, current per capita supplemental funding for English learners shall be maintained." In the Flores case, the court found the state of Arizona failed to provide sufficient funding for the instruction of English learners in the Nogales Unified School District. The court further determined that the state's minimum $150.00 appropriation for each EL was arbitrary and capricious. An English Acquisition Program Cost Study was conducted, the results of which have been forwarded to the state legislature. Judge Alfredo Marquez of the U.S. District Court of Arizona has set a deadline of January 30, 2002, for state lawmakers to come up with an adequate funding plan for English learners. Based upon deadline, the ADE met with the Arizona Legislature's Ad Hoc Committee on the Flores Consent Order to discuss possible funding concepts that would address this issue. These concepts include Group B weight revision, teacher training, supplemental grants and computer software acquisition. At this time, a monetary assignment of fiscal is not calculated.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business and consumer impact statement:

Name: Corinne L. Velasquez, Executive Director

Address: State Board of Education
1535 W. Jefferson, Room 418
Phoenix, AZ 85007

Telephone: (602) 542-5057

Fax: (602) 542-3046

10. The time, place and nature of the proceedings for the adoption, amendment, or repeal of the rules, if no proceeding is scheduled, when, where, and how persons may request an oral proceeding on the proposed rules:

An oral proceeding on the proposed rulemaking is scheduled as follows:

Date: November 26, 2001

Time: 1:30 p.m.

Location: State Board of Education
1535 W. Jefferson, Room 417
Phoenix, AZ 85007

Written comments may be submitted on or before 5:00 p.m. on November 16, 2001, to the contact person listed in item #9.

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. The full text of the rules follows:

TITLE 7. EDUCATION

CHAPTER 2. STATE BOARD OF EDUCATION

ARTICLE 3. CURRICULUM REQUIREMENTS AND SPECIAL PROGRAMS

Section
R7-2-306. ~~Bilingual programs and English as a second language program~~ English Learner Programs

ARTICLE 3. CURRICULUM REQUIREMENTS AND SPECIAL PROGRAMS

R7-2-306. English Learner Programs

A. Definitions. All terms defined in A.R.S. § 15-751 are applicable, with the following additions:

1. "AIMS test" means the Arizona Instrument to Measure Standards test prescribed by A.R.S. § 15-741.
2. "Compensatory instruction" means instruction given in addition to regular classroom instruction, such as individual or small group instruction, extended day classes, summer school or intersession school.
3. "Department" means the Department of Education.
4. "EL" means English learner.
5. "FEP" means fluent English proficient, a student who has met the requirements for exit from the English learner program.
6. "LEA" means local education agency, the school district or charter school that serves as the local education agency.
7. "PHLOTE" means a student whose primary or home language is other than English.
8. "Reassessment for reclassification" means the process of determining whether an English learner may be reclassified as fluent English proficient (FEP).
9. "State Board" means the State Board of Education.
10. "Superintendent" means the State Superintendent of Public Instruction.

~~A.~~**B.** Identification of students to be assessed:

1. The primary or home language of all students shall be identified by the students' parent or legal guardian on the ~~upon~~ enrollment form~~s~~ and on the home language survey.
2. A student shall be considered as a PHLOTE student if the home language survey indicates that any of the following are true: ~~The primary home language of the student shall be considered to be other than English in any of the following cases~~:
   a. The primary language used ~~most often spoken~~ in the ~~student's~~ home is other than English~~, regardless of the language spoken by the student~~.
   b. The language most often spoken by the student is other than English.
   c. The student's first acquired language is other than English.
3. The English language proficiency of all PHLOTE students shall be assessed as provided in subsection C.

~~B.~~**C.** English language assessment.

1. PHLOTE ~~Students~~ students in kindergarten and first grade ~~whose primary language is other than English~~ shall be administered an oral English language proficiency ~~assessment~~ test approved by the Superintendent ~~State Board of Education for the purpose of assessing the comprehension and speaking of English.~~ (Appendix A). Students ~~in kindergarten and first grade~~ who score below the publisher's designated score for fluent English proficiency ~~proficient~~ shall be classified as ELs ~~limited English proficient (LEP) students~~.
2. PHLOTE ~~Students~~ students in grades 2-12 shall be administered the oral, reading and writing English language proficiency tests approved by the Superintendent (Appendix A) ~~whose primary language is other than English may be screened prior to the administration of a State Board of Education approved oral language proficiency assessment test. For the purpose of screening, schools shall review the achievement level on the English reading comprehension subtest of the state pupil achievement testing program. Students in grades 2-12 whose primary language is other than English and who score at or below the 40th percentile or for whom no standardized test scores are available shall be administered an oral language proficiency assessment test approved by the State Board of Education~~. Students who score below the publisher's designated score for fluent English proficiency ~~proficient~~ shall be classified as ELs ~~limited English proficient~~.
3. English language proficiency assessments shall be conducted by individuals who are proficient in English and who have been thoroughly trained to administer and score the tests. ~~Upon district staff recommendation or parental request, students in grades 2-12 whose primary language is other than English and who score above the 40th percentile on the reading comprehension subtest of the state pupil achievement testing program shall be administered an oral language proficiency assessment test approved by the State Board of Education. Students who score below the publisher's designated score for fluent English proficient shall be classified as limited English proficient.~~
4. The LEA shall assess the English language proficiency of all new PHLOTE students as prescribed above within 60 school days of the beginning of the school year or within 30 school days of a student's enrollment in school, whichever is later. ~~Students in grades 2-12 whose primary language is other than English and who score as fluent English proficient on the State Board of Education's approved oral language proficiency assessment test shall be evaluated for achievement in English reading and writing. Students who are determined to be performing below district standards~~

~~established pursuant to R7-2-301 and R7-2-302 for grade level shall be tentatively classified as limited English proficient and referred for primary language assessment.~~

~~5. English language proficiency assessments shall be conducted by individuals who are proficient in English and who have been thoroughly trained to administer and score the test or procedure.~~

~~**C**. Primary language assessment.~~

~~1. Students who are classified as limited English proficient shall be administered a primary language assessment in comprehending, speaking, reading, and writing utilizing tests or procedures approved by the State Board of Education. (Appendix B) Students in kindergarten and first grade and students whose primary language is not commonly written, need not be assessed in reading and writing the primary language.~~

~~2. Primary language assessments shall be conducted by individuals who are proficient in the particular language and who have been thoroughly trained to administer and score the test or procedure.~~

~~3. Students in grades 2-12 who were classified as limited English proficient on the basis of reading and writing alone and who demonstrate no language proficiency in a language other that English shall be further reviewed by the district to determine whether the student's low performance in reading and writing is because the student is from an environment in which another language is spoken. If the district finds that the low achievement is language related the student shall continue to be classified as limited English proficient.~~

~~4. Students in grads K-12 who, as a result of the language assessments, are determined to have little or no fluency in either language shall continue to be classified as limited English proficient and shall be referred for further evaluation to complete the assessment.~~

~~**D.** Assessment of students in Special Education or in the Referral Process~~

~~1. Students in special education whose primary language is other than English shall be assessed for limited English proficiency as prescribed in subsections (B) and (C). If the special education director or designee finds the procedures to be inappropriate for a particular student because of the nature of the handicapping condition, the district shall employ alternate procedures for assessing English and primary language skills.~~

~~2. Students in special education shall be classified as limited English proficient as prescribed in subsections (B) and (C). If the special education director or designee finds these standards to be inappropriate for a particular student, he shall determine the impact of the handicapping condition upon the level of language proficiency and shall set the standards for each student accordingly. Persons conducting the language assessments shall participate with the special education director or designee in the determination of the student's language proficiency designation.~~

~~3. Students whose primary language is other than English and who have been referred for special education evaluation shall be assessed for limited English proficiency as prescribed in subsections (B) and (C). If the multidisciplinary conference team finds the procedures to be inappropriate for a particular student because of the nature of the handicapping condition, the district shall employ alternate procedures for assessing English and primary language skills.~~

~~4. Students who have been referred for special education evaluation shall be classified as limited English proficient as prescribed in subsections (B) and (C). If the multidisciplinary conference team finds these standards to be inappropriate for a particular student, the team shall determine the impact of the handicapping condition upon the level of language proficiency and shall set the standards for each student accordingly. Persons conducting the language assessments shall participate with the multidisciplinary conference team in the determination of the student's language proficiency designation.~~

D. Assessment of students in special education or in the special education referral process. If a multidisciplinary evaluation or IEP team finds the procedures prescribed in subsections (B) and (C) inappropriate for a particular special education student, the LEA shall employ alternate procedures for identifying such students or assessing their English proficiency. Persons conducting the language assessment shall participate with the special education multidisciplinary evaluation or IEP team in the determination of the student's language proficiency designation.

~~**E.** Time to complete assessment.~~

~~1. English and primary language assessments shall be completed by December 1, 1984, for all students whose primary language is other than English, and by December 1, annually, thereafter for all newly enrolled students whose primary language is other than English.~~

~~2. Students whose primary language is other than English and who enroll after December 1, shall be assessed within 30 days of enrollment.~~

E. Screening and assessment of students in gifted education. ELs who meet the qualifications for placement in a gifted educational program shall receive programmatic services designed to develop their specific areas of potential and academic ability and may be concurrently enrolled in gifted programs and English learner programs.

~~**F.** Program options.~~

~~1. All students who have been classified as limited English proficient shall be provided a program as prescribed in A.R.S. § 15-799.03.~~

~~2. Limited English proficient students shall be provided the State Board of Education's course of study pursuant to R7-2-301 and R7-2-302.~~

F. English learner programs.

1. All ELs shall be provided daily instruction in English language development appropriate to their level of English proficiency and consistent with A.R.S. § 15-751 and 752. The English language instruction shall include listening and speaking skills, reading and writing skills, and cognitive and academic development in English.
2. ELs shall be provided instruction in basic subject areas under the course of study adopted by the State Board pursuant to R7-2-301 and R7-2-302 that is understandable and appropriate to the level of academic achievement of the EL and is in conformity with accepted strategies for teaching ELs.
3. The curriculum of all English learner programs shall incorporate the Academic Standards adopted by the State Board and shall be comparable in amount, scope and quality to that provided to English proficient students.
4. ELs who are not progressing toward achieving proficiency of the Academic Standards adopted by the State Board, as evidenced by the failure to improve scores on the AIMS test or the nationally standardized norm-referenced achievement test adopted pursuant to A.R.S. § 15-741 shall be provided additional compensatory instruction to assist them in achieving those Academic Standards. Written documentation of the compensatory instruction provided shall be kept in the student's academic file.
5. The parent or legal guardian of an EL may request of the school principal a meeting to review the student's progress in achieving proficiency in the English language or in making progress toward the Academic Standards adopted by the State Board. The meeting shall include the principal or principal's designee, the parent or legal guardian, and the classroom teacher, and shall consider appropriate actions to be taken to address the identified problems.

G. Reassessment for reclassification.

1. The purpose of reassessment is to determine if the EL ~~a limited English proficient student~~ has developed the English skills necessary to succeed in the English curricula.
2. An EL ~~A limited English proficient student~~ may be reassessed for reclassification at any time, but shall be reassessed for reclassification at least once per year ~~to fluent English proficient at any time but no less than every two years~~.
3. ~~All of the following criteria must be met in order for a student to be reclassified:~~
   a. ~~Teacher evaluation. The teacher must observe the student's oral English proficiency and review the student's performance on the State Board of Education's minimum competency skills in the required subjects to determine the student's readiness to succeed in an English language course of study. The student must be performing at a level consistent with district standards for grade level established pursuant to R7-2-301 and R7-2-302.~~
   b. ~~Parental opinion and consultation. At least one of the student's parents or legal guardians must be contacted by telephone, written communication, or personal interview in the language of the home to inform him/her that the child is being considered for reclassification and to give him/her the opportunity to review student performance data and to provide input into the reclassification decision.~~
   c. ~~Objective assessment of English oral language proficiency. The student must be reassessed with an oral language proficiency assessment test selected by the district from the State Board of Education's approved list. The student must achieve the publisher's designated score for fluent English proficient.~~
   d. ~~Objective assessment of writing skills. The student shall demonstrate writing skills at a level consistent with the district standards for grade level established pursuant to R7-2-301 and R7-2-302. This shall be determined by use of a standardized writing test or by a writing sample.~~
   e. ~~Objective assessment of reading skills. Two options are provided for this standard:~~
      i. ~~The student shall have scored at or above the 36th percentile of national norms on the reading comprehension subtest of the state pupil achievement testing program; or~~
      ii. ~~The student shall have scored in the range of the 31st to the 35th percentile if the criteria in subparagraphs (a) through (d) are met and a decision to reclassify is made by a language assessment team which includes the student's parent, the student's limited English proficiency program teacher pursuant to A.R.S. § 15-799.03, and a school district representative.~~
3. ELs in kindergarten or first grade shall be reassessed with the oral test of the same English language proficiency test used for initial assessment. Students who score at or above the test publisher's recommended score for English proficiency shall be reclassified as FEP.
4. ~~Students who are exempt from the state pupil achievement testing program pursuant to A.R.S. § 15-744(B), need not be administered an English reading and writing test. Such students shall continue to be classified as limited English proficient.~~
4. ELs in grades 2-12 shall be reassessed with the oral, reading and writing English language proficiency tests used for initial assessment. Students who score at or above the test publisher's recommended score for English proficiency in all of the tests shall be reclassified as FEP.
5. ~~Review of program sufficiency. When, as a result of each reassessment, a student continues to be classified as limited English proficient, a review of the program services offered must be conducted. The purpose of the program review will be to determine whether the program model and services selected for the student are being provided of the nature and to the extent necessary to afford the limited English proficient student the opportunity to acquire sufficient English language and academic skills to enable the student to meet reclassification criteria.~~

5. Teachers shall be notified that a student has been reclassified as FEW when the student meets the criteria for such reclassification.
~~6. Follow-up for reclassified students. For one year following the reclassification of each student, the district shall review achievement levels to ensure that each student has been correctly reclassified. This review must be conducted at least twice during the follow-up year.~~
6. Parents shall be notified that their child has been reclassified as FEP when the student meets the criteria for such reclassification.

H. Reassessment of special education students for language reclassification. ~~for reclassification of limited English proficient students whose language needs are addressed within the context of special education~~. If a multidisciplinary evaluation or IEP team finds the procedures prescribed in subsection G inappropriate for a particular special education student, the LEA shall employ alternate procedures for reassessing the student for purposes of language reclassification. Persons conducting the language reassessment shall participate with the special education multidisciplinary evaluation or IEP team in the determination of the student's language proficiency designation.
~~1. Reassessment for language reclassification may be conducted at any time but no less than every two years. This process shall be conducted in conjunction with the review of the individualized education plan (IEP) team.~~
~~2. The purpose of the reassessment is to determine whether the limited English proficient student in special education has developed the English language skills necessary to succeed in English-only instruction.~~
~~3. The reassessment of special education students for reclassification shall be conducted as prescribed in subsection (G). If the individualized education plan team finds the procedures to be inappropriate for a particular student because of the nature of the handicapping condition, the district shall employ alternate procedures for reassessment.~~
~~4. Special education students shall be reclassified to fluent English proficient as prescribed in subsection (G). If the individualized education plan team finds these standards to be inappropriate for a particular student, the team shall determine the impact of the handicapping condition upon the level of language proficiency and shall set the standards for each student accordingly. Persons conducting the language assessments shall participate with the individualized education plan team in the determination of the student's language proficiency designation.~~

I. Evaluation of FEP students after exit from EL programs.
1. After a student has been reclassified as FEP, the student shall be evaluated yearly for the next two years to determine if the student is performing satisfactorily. The evaluation shall consist of tests of the exited student's reading and writing skills, mathematics skills and content area mastery. In evaluating a student's reading and writing skills, the LEA shall use any of the tests designated in Appendix A. In evaluating an exited student's mathematics skills and content mastery, the LEA shall use either the AIMS test or the nationally standardized norm-referenced achievement test adopted pursuant to A.R.S. § 15-741.
2. In order to be performing satisfactorily in reading and writing skills, the student shall score at or above the proficiency scores established by the Superintendent for those tests (Appendix A). If the AIMS test is used to assess mathematics skills and mastery of academic content areas, in order to be performing satisfactorily, the student shall meet or exceed the minimum competency standards adopted by the State Board. If the nationally standardized norm-referenced achievement test is used to assess mathematics skills and mastery of academic content areas, in order to be performing satisfactorily, the student shall score at or above the proficiency score established by the Superintendent for that test. The exited students' AIMS or nationally standardized norm-referenced achievement test scores shall also be compared to the scores of other students of the same age or grade level within the state to determine whether the student is performing satisfactorily.
3. Exited students who are not performing satisfactorily shall, subject to parental consent, be reenrolled in an EL program or given compensatory instruction designed to correct the skill or knowledge deficits indicated by the reassessment result. Written documentation of the compensatory instruction provided shall be kept in the student's academic file.

J. Monitoring of EL programs
1. Each year the Department shall monitor at least 32 LEAs, as follows:
   a. At least 12 of the 50 LEAs with the highest EL enrollment;
   b. At least 10 LEAs with ELs that are not included in the 50 described above;
   c. At least 10 LEAs that have reported that they do not offer EL programs in their schools, and
   d. other LEAs, as appropriate, upon receipt of a written complaint from any citizen, the U.S. Department of Education, or the U.S. Office for Civil Rights, alleging that the LEA is not complying with state or federal law regarding ELs.
2. All of the 50 LEAs in subsection 1.a. above shall be monitored by the Department at least once every four years.
3. The monitoring shall be on-site monitoring and shall include classroom observations, curriculum reviews, faculty interviews, student records, and review of EL programs. The Department may use personnel from other schools to assist in the monitoring.
4. The Department shall issue a report on the results of its monitoring within 45 days after completing the monitoring. If the Department determines that an LEA is not complying with state or federal laws applicable to EL students, the

LEA shall prepare and submit to the Department, within 60 days, a corrective action plan that sets forth steps that shall be taken to correct the deficiencies noted in the report.

5. The Department shall review and return such corrective action plan to the LEA within 30 days, noting any required changes. Within 30 days after receiving its corrective action plan back from the Department, the LEA shall begin implementing the measures set forth the plan, including any revisions required by the Department.
6. The Department shall conduct a follow-up evaluation of the LEA within one year after returning the corrective action plan to the LEA.
7. If the Department finds continued non-compliance during the follow-up evaluation, the LEA shall be referred to the State Board for a determination of non-compliance. If the State Board determines the LEA to be in non-compliance, it may instruct the Superintendent to withhold Group B weight funds from the LEA until the Department finds the LEA to be back in compliance. An LEA determined by the State Board to be non-compliant shall not reduce the amount of funds spent on its EL programs as the result of any loss of group B weight funds pursuant to this subsection.
8. The Department shall monitor all LEAs that the State Board has determined to be non-compliant and which are no longer receiving group B weight funds to ensure that such LEAs do not reduce the amount of funds spent on their EL programs as the result of the withholding of such funds.

K. Qualifications of personnel.

1. LEAs shall take all reasonable affirmative steps to assign appropriate certified or otherwise qualified teachers to deliver instruction to ELs in accordance with A.R.S. § 15-751 and 752.
2. LEAs shall ensure that teachers and paraprofessionals working with ELs have appropriate endorsements and/or necessary training to successfully apply their knowledge and skills in the classroom to the benefit of the ELs.

~~**Appendix A**~~

~~**English Language Assessment Tests and Procedures**~~

~~**A.** Oral Language Proficiency Assessment~~

~~1. The following tests are approved for oral language assessment in English:~~
~~a. Bilingual Syntax Measure I (BSM I) K-2~~
~~b. Bilingual Syntax Measure II (BSM II) 3-12, Publisher: The Psychological Corporation~~
~~c. IDEA Oral Language Proficiency Test I (IPT I) K-6~~
~~d. IDEA Oral Language Proficiency Test II (IPT II) 7-12, Publisher: Ballard and Tighe, Inc.~~
~~e. Language Assessment Scales I (LAS I) – Forms A and B, K-5~~
~~f. Language Assessment Scales (LAS II) – Forms A and B, 6-12~~
~~g. Language Assessment Scales I (LAS I) Short Form, K-5~~
~~h. Language Assessment Scales II (LAS II) Short Form, 6-12, Publisher: Linguametrics Group~~
~~2. Districts may request authorization on an annual basis to utilize a test not listed above. The request shall be submitted to the Department of Education by April 1 and shall include a copy of the test and the technical manual for the test. The Department of Education shall review and approve/disapprove such requests by June 1 annually, based upon the technical adequacy of the test in the areas of norming, reliability, validity, and administration.~~
~~3. Districts which conducted oral language proficiency assessment prior to August, 1984 may continue to utilize the current tests for the 1984-1985 school year if the tests provide for the individual assessment of comprehension and speaking.~~

~~**B.** Reading and Writing Assessments~~

~~1. Districts shall utilize the reading comprehension subtest of the state pupil achievement test or district procedures established pursuant to R7-2-301 and R7-2-302 to assess proficiency in reading English.~~
~~2. Districts shall utilize procedures established pursuant to R7-2-301 and R7-2-302 to assess proficiency in writing English.~~

~~**Appendix B**~~

~~**Primary Language Assessment Tests and Procedures**~~

~~**A.** Districts shall utilize formal tests to the extent such tests are available in the particular language for assessing comprehension, speaking, reading, and writing. Districts may refer to a list of such tests maintained by the Department of Education.~~

~~**B.** The parallel versions of the tests listed under Appendix A, (A)(1) shall be used for oral language proficiency assessment in the native language, if available.~~

~~**C.** In the event no test is available in a particular language, a structured interview and academic evaluation shall be conducted by personnel with proficiency in the particular language. Districts may refer to the Directory of Bilingual Resource Persons maintained by the Department of Education to identify such individuals.~~

Appendix A

Listing of English Language Proficiency Assessments

1. IDEA Proficiency Test (IPT), Publisher: Ballard & Tighe Publishers

2. Language Assessment Scales (LAS), Publisher: CTB/McGraw-Hill
3. Woodcock-Muñoz Language Survey (WMLS), Publisher: Riverside Publishing Co.
4. Woodcock Language Proficiency Battery-Revised (WLPB-R), Publisher: Riverside Publishing Co.

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 10. DEPARTMENT OF HEALTH SERVICES
HEALTH CARE INSTITUTIONS: LICENSURE

PREAMBLE

1. Sections Affected	Rulemaking Action
Article 2	Amend
R9-10-201	New Section
R9-10-202	New Section
R9-10-203	New Section
R9-10-204	New Section
R9-10-205	New Section
R9-10-206	New Section
R9-10-207	New Section
R9-10-208	New Section
R9-10-209	New Section
R9-10-210	New Section
R9-10-211	Repeal
R9-10-211	New Section
R9-10-212	Repeal
R9-10-212	New Section
R9-10-213	Repeal
R9-10-213	New Section
R9-10-214	Repeal
R9-10-214	New Section
R9-10-215	Repeal
R9-10-215	New Section
R9-10-216	Repeal
R9-10-216	New Section
R9-10-217	Repeal
R9-10-217	New Section
R9-10-218	Repeal
R9-10-218	New Section
R9-10-219	Repeal
R9-10-219	New Section
R9-10-220	Repeal
R9-10-220	New Section
R9-10-221	Repeal
R9-10-221	New Section
R9-10-222	Repeal
R9-10-222	New Section
R9-10-223	Repeal
R9-10-223	New Section
R9-10-224	Repeal
R9-10-224	New Section
R9-10-225	Repeal
R9-10-225	New Section
R9-10-226	Repeal
R9-10-226	New Section

R9-10-227	Repeal
R9-10-227	New Section
R9-10-228	Repeal
R9-10-228	New Section
R9-10-229	Repeal
R9-10-229	New Section
R9-10-230	Repeal
R9-10-230	New Section
R9-10-231	Repeal
R9-10-231	New Section
R9-10-232	Repeal
R9-10-232	New Section
R9-10-233	Repeal
Article 3	Repeal
R9-10-311	Repeal
R9-10-312	Repeal
R9-10-313	Repeal
R9-10-314	Repeal
R9-10-315	Repeal
R9-10-316	Repeal
R9-10-317	Repeal
R9-10-318	Repeal
R9-10-319	Repeal
R9-10-320	Repeal
R9-10-321	Repeal
R9-10-322	Repeal
R9-10-323	Repeal
R9-10-324	Repeal
R9-10-325	Repeal
R9-10-326	Repeal
R9-10-327	Repeal
R9-10-328	Repeal
R9-10-329	Repeal
R9-10-330	Repeal
R9-10-331	Repeal
R9-10-332	Repeal
R9-10-333	Repeal
Article 4	Repeal
R9-10-411	Repeal
R9-10-412	Repeal
R9-10-413	Repeal
R9-10-414	Repeal
R9-10-415	Repeal
R9-10-416	Repeal
R9-10-417	Repeal
R9-10-418	Repeal
R9-10-419	Repeal
R9-10-420	Repeal
R9-10-421	Repeal
R9-10-422	Repeal
R9-10-423	Repeal
R9-10-424	Repeal
R9-10-425	Repeal
R9-10-426	Repeal
R9-10-427	Repeal
R9-10-428	Repeal
R9-10-429	Repeal
R9-10-430	Repeal
R9-10-431	Repeal

R9-10-432	Repeal
R9-10-433	Repeal
R9-10-434	Repeal
R9-10-435	Repeal
R9-10-436	Repeal
R9-10-437	Repeal
R9-10-438	Repeal

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. §§ 36-132(A) and 36-136(F)

Implementing statutes: A.R.S. §§ 36-405 and 36-406

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 7 A.A.R. 1321, March 23, 2001

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

Name: Virginia Blair, Team Leader

Address: Department of Health, Office of Medical Facilities
1647 E. Morten Ave., Suite 160
Phoenix, AZ 85020

Telephone: (602) 674-4371

Fax: (602) 395-8913

E-mail: vblair@hs.state.az.us

or

Name: Kathleen Phillips, Rules Administrator

Address: Department of Health, Office of Administrative Rules
1740 W. Adams, Suite 102
Phoenix, AZ 85007

Telephone: (602) 542-1264

Fax: (602) 542-1150

E-mail: kphilli@hs.state.az.us

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

A.R.S. § 36-132(A) requires the Arizona Department of Health Services (Department) to license and regulate health care institutions in Arizona. A.R.S. § 36-405(A) requires the Director of the Department to adopt rules establishing minimum standards and requirements for the construction, modification and licensure of health care institutions necessary to assure the public health, safety and welfare. It further requires that the standards and requirements relate to the construction, equipment, sanitation, staffing for medical, nursing, and personal care services, and record keeping pertaining to the administration of medical, nursing, and personal care services in accordance with generally accepted practices of health care. A.R.S. § 36-405 also requires that the Director 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.

The proposed rules mirror many of the Joint Commission on Accreditation of Healthcare Organizations standards for hospitals (JCAHO) and the Health Care Financing Administration's (recently renamed Centers for Medicare and Medicaid Services or CMS) Medicare Conditions of Participation. A hospital rules task force was established in July 1999 and met almost monthly for approximately two years to review the draft rules, discuss issues, and assist with the proposed language to ensure that the requirements accurately reflect current hospital standards while maintaining the Department's statutory mandate. The result of this collaborative effort is a negotiated proposed rulemaking with input from individuals representing the hospital community, physicians, nurses, administrators, professional associations, consumer advocacy groups, insurance industry, state agencies, and the Department. The rules provide hospitals with flexibility to adapt to the latest advances in medicine and technology. The Department's approach in rewriting the rules emphasizes performance and patient outcome rather than process, similar to JCAHO and CMS. The Department

believes that the rulemaking is necessary to provide updated requirements to protect the public health, safety, and welfare, accurately reflect industry standards, and meet rulemaking requirements.

The proposed rules replace and update current rules by setting forth the Department requirements for application requirements, quality management, administration, contracted services, personnel, medical staff, nursing services, patient rights, admission, discharge planning and discharge, transport, transfer, surgical services, anesthesia services, emergency services, pharmaceutical services, clinical laboratory and pathology services, radiology and diagnostic imaging services, intensive care services, respiratory care services, perinatal services, pediatric services, rehabilitation services, social services, dietary services, medical records services, infection control, environmental services, safety management, and physical plant standards. While the current hospital rules are written in three separate articles in the Arizona Administrative Code, Title 9, Chapter 10, the proposed rules are written in one article that sets forth the requirements for general hospitals, rural general hospitals, and special hospitals.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

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 preliminary summary of the economic, small business, and consumer impact:

The rulemaking incorporates existing requirements already established in rule, current industry practice, and requirements for Medicare certification and JCAHO accreditation. Some provisions within the proposed rules result in additional costs being imposed on the providers, however, the hospitals benefit by having rules that are consistent with Medicare and JCAHO. The hospitals will no longer be required to comply with three separate sets of requirements that are inconsistent. Furthermore, the proposed rules are more clearly written which reduces ambiguity and interpretation and, in turn, reduces Department and hospital personnel time currently spent clarifying existing rules. The retention of requirements already established in rule should have little or no economic impact on the hospitals. The economic impact of requirements or practices that have been in place and are now incorporated in rule will be mitigated to the extent that those affected have already incorporated these requirements and practices into their general operations. New requirements and changes in existing requirements designed to improve the delivery of hospital services and increase the efficiency of the regulatory process should also have a minimal to moderate economic impact on the hospitals. Although a new requirement of tuberculosis skin testing for screening medical staff members has been added to the rules resulting in additional costs to the hospitals, other changes in the rules will result in cost savings to the hospitals. In addition, the proposed rules allow flexibility for individual hospitals to operate efficiently and minimize administrative burdens on the hospitals. The overall economic impact to the hospitals of the proposed rulemaking is expected to be minimal to moderate, with the benefits of clear, concise, and updated rules outweighing the costs.

The rules benefit hospitals by providing consistent, accurate, and clear requirements that mirror many JCAHO Standards and Medicare Conditions of Participation, thus eliminating inconsistencies among the agencies and organizations that oversee hospital operations. The hospitals also benefit because the rules conform to the outcome-oriented approach of Medicare and JCAHO that allows extensive hospital internal reviews and the development of hospital protocols and policies by executives, physicians, and other hospital personnel. Many of the proposed changes to the rules are current hospital practice and thus the economic impact on hospitals is minimal. The Department, under contract with the U.S. Department of Health and Human Services, also surveys hospitals for Medicare certification and investigates complaints directed by Medicare and receives federal dollars accordingly. Therefore, the Department benefits by rules that are consistent with Medicare Conditions of Participation.

The Department is requesting a delayed implementation date of October 1, 2002, to allow the Department time to train surveyors and hospital personnel, and allow hospitals time to provide internal training, review policies and procedures, medical staff bylaws, and medical staff regulations for possible revision, and implement new requirements.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Virginia Blair, Team Leader

Address: Department of Health Services, Office of Medical Facilities
1647 E. Morten Ave., Suite 160
Phoenix, AZ 85020

Telephone:	(602) 674-4371
Fax:	(602) 395-8913
E-mail:	vblair@hs.state.az.us
or	
Name:	Kathleen Phillips, Rules Administrator
Address:	Department of Health Services, Office of Administrative Rules 1740 W. Adams, Suite 102 Phoenix, AZ 85007
Telephone:	(602) 542-1264
Fax:	(602) 542-1150
E-mail:	kphilli@hs.state.az.us

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Department has scheduled the following oral proceedings:

Date:	Tuesday, December 4, 2001
Time:	10:30 a.m.
Location:	Department of Health Services 400 W. Congress, Room 222 Tucson, AZ

Date:	Wednesday, December 5, 2001
Time:	10:30 a.m.
Location:	Flagstaff Public Library, Program Room 300 W. Aspen Flagstaff, AZ

Date:	Thursday, December 6, 2001
Time:	9:00 a.m.
Location:	Department of Health Services, Training Room 1647 E. Morten Phoenix, AZ

A person may submit written comments on the proposed rules no later than the close of record, 5:00 p.m., December 7, 2001, to the individuals listed in items #4 and #9.

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:

Not applicable

13. The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 10. DEPARTMENT OF HEALTH SERVICES
HEALTH CARE INSTITUTIONS: LICENSURE

ARTICLE 2. ~~GENERAL~~ HOSPITALS

Section
R9-10-201. ~~Reserved~~ Definitions
R9-10-202. ~~Reserved~~ Application Requirements
R9-10-203. ~~Reserved~~ Administration
R9-10-204. ~~Reserved~~ Quality Management
R9-10-205. ~~Reserved~~ Contracted Services
R9-10-206. ~~Reserved~~ Personnel
R9-10-207. ~~Reserved~~ Medical Staff
R9-10-208. ~~Reserved~~ Nursing Services
R9-10-209. ~~Reserved~~ Patient Rights
R9-10-210. ~~Reserved~~ Admission
R9-10-211. ~~General~~ Discharge Planning, Discharge
R9-10-212. ~~Definitions~~ Transport
R9-10-213. ~~Administration~~ Transfer
R9-10-214. ~~Medical Staff~~ Surgical Services
R9-10-215. ~~Nursing Services~~ Anesthesia Services
R9-10-216. ~~Surgical Services~~ Emergency Services
R9-10-217. ~~Dietetic Services~~ Pharmaceutical Services
R9-10-218. ~~Emergency Services~~ Clinical Laboratory Services and Pathology Services
R9-10-219. ~~Disaster Preparedness~~ Radiology Services and Diagnostic Imaging Services
R9-10-220. ~~Environmental Services~~ Intensive Care Services
R9-10-221. ~~Medical Records Services~~ Respiratory Care Services
R9-10-222. ~~Laboratory Services~~ Perinatal Services
R9-10-223. ~~Pharmaceutical Services~~ Pediatric Services
R9-10-224. ~~Rehabilitation Services~~ Psychiatric Services
R9-10-225. ~~Quality Assurance~~ Rehabilitation Services
R9-10-226. ~~Radiology Services~~ Social Services
R9-10-227. ~~Respiratory Care Services~~ Dietary Services
R9-10-228. ~~Special Care Units~~ Medical Records
R9-10-229. ~~Obstetrical Services~~ Infection Control
R9-10-230. ~~Pediatric Services~~ Environmental Services
R9-10-231. ~~Social Services~~ Disaster Management
R9-10-232. ~~Hospital Physical Plant~~ Physical Plant Standards

ARTICLE 3. ~~RURAL GENERAL HOSPITALS~~ REPEALED

Section
R9-10-311. ~~General~~ Repealed
R9-10-312. ~~Definitions~~ Repealed
R9-10-313. ~~Administration~~ Repealed
R9-10-314. ~~Medical staff~~ Repealed
R9-10-315. ~~Nursing services~~ Repealed
R9-10-316. ~~Surgical services~~ Repealed
R9-10-317. ~~Dietetic services~~ Repealed
R9-10-318. ~~Emergency services~~ Repealed
R9-10-319. ~~Disaster preparedness~~ Repealed
R9-10-320. ~~Environmental services~~ Repealed
R9-10-321. ~~Medical records services~~ Repealed
R9-10-322. ~~Laboratory services~~ Repealed
R9-10-323. ~~Pharmaceutical services~~ Repealed
R9-10-324. ~~Rehabilitation services~~ Repealed
R9-10-325. ~~Quality assurance~~ Repealed
R9-10-326. ~~Radiology services~~ Repealed
R9-10-327. ~~Respiratory care services~~ Repealed
R9-10-328. ~~Special care units~~ Repealed
R9-10-329. ~~Obstetrical services~~ Repealed
R9-10-330. ~~Pediatric services~~ Repealed
R9-10-331. ~~Social services~~ Repealed

R9-10-332. ~~Rural general hospital physical plant~~ Repealed
R9-10-333. ~~Rates and charges~~ Repealed

ARTICLE 4. ~~SPECIAL HOSPITALS~~ REPEALED

Section
R9-10-411. ~~General~~ Repealed
R9-10-412. ~~Definitions~~ Repealed
R9-10-413. ~~Administration~~ Repealed
R9-10-414. ~~Medical staff~~ Repealed
R9-10-415. ~~Nursing services~~ Repealed
R9-10-416. ~~Surgical services~~ Repealed
R9-10-417. ~~Dietetic services~~ Repealed
R9-10-418. ~~Emergency services~~ Repealed
R9-10-419. ~~Disaster preparedness~~ Repealed
R9-10-420. ~~Environmental services~~ Repealed
R9-10-421. ~~Medical records~~ Repealed
R9-10-422. ~~Laboratory services~~ Repealed
R9-10-423. ~~Pharmaceutical services~~ Repealed
R9-10-424. ~~Rehabilitation services~~ Repealed
R9-10-425. ~~Quality assurance~~ Repealed
R9-10-426. ~~Radiology services~~ Repealed
R9-10-427. ~~Respiratory care services~~ Repealed
R9-10-428. ~~Special care units~~ Repealed
R9-10-429. ~~Obstetrical services~~ Repealed
R9-10-430. ~~Pediatric services~~ Repealed
R9-10-431. ~~Social services~~ Repealed
R9-10-432. ~~Hospital physical plant~~ Repealed
R9-10-433. ~~Rates and charges~~ Repealed
R9-10-434. ~~License application~~ Repealed
R9-10-435. ~~Special hospitals that limit admission to patients requiring pain and stress services~~ Repealed
R9-10-436. ~~Special hospitals that limit admission to patients requiring psychiatric services~~ Repealed
R9-10-437. ~~Special hospitals limiting admissions to patients requiring services in rehabilitation medicine~~ Repealed
R9-10-438. ~~Special hospitals limiting admissions to patients requiring substance abuse services~~ Repealed

ARTICLE 2. HOSPITALS

R9-10-201. ~~e~~Definitions

In addition to the definitions in A.R.S. § 36-401 and 9 A.A.C. 10, Article 1, the following definitions apply in this Article:

1. "Accredited" has the same meaning as in A.R.S. § 36-422(I).
2. "Activities of daily living" means bathing, dressing, grooming, eating, ambulating, or toileting.
3. "Acuity" means a determination of the level and type of nursing services, based on the patient's illness or injury, that are required to meet the needs of the patient.
4. "Administrator" means a chief administrative officer, or an individual who has been designated by the governing authority to act on its behalf in the on-site direction of the hospital.
5. "Admission" or "admitted" means documented acceptance by a hospital of an individual as an inpatient on the order of a medical staff member.
6. "Adult" means an individual the hospital designates as an adult based on the hospital's criteria.
7. "Adverse reaction" means an unexpected outcome that threatens the health and safety of a patient as a result of medical services provided to the patient.
8. "Anesthesiologist" means a physician granted clinical privileges to administer anesthesia.
9. "Assessment" means an analysis of a patient's need for medical services.
10. "Attending physician" means a physician with clinical privileges who is responsible for the management of medical services delivered to a patient.
11. "Authenticate" means to establish authorship of a document or an entry in a medical record by:
    a. A written signature;
    b. An individual's initials, if the individual's written signature already appears in the medical record;
    c. A rubber-stamp signature; or
    d. An electronic signature code.
12. Available" means:

a. For an individual, the ability to be contacted by any means possible such as by telephone or pager;
b. For equipment and supplies, retrievable at a hospital; and
c. For a document, retrievable at a hospital or accessible according to the time-frames in the applicable rules.

13. "Biohazardous medical waste" has the same meaning as in A.A.C. R18-13-1401.
14. "Biologicals" mean medicinal compounds prepared from living organisms and their products such as serums, vaccines, antigens, and antitoxins.
15. "Care plan" means a documented guide for providing nursing services and rehabilitative services to a patient that includes measurable objectives and the methods for meeting the objectives.
16. "Certified registered nurse anesthetist" means an individual who meets the requirements of A.R.S. § 32-1661 and who is certified by the Council on Certification of Nurse Anesthetists or is recertified by the Council on Recertification of Nurse Anesthetists.
17. "Clinical laboratory services" means the biological, microbiological, serological, chemical, immunohematological, hematological, biophysical, cytological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of a disease or impairment of, or the assessment of the health of, human beings, including procedures to determine, measure, or otherwise describe the presence or absence of various substances or organisms in the body.
18. "Clinical privilege" means authorization to a medical staff member to provide medical services granted by a governing authority or according to medical staff bylaws.
19. "Communicable disease" has the same meaning as in A.A.C. R9-6-101.
20. "Consultation" means an evaluation of a patient requested by a medical staff member.
21. "Contracted services" means hospital services provided according to a written agreement between a hospital and the person providing the hospital services.
22. "Controlled substance" has the same meaning as in A.R.S. § 36-2501.
23. "Current" means up-to-date and extending to the present time.
24. "Device" has the same meaning as in A.R.S. § 32-1901.
25. "Diet" means food and drink provided to a patient.
26. "Diet manual" means a written compilation of diets.
27. "Dietary services" means providing food and drink to a patient according to an order.
28. "Disaster" means an unexpected adverse occurrence that affects the hospital's ability to provide hospital services.
29. "Discharge" means a hospital's termination of hospital services to an inpatient or an outpatient.
30. "Discharge instructions" means written information relevant to the patient's medical condition provided by a hospital to the patient at the time of discharge.
31. "Discharge planning" means a process of establishing goals and objectives for an inpatient in preparation for the inpatient's discharge.
32. "Diversion" means notification to an emergency medical services provider, as defined in A.R.S. § 36-2201, that a hospital is unable to receive a patient from an emergency medical services provider.
33. "Documentation" or "documented" means information in written, photographic, electronic, or other permanent form.
34. "Drill" means a response to a planned, simulated event.
35. "Drug" has the same meaning as in A.R.S. § 32-1901.
36. "Drug formulary" means a written compilation of medication developed according to R9-10-217.
37. "Electronic" has the same meaning as in A.R.S. § 44-7002.
38. "Electronic signature" has the same meaning as in A.R.S. § 44-7002.
39. "Emergency" means an immediate threat to the life or health of a patient.
40. "Emergency services" means unscheduled medical services provided in a designated area to an outpatient in an emergency.
41. "Environmental services" means activities other than medical services, nursing services, or health-related services such as housekeeping, laundry, and facility and equipment maintenance.
42. "Exploitation" has the same meaning as in A.R.S. § 46-451.
43. "General anesthesia" means the administration of medication affecting the entire body resulting in loss of consciousness and protective reflexes.
44. "General hospital" means a subclass of hospital that provides surgical services and emergency services.
45. "Gynecological services" means medical services for the diagnosis, treatment, and management of conditions or diseases of the female reproductive organs and breasts.
46. "Health care directive" has the same meaning as in A.R.S. § 36-3201.
47. "Hospital" means a class of health care institution that provides, through an organized medical staff, inpatient beds, medical services and continuous nursing services for the diagnosis and treatment of patients.
48. "Hospital premises" means a hospital's licensed space excluding, if applicable, space in an accredited outpatient facility under the hospital's single group license, or space leased by the hospital to another entity according to the lease terms.

49. "Hospital services" means medical services, nursing services, and health-related services provided in a hospital.
50. "Incident" means an unexpected occurrence that harms or has the potential to harm a patient while the patient is on a hospital's premises.
51. "Infection control risk assessment" means determining the risk for transmission of communicable agents.
52. "Informed consent" means advising a patient of proposed medical procedures, alternatives to the medical procedures, associated risks, and possible complications, and obtaining authorization of the patient or the patient's representative for such procedure.
53. "Inpatient" means an individual who:
    a. Is admitted to a hospital; and
    b. Is anticipated to receive hospital services for 24 consecutive hours or more.
54. "Inservice education" means organized instruction or information related to hospital services provided to personnel or medical staff.
55. "Intensive care services" means medical services provided to an inpatient who requires the services of specially trained nursing and other personnel as specified in hospital policies and procedures.
56. "Interval note" means documentation updating a patient's medical condition after a medical history and physical examination has been performed.
57. "License" means the documented authorization:
    a. Issued by the Department to operate a health care institution; or
    b. Issued to an individual to practice a profession in this state.
58. "Manage" means to implement policies and procedures established by a governing authority, an administrator, or an individual providing direction to personnel.
59. "Medical history" means a part of a patient's medical record consisting of an account of the patient's health, including past and present illnesses or diseases.
60. "Medical record" has the same meaning as in A.R.S. § 12-2291.
61. "Medical staff member" means a physician or other licensed individual who has clinical privileges in a hospital.
62. "Medical staff bylaws" means a document, approved by the medical staff and governing authority, that provides the framework for the organization, responsibilities and self-governance of the medical staff.
63. "Medication" has the same meaning as drug.
64. "Monitor" or "monitoring" means observing a patient's medical condition.
65. "Neonate" means an individual:
    a. From birth until discharge following birth; or
    b. Who is designated as such by hospital criteria.
66. "Nurse" has the same meaning as registered nurse or licensed practical nurse as defined in A.R.S. § 32-1601.
67. "Nurse executive" means a registered nurse responsible for the direction of nursing services provided in a hospital.
68. "Nursery" means an area in a hospital designated only for neonates.
69. "Nurse supervisor" means a registered nurse responsible for managing nursing services provided in an organized service in a hospital.
70. "Nursing personnel" means an individual authorized by hospital policies and procedures to provide nursing services to a patient.
71. "Nutrition assessment" means a process for determining a patient's dietary needs using information contained in the patient's medical record.
72. "On call" means a time during which an individual is available and required to come to the hospital when requested by the hospital.
73. "Order" means an instruction to provide medical services to a patient by:
    a. A medical staff member;
    b. An individual licensed under A.R.S. Title 32 or authorized by a hospital within the scope of the individual's license; or
    c. A physician who is not a medical staff member;
74. "Organized service" means specific medical services provided in an area of a hospital designated for the provision of medical services such as surgical services or emergency services.
75. "Orientation" means the initial instruction and information provided to an individual starting work in a hospital.
76. "Outpatient" means an individual who:
    a. Is not admitted to a hospital as an inpatient; and
    b. Is anticipated to receive hospital services for less than 24 consecutive hours.
77. "Pathology" means an examination of human tissue for the purpose of diagnosis or treatment of an illness or disease.
78. "Patient" means an individual receiving hospital services.
79. "Patient care" means hospital services provided to a patient by personnel or medical staff.
80. "Patient representative" means a patient's legal guardian, an individual acting on behalf of a patient with the written consent of the patient, or a surrogate according to A.R.S. § 36-3201.

81. "Pediatric" means pertaining to an individual designated by a hospital as a child based on the hospital's criteria.
82. "Perinatal services" means medical services for the treatment and management of obstetrical patients and neonates.
83. "Person" has the same meaning as in A.R.S. § 1-215.
84. "Personnel" or "personnel member" means:
    a. A volunteer, or
    b. An individual, except for a medical staff member or private duty staff, who provides hospital services for compensation, including an individual who is compensated by an employment agency.
85. "Pharmacist" has the same meaning as in A.R.S. § 32-1901.
86. "Physical examination" means to observe, test, or inspect an individual's body to evaluate health or determine cause of illness or disease.
87. "Postanesthesia care unit" means a designated area for monitoring a patient following a medical procedure for which anesthesia was administered to the patient.
88. "Private duty staff" means an individual compensated by a patient or the patient's representative, excluding personnel.
89. "Psychiatric services" means the diagnosis, treatment, and management of mental illness.
90. "Quality management program" means activities designed and implemented by a hospital to improve the delivery of hospital services.
91. "Registered dietitian" means an individual approved to work as a dietitian by the American Dietetic Association's Commission on Dietetic Registration.
92. "Rehabilitation services" means medical services provided to a patient to restore or to optimize functional capability.
93. "Registered nurse" has the same meaning as in A.R.S. § 32-1601.
94. "Respiratory care services" has the same meaning as practice of respiratory therapy as defined in A.R.S. § 32-3501.
95. "Restraint" means any chemical or physical method of restricting a patient's freedom of movement, physical activity, or access to the patient's own body.
96. "Require" means to establish and carry out an obligation imposed by this Article.
97. "Risk" means potential for an adverse outcome.
98. "Rural general hospital" means a subclass of hospital having 50 or fewer inpatient beds and located more than 20 surface miles from a general hospital or another rural general hospital, and which elects to be licensed as a rural general hospital rather than a general hospital.
99. "Satellite facility" has the same meaning as in A.R.S. § 36-422(I).
100. "Seclusion" means the involuntary solitary confinement of a patient in a room or an area where the patient is prevented from leaving.
101. "Shift" means the beginning and ending time of a work period established by hospital policies and procedures.
102. "Single group license" means a license that includes authorization to operate the health care institutions according to A.R.S. § 36-422(F) and (G).
103. "Social services" means assistance, other than medical services, provided by personnel to a patient to meet the needs of the patient while in the hospital or the anticipated needs of the patient after discharge.
104. "Social worker" means an individual who has at least a baccalaureate degree in social work from a program accredited by the Council on Social Work Education or who is certified according to A.R.S. Title 32, Chapter 33.
105. "Special hospital" means a subclass of hospital that:
    a. Is licensed to provide hospital services within a specific branch of medicine, or
    b. Limits admission according to age, gender, type of disease, or medical condition.
106. "Specialty" means a specific area of medicine practiced by a licensed individual who has obtained education or qualifications in the specific area in addition to the education or qualifications required for the individual's license.
107. "Student" means an individual attending an educational institution and working under supervision in a hospital through an arrangement between the hospital and the educational institution.
108. "Surgical services" means medical services involving the excision or incision of a patient's body for the:
    a. Correction of a deformity or a defect;
    b. Repair of an injury; or
    c. Diagnosis, amelioration, or cure of disease.
109. "Telemedicine" has the same meaning as in A.R.S. § 36-3601.
110. "Transfer" means a hospital discharging a patient and sending the patient to another hospital for inpatient medical services.
111. "Transfusion" means the introduction of blood or blood products from one individual into the body of another individual.
112. "Transport" means a hospital sending a patient to another health care institution for outpatient medical services with the intent of returning the patient to the sending hospital.
113. "Treatment" means a procedure or method to cure, to improve, or to palliate an injury, an illness, or a disease.
114. "Unit" means a designated area of an organized service.

115. "Verification" means:
    a. A documented telephone call including the date and the name of the documenting individual;
    b. A documented observation including the date and the name of the documenting individual; or
    c. A documented confirmation of a fact including the date and the name of the documenting individual.
116. "Volunteer" means an individual, except a student, authorized by a hospital to work in the hospital who does not receive compensation.
117. "Well-baby bassinet" means a receptacle used for holding a neonate who does not require treatment and whose anticipated discharge is within 96 hours of birth.

R9-10-202. ~~Reserved~~ Application Requirements

A. In addition to the license application requirements in A.R.S. § 36-422 and 9 A.A.C. 10, Article 1, a governing authority applying for an initial or renewal license shall submit the following to the Department:
1. For a hospital license:
    a. A statement on a form provided by the Department of the licensed capacity requested for the hospital, including the number of inpatient beds for each organized service, not including well-baby bassinets.
    b. A list on a form provided by the Department of medical staff specialties and subspecialties; and
    c. A copy of an accreditation report if the hospital is accredited and chooses to submit a copy of the report instead of a license inspection.
2. For a single group license authorized in A.R.S. § 36-422(F) or (G):
    a. The items listed in subsection (A)(1); and
    b. A form provided by the Department that includes:
        i. The name, address, and telephone number of each accredited facility under the single group license,
        ii. The name of the administrator for each accredited facility, and
        iii. The specific times each accredited facility provides medical services.

B. An administrator shall:
1. Notify the Department when there is a change in administrator according to A.R.S. § 36-425(D);
2. Notify the Department at least 30 days before an accredited facility on a single group license terminates operations; and
3. Submit an application, according to the requirements in9 A.A.C. 10, Article 1, at least 60 days but not more than 120 days before an accredited facility licensed under a single group license anticipates providing medical services under a license separate from a single group license.

R9-10-203. ~~Reserved~~ Administration

A. A governing authority shall:
1. Consist of one or more individuals responsible for the organization, operation, and administration of a hospital;
2. Determine which organized services are to be provided in the hospital;
3. Appoint an administrator in writing who has:
    a. A baccalaureate degree or a post-baccalaureate degree in a health care related field; and
    b. At least three years of experience in health care administration;
4. Approve hospital policies and procedures or designate an individual to approve hospital policies and procedures;
5. Approve medical staff bylaws and medical staff regulations;
6. Approve contracted services or designate an individual to approve contracted services;
7. Grant, deny, suspend, or revoke a clinical privilege of a medical staff member or delegate authority to an individual to grant or suspend a clinical privilege for a limited time, according to medical staff bylaws;
8. Adopt a quality management program according to R9-10-204;
9. Review and evaluate the effectiveness of the quality management program at least once every 12 months;
10. Appoint an acting administrator if the administrator is expected to be absent for more than 30 days;
11. Except as permitted in subsection (A)(10), notify the Department in writing within five working days if there is a change of administrator and identify the name and qualifications of the new administrator;
12. For a health care institution under a single group license, comply with the applicable requirements in 9 A.A.C. 10, and Chapter 20 for the class or subclass of the health care institution; and
13. Comply with federal and state laws, rules, and local ordinances.

B. An administrator shall:
1. Be responsible to the governing authority for all hospital services and environmental services provided by a hospital;
2. Have the authority and responsibility to manage the hospital;
3. Act as a liaison between the governing authority, and personnel; and
4. Designate, in writing, an individual who is available and responsible for hospital services and environmental services when the administrator is not available;

C. An administrator shall require that:

1. Hospital policies and procedures are established, documented, and implemented that:
   a. Include personnel job descriptions, duties, and qualifications;
   b. Cover orientation and inservice education for personnel, volunteers and students;
   c. Include duties of volunteers and students;
   d. Cover cardiopulmonary resuscitation training required in R9-10-206(6) including:
      i. The method and content of cardiopulmonary resuscitation training;
      ii. The qualifications for an individual to provide cardiopulmonary resuscitation training;
      iii. The time-frame for renewal of cardiopulmonary resuscitation training; and
      iv. The documentation that verifies personnel have received cardiopulmonary resuscitation training.
   e. Cover private duty staff, if applicable;
   f. Cover diversion, including:
      i. The criteria for initiating diversion;
      ii. The categories or levels of personnel or medical staff that may authorize or terminate diversion;
      iii. The method for notifying emergency medical services providers of initiation of diversion, the type of diversion, and termination of diversion; and
      iv. When the need for diversion will be reevaluated;
   g. Include a method to identify a patient to ensure the patient receives medical services as ordered;
   h. Cover patient rights;
   i. Cover health care directives;
   j. Cover medical records including electronic medical records;
   k. Cover quality management including incident documentation;
   l. Cover tissue and organ procurement and transplant; and
   m. Cover hospital visitation including visitations to a nursery, if applicable;
2. Hospital policies and procedures for hospital services are established, documented, and implemented that:
   a. Cover patient admission, transport, transfer, discharge planning, and discharge;
   b. Cover acuity;
   c. Include when informed consent is required;
   d. Include the age criteria for providing hospital services to pediatric patients;
   e. Cover dispensing, administering, and disposing of medication and biologicals;
   f. Cover infection control;
   g. Cover restraints that require an order, including the frequency of monitoring and assessing the restraint;
   h. Cover seclusion of a patient including:
   i. The requirements for an order; and
      ii. The frequency of monitoring and assessing a patient in seclusion;
      i. Cover telemedicine, if applicable; and
   j. Cover environmental services that affect patient care;
3. Hospital policies and procedures are reviewed at least once every 36 months and updated as needed;
4. Hospital policies and procedures are available to personnel and medical staff;
5. Licensed capacity in an organized service is not exceeded except that licensed capacity may be exceeded for an emergency admission of a patient. When the licensed capacity of an organized service is exceeded:
   a. A medical staff member reviews the medical history of a patient scheduled to be admitted to the organized service to determine if the admission is an emergency; and
   b. A patient is not admitted to the organized service except in an emergency;
6. A patient is free from:
   a. The intentional infliction of physical, mental, or emotional pain unrelated to the patient's medical condition;
   b. Exploitation;
   c. Seclusion or restraint when not medically indicated or necessary to prevent harm to self or others;
   d. Sexual abuse according to A.R.S. § 13-1404;
   e. Sexual assault according to A.R.S. § 13-1406; and
   f. A pattern of failure to provide hospital services that results or may result in risk to the health and safety of a patient, without the informed consent of the patient or the patient's representative as indicated by:
      i. The number of incidents;
      ii. How the incidents are related to each other;
      iii. When the incidents occurred; and
      iv. The amount of time between the incidents.

D. An administrator of a special hospital shall require that:
1. Medical services are available to an inpatient in an emergency based on the inpatient's medical conditions and the medical services provided; and
2. A physician or a nurse, qualified in cardiopulmonary resuscitation, is on the hospital premises at all times.

R9-10-204. ~~Reserved~~ Quality Management

A. A governing authority shall require that an ongoing quality management program is established that:
1. Complies with the requirements in A.R.S. § 36-445; and
2. Evaluates the quality of hospital services and environmental services related to patient care including contracted services.

B. An administrator shall require that:
1. A plan is established, documented, and implemented for a quality management program that at a minimum includes:
   a. A method to identify, document, and evaluate incidents;
   b. A method to collect data to evaluate hospital services and environmental services related to patient care;
   c. A method to evaluate the data collected to identify an issue;
   d. A method to make changes or take action as a result of the identification of an issue; and
   e. The frequency of submitting a documented report required in subsection (B)(2) to the governing authority;
2. A documented report is submitted to the governing authority that includes:
   a. An identification of each issue; and
   b. Any changes made or actions taken as a result of the identification of an issue;
3. The report required in subsection (B)(2) and the supporting documentation for the report are:
   a. Maintained on the hospital premises for 12 months from the date the report is submitted to the governing authority; and
   b. Except for information or documents that are confidential under federal or state law, provided to the Department for review as soon as possible but not more than four hours from the time of the Department's request.

R9-10-205. ~~Reserved~~ Contracted Services

An administrator shall require that:
1. Contracted services are provided according to the requirements in this Article;
2. A contract includes the responsibilities of each contractor;
3. A documented list of current contracted services is maintained at the hospital that includes a description of the contracted services provided; and
4. A contract and the list of contracted services required in subsection (3) is provided to the Department for review as soon as possible but not more than four hours from the time of the Department's request.

R9-10-206. ~~Reserved~~ Personnel

An administrator shall require that:
1. Personnel are available to meet the needs of a patient based on the acuity plan required in R9-10-208(C)(2);
2. Personnel assigned to provide medical services or nursing services demonstrate competency and proficiency according to criteria established in hospital policies and procedures;
3. Personnel submit one of the following as evidence of freedom from infectious pulmonary tuberculosis according to the requirements in R9-10-229(4):
   a. A report of a negative Mantoux skin test;
   b. If the individual has had a positive Mantoux skin test for tuberculosis, a physician's written statement that the individual is free from infectious pulmonary tuberculosis; or
   c. A report of a negative chest x-ray;
4. Orientation occurs within the first 30 days of providing hospital services or volunteer service and includes information determined by hospital policies and procedures;
5. Hospital policies and procedures designate the categories of personnel providing medical services or nursing services who are:
   a. Required to be qualified in cardiopulmonary resuscitation within 30 days of the individual's starting date; and
   b. Required to maintain current qualifications in cardiopulmonary resuscitation;
6. Documentation of current qualifications in cardiopulmonary resuscitation is maintained at the hospital;
7. A personnel record for each personnel member is maintained electronically or in writing or a combination of both and includes:
   a. Verification by the personnel member of receipt of the position job description held by the personnel member;
   b. A personnel member's starting date;
   c. If applicable, verification of a personnel member's education, certification, or license;
   d. If applicable, verification of current cardiopulmonary resuscitation qualifications; and
   e. Orientation documentation;
8. Personnel receive inservice education according to criteria established in hospital policies and procedures;
9. Inservice education documentation for each personnel member includes:
   a. The subject matter;
   b. The date of the inservice education; and

c. The signature, rubber stamp, or electronic signature code of each individual who participated in the inservice education;

10. Personnel records and inservice education documentation are maintained by the hospital at least two years after the last date the personnel member worked;
11. Personnel records and inservice education documentation are provided to the Department for review:
    a. For current personnel, as soon as possible but not more than four hours from the time of the Department's request; and
    b. For personnel who are not currently working in the hospital, within 24 hours of the Department's request.

R9-10-207. ~~Reserved~~ Medical Staff

A. A governing authority shall require that:
1. The organized medical staff is directly accountable to the governing authority for the quality of care provided by a medical staff member to patients in a hospital;
2. The organized medical staff bylaws and organized medical staff regulations are approved according to the organized medical staff bylaws and governing authority requirements;
3. A medical staff member complies with organized medical staff bylaws and organized medical staff regulations;
4. The organized medical staff at a general hospital or a special hospital includes at least two physicians who have clinical privileges to admit patients to the general hospital or special hospital;
5. The organized medical staff at a rural general hospital includes at least one physician who has clinical privileges to admit patients to the rural general hospital and one additional physician who serves on committees according to subsection (A)(7)(c);
6. A medical staff member is available to direct patient care;
7. Organized medical staff bylaws or organized medical staff regulations are established, documented, and implemented for the process of:
    a. Conducting peer review according to A.R.S. Title 36, Chapter 4, Article 5;
    b. Appointing members to the organized medical staff, subject to approval by the governing authority;
    c. Establishing committees including identifying the purpose and organization of each committee;
    d. Appointing one or more medical staff members to a committee;
    e. Obtaining and documenting permission for an autopsy, performing an autopsy, and notifying the attending physician when an autopsy is performed;
    f. Requiring that each inpatient has an attending physician;
    g. Defining the responsibilities of a medical staff member to provide medical services to the medical staff member's patient;
    h. Defining a medical staff member's responsibilities for the transport or transfer of a patient;
    i. Specifying requirements for oral, telephone, and electronic orders including which orders require identification of the time of the order;
    j. Establishing a time-frame for a medical staff member to complete patient medical records;
    k. Establishing criteria for granting clinical privileges;
    l. Specifying pre-anesthesia and post-anesthesia responsibilities; and
    m. Approving the use of medication and devices under investigation by the U. S. Department of Health and Human Services, Food and Drug Administration including:
        i. Establishing criteria for patient selection;
        ii. Obtaining informed consent before administering the investigational medication or device; and
        iii. Documenting the administration and, if applicable, the adverse reaction of an investigational medication or device;
8. The organized medical staff reviews the organized medical staff bylaws and the organized medical staff regulations at least once every 36 months and updates as needed.

B. An administrator shall require that:
1. A medical staff member submits one of the following as evidence of freedom from infectious pulmonary tuberculosis according to the requirements in R9-10-229(4):
    a. A report of a negative Mantoux skin test;
    b. If the individual has had a positive Mantoux skin test for tuberculosis, a physician's written statement that the individual is free from infectious pulmonary tuberculosis; or
    c. A report of a negative chest x-ray;
2. A record for each medical staff member is established and maintained electronically or in writing or a combination of both that includes:
    a. A completed application for clinical privileges;
    b. The dates and lengths of appointment and reappointment of clinical privileges;

c. The specific clinical privileges granted to the medical staff member including revision or revocation dates for each clinical privilege; and
d. A verification of current Arizona health care professional active license according to A.R.S. Title 32;

3. Except for documentation of peer review conducted according to A.R.S. § 36-445, a record is provided to the Department for review:
   a. As soon as possible but not more than four hours from the time of the Department's request if the individual is a current medical staff member; and
   b. Within 72 hours from the time of the Department's request if the individual is no longer a current medical staff member.

R9-10-208. ~~Reserved~~ Nursing Services

A. An administrator shall:
1. Require that nursing services are provided 24 hours a day; and
2. Appoint a nurse executive who is qualified according to the requirements specified in the hospital's policies and procedures.

B. A nurse executive shall designate a registered nurse who is present in the hospital to be responsible for managing the nursing services when the nurse executive is not present in the hospital.

C. A nurse executive shall require that:
1. Policies and procedures for nursing services are established, documented, and implemented;
2. An acuity plan is established and documented to determine the types and numbers of nursing personnel necessary to provide nursing services to meet the needs of the patients;
3. The acuity plan in subsection (C)(2) is implemented;
4. There is a minimum of one registered nurse in a hospital at all times whether or not there is a patient;
5. A general hospital has two registered nurses on duty at all times when there is more than one patient;
6. A special hospital that is licensed to provide behavioral health services complies with the staffing requirements in 9 A.A.C. 10 and 9 A.A.C. 20;
7. A special hospital offering emergency services or obstetrical services has two registered nurses on duty at all times when there is more than one patient;
8. A special hospital not offering emergency services or obstetrical services has at least one registered nurse and one other nurse on duty at all times when there is more than one patient;
9. A rural general hospital with more than one patient has one registered nurse and at least one other nursing personnel on duty at all times. If there is only one registered nurse in the hospital, an additional registered nurse is on call who can be present in the hospital within 15 minutes;
10. If a hospital has a patient in a unit, there is a minimum of one registered nurse in the unit at all times;
11. If a hospital has more than one patient in a unit, there is a minimum of one registered nurse and one additional nursing personnel in the unit at all times;
12. At least one registered nurse is present and responsible for the nursing services provided to a patient:
    a. During the delivery of a neonate,
    b. In an operating room, and
    c. In a postanesthesia care unit;
13. Nursing personnel work schedules are planned, reviewed, adjusted, and documented to meet patient needs and emergencies;
14. A registered nurse assesses, plans, directs, and evaluates nursing services provided to a patient;
15. There is a care plan for each inpatient based on the inpatient's need for nursing services; and
16. Nursing personnel document nursing services in a patient's medical record.

R9-10-209. ~~Reserved~~ Patient Rights

An administrator shall require that:
1. A patient:
   a. Is treated with consideration, respect, and dignity, and receives privacy in treatment and activities of daily living; and
   b. Has access to a telephone;
2. A patient or the patient's representative:
   a. Either consents to or refuses treatment, if capable of doing so;
   b. May refuse examination, or withdraw consent for treatment before treatment is initiated;
   c. May submit grievances without retaliation;
   d. Is informed of:
      i. The hospital's health care directives policies and procedures;
      ii. How to obtain a schedule of hospital rates and charges required in A.R.S. § 36-436.01(B);

iii. The hospital's patient grievance policies and procedures, including the telephone number of hospital personnel to contact about grievances, and the Department's telephone number if the hospital is unable to resolve the patient's grievance;
iv. Except as authorized by the Health Insurance Portability and Accountability Act of 1996, proposed involvement of the patient in research, experimentation, or education, if applicable, and
v. Proposed medical procedures, alternatives to the medical procedures, associated risks, and possible complications;

3. There are hospital policies and procedures that include:
   a. How and when a patient or the patient's representative is informed of patient rights in subsections (1) and (2); and
   b. Where patient rights are posted in the hospital;
4. A patient or the patient's representative receives a written statement of patient's rights; and
5. Financial record information is disclosed only with the written consent of a patient or the patient's representative or as permitted by law.

R9-10-210. ~~Reserved~~ Admission

An administrator shall require that:

1. A patient is admitted on the order of a medical staff member;
2. An individual, authorized by hospital policies and procedures, is available at all times to accept a patient for admission;
3. Except in an emergency, informed consent is obtained from a patient or the patient's representative before or at the time of admission;
4. The informed consent obtained in subsection (3) or the lack of consent in an emergency is documented in the patient's medical record;
5. A physician or a medical staff member performs a medical history and physical examination on a patient within 30 days before admission or 48 hours after admission and documents the medical history and physical examination in the patient's medical record within 48 hours of admission;
6. If a physician or a medical staff member performs a medical history and physical examination on a patient before admission, the physician or the medical staff member enters an interval note into the patient's medical record at the time of admission.

R9-10-211. ~~General~~ Discharge Planning, Discharge

~~**A.** General hospitals to which these requirements apply shall be subject to inspection by personnel of the Department as provided in A.R.S. §§ 36-406 and 36-424. Department personnel are prohibited by A.R.S. § 36-404 from disclosing patient records or any information from which a patient or his family might be identified, or sources of information which cause the Department to believe that an inspection is needed to determine whether an institution is in compliance with the provisions of this Chapter and the regulations thereunder.~~

~~**B.** When a service has been contracted for, the hospital administration shall assure that the supplier is meeting the same standards of quality the hospital would have to meet if services were provided by the hospital.~~

~~**C.** Regulations contained in this Article shall not be construed to compel any patient to submit to any examination or treatment, however, all requirements for the control of communicable disease and sanitation must be met.~~

A. For an inpatient, an administrator shall require that discharge planning:

1. Identifies the specific needs of the patient after discharge, if applicable;
2. Includes the participation of the patient or the patient's representative;
3. Is completed before discharge occurs;
4. Provides the patient or the patient's representative with written information identifying classes or subclasses of health care institutions and the level of care that can be provided that may meet the patient's assessed and anticipated needs after discharge, if applicable; and
5. Is documented in the patient's medical record.

B. For an inpatient discharge, an administrator shall require that:

1. There is a discharge summary that includes:
   a. A description of the patient's medical condition and the medical services provided to the patient; and
   b. The signature of the patient's attending physician or the attending physician's designee;
2. There is a documented discharge order by an attending physician or the attending physician's designee before discharge unless the patient leaves the hospital against a medical staff member's advice; and
3. If the patient is discharged to a non-health care institution:
   a. There are documented discharge instructions; and
   b. The patient or the patient's representative is provided with a copy of the discharge instructions;

C. Except as provided in subsection (D), an administrator shall require that an outpatient is discharged according to hospital policies and procedures.

D. For a discharge of an outpatient receiving emergency services, an administrator shall require:

1. A discharge order is documented by an attending physician or the attending physician's designee before the patient is discharged unless the patient leaves against a medical staff member's advice; and
2. Discharge instructions are documented and provided to the patient or the patient's representative before the patient is discharged unless the patient leaves the hospital against a medical staff member's advice.

E. A patient transferred to another hospital is exempt from the requirements in this section. An administrator shall require that a transfer of a patient to another hospital complies with the requirements in R9-10-213.

R9-10-212. ~~Definitions~~ Transport

~~Unless the context otherwise requires:~~

1. ~~"Ancillary nursing personnel" means persons employed to assist registered nurses or licensed practical nurses in the care of patients.~~
2. ~~"Anesthesiologist" means a physician whose specialized training and experience qualify him to administer anesthetic agents and to monitor patients under the influence of these agents.~~
3. ~~"Anesthetist" means a physician or dentist qualified by experience to administer anesthetic agents or a registered nurse who meets the requirements of A.R.S. § 32-1661.~~
4. ~~"Audiologist" means a person who has been granted a Certificate of Clinical Competence in audiology by the American Speech and Hearing Association, or who has completed the equivalent educational requirements and work experience necessary for such a certificate, or who has completed the academic program and is in the process of accumulating the supervised work experience required to qualify for such a certificate.~~
5. ~~"Audiology services" means those diagnostic, screening, preventive or other services provided by or under the supervision of an audiologist within the scope of practice of his profession.~~
6. ~~"Chief executive officer" means a qualified person appointed by the governing authority to act in its behalf in the overall management of the hospital.~~
7. ~~"Dentist" means a person so licensed under the provisions of A.R.S. Title 32, Chapter 11.~~
8. ~~"Dietitian" means a person who meets the standards and qualifications established by the Commission on Dietetic Registration under the requirements in effect March 9, 1976.~~
9. ~~"Department" means Department of Health Services.~~
10. ~~"Direct nursing care" means the provision of preventative, curative, rehabilitative and health-related services directly to patients on a nursing unit by nursing personnel under the supervision of a registered nurse.~~
11. ~~"Direction" means authoritative policy or procedural guidance for the accomplishment of a function or activity.~~
12. ~~"Director" means the Director of the Department of Health Services.~~
13. ~~"Director of nursing" means a registered nurse with supervisory and administrative ability who is responsible to the chief executive officer for supervision of nursing service for the entire facility for all shifts.~~
14. ~~"Food service director" means a person who is a dietitian or a graduate of a dietetic technician, dietetic assistant or food service supervisor training program, correspondence school or classroom, approved by the American Dietetic Association; or who has training and experience in food service supervision and management equivalent to 1 of these programs.~~
15. ~~"General hospital" means a subclass of hospital which provides inpatient beds and other hospital services, both surgical and non-surgical, to patients who have any of a variety of medical conditions.~~
16. ~~"Governing authority" means the individual, agency or group or corporation appointed, elected or otherwise designated in which the ultimate authority and responsibility for the conduct of the hospital is vested.~~
17. ~~"Hospital" means a class of health care institution which provides, through an organized medical or professional staff, services that include, but are not limited to, inpatient beds, medical services and continuous nursing services for the diagnosis and treatment of patients.~~
18. ~~"Infirmary" is a subclass of hospital having fewer than 50 inpatient beds providing limited hospital services to a distinct population such as an entire isolated community, the staff and students of a school, the members of an association or wards of a public agency.~~
19. ~~"Licensed bed" means an individual patient care unit including a bed, nurse call system and related furniture, equipment and space as specified in these regulations.~~
20. ~~"Licensed bed capacity" means the number of adult and pediatric beds specified on the hospital's license, and does not include bassinets, labor or recovery beds.~~
21. ~~"Licensed nursing personnel" means registered and licensed practical nurses.~~
22. ~~"Licensed practical nurse" means a person so licensed under the provisions of A.R.S. Title 32, Chapter 15.~~
23. ~~"Medical staff" means physicians, dentists and other practitioners of the healing arts who are privileged by agreement with the hospital as defined in the hospital's medical staff by-laws to attend patients.~~

~~24. "New construction" means new buildings, addition to existing buildings, conversion of existing buildings or portions thereof or portions of buildings undergoing modification other than repair.~~
~~25. "Nurse practitioner" means a registered nurse certified by the Arizona State Board of Nursing to function as a nurse practitioner in the extended role under the provisions of A.R.S. Title 32, Chapter 15.~~
~~26. "Nursing unit" means an organized jurisdiction of nursing services such as nurses' station, special care unit, or outpatient clinic providing services to patients.~~
~~27. "Occupational therapist" means a person who is registered by or meets the requirements for registration by the American Occupational Therapy Association.~~
~~28. "Occupational therapy services" means those services provided by or under the supervision of an occupational therapist within the scope of the practice of his profession.~~
~~29. "Outpatient surgical center" is a subclass of outpatient treatment center with facilities and limited hospital services for the diagnosis or treatment of patients by surgery whose recovery, in the concurring opinion of the surgeon and the anesthesiologist, will not require inpatient care.~~
~~30. "Patients room" is a room designated and designed for 1 or more licensed beds, meeting the requirements of these regulations.~~
~~31. "Patient" means a person admitted to or receiving treatment in the hospital.~~
~~32. "Pharmacist" means a person registered under the provisions of A.R.S. Title 32, Chapter 18.~~
~~33. "Physical therapist" means a person registered under the provisions of A.R.S. Title 32, Chapter 19.~~
~~34. "Physical therapy services" means those services provided by or under the supervision of a physical therapist within the scope of the practice of his profession as defined by A.R.S. Title 32, Chapter 19.~~
~~35. "Physician" means a person licensed under the provision of A.R.S. Title 32, Chapter 13 or 17.~~
~~36. "Physician's assistant" means a person certified under the provisions of A.R.S. Title 32, Chapter 25.~~
~~37. "Private duty nurse" is a registered nurse or licensed practical nurse in the employ of the patient or his representative.~~
~~38. "Qualified person" when used in connection with an occupation or position, means a person:~~
~~a. Who is licensed or has certification, registration or other professional recognition, or, if there are no such requirements or standards,~~
~~b. Who has appropriate training, education, or relevant experience and demonstrates through job performance to the satisfaction of the chief executive officer the ability to perform the required functions.~~
~~39. "Registered nurse" means a person so licensed under the provisions of A.R.S. Title 32, Chapter 15.~~
~~40. "Social worker" means a person who has received a baccalaureate degree and has met the requirements of a two-year curriculum in a school of social work that is accredited by the Council on Social Work Education, or has the equivalent of such education and training.~~
~~41. "Special care unit" means a designated area in which there are concentrated qualified and specially trained nursing and ancillary nursing personnel together with the necessary diagnostic, monitoring and special therapeutic equipment needed to provide optimal medical care for critically ill patients.~~
~~42. "Special hospital" is a subclass of hospital which provides hospital services for persons having a specialized medical condition; and which limits admission, care and services to those patients appropriate to the specialties for which it has qualified for licensure.~~
~~43. "Speech therapist" means a person who has been granted the Certificate of Clinical Competence in speech therapy by the American Speech and Hearing Association, or who has completed the equivalent educational requirements and work experience required for such a certificate, or who has completed the academic program and is in the process of accumulating the supervised work experience required for such a certificate.~~
~~44. "Speech therapy services" means those diagnostic, screening, preventive or other corrective services provided by or under the supervision of a speech therapist within the scope of the practice of his profession.~~
~~45. "Supervision" means direct overseeing and inspection of the act of accomplishing a function or activity.~~
~~46. "Therapist" means a person who is appropriately qualified by training, experience, or both, to apply diagnostic or treatment techniques and procedures for patients under the direction of a physician. Such persons who are required to have an Arizona license to practice their profession shall have the appropriate license.~~
~~47. "Treatment" is the medical, surgical or psychiatric management of a patient or procedure for the cure or amelioration of a disease or pathological condition.~~

A. For a transport of a patient, the administrator of a sending hospital shall require that:
1. Hospital policies and procedures:
   a. Specify the process by which the sending hospital personnel coordinates the transport and the medical services provided to a patient to protect the health and safety of the patient;
   b. Require an assessment of the patient by a registered nurse or a medical staff member before transporting the patient and after the patient's return;
   c. Specify the sending hospital's patient medical records that are required to accompany the patient including the medical records related to the medical services to be provided to the patient at the receiving health care institution; and

d. Specify how the sending hospital personnel will communicate patient medical record information that the sending hospital does not provide at the time of transport but is requested by the receiving health care institution;
e. Specify how a medical staff member explains the risks and benefits of transport and obtains consent based on the:
i. Patient's medical condition, and
ii. Mode of transport;
2. Documentation in the patient's medical record includes:
a. The acceptance by and communication with an individual at the receiving health care institution;
b The date and the time of the transport to the receiving health care institution;
c. The date and time of the patient's return to the sending hospital, if applicable;
d. The mode of transportation; and
e. The number and the professional designations of individuals assisting in the transport if specified by an order.

B. For a transport of a patient to a receiving hospital, the administrator of the receiving hospital shall require that:
1. Hospital policies and procedures:
a. Specify the process by which the receiving hospital personnel coordinates the transport and the medical services provided to a patient to protect the health and safety of the patient;
b. Require an assessment of the patient by a registered nurse or a medical staff member upon arrival of the transported patient and before the patient is returned to the sending hospital;
c. Specify the receiving hospital's patient medical records required to accompany the patient when the patient is returned to the sending hospital, if applicable; and
d. Specify how the receiving hospital personnel will communicate patient medical record information to the sending hospital that is not provided at the time of the patient's return;
2. Documentation in the patient's medical record includes:
a. The date and time the patient arrives at the receiving hospital;
b. The medical services provided to the patient at the receiving hospital;
c. Any adverse reaction or negative outcome the patient experiences at the receiving hospital, if applicable;
d. The date and time the receiving hospital returns the patient to the sending hospital, if applicable;
e. The mode of transportation to return the patient to the sending hospital, if applicable; and
f. The number and the professional designations of individuals assisting in the transport if specified by an order.

C. A sending hospital and a receiving hospital that are licensed at separate locations and have the same Medicare number issued by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services are exempt from subsections R9-10-212(A)(1)(d), R9-10-212(B)(1)(c), and R9-10-212(B)(1)(d).

R9-10-213. ~~Administration~~ Transfer

~~A.~~ ~~Governing authority: The governing authority shall adopt bylaws which identify the purposes of the hospital and the methods of fulfilling them. The governing authority shall appoint a chief executive officer who shall be appropriately qualified for the management of the facility. The chief executive officer shall have authority and responsibility for the operation of the hospital.~~

~~B.~~ ~~The chief executive officer shall be directly responsible to the governing authority for the management and operation of the hospital and shall provide liaison between the governing authority and the medical staff.~~
~~1. The chief executive officer shall maintain written definitions of the hospital organization, authority, responsibility and relationships, to provide the hospital with administrative direction.~~
~~2. When there is a planned change of the chief executive officer or ownership, the governing authority of the hospital shall notify the Department at least 30 days prior to the effective date of change. Such changes that cannot be planned in advance shall be reported in writing to the Department immediately.~~
~~3. The admitting office shall have written admission and discharge policies which are consistent with the established purposes of the hospital.~~
~~4. There shall be available at all times an employee authorized to accept patients for admission and to make administrative decisions concerning their disposition.~~
~~5. Inpatients shall be provided, at the time of their admission, a suitable device or method for identification.~~
~~6. Records and reports: The following documents, or copies shall be available in the hospital:~~
~~a. Bylaws of the governing body,~~
~~b. Bylaws and rules and regulations of the medical staff,~~
~~c. Policies and procedures for all established hospital services,~~
~~d. Reports of all inspections and reviews related to licensure for the preceding 5 years together with corrective actions taken,~~
~~e. Contracts and agreements related to licensure to which the hospital is bound,~~
~~f. Appropriate documents evidencing control and ownership,~~
~~g. A current copy of Title 9 Health Care Regulations available from the Office of the Secretary of State:~~

~~Chapter 1, Article 4 Codes and Standards referenced~~
~~Chapter 8, Article 1 Food and Drink~~
~~Chapter 9, Articles 1,2,3 Health Care Institutions: Establishment and Modification~~
~~Chapter 10, Article 1 Health Care Institutions: Licensure~~
~~Chapter 11, Articles 1,2,3 Health Care Institutions: Rates and Charges~~

~~7. The Department recognizes that emergency situations do occur in which a general hospital may temporarily need to exceed its licensed capacity. The medical need to admit patients in excess of licensed bed capacity as indicated by service category as shown on the then current license shall be determined by a committee or other organizational structure of the medical staff. During any period in which the hospital's census exceeds its licensed bed capacity by category of service, it shall suspend all elective admissions to that service until its census is reduced to less than licensed bed capacity of that service category. The exception afforded by this subsection does not exempt a hospital from any other requirement of this Chapter.~~

~~8. Personnel~~

~~a. Personnel records:~~

~~i. A record of each employee shall be maintained which includes the following:~~

~~(1) Employee's identification, including name, address and next of kin,~~

~~(2) Resume of education and work experience,~~

~~(3) Verification of valid license if required, education and training.~~

~~ii. Payroll and attendance records for the preceding 12-month period shall be available for review by Department personnel.~~

~~iii. Every position shall have a written description which describes the duties of the position.~~

~~b. Orientation: New employees shall receive orientation to familiarize them with the facility, its policies, and the responsibilities of the new employee.~~

~~c. In-service training: An in-service training program shall be conducted on a continuing basis for all nursing and dietary personnel. Records shall be maintained that include at least subject matter, attendance and date of training.~~

~~d. An employee whose duties during his normal work shift require him to be awake while on the job, shall not be scheduled to work consecutive shifts.~~

~~e. Health examinations: Prior to employment each employee shall have a general physical examination. An appropriate tuberculosis screening test shall be performed prior to employment and annually or as otherwise appropriate.~~

~~9. Miscellaneous~~

~~a. Pets: There shall be no pets allowed in the patient care and food service areas of the hospital. For the purpose of these regulations, seeing eye dogs are not considered pets.~~

~~b. Telephones: Unless bedside telephones are provided, patients shall have access to a public telephone.~~

~~c. Keys: The person on duty and in charge of the hospital shall have reasonable access to all areas related to patient care and operation of the physical plant.~~

~~d. Privacy: Reasonable privacy shall be provided for all patients.~~

A. For a transfer of a patient, the administrator of a sending hospital shall require that:

1. Hospital policies and procedures:
   a. Specify the process by which the sending hospital personnel coordinates the transfer and the medical services provided to a patient to protect the health and safety of the patient during the transfer;
   b. Require an assessment of the patient by a registered nurse or a medical staff member of the sending hospital before the patient is transferred;
   c. Specify how the sending hospital personnel will communicate medical record information that is not provided at the time of the transfer;
2. Except in an emergency, a medical staff member obtains informed consent for the transfer;
3. In an emergency, documentation of consent or why consent could not be obtained is included in the medical record;
4. One of the following accompanies the patient during transfer to the receiving hospital:
   a. A copy of the patient's medical record for the current inpatient admission; or
   b. All of the following for the current inpatient admission:
      i. A medical staff member's summary of medical services provided to the patient;
      ii. A care plan containing up-to-date information;
      iii. Consultation reports;
      iv. Laboratory and radiology reports;
      v. A record of medications administered to the patient for the seven days before the date of transfer;
      vi. Medical staff member's orders in effect at the time of transfer; and
      vii. Any known allergy.
5. Documentation in the patient's medical record includes:

a. The acceptance by and communication with an individual at the receiving hospital;
b. The date and the time of the transfer to the receiving hospital;
c. The mode of transportation; and
d. The number and the professional designations of individuals assisting in the transfer if specified by an order.

B. A sending hospital and a receiving hospital that are licensed at separate locations and have the same Medicare number issued by the U.S. Department of Health and Human Services Centers for Medicare and Medicaid Services are exempt from subsections R9-10-213(A)(1)(c), R9-10-213(A)(4) and R9-10-213(A)(5)(a).

R9-10-214. ~~Medical staff~~ Surgical Services

~~**A.** The hospital shall have an organized medical staff responsible to the governing authority for the quality of medical care provided to patients and for the ethical and professional practices of its members.~~

~~**B.** Patients shall be admitted to the hospital by a member of the medical staff in accordance with medical staff bylaws, and shall be under the general care of a physician.~~

~~**C.** The medical staff of a general hospital shall consist of 2 or more physicians.~~

~~**D.** The medical staff, subject to final action by the governing authority, shall adopt bylaws, rules and policies for the proper conduct of its activities. The medical staff shall recommend to the governing authority, physicians and other licensed practitioners considered eligible for new and continued membership on the medical staff, as delineated in medical staff bylaws. Clinical privileges of each medical staff member shall be delineated in writing.~~

~~**E.** The bylaws shall state the type, purpose, composition and organization of standing committees.~~

~~**F.** The medical staff shall be responsible to assure the availability of inpatient and outpatient physician services in the event of an emergency.~~

A. An administrator of a general hospital shall require that:
1. There is an organized service that provides surgical services under the direction of a medical staff member;
2. There is a designated area for providing surgical services as an organized service;
3. The area of the hospital designated for surgical services is managed by a registered nurse or a physician;
4. Documentation is available in the surgical services area that specifies each medical staff member's clinical privileges to perform surgical procedures in the surgical services area;
5. Postoperative orders are documented in the patient's medical record;
6. There is a chronological log of surgical procedures performed in the surgical services area that contains:
   a. The date of the surgical procedure;
   b. The patient's name;
   c. The type of surgical procedure;
   d. The time in and out of the operating room;
   e. The name and title of each individual performing or assisting in the surgical procedure;
   f. The type of anesthesia;
   g. An identification of the operating room used; and
   h. The disposition of the patient after the surgical procedure;
7. The chronological log required in subsection (A)(6) is maintained in the surgical services area for a minimum of 12 months from the date of the surgical procedure and then maintained by the hospital for an additional 12 months;
8. The medical staff designate the surgical procedures that may be performed in areas other than the surgical services area;
9. The hospital has the medical staff, personnel, and equipment to provide the surgical procedures according to subsection (A)(4);
10. A patient and the surgical procedure to be performed on the patient are identified before initiating the surgical procedure;
11. Except in an emergency a medical staff member or a surgeon performs a medical history and physical examination within 30 days before performing a surgical procedure on a patient;
12. Except in an emergency, a medical staff member or a surgeon enters an interval note in the patient's medical record before performing the surgical procedure;
13. Except in an emergency, the following are documented in a patient's medical record before a surgical procedure:
    a. A preoperative diagnosis;
    b. Each diagnostic test performed in the hospital;
    c. A medical history and physical examination required in subsection (A)(11) and an interval note required in subsection (A)(12);
    d. A consent or refusal for blood or blood products signed by the patient or the patient's representative, if applicable; and
    e. Informed consent according to hospital policies and procedures;
14. Within 24 hours after a surgical procedure is completed:

a. The surgeon performing the surgery documents the surgical technique, findings, and tissue removed or altered, if applicable; and
b. The individual performing the postoperative follow-up examination completes a postoperative follow-up report;

B. An administrator of a rural general hospital or a special hospital that provides surgical services shall comply with subsection (A).

R9-10-215. ~~Nursing services~~ Anesthesia Services

~~**A.** Organization.~~
~~1. The hospital shall have an organized nursing service to provide nursing care to meet the needs of each patient.~~
~~2. There shall be a director of nursing.~~
~~3. Administrative and patient care policies and procedure for all nursing services provided shall be developed, periodically reviewed, and revised as necessary.~~
~~**B.** Staffing.~~
~~1. The nursing department shall be adequately staffed at all times based upon the number of patients and their acuity.~~
~~a. A registered nurse shall be in charge of the nursing service at all times.~~
~~b. There shall be at least 2 registered nurses on duty at all times when there are inpatients.~~
~~c. Each nursing unit shall be staffed by at least 1 registered nurse; nursing units with more than 40 patients shall have an additional registered nurse.~~
~~2. A general staffing plan shall be maintained which shall include individual staffing patterns for each nursing unit, surgical and obstetrical suites, outpatient department, emergency services, and special care units.~~
~~**C.** Nursing care plans. There shall be a written nursing care plan developed for each patient consistent with the medical plan of care and coordinated with the total health team. The plan shall include the problems, needs, approaches and goals, and shall be available to all members of the health team.~~
~~**D.** Physician's orders. Telephone orders to nursing units shall be taken only by registered nurses or licensed practical nurses. If such orders are taken by a licensed practical nurse, they shall be reviewed and countersigned by a registered nurse prior to implementation.~~

An administrator shall require that:

1. General anesthesia services are provided in conjunction with surgical services as an organized service under the direction of a medical staff member;
2. Documentation is available in the surgical services area that specifies the medical staff member's clinical privileges to administer anesthesia;
3. An anesthesiologist or a certified registered nurse anesthetist performs, except in an emergency, a pre-anesthesia evaluation within 48 hours before general anesthesia is administered;
4. Anesthesia administration is documented in a patient's medical record that includes:
   a. A pre-anesthesia evaluation, if applicable;
   b. An intra-operative anesthesia record;
   c. The postoperative status of the patient upon leaving the operating room; and
   d. A post-anesthesia notation by the individual performing the post-anesthesia evaluation that includes the information required by the organized medical staff bylaws and organized medical staff regulations;
5. A registered nurse or a physician documents resuscitative measures in the patient's medical record.

R9-10-216. ~~Surgical services~~ Emergency Services

~~**A.** The general hospital shall have at least 1 operating room.~~
~~**B.** A roster specifying the surgical privileges of physicians shall be kept in the operating room or suite.~~
~~**C.** The medical staff shall establish policies specifying the surgical procedures which will require a second physician as assistant in surgery.~~
~~**D.** A chronological register of surgical operations performed shall be maintained in the surgical suite.~~
~~**E.** Except in a documented emergency, a history shall be taken and physical examination shall be performed on every patient prior to surgery. Results shall be documented in the clinical record.~~
~~**F.** There shall be policies and procedures for the immediate post-operative care.~~
~~**G.** The operating room shall be supervised by a qualified registered nurse.~~
~~**H.** There shall be a registered nurse functioning as circulating nurse during each surgical procedure.~~
~~**I.** The operating room(s) and support services shall be located to prevent through traffic.~~
~~**J.** General anesthesia shall be administered by an anesthesiologist or an anesthetist, or by a trainee under the supervision of an anesthesiologist.~~
~~**K.** The recovery room shall be supervised by a qualified registered nurse.~~
~~**L.** There shall be available a current listing of all types of surgical procedures offered by the hospital. The current edition of the American Medical Association Procedural Terminology shall be used as a guide when preparing this list.~~
~~**M.** Policies shall be adopted regarding the content of, and timing for, anesthetic follow-up notes.~~

A. An administrator of a general hospital or a rural general hospital shall require that:
1. Emergency services are provided 24 hours a day in a designated area of the hospital;
2. Emergency services are provided as an organized service under the direction of a medical staff member;
3. The scope and extent of emergency services offered are documented;
4. Emergency services are provided to an individual, including a woman in active labor, requesting emergency services;
5. If emergency services cannot be provided at the hospital to meet the needs of a patient in an emergency, measures and procedures are implemented to minimize the patient's risk until the patient is transported or transferred to another hospital;
6. A roster of on-call medical staff members is available in the emergency services area;
7. There is a chronological log of emergency services that includes:
   a. The patient's name;
   b. The date, time, and mode of arrival; and
   c. The disposition of the patient including discharge, transfer, or admission;
8. The chronological log required in subsection (A)(8) is maintained:
   a. In the emergency services area for a minimum of 12 months from the date of the emergency services; and
   b. By the hospital for an additional five years.

B. An administrator of a special hospital that provides emergency services shall comply with subsection (A).

C. An administrator of a hospital that provides outpatient emergency services but does not provide perinatal organized services, shall require that emergency perinatal services are provided within the hospital's capabilities to meet the needs of a patient and a neonate including the capability to deliver a neonate and to keep the neonate warm until transfer to a hospital providing perinatal organized services.

R9-10-217. ~~Dietetic services~~ Clinical Laboratory Services and Pathology Services

~~**A.** Organization~~
~~1. The hospital shall have an organized dietetic department under the direction of a qualified food services director who has authority and accountability for the dietetic services.~~
~~2. Each hospital shall have at least 1 dietitian employed on either a full-time, part-time or consultant basis to direct the nutritional aspects of patient care and to advise on food preparation and services.~~
~~3. There shall be written policies and procedures established for all dietetic services.~~

~~**B.** Staffing~~
~~1. Staffing of dietetic services shall be maintained at levels to assure adequate production and delivery of food.~~
~~2. Time schedules and job assignments shall be on file.~~
~~3. Adequate numbers of dietitians, technical, clerical and other appropriately qualified personnel shall be employed to complete all dietary functions.~~

~~**C.** Facilities. Adequate space, equipment, and supplies shall be provided for the efficient, safe and sanitary receiving, storage, refrigeration, preparation and service of food.~~

~~**D.** Nutritional care~~
~~1. A current diet manual shall be readily available to attending physicians, food service personnel, and licensed nursing personnel.~~
~~2. Pertinent observations and information related to special diets, patient's food habits and dietetic treatment shall be recorded in the patient's medical record.~~
~~3. A written order for modified diet prescriptions as recorded in the patient's medical record shall be kept on file in the dietetic services office throughout the duration of the order.~~

~~**E.** Sanitation. Food service sanitation shall be maintained in accordance with the Department's Regulations Chapter 8, Article 1, Food and Drink.~~

An administrator shall require that:
1. Pharmaceutical services are provided under the direction of a pharmacist according to A.R.S. Title 36, Chapter 27; A.R.S. Title 32, Chapter 18; and 4 A.A.C. 23;
2. A copy of the pharmacy license is provided to the Department for review upon the Department's request;
3. A committee, composed of at least one physician, one pharmacist, and other personnel as determined by hospital policies and procedures is established to:
   a. Develop a drug formulary;
   b. Update the drug formulary at least every 12 months;
   c. Develop medication usage and medication substitution policies and procedures; and
   d. Specify which medication, medication categories, and biologicals are required to be automatically stopped after a specified time period unless the medical staff member specifically orders otherwise;
4. An expired, mislabeled, or unuseable medication or biological is disposed of according to hospital policies and procedures;

5. A medication administration error or an adverse reaction is reported to the ordering medical staff member or the medical staff member's designee;
6. A pharmacy medication dispensing error is reported to the pharmacist;
7. In the absence of a pharmacist, personnel designated by hospital policies and procedures have access to a locked area containing a medication or biological;
8. A medication or biological is maintained at temperatures recommended by the manufacturer;
9. A cart used for an emergency:
   a. Contains medication, supplies, and equipment as specified in hospital policies and procedures;
   b. Is available to a unit; and
   c. Is sealed until opened in an emergency;
10. Emergency cart contents and sealing the emergency cart are verified and documented according to hospital policies and procedures.
11. There are hospital policies and procedures that specify individuals who may:
    a. Order medication and biologicals; and
    b. Administer medication and biologicals;
12. A medication or biological is administered in compliance with an order;
13. A medical record for a patient includes:
    a. The patient's name, age, and weight;
    b. Medication or biological allergies or sensitivities;
    c. Medication or biologicals ordered by the medical staff; and
    d. A medication or biological administered to the patient including:
       i. The date and time of administration;
       ii. The name, strength, dosage, amount, and route of administration;
       iii. The identification and authentication of the individual administering the medication or biological; and
       iv. Any adverse reaction a patient has to the medication or biological;
14. If pain medication is administered to a patient, documentation in the patient's medical record includes:
    a. An assessment of the patient's pain before administering the medication; and
    b. The effect of the pain medication administered;
15. Hospital policies and procedures specify a process for quality management program review of:
    a. A medication administration error;
    b. An adverse reaction to a medication; and
    c. A pharmacy medication dispensing error.

R9-10-218. ~~Emergency services~~ Clinical Laboratory Services and Pathology Services

~~**A.** A general hospital is not required to staff or equip a full-time emergency department, but necessary emergency medical services shall be provided in a designated area of the hospital. The hospital shall have procedures whereby the ill or injured person will be assessed and treated or referred to an appropriate facility.~~

~~**B.** Emergency services shall be provided to any person in need of them. If the hospital offers only a partial range of services and elects to transfer the patient for further care, essential lifesaving measures and emergency procedures shall be instituted that will minimize aggravation of the condition during transportation. A patient shall be transferred only to a receiving institution that has consented to accept that patient. A record of the immediate medical problem and treatment provided shall accompany the patient.~~

~~**C.** There shall be written policies approved by the medical staff and adopted by the governing authority establishing the extent of treatment to be carried out by the emergency service. These written policies shall provide for transfer to facilities offering specialized care.~~

~~**D.** There shall be a physician responsible for the overall medical direction of emergency services.~~

~~**E.** The emergency services of a general hospital shall maintain the following minimum staffing requirements:~~

~~1. A current roster of physicians on call.~~
~~2. A registered nurse immediately available within the hospital.~~
~~3. A laboratory technician on call.~~
~~4. A radiologic technician on call.~~

An administrator shall require that:

1. Clinical laboratory services and pathology services are provided by a hospital through a laboratory that holds a certificate of accreditation or certificate of compliance issued by the United States Department of Health and Human Services under the 1988 amendments to the Clinical Laboratories Improvement Act of 1967;
2. A copy of the certificate of accreditation or compliance in subsection (1) is provided to the Department for review upon the Department's request;
3. To meet the needs of a patient in an emergency, clinical laboratory services are provided 24 hours a day in a general hospital or a rural general hospital;

4. A hospital that provides clinical laboratory services 24 hours a day has laboratory personnel authorized by hospital policies and procedures to perform testing on duty or on call at all times;
5. A special hospital whose patients' diagnoses or treatment requires clinical laboratory services is able to provide the services 24 hours a day;
6. A hospital that offers surgical services provides pathology services in the hospital or by contract to meet the needs of a patient;
7. Clinical laboratory or pathology test results are:
   a. Available to the medical staff:
      i. Within 24 hours after the test is completed if the test is performed at a laboratory on the hospital premises; or
      ii. Within 24 hours after the test result is received if the test is performed at a laboratory outside of the hospital premises;
   b. Documented in a patient's medical record;
8. When a test result is obtained that indicates a patient may have an emergency medical condition, as defined by medical staff, laboratory personnel notify the ordering medical staff member or a registered nurse in the patient's assigned unit;
9. A clinical laboratory report, pathology report, or autopsy report is included in the patient's medical record;
10. There are hospital policies and procedures for:
    a. Procuring, storing, transfusing, and disposing of blood and blood products;
    b. Blood typing, antibody detection, and compatibility testing; and
    c. Investigating transfusion adverse reactions and specifying a process for review through the quality management program;
11. If blood and blood products are provided by contract, the contract includes:
    a. The availability of blood and blood products from the contractor; and
    b. The process for delivery of blood and blood products from the contractor;
12. Expired laboratory supplies are discarded according to hospital policies and procedures.

R9-10-219. ~~Disaster preparedness~~ Radiology Services and Diagnostic Imaging Services

~~**A.** Disaster plan: There shall be a written plan of operation with procedures to be followed in the event of a disaster. The plan shall be developed in 2 phases:~~
1. ~~Phase one -- Internal disasters such as fire, gas explosion, etc. Policies and procedures shall include:~~
   ~~a. Notification of personnel and assignment of responsibilities.~~
   ~~b. Instructions regarding the location and use of fire alarm systems and fire fighting equipment.~~
   ~~c. Provision for each type of internal disaster (fire, bomb scare, etc.).~~
   ~~d. Provisions for evacuation, including priorities for evacuation and disposition.~~
   ~~e. Management of casualties.~~
   ~~f. Emergency feeding plan.~~
2. ~~Phase two -- External disasters such as mine explosion, bus accidents, flood, earthquakes, etc. Policies and procedures shall include:~~
   ~~a. Notification of personnel and assignment of responsibilities.~~
   ~~b. Communications with other facilities.~~
   ~~c. Unified medical command.~~
   ~~d. Establishment of a triage unit and its location.~~
   ~~e. Transfer of patients.~~
   ~~f. Method of identifying patients.~~
   ~~g. Establishment of an emergency treatment record.~~
   ~~h. Public information center.~~
   ~~i. Security.~~
   ~~j. Method to obtain necessities (water, food, etc.).~~
   ~~k. Determination of availability of beds, blood, medical supplies, etc.~~
   ~~l. Emergency feeding plan.~~

~~**B.** Disaster and fire drills: At least 12 fire drills shall be held each year. They shall be conducted at irregular intervals and at least 4 times on each shift. At least 1 disaster drill shall be held on each shift each year. Fire and disaster drills may be combined and may accommodate more than 1 shift.~~

A. An administrator shall require that:
1. Radiology services and diagnostic imaging services are provided according to A.R.S. Title 30, Chapter 4, and 12 A.A.C. 1;
2. A copy of the certificate documenting compliance in subsection (1) is provided to the Department for review upon the Department's request;

3. A general hospital or a rural general hospital provides radiology services 24 hours a day in the hospital to meet the emergency needs of a patient;
4. A general hospital or a rural general hospital has a radiologic technologist on duty or on call at all times;
5. A hospital whose patients' diagnoses or treatment requires radiology services and diagnostic imaging services to be available is able to provide the services or has a documented plan to provide radiology services and diagnostic imaging services to meet the needs of a patient.

B. An administrator of a hospital that provides radiology services and diagnostic imaging services in the hospital shall require that:

1. Radiology services and diagnostic imaging services are provided:
   a. Under the direction of a medical staff member; and
   b. According to an order that includes:
      i. The patient's name;
      ii. The name of the ordering individual;
      iii. The radiological or diagnostic imaging procedure ordered; and
      iv. The reason for the procedure;
2. A medical staff member or radiologist interprets the radiologic or diagnostic image;
3. A radiologist prepares a documented radiologic or diagnostic imaging patient report that includes:
   a. The patient's name;
   b. The date of the procedure;
   c. A radiologist's interpretation of the image;
   d. The type and amount of radiopharmaceutical used, if applicable; and
   e. The adverse reaction to the radiopharmaceutical, if any;
4. A radiologic or diagnostic imaging patient report is documented in the patient's medical record; and
5. A radiologic or diagnostic image is available for at least 12 months from the date of the imaging.

R9-10-220. ~~Environmental services~~ Intensive Care Services

~~A.~~ ~~A committee composed of members of the medical staff, nursing staff, laboratory staff, and other appropriate persons shall develop policies and procedures for investigating, controlling and preventing infections in the hospital and shall monitor staff performance in implementation of these procedures. All cases of reportable diseases shall be reported in accordance with applicable rules and regulations adopted by the Department. There shall be a method of control used in relation to sterilization of supplies and water and a written policy requiring sterile supplies to be reprocessed at specified time periods.~~

~~B.~~ ~~The hospital shall be kept clean, free of insects, rodents, litter and rubbish. All areas shall be regularly and appropriately cleaned in accordance with administrative policies and procedures.~~

~~C.~~ ~~The hospital physical plant, including equipment, shall be periodically inspected and, where appropriate, tested, calibrated, serviced or repaired to assure that all equipment is free of fire and electrical hazards and is functioning properly. Records shall be maintained to assure that appropriate inspections and maintenance of equipment are periodically accomplished by qualified personnel.~~

~~D.~~ ~~There shall be available at all times clean linen essential to the proper care and comfort of the patients. Linens shall be handled, stored, processed and transported in a manner which will prevent the spread of infection.~~

~~E.~~ ~~All potentially hazardous wastes such as waste from isolation rooms and materials contaminated with secretions, excretions or blood, patient care and laboratory animal care wastes, laboratory wastes and the like shall be sterilized by autoclaving and buried in a Department approved sanitary landfill or may be disposed of by incinerating in an incinerator approved by the Air Pollution Control Officer having jurisdiction. Provisions of 9 A.A.C. 8, Article 4 pertaining to disposal of such material shall be observed.~~

~~F.~~ ~~When oxygen is being used, the following precautions shall be taken:~~

~~1. A warning sign shall be placed at each entrance to the room.~~
~~2. Ash trays, matches, and other smoking material shall be removed from the room.~~
~~3. Oxygen tanks shall be secured at all times. Additional precautions shall be taken in accordance with the Life Safety Code adopted by reference in A.A.C. R9-1-412(B) and the Inhalation Anesthetics Code adopted by reference in A.A.C. R9-1-417(A).~~
~~4. Hydrocarbon greases shall not be used.~~

~~G.~~ ~~Electrical safety~~

~~1. Extension cords shall not be used except for maintenance services.~~
~~2. Equipment and appliances, including radios and television sets, which use electricity as a source of energy shall be grounded.~~
~~3. Additional precautions shall be taken in accordance with the National Electrical Code adopted by reference in A.A.C. R9-1-412(E).~~

~~H.~~ ~~There shall be written policies concerning syringe and needle storage, handling and disposal.~~

~~I. Water supply shall be in accordance with the Department's regulations contained in 9 A.A.C. 8, Article 2.~~

A. A general hospital or special hospital may provide intensive care services. A rural general hospital shall not provide intensive care services.

B. An administrator of a hospital that provides intensive care services shall require that:
   1. Intensive care services are provided as an organized service in a designated area under the direction of a medical staff member;
   2. A patient admitted for intensive care services is under the care of a physician;
   3. Admission and discharge criteria for intensive care services are established;
   4. Personnel responsibilities for initiation of medical services in an emergency to a patient in an intensive care unit pending the arrival of a medical staff member are defined and documented;
   5. In addition to the requirements in R9-10-208(C), an intensive care unit is staffed:
      a. With a minimum of one registered nurse for every three patients; and
      b. According to an acuity plan as required in R9-10-208;
   6. If the medical services of an intensive care patient are reduced to a lesser level of care in the hospital, but the patient is not physically relocated, the nurse to patient ratio is based on the needs of the patient;
   7. Private duty staff do not provide medical services, nursing services, or health-related services in an intensive care unit;
   8. Nursing personnel assigned to an intensive care unit are qualified in advanced cardiopulmonary resuscitation specific to the age of the patients in the intensive care unit;
   9. Resuscitation, emergency, and other equipment are available at all times to meet the needs of a patient including:
      a. Ventilatory assistance equipment;
      b. Respiratory and cardiac monitoring equipment;
      c. Suction equipment;
      d. Portable radiologic equipment; and
      e. A patient weighing device for patients restricted to a bed;
   10. An intensive care unit has at least one emergency cart that is maintained according to R9-10-217.

C. A special hospital providing only psychiatric services and licensed according to A.R.S. Title 36, Chapters 4 and 5, is not subject to the requirements in this Section.

R9-10-221. ~~Medical records services~~ Respiratory Care Services

~~A. There shall be a medical records department under the direction of a qualified person and with adequate staff and facilities to perform all required functions.~~

~~B. A medical record shall be established and maintained for every person receiving treatment as an inpatient, outpatient, or on an emergency basis in any unit of the hospital. The records shall be available to other units engaged in care and treatment of the patient.~~

~~C. Only authorized personnel shall have access to the records.~~

~~D. Medical record information shall be released only with the written consent of the patient, the legal guardian, or in accordance with law.~~

~~E. In hospitals that have designated psychiatric or substance abuse units confidentiality of medical records shall be maintained as required by A.R.S. § 36-509 and applicable Regulations.~~

~~F. For licensing purposes medical records shall be readily retrievable for a period of not less than 3 years, except that A.R.S. § 36-343 requires retention of vital records and statistics for 10 years.~~

~~G. The original or signed copy of all clinical reports shall be filed in the medical record.~~

~~H. Medical records shall be indexed to facilitate continuity of care, acquisition of statistical medical information and retrieval of records for research or administrative action.~~

~~I. Within 48 hours of admission a current or updated history and physical examination shall be in the record.~~

~~J. When a patient is readmitted within thirty days for the same problem, there shall be at least a reference to the previous history by an interval note.~~

~~K. Histories and physicals shall be written by members of the medical or the house staff. When authorized by medical staff bylaws, physicians assistants and nurse practitioners may write or dictate medical histories and results of physical examinations; such entries shall be counter-signed by the attending physician. A physician's signature shall be required on each page of the record which bears his notation or a notation made by a physician assistant or nurse practitioner under his direction.~~

~~L. The person responsible for each entry shall be identified by initials or signature. If initials are used the person's signature must appear on the page.~~

~~M. Medical records of discharged patients shall be completed within the time limit established by the medical staff.~~

~~N. Inpatient medical records shall contain the following information if applicable:~~
   ~~1. Patients identification sheet, including name, address, date of birth, sex, next of kin and a unique identifying number,~~
   ~~2. History and physical examination,~~

~~3. Physicians' orders, and progress notes,~~
~~4. Laboratory and diagnostic reports,~~
~~5. Nursing notes,~~
~~6. Nursing care plans,~~
~~7. Medication and treatment record,~~
~~8. Admitting diagnosis,~~
~~9. Disposition and discharge diagnosis,~~
~~10. Record of informed consent,~~
~~11. Discharge summary.~~

~~O.~~ The outpatient's medical record shall be accessible.

~~1. In outpatient departments that are organized by clinics, the following information shall be available:~~
~~a. Patient's identification sheet,~~
~~b. History and physical examination,~~
~~c. Physician's orders,~~
~~d. Any laboratory and other diagnostic tests, diagnosis and treatment,~~
~~e. Disposition.~~

~~2. If outpatient services are provided in other than an organized outpatient clinic, the following information shall be available:~~
~~a. Patient's identification,~~
~~b. That information pertaining to the patient's chief complaint including, but not limited to, physician's orders, treatment or service provided, and disposition.~~

~~P.~~ The emergency services record shall contain the following:

~~1. Patient identification,~~
~~2. Record of any treatment patient received prior to arrival,~~
~~3. History of disease or injury,~~
~~4. Physical findings,~~
~~5. Laboratory and x-ray reports, if applicable,~~
~~6. Diagnosis,~~
~~7. Record of treatment,~~
~~8. Disposition,~~
~~9. Name of physician who saw patient in the emergency room.~~

~~Q.~~ All deaths, abortional acts, post-mortem procedures and births shall be reported in accordance with 9 A.A.C. 19.

~~R.~~ If a facility ceases operation, there shall be an arrangement for preservation of records to ensure compliance with these regulations. The Department shall be notified, in writing, concerning the arrangements.

~~S.~~ Symbols or abbreviations used in the medical record shall be approved by the medical staff and a current copy maintained at each nursing unit and in the medical record department.

An administrator of a hospital that provides respiratory care services shall require that:

1. Respiratory care services are provided under the direction of a medical staff member;
2. Respiratory care services are provided according to an order that includes:
   a. The patient's name;
   b. The name and signature of the ordering individual;
   c. The type, frequency, and if applicable, duration of treatment;
   d. The type and dosage of medication and diluent; and
   e. The oxygen concentration or liter flow and method of administration;
3. Respiratory care services provided to a patient are documented in a patient's medical record and include:
   a. The date and time of administration;
   b. The type of respiratory care services;
   c. The effect of respiratory care services;
   d. The adverse reaction to respiratory care services, if any;
   e. The authentication of the individual providing the respiratory care services; and
4. Any area or unit that performs blood gases or clinical laboratory tests comply with the requirements in R9-10-218.

R9-10-222. ~~Laboratory services~~ Perinatal Services

~~A.~~ ~~Minimum capability~~

~~1. There shall be within the hospital the capability of providing clinical laboratory services required to support emergency services.~~
~~2. There shall be arrangements for the provision of clinical and anatomical pathology services necessary to meet the needs of hospitalized patients.~~

3. ~~Clinical laboratory services, may be provided by another hospital laboratory, an independent clinical laboratory or an out-of-state laboratory providing the following conditions are met:~~
   a. ~~The contracting laboratory is licensed by the Department or, in the case of out-of-state clinical laboratories, is licensed by the United States Government, to perform the contracted laboratory services.~~
   b. ~~The conditions, procedures and type of examinations performed by the contracting laboratory or hospital shall be in writing and available in the hospital.~~

~~**B.** Administration.~~
1. ~~Clinical laboratory services shall be under the direction of a physician with training and experience in clinical laboratory services, or a person who holds a doctoral degree from an accredited institution with a chemical, physical or biological science as his major subject and who is qualified to perform at least 1 of the technical services provided by the laboratory. Anatomical pathology service shall be provided by a pathologist.~~
2. ~~A qualified person shall be appointed to be in charge of the laboratory in the absence of the Director.~~
3. ~~At least 1 qualified laboratory technician shall be on duty or on call at all times.~~

~~**C.** Examination of specimens, written requests, reports of results, retention of test records.~~
1. ~~Except as otherwise provided, laboratory personnel shall examine specimens only at the request of a physician authorized to practice medicine and surgery or other persons permitted by law to use the findings of laboratory examinations or at the request of the Department for the purpose of quality control and proficiency testing.~~
2. ~~Results of tests shall be reported to the physician and entered in the patient's chart. No clinical interpretation, diagnosis, prognosis or suggested treatment shall appear on the laboratory report form except that a report made by a physician may include such information.~~
3. ~~All specimens received by the laboratory shall be tested on the premises, or may be forwarded for analysis to another laboratory licensed under A.R.S. Title 36, Chapter 4.1, Article 2, or licensed as part of a general hospital or exempted by A.R.S. § 36-461(4). Specimens submitted for proficiency testing shall be analyzed on the premises by regularly assigned personnel using the laboratory's routine methods.~~
4. ~~When the laboratory performing the analysis is other than the laboratory which initially received the specimen, the report shall include the name, address and name of the director of the laboratory actually performing the analysis.~~

~~**D.** Quality control program.~~
1. ~~Each laboratory director shall establish and file with the Department a detailed description of the services to be provided by the laboratory and of a quality control program that is acceptable to the Department and meets the standard specified in R9-14-108. It is the responsibility of the laboratory director to assure that the laboratory is operated in accordance with its approved quality control program.~~
2. ~~Each laboratory shall participate successfully in a proficiency testing program provided by the American Association of Bioanalysts or the College of American Pathologists for each authorized specialty and subspecialty. Records of such testing shall be kept for 2 years and shall be available for examination by representatives of the Department. Laboratory personnel shall enter the date and time of receipt of samples, results and other information as may be required on forms provided by the proficiency testing service.~~
3. ~~Each laboratory shall participate successfully in a Department operated proficiency testing program if the laboratory seeks authorization in a specialty or subspecialty for which proficiency testing is not available under subsection (D)(2) or if the Department needs additional assurance of the laboratory's proficiency. Such testing may be carried out during on-site inspections or by submittal of specimens by mail. Regularly assigned personnel shall examine samples using the laboratory's routine methods. The laboratory will be tested only in specialties or subspecialties for which an authorization has been issued by the Department. Proficiency test samples shall be tested within the time required under conditions of normal laboratory operation. Laboratory personnel shall enter the date and time of receipt of samples, results and other information as may be required on forms provided by the Department.~~

~~**E.** Sanitation and safety requirements. All laboratories shall be maintained and operated in a manner which prevents undue physical, chemical and biological hazards to hospital patients, employees or other members of the community and in accordance with standards specified in R9-14-109.~~

~~**F.** Maintenance, availability, retention of records.~~
1. ~~Records of observations shall be made concurrently with the performance of each step in the examination of specimens. The actual results of all control procedures shall be recorded.~~
2. ~~Records shall identify the individual performing the examination. Such records as well as duplicate copies of laboratory reports shall be retained in the laboratory area for a period of at least 1 year after the date the results are reported.~~
3. ~~A.R.S. § 25-103.06 requires that copies of premarital serology results be retained for 5 years.~~

~~**G.** Blood services. Hospitals shall have facilities adequate for the procurement, storage and transfusion of blood and blood components. Records of the donor and recipient of all blood handled shall be available. All transfusion reactions occurring in the hospital shall be investigated by the medical staff and an incident report shall be prepared.~~

A. An administrator of a hospital that provides perinatal organized services shall require that:
1. Perinatal services are provided in a designated area under the direction of a medical staff member;
2. Only medical and surgical procedures approved by the medical staff are performed in the perinatal services unit;

3. The perinatal services unit has the capability to initiate an emergency cesarean delivery within the time-frame established by the medical staff and documented in hospital policies and procedures;
4. Only a patient in need of perinatal services or gynecological services receives perinatal services or gynecological services in the perinatal services unit;
5. A patient receiving gynecological services does not share a room with a patient receiving perinatal services;
6. A chronological log of perinatal services is maintained that includes:
   a. The patient's name;
   b. The date, time, and mode of patient's arrival;
   c. The disposition of the patient including discharge, transfer, or admission time; and
   d. The following information for a delivery of a neonate:
      i. The neonate's name or other identifier;
      ii. The name of the medical staff member who delivered the neonate;
      iii. The delivery time and date; and
      iv. Complications of delivery, if any;
7. The chronological log required in subsection (A)(6) is maintained by the hospital in the perinatal services unit for a minimum of 12 months from the date the perinatal services are provided and then maintained for an additional 12 months;
8. The perinatal services unit provides fetal monitoring;
9. The perinatal services unit has ultrasound capability;
10. Except in an emergency, a neonate is identified as required by hospital policies and procedures before moving the neonate from a delivery area;
11. There are hospital policies and procedures that specify:
    a. Security measures to prevent neonatal abduction, and
    b. How the hospital determines to whom a neonate may be discharged;
12. A neonate is discharged only to an individual who is:
    a. Authorized according to subsection (A)(11); and
    b. Provides identification;
13. A neonate's medical record identifies the individual to whom the neonate was discharged;
14. There is patient perinatal education, discharge instructions, and a referral for follow-up care for a neonate in addition to the discharge planning requirements in R9-10-211;
15. Intensive care services for neonates comply with the requirements in R9-10-220;
16. A minimum of one registered nurse is on duty at all times when there is a neonate in a nursery;
17. Equipment and supplies are available to a nursery, labor-delivery-recovery room, or labor-delivery-recovery-postpartum room to meet the needs of each neonate; and
18. In a nursery, only a neonate's bed or bassinet is used for changing diapers, bathing, or dressing the neonate.

B. An administrator of a hospital that does not provide perinatal organized services shall comply with the requirements in R9-10-216(C).

R9-10-223. ~~Pharmaceutical services~~ Pediatric Services

~~A.~~ ~~The hospital shall maintain pharmaceutical services which comply with A.R.S. Title 36, Chapter 9 and A.R.S. Title 32, Chapter 18 and all applicable regulations adopted by the Board of Pharmacy pursuant thereto.~~

~~B.~~ ~~There shall be a pharmacy and therapeutics committee composed of members of the medical staff, pharmacists, and other appropriate personnel.~~

~~C.~~ ~~Administration of drugs~~

~~1. Procedures shall be established to assure that drugs are administered only by persons authorized by state statutes and regulations.~~

~~2. Procedures shall be established to ensure that drugs are checked against physician's orders, that the patient is identified prior to administration of the drug, that each patient has an individual medication record, and that the dose of a drug administered to that patient is properly recorded therein by the person who administers the drug.~~

~~3. Drugs and biologicals shall be administered as soon as possible by a physician or the person who prepares them for administration. Preparation for administration shall not be interpreted as dispensing.~~

A. An administrator of a hospital that provides pediatric organized services shall require that:
1. Pediatric services are provided in a designated area under the direction of a medical staff member;
2. Consistent with the health and safety of a pediatric patient, arrangements are made for a parent or a guardian of a pediatric patient to stay overnight;
3. There are hospital policies and procedures for:
   a. Infection control for shared toys, books, stuffed animals, and other items in a community playroom; and
   b. Visitation of a pediatric patient, including age limits, if applicable.

B. An administrator of a hospital that provides pediatric intensive care services shall require that the pediatric intensive

care services comply with intensive care services requirements in R9-10-220.

C. An administrator of a hospital that does not provide pediatric organized services may admit a pediatric patient only in an emergency and shall require that:

1. The pediatric patient is not placed in a patient room with an adult patient; and
2. Arrangements are made for the pediatric patient's parent or guardian to stay overnight if the parent or guardian wishes to do so.

R9-10-224. ~~Rehabilitation services~~ Psychiatric Services

~~**A.** For purposes of this Section rehabilitation services include physical therapy, occupational therapy, speech therapy and audiology services.~~

~~**B.** The following provisions shall be met in hospitals that provide rehabilitation services:~~

~~1. Rehabilitation services shall be provided by a qualified therapist only when ordered by a physician. Rehabilitation services may be provided by qualified aides and assistants only when under the direct supervision of qualified therapists.~~

~~2. There shall be written administrative and patient care policies and procedures for each of the rehabilitation services offered.~~

~~3. There shall be a written plan for each patient indicating the modality or type of treatment provided and the frequency of treatment. This plan shall be based on the written order of a physician.~~

~~4. There shall be written documentation in the patient's medical record of the rehabilitation services provided.~~

An administrator of a hospital that provides psychiatric organized services shall require that the hospital is in compliance with A.R.S. Title 36, Chapters 4 and 5, and 9 A.A.C. 10 and 9 A.A.C. 20.

R9-10-225. ~~Quality assurance~~ Rehabilitation Services

~~**A.** Each hospital shall have a quality assurance program conducted in accordance with A.R.S. § 36-445. A record of such activities shall be maintained.~~

~~**B.** A discharge planning program shall be established to provide for the transfer of information between hospital and other health facilities or agencies to facilitate continuity of care. Periodic review and evaluation of the program shall be conducted by a committeR9-10-225.~~

An administrator shall require that:

1. If rehabilitation services are provided as an organized service, the rehabilitation services are provided under the direction of an individual qualified according to hospital policies and procedures;
2. Rehabilitation services are provided according to an order;
3. The medical record of a patient receiving rehabilitation services includes:
   a. An order for rehabilitation services that includes the name of the ordering individual and a referring diagnosis;
   b. A documented care plan that is developed in coordination with the ordering individual and the individual providing the rehabilitation services;
   c. The rehabilitation services provided;
   d. The patient's response to the rehabilitation services; and
   e. The authentication of the individual providing the rehabilitation services.

R9-10-226. ~~Radiology services~~ Social Services

~~**A.** A hospital shall have within the hospital as a minimum the capability of providing emergency diagnostic radiology services.~~

~~**B.** A physician shall be responsible for the medical direction of the Department.~~

~~**C.** A radiologic technician shall be on duty or on call at all times.~~

~~**D.** There shall be a radiologic procedure manual available to radiology services personnel.~~

~~**E.** X-ray examinations shall be performed only when ordered by a member of the medical staff. The order shall contain a concise statement of the reason for the examination.~~

~~**F.** The radiology department shall be staffed, equipped and operated in accordance with A.R.S. Title 30, Chapter 4 and regulations adopted thereunder.~~

An administrator of a hospital that provides social services shall require that:

1. A social worker or a registered nurse designated by the administrator coordinates social services;
2. A medical staff member, nurse, patient, patient's representative or a member of the patient's family may request social services;
3. Personnel providing social services participate in discharge planning as necessary to meet the needs of a patient;
4. There is privacy for communication between the personnel providing the social services and the patient; and
5. Social services provided to a patient are documented in the patient's medical record and the entries are authenticated by the individual providing the social services.

R9-10-227. ~~Respiratory care services~~ Dietary Services

~~Hospitals that provide respiratory care services shall meet the following provisions:~~

~~1. Respiratory care services shall include therapeutic procedures and may include diagnostic procedures.~~
~~2. A physician shall be responsible for the medical direction of the respiratory care unit or department.~~
~~3. Respiratory care services shall be provided in accordance with the written order of a physician. The order shall state the modality to be used, the type, frequency and duration of treatment and type and dose of medication including dilution ratio.~~
~~4. Reports of respiratory care services shall be made a part of the patient's medical record.~~
~~5. Respiratory therapy shall be administered by qualified personnel.~~

An administrator shall require that:

1. Dietary services are provided according to 9 A.A.C. 8, Article 1;
2. A copy of the hospital's documentation of compliance with 9 A.A.C. 8, Article 1, is provided to the Department for review upon the Department's request;
3. For a hospital that contracts with a food establishment, as defined in 9 A.A.C. 8, Article 1, to prepare and deliver food to the hospital, a copy of the contracted food establishment's documentation of compliance with 9 A.A.C. 8, Article 1, is:
   a. Maintained on the hospital premises; and
   b. Provided to the Department for review upon the Department's request;
4. If a hospital contracts with a food establishment to prepare and deliver food to the hospital, the hospital is able to store, refrigerate, and reheat food to meet the dietary needs of a patient;
5. Dietary services are provided under the direction of an individual qualified to direct the provision of dietary services according to hospital policies and procedures;
6. There are personnel to meet the dietary needs of all patients;
7. Personnel providing dietary services are qualified to provide dietary services according to hospital policies and procedures;
8. A nutrition assessment of a patient is:
   a. Performed according to hospital policies and procedures; and
   b. Communicated to the attending physician or the attending physician's designee if the nutrition assessment reveals a specific dietary need;
9. A medical staff member documents an order for a diet for each patient in the patient's medical record;
10. A current diet manual approved by a registered dietitian is available to personnel and medical staff members; and
11. A patient's dietary needs are met 24 hours a day.

R9-10-228. ~~Special care units~~ Medical Records

~~If the hospital offers intensive care services or cardiac care services, the following provisions shall be met:~~

~~1. Administration~~
   ~~a. A member of the medical staff, experienced in providing care to seriously ill patients, shall be responsible for direction of the special care services. He shall be a member of the appropriate special care committee.~~
   ~~b. There shall be 1 or more multidisciplinary commit tees to review policies and procedures of special care services. These committees shall establish operational guidelines and nursing action plans for each special care unit.~~
~~2. Personnel requirements~~
   ~~a. A registered nurse shall be in charge of each separate unit on each shift. This individual shall have completed an intensive care or cardiac care training course and shall have work experience in an intensive care or cardiac unit.~~
   ~~b. There shall be 1 registered nurse for 3 or fewer patients in a special care unit. Nurses assigned to the unit shall have demonstrated proficiency in intensive or cardiac care and shall be competent in:~~
      ~~i. The recognition, interpretation, and recording of signs and symptoms in the critically ill patients,~~
      ~~ii. Arrhythmia interpretation,~~
      ~~iii. The initiation of cardiopulmonary resuscitation,~~
      ~~iv. The parenteral administration of electrolytes and fluids,~~
      ~~v. The effective and safe use of equipment in the unit,~~
      ~~vi. The performance of specialized nursing procedures peculiar to the needs of patients in the unit,~~
      ~~vii. The prevention of contamination and cross-infection,~~
      ~~viii. The exercise of appropriate safety precautions in the use of electrical and electronic equipment, and~~
      ~~ix. The recognition of the need for psychological and social services for patients and their families.~~
   ~~c. Private duty nurses shall not be permitted to function in intensive care or cardiac care units. For purposes of this Chapter nursing pool personnel employed temporarily as hospital staff are not considered private duty nurses.~~
~~3. Policies and procedures~~
   ~~a. There shall be admission and discharge criteria.~~

~~b. There shall be recommended diagnostic and treatment programs which include delineation of authority extended to the specially trained nursing staff to initiate individual emergency care pending the arrival of a physician.~~

~~4. Equipment~~

~~a. Minimum monitoring equipment shall include:~~

~~i. Bedside electrocardiograph monitoring screens,~~

~~ii. Heart rate indicator with alarm at the nurses' station,~~

~~iii. Central monitor for display of each patient's electrocardiogram at the nurses' station,~~

~~iv. A direct writing electrocardiographic recorder as an integral part of the monitoring system. This requirement does not apply to an intensive care unit when this equipment is available in a separate cardiac care unit.~~

~~b. Resuscitative and other emergency equipment shall include:~~

~~i. One defibrillator in each unit and at least 1 additional defibrillator available within the hospital.~~

~~ii. A minimum of 2 transvenous pacemaker catheters in the unit for the first 2 beds, and 1 additional transvenous pacemaker for each additional 5 beds. One battery powered external demand pacemaker shall be available in the unit. At least 1 additional battery powered external demand pacemaker shall be available in the hospital.~~

~~iii. An emergency cart containing the drugs and emergency equipment required for the immediate care of emergencies. The emergency cart shall be inventoried on each shift, as well as after each use by a designated person, unless it is in a sealed unit and the seal is intact. Written documentation of this inventory shall be maintained.~~

~~5. The special care unit shall be located to eliminate through traffic.~~

A. An administrator shall require that:

1. A medical record is established and maintained for each patient;
2. An entry in a medical record is:
   a. Recorded only by personnel authorized by hospital policies and procedures;
   b. Dated, legible, and authenticated; and
   c. Not changed to make the initial entry illegible;
3. An order entered into a patient's medical record is:
   a. Timed according to medical staff bylaws and dated when the order is entered in the medical record;
   b. Authenticated by a medical staff member or the organized medical staff according to medical staff bylaws or hospital policies and procedures; and
   c. Authenticated by the individual entering the order in the medical record if the order is an oral or telephone order;
4. If a rubber-stamp signature or an electronic signature code is used to authenticate the order, the individual whose signature the stamp or electronic code represents is responsible for the use of the stamp or the electronic code;
5. A medical record is available to personnel and medical staff members authorized by hospital policies and procedures;
6. Information in a medical record is disclosed only with the written consent of a patient or the patient's representative or as permitted by law;
7. Medical records are maintained under the direction of an individual:
   a. Who is qualified according to hospital policies and procedures; or
   b. Who consults with an individual qualified according to hospital policies and procedures;
8. There are hospital policies and procedures that include:
   a. The length of time a medical record is maintained on the hospital premises; and
   b. The maximum time-frame to retrieve an on-site or off-site medical record at the request of a medical staff member or authorized personnel;
9. A medical record of a patient is provided to the Department:
   a. As soon as possible but not more than four hours from the time of the Department's request if the patient was discharged within 12 months from the date of the Department's request; or
   b. Within 24 hours from the time of the Department's request if the patient was discharged more than 12 months from the date of the Department's request;
10. A medical record is:
    a. Protected from loss, damage, or unauthorized use; and
    b. According to A.R.S. § 12-2297, maintained for seven years from the date of patient discharge unless the patient is a minor, in which case the record is maintained for three years after the patient's 18th birthday or at least seven years after the last date the child received hospital services, whichever date occurs last;
11. Vital records and vital statistics are maintained for at least 10 years according to A.R.S. § 36-343;
12. If a hospital discontinues hospital services, the Department is notified in writing, not less than 30 days before hospital services are discontinued, of the location where the medical records are stored.

B. If a hospital maintains medical records electronically, an administrator shall require that:

1. There are safeguards to prevent unauthorized access; and
2. The date and time of an entry in a medical record is recorded by the computer's internal clock.

C. An administrator shall require that a hospital's medical record for an inpatient contains:
1. Patient information that includes:
   a. The patient's name;
   b. The patient's address;
   c. The patient's date of birth;
   d. A designated patient representative, if applicable; and
   e. Any known allergy.
2. Documented consent for treatment by the patient or the patient's representative except in an emergency;
3. A medical history and results of a physical examination or an interval note;
4. If a patient provides a health care directive, the health care directive signed by the patient;
5. An admitting diagnosis;
6. Name of the admitting medical staff member and attending physician;
7. All orders;
8. All care plans;
9. A record of medical services, nursing services, and health-related services provided to the patient;
10. Notes by medical staff or nursing personnel;
11. Disposition of the patient after discharge;
12. Discharge instructions required in R9-10-211(B)(3);
13. A discharge summary; and
14. If applicable:
   a. A medication record required in R9-10-217;
   b. A laboratory report required in R9-10-218;
   c. A radiologic report required in R9-10-219;
   d. A diagnostic report;
   e. Documentation of restraint; and
   f. A consultation report;

D. An administrator shall require that a hospital's medical record for an outpatient contains:
1. Patient information that includes:
   a. The patient's name;
   b. The patient's address;
   c. The patient's date of birth;
   d. A designated patient representative, if applicable; and
   e. Any known allergy;
2. Documented consent for treatment by the patient or the patient's representative, except in an emergency;
3. A diagnosis or reason for outpatient medical services;
4. All orders;
5. A record of medical services, nursing services, and health-related services provided to the patient;
6. If applicable:
   a. A medication record required in R9-10-217;
   b. A laboratory report required in R9-10-218;
   c. A radiologic report required in R9-10-219;
   d. A diagnostic report;
   e. Documentation of restraint; and
   f. A consultation report.

E. In addition to the requirements in subsection (D), an administrator shall require that the hospital's record of emergency services provided to a patient contains:
1. A record of treatment the patient received before arrival at the hospital, if available;
2. The patient's medical history of disease or injury;
3. An assessment, including the name of the individual performing the assessment;
4. The patient's chief complaint;
5. The name of the individual who treated the patient in the emergency room, if applicable; and
6. The disposition of the patient after discharge.

R9-10-229. ~~Obstetrical services~~ Infection Control

~~In hospitals providing obstetrical services, the following shall apply:~~
1. ~~There shall be a registered nurse in charge of the delivery room and on duty there whenever patients are in the unit.~~
2. ~~There shall be policies and procedures adopted by the medical staff in accordance with the Standards for Obstetric-Gynecologic Hospital Services adopted by reference in A.A.C. R9-1-413(A) which provides for:~~
   a. ~~Mixing of non-maternity patients with maternity patients.~~

~~b. The use of operating rooms for delivery.~~
~~c. Surgical procedures performed in the delivery room.~~
~~3. Designated delivery rooms shall be provided with necessary supplies and equipment.~~
~~4. Policies for the administration of oxytocic drugs, analgesics, and anesthetics shall be written.~~
~~5. Equipment and supplies for anesthesia shall be readily available.~~
~~6. Resuscitation equipment shall be available.~~
~~7. A warming device that is free from fire or electrical hazards and capable of minimizing neonatal heat loss shall be available.~~
~~8. Every newborn shall be identified by 2 reliable methods before removal from the delivery room other than in an emergency.~~
~~9. A chronological register of deliveries and surgical procedures shall be maintained in the delivery area.~~
~~10. Antepartum and postpartum care shall be under the supervision of a registered nurse.~~
~~11. Newborn nursery~~
~~a. A registered nurse shall be in charge of the nursery at all times.~~
~~b. A nursery shall be provided for the care of newborns and shall not be used for any other purpose.~~
~~c. A room in which "rooming-in" is practiced shall not be considered a nursery unless more than 2 mothers are accommodated in which case all requirements for newborn nurseries shall apply.~~
~~d. An individual bassinet shall be provided for each newborn and each newborn shall have separate equipment and supplies.~~
~~e. The use of common bathing or dressing areas is prohibited. All bathing, diaper changing, and treatments shall be carried out in the bassinet or on the newborn's individual shelf or drawer.~~
~~f. Accurate scales shall be provided.~~
~~g. Any newborn born outside of the hospital and any newborn suspected of having an infection or who has been exposed to actual or potential infection shall be properly isolated. The decision to transfer a newborn from the main nursery to isolation may be made by the nurse in charge of the main nursery in an emergency.~~
~~h. Only persons, specified by hospital rules and regulations, shall be admitted to any nursery.~~
~~i. Containers shall be provided for soiled diapers to ensure proper disposal.~~
~~j. Underwriters Laboratory-approved isolettes shall be available.~~
~~k. The use of a rack or bassinet stand which holds more than 1 bassinet is prohibited.~~
~~l. Oxygen, oxygen equipment and suction equipment adapted to the use of newborn infants shall be available. An oxygen analyzer shall be available.~~
~~m. Formula shall be prepared in an appropriate isolated area.~~
~~n. Traffic in the nursery shall be closely supervised by the registered nurse in charge.~~
~~o. Sanitized nursery linens or disposable linens shall be used.~~
~~p. Whenever 2 or more infants in a nursery exhibit symptoms of a communicable illness, the incident shall be reported to the Department as required by 9 A.A.C. 6.~~
~~12. Hospitals that do not provide obstetrical services but have only emergency obstetrical capabilities shall have:~~
~~a. A designated area within the hospital where emergency obstetrical services may be performed.~~
~~b. Necessary supplies and equipment to provide emergency obstetrical services.~~
~~c. At least 1 Underwriter Laboratory-approved isolette.~~

An administrator shall require that:

1. An infection control program is established under the direction of an individual qualified according to hospital policies and procedures;
2. There are hospital policies and procedures:
   a. To prevent or minimize, identify, report, and investigate infections and communicable diseases that include:
      i. Isolating a patient;
      ii. Sterilizing equipment and supplies;
      iii. Maintaining and storing sterile equipment and supplies;
      iv. Disposing of biohazardous medical waste; and
      v. Transporting and processing soiled linens and clothing;
   b. That specify communicable diseases, medical conditions, or criteria that prevent an individual, personnel, or medical staff from:
      i. Working in the hospital,
      ii. Providing patient care, or
      iii. Providing environmental services;
   c. That establish criteria for determining whether a medical staff member is at an increased risk of exposure to infectious pulmonary tuberculosis based on:
      i. The level of risk in the area of the hospital premises where the medical staff member practices, and
      ii. The work that the medical staff member performs;

d. That establish the frequency of tuberculosis screening for an individual determined to be at an increased risk of exposure;

3. An infection control program includes an infection control risk assessment that is reviewed and updated at least every 12 months;
4. A tuberculosis screening is performed as follows:
   a. For personnel, at least once every 12 months or more frequently as determined by a risk assessment;
   b. Except as required in subsection (4)(c), for medical staff members, at least once every 24 months; and
   c. For those medical staff members at an increased risk of exposure based on the criteria in subsection (2)(c), at the frequency required by the hospital's policies and procedures, but no less frequently than every 24 months;
5. Soiled linen and clothing are maintained in covered containers and in a separate area from clean linen and clothing;
6. Personnel wash hands or use a hand disinfection product after each patient contact and after handling soiled linen, soiled clothing, or a potentially infectious material;
7. An infection control program documents:
   a. A chronological log of infections;
   b. The collection and analysis of infection control data;
   c. The actions taken relating to infections and communicable diseases; and
   d. Reports of communicable diseases to the governing authority, and state and county health departments;
8. Infection control documents are maintained in the hospital for two years and are provided to the Department for review as soon as possible but not more than four hours from the time of the Department's request;
9. An infection control committee is established according to hospital policies and procedures that consists of:
   a. At least one medical staff member;
   b. The individual directing the infection control program; and
   c. Other personnel identified in hospital policies and procedures;
10. The infection control committee:
   a. Develops a hospital-wide plan for preventing, tracking, and controlling infections;
   b. Reviews the type and frequency of infections and develops recommendations for improvement;
   c. Meets and provides a quarterly written report for review by the quality management program; and
   d. Maintains a record of actions taken and minutes of meetings.

R9-10-230. ~~Pediatric services~~ Environmental Services

~~Hospitals with an organized pediatric department shall have distinct facilities for the care of children. There shall be facilities and procedures for the isolation of children with communicable diseases.~~

~~1. Policies shall be established to cover conditions under which parents may stay with their child.~~
~~2. The standards for the Care of Children in Hospitals adopted by reference in A.A.C. R9-1-413(C) are recommended as a guide for pediatric services in hospitals.~~

An administrator shall require that:

1. The hospital premises and equipment are:
   a. Cleaned according to policies and procedures designed to prevent or control illness or infection; and
   b. Free from a condition or situation that may cause a patient or an individual to suffer physical injury;
2. A pest control program is used to control insects and rodents;
3. The hospital maintains a tobacco smoke-free environment;
4. Biohazardous waste and hazardous waste are identified, stored, used, and disposed of according to A.A.C. R18-13-1401 and hospital policies and procedures;
5. Equipment used to provide medical services, nursing services, or health-related services is:
   a. Maintained in working order;
   b. Tested and calibrated according to the manufacturer's recommendations or if there are no manufacturer's recommendations, as specified in hospital policies and procedures; and
   c. Used according to the manufacturer's recommendations; and
6. Documentation of equipment testing, calibration, and repair is maintained on the hospital premises for one year from the date of the testing, calibration, or repair and provided to the Department for review as soon as possible but not more than four hours from the time of the Department's request.

R9-10-231. ~~Social services~~ Disaster Management

~~When a hospital has an organized social service department the following conditions shall be met:~~

~~1. There shall be policies and procedures relating to the staff and functions of the department.~~
~~2. Personnel~~
   ~~a. The social service department shall be under the direction of a social worker and shall have adequate staff and facilities to perform all required functions; or~~

~~b. Social services shall be provided by a designated person who shall receive consultation from a social worker in accordance with a written agreement; or~~
~~c. Social services shall be provided by referral, based on established written procedures, to appropriate social agencies.~~
~~3. Social services to patients shall be initiated by physician referral, or by request of patient, family member or guardian.~~
~~4. Social services information shall be recorded. Policies and procedures shall be established by the department with approval of the medical staff which specify the type and extent of this information to be placed in the medical record.~~
~~5. Facilities shall be provided which are accessible to patients and staff and which assure privacy for interviews.~~

An administrator shall require that:

1. A disaster plan is developed and documented that includes:
   a. Procedures for protecting the health and safety of patients and other individuals;
   b. Assigned personnel responsibilities; and
   c. Instructions for the evacuation, transport or transfer of patients, maintenance of medical records, and arrangements to provide any other hospital services to meet the patient's needs;
2. A plan exists for back-up power and water supply;
3. A fire drill is performed on each shift at least once every three months;
4. A disaster drill is performed on each shift at least once every 12 months;
5. Documentation of a fire drill required in subsection (3) and a disaster drill required in subsection (4) includes:
   a. The date and time of the drill;
   b. A critique of the drill; and
   c. Recommendations for improvement, if applicable;
6. Documentation of a fire drill or a disaster drill is maintained by the hospital for 12 months from the date of the drill and provided to the Department for review as soon as possible but not more than four hours from the time of the Department's request.

R9-10-232. ~~Hospital physical plant~~ Physical Plant Standards

~~**A.** Physical plant -- existing facilities~~
~~1. The physical plant of all hospitals licensed prior to adoption of these regulations shall meet the requirements of the Sections applicable to existing hospitals in the Life Safety code adopted by reference in regulation A.A.C. R9-1-412(B).~~
~~2. Appropriate drawings shall be submitted to the Department for any additions, alterations, or modifications, to the physical plant before work is undertaken.~~
~~3. Alterations to the existing physical plant shall conform to new construction standards.~~

~~**B.** Physical plant -- new construction~~
~~1. All new construction shall meet the minimum requirements of the applicable provisions of all codes and standards adopted by reference in A.A.C. R9-1-412 in accordance with their scope and applicability as specified in regulation A.A.C. R9-1-411.~~
~~2. Unless otherwise specified in this Section, patient rooms in newly constructed hospitals shall conform to the following minimum and maximum sizes:~~

~~Type of Accommodations~~	~~Minimum~~		~~Maximum*~~	
	~~(Sq. Ft.)~~	~~(Sq. M.)~~	~~(Sq. Ft.)~~	~~(Sq. M.)~~
~~Private~~	~~100~~	~~9.29~~	~~150~~	~~13.94~~
~~2 Bed~~	~~160~~	~~14.86~~	~~230~~	~~21.37~~
~~3 Bed~~	~~240~~	~~22.30~~	~~310~~	~~28.80~~
~~4 Bed~~	~~320~~	~~29.73~~	~~390~~	~~36.23~~
~~*Exception: Maximum areas may be exceeded if the number of beds is limited by the configurationof the room, and when approval has been obtained from the Department.~~				

~~3. Capacity of patient rooms (excluding special care units) shall not exceed 4 beds.~~
~~4. All patient room doors required to be self-closing by the Uniform Building Code adopted by reference in A.A.C. R9-1-412(A) shall be equipped with hold-open device. The device, upon activation of the fire alarm system, automatic fire extinguishing system and related products of combustion detectors, shall allow the door to close automatically.~~

~~**C.** All new and existing hospitals shall meet the following physical plant and safety factors:~~
~~1. Multi-bed rooms shall be designed and arranged to permit no more than 2 beds side by side parallel to the window wall with at least 3 feet (91 cm) between beds and 3 feet (91 cm) between bed and wall except at the head of the bed.~~

~~2. All patient rooms other than in intensive care units shall be outside rooms. The window area in each patient room shall be at least 1/8 of the floor area. Suitable window shades or drapes shall be provided as a means of controlling light.~~
~~3. Each bed shall have a nurse call system which conforms to the standard adopted by reference in A.A.C. R9-1-412(F).~~
~~4. Each patient room shall be numbered. The Department shall be notified when room numbers are changed.~~
~~5. Hospitals licensed prior to the adoption of these regulations shall have a minimum ratio of 1 toilet, 1 lavatory and 1 tub or shower for each 10 beds on each floor.~~
~~6. All toilet rooms, bathrooms, utility rooms, and janitor's closets shall have mechanical ventilation providing a minimum number of air changes per hour as specified in the code adopted by reference in A.A.C. R9-1-412(F).~~
~~7. There shall be adequate storage spaces or alcoves to store wheelchairs, walkers, and similar equipment when not in use. No corridors or stairwells shall be used for storing such equipment.~~
~~8. There shall be adequate space for the preparation, cleaning, sterilization and storing of supplies and equipment.~~
~~9. There shall be at least 1 room for isolation of patients with a communicable disease for each 100 beds or fraction thereof. The isolation room shall contain a private toilet and lavatory facilities.~~
~~10. Separate adequate storage space for each patient shall be provided within the patient's room.~~
~~11. Newborn nurseries shall have at least 24 square feet (2.23 sq. M) of floor space for each bassinet with 2 feet (61 cm) between bassinets.~~
~~12. Pediatric nurseries shall have at least forty square feet (3.72 sq. M) of floor space for each bassinet.~~
~~13. Pediatric beds shall have the same space requirement as adult patient beds.~~
~~14. Items such as drinking fountains, telephone booths, vending machines, furniture, and medical equipment shall be located so that they do not reduce the required width of exit corridors.~~
~~15. No door which is required to be fire rated shall be held open except with a device approved by the codes adopted by reference in A.A.C. R9-1-412.~~
~~16. Patient beds licensed after June 19, 1964 shall maintain the following minimum square footage per bed.~~
~~a. One bed rooms -- 100 square feet (9.29 sq. M) per bed.~~
~~b. Multi-bed rooms -- 80 square feet (7.43 sq. M) per bed.~~
~~17. Multi-patient rooms licensed at 70 square feet (6.50 sq. M) per bed before and continuously since June 19, 1964 may retain the 70 square feet (6.50 sq. M) per bed.~~

A. An administrator shall require that:
1. A hospital is in compliance with:
   a. Physical plant codes and standards incorporated by reference in A.A.C. R9-1-412 applicable at the time of licensure; and
   b. The requirements in National Fire Protection Association 101, Existing Health Care Occupancies in the Life Safety Code, incorporated by reference in A.A.C. R9-1-412;
2. Architectural plans and specifications for construction, modification, or change in licensed capacity or inpatient beds are submitted to the Department for approval;
3. Construction, a modification, or a change in inpatient beds complies with the requirements of this Article and the physical plant codes and standards incorporated by reference in R9-1-412 in effect at the time the construction, modification or change in licensed capacity or inpatient beds is approved by the Department;
4. Hospital premises, as defined in this Article, are used exclusively by the hospital and the hospital premises are not leased;
5. A unit with inpatient beds is not used as a passageway to another health care institution; and
6. Hospital premises are not licensed as more than one health care institution except as provided in R9-10-224.

B. An administrator shall provide to the Department for review as soon as possible but not more than four hours from the time of the Department's request, documentation of a current fire inspection conducted by a local jurisdiction.

R9-10-233. ~~Rates and charges~~ Repealed

~~The current schedule of rates and charges shall be posted in accordance with R9-11-114(H), and R9-10-1734.~~

ARTICLE 3. ~~RURAL GENERAL HOSPITALS~~ REPEALED

R9-10-311. ~~General~~ Repealed

~~**A.** Rural general hospitals to which these requirements apply are subject to inspection as provided in A.R.S. §§ 36-406 and 36-424. Department personnel are prohibited by A.R.S. § 36-404 from disclosing patient records or any information from which a patient or his family might be identified, or sources of information which cause the Department to believe that an inspection is needed to determine whether an institution is in compliance with the provisions of this Chapter and the regulations thereunder.~~
~~**B.** The rural general hospital administration shall assure that contract suppliers meet the same standards of quality the hospital would have to meet if services were provided by the hospital.~~

~~**C.** Regulations contained in this Article shall not be construed to compel any patient to submit to any examination or treatment provided all requirements for the control of communicable disease and sanitation are met.~~

~~**D.** It is not the intent of this regulation to require a general hospital having fewer than 50 inpatient beds to apply for licensure as a rural general hospital. It shall be the prerogative of the governing authority to determine the type of licensure for which it will apply.~~

R9-10-312. ~~Definitions~~ Repealed

~~Unless the context otherwise requires:~~

1. ~~"Anesthesiologist" means a physician whose specialized training and experience qualify him to administer anesthetic agents and to monitor patients under the influence of these agents.~~
2. ~~"Anesthetist" means a physician or dentist qualified by experience to administer anesthetic agents or a registered nurse who meets the requirements of A.R.S. § 32-1661.~~
3. ~~"Chief executive officer" means a qualified person appointed by the governing authority to act in its behalf in the overall management of the hospital.~~
4. ~~"Direct nursing care" means the provision of preventative, curative, rehabilitative and health-related services directly to patients on a nursing unit by nursing personnel under the supervision of a registered nurse.~~
5. ~~"Food service director" means a person who is a dietitian or a graduate of a dietetic technician, dietetic assistant or food service supervisor training program, correspondence school or classroom, approved by the American Dietetic Association, or who has training and experience in food service supervision and management equivalent to 1 of these programs.~~
6. ~~"General hospital" means a subclass of hospital which provides inpatient beds and other hospital services, both surgical and non-surgical, to patients who have any of a variety of medical conditions.~~
7. ~~"Hospital" means a class of health care institution which provides, through an organized medical or professional staff, services that include, but are not limited to, inpatient beds, medical services and continuous nursing services for the diagnosis and treatment of patients.~~
8. ~~"Licensed bed capacity" means the number of adult and pediatric beds specified on the rural general hospital's license, and does not include bassinets, labor or recovery beds.~~
9. ~~"Rural general hospital" means a subclass of hospital having 50 or fewer inpatient beds serving an area located not less than 20 surface miles from another general or rural general hospital and which provides hospital services.~~
10. ~~"Social worker" means a person who has received a baccalaureate degree and has met the requirements of a two-year curriculum in a school of social work that is accredited by the Council on Social Work Education, or has the equivalent of such education and training.~~
11. ~~"Therapist" means a person who is appropriately qualified by training, experience, or both, to apply diagnostic or treatment techniques and procedures for patients under the direction of a physician. Such persons who are required to have an Arizona license to practice their profession shall have the appropriate license.~~

R9-10-313. ~~Administration~~ Repealed

~~**A.** Governing authority: The governing authority shall adopt bylaws which identify the purposes of the rural general hospital and the methods of fulfilling them. The governing authority shall appoint a chief executive officer who shall be appropriately qualified for the management of the facility. The chief executive officer shall have authority and responsibility for the operation of the rural general hospital.~~

~~**B.** The chief executive officer shall be directly responsible for the management and operation of the rural general hospital and shall provide liaison between the governing authority and the medical staff.~~

1. ~~The chief executive officer shall maintain written definitions of the rural general hospital organization, authority, responsibility and relationships, to provide the rural general hospital with administrative direction.~~
2. ~~When there is a planned change of the chief executive officer or ownership, the governing authority shall notify the Department at least thirty days prior to the effective date of change. Such changes that cannot be planned in advance shall be reported in writing to the Department immediately.~~
3. ~~Written admission and discharge policies which are consistent with the established purposes of the rural general hospital shall be maintained in the admitting office.~~
4. ~~An employee authorized to accept patients for admission and to make administrative decisions concerning their disposition shall be available at all times.~~
5. ~~Upon admission, inpatients shall be provided a suitable device or method for identification.~~
6. ~~The following documents or copies shall be available in the rural general hospital:~~
   a. ~~Bylaws of the governing body.~~
   b. ~~Bylaws and rules and regulations of the medical staff.~~
   c. ~~Policies and procedures for established rural general hospital services.~~
   d. ~~Reports of inspections and reviews related to licensure for the preceding 5 years together with corrective actions taken.~~

e. Contracts related to licensure to which the rural general hospital is bound.
f. Appropriate documents evidencing control and ownership.
g. A current copy of Title 9 Health Care Regulations available from the Office of the Secretary of State, which includes:

Chapter 1, Article 4	Codes and Standards Referenced
Chapter 8, Article 1	Food and Drink
Chapter 9, Articles 1,2,3	Health Care Institutions: Establishment and Modification
Chapter 10, Article 1	Health Care Institutions: Licensure
Chapter 10, Article 3	Rural General Hospital
Chapter 11, Articles 1,2	Health Care Institutions: Rates and Charges

7. Personnel
   a. Personnel records:
      i. A record of each employee shall be maintained which includes the following:
         (1) Employee's identification, including name, address and person to be notified in an emergency.
         (2) Resume of education and work experience.
         (3) Verification of valid license if required, education and training.
      ii. Payroll and attendance records for the preceding 12-month period shall be available for review by Department personnel.
      iii. Every position shall have a written description of the duties of the position.
         b. New employees shall receive orientation to familiarize them with the facility, its policies, and the responsibilities of the new employee.
         c. Continuing education programs shall be regularly provided for all nursing and dietary personnel to prepare them for their specific duties and responsibilities in the hospital. Records shall be maintained that include at least subject matter, attendance date, and location of the education program.
         d. An employee whose duties during his normal work shift require him to be awake while on the job, shall not be scheduled to work consecutive shifts.
         e. Pre-employment and annual medical screenings shall be conducted; these shall include a medical history and an appropriate tuberculosis screening test. A physical examination shall be accomplished of those persons whose medical screening indicates such need.
8. Miscellaneous
   a. There shall be no pets allowed in the patient care and food service areas of the rural general hospital. For the purposes of these regulations, seeing eye and hearing ear dogs are not considered pets.
   b. Unless bedside telephones are provided, patients shall have access to a public telephone.
   c. The person on duty and in charge of the hospital shall have reasonable access to all areas of the hospital.
   d. Reasonable privacy shall be provided for all patients.

C. The Department recognizes that emergency situations do occur in which a rural general hospital may temporarily need to exceed its licensed capacity. The medical need to admit patients in excess of licensed bed capacity as indicated by service category as shown on the then current license shall be determined by a committee or other organizational structure of the medical staff. During any period in which the hospital's census exceeds its licensed bed capacity by category of service, it shall suspend all elective admissions to that service category. The exception afforded by this subsection does not exempt a rural general hospital from any other requirement of this Chapter.

D. Licensed nursing personnel shall be prepared, through appropriate education or training, for their responsibilities in the provision of nursing care. This training shall include:
1. Cardiopulmonary resuscitation training
2. Basic recognition of EKG arrhythmias
3. Use of emergency equipment

R9-10-314. ~~Medical staff~~ Repealed

A. The rural general hospital shall have a medical staff responsible to the governing authority for the quality of medical care provided to patients and for the ethical and professional practices of its members.

B. Patients shall be admitted to the rural general hospital by a member of the medical staff in accordance with medical staff bylaws, and shall be under the general care of a physician.

C. A rural general hospital shall have at least 1 physician as an active medical staff member and at least 1 other physician as consultant or as courtesy staff who shall be active in committee functions.

D. The medical staff, subject to final action by the governing authority, shall adopt bylaws, rules and regulations, and policies for the proper conduct of its activities. The medical staff shall recommend to the governing authority, physicians and other licensed practitioners considered eligible for new and continued membership on the medical staff, as delineated in medical staff bylaws. Clinical privileges of each medical staff member shall be delineated in writing.

E. The bylaws shall state the type, purpose, composition and organization of standing committees.

~~**F.** The medical staff shall be responsible to assure the availability of inpatient and outpatient physician services in the event of an emergency.~~

R9-10-315. ~~Nursing services~~ Repealed

~~**A.** Organization~~
~~1. The rural general hospital shall have an organized nursing service to provide nursing care to meet the needs of each patient.~~
~~2. There shall be a director of nursing.~~
~~3. Administrative and patient care policies and procedures for all nursing services provided shall be developed, periodically reviewed and revised as necessary.~~

~~**B.** Staffing~~
~~1. The nursing department shall be adequately staffed at all times based upon the number of patients and their acuity.~~
~~a. A registered nurse shall be on duty and in charge of the nursing service at all times.~~
~~b. There shall be at least 1 registered nurse and at least 1 other licensed nurse or ancillary nursing personnel on duty at all times when there are inpatients.~~
~~c. Each nursing unit shall be staffed by at least 1 registered nurse on each shift, nursing units with 25 patients or more shall have an additional licensed nurse on each shift.~~
~~d. When there is only 1 registered nurse on duty, a registered nurse shall be on call and available to the rural general hospital within fifteen minutes.~~
~~2. A general staffing plan shall be maintained which includes individual staffing patterns for each nursing unit, and for the surgical, obstetrical, outpatient, and emergency services.~~

~~**C.** Patient care plans: There shall be a written patient care plan developed for each patient which is consistent with the patient's medical plan of care. Development of the plan shall be coordinated with the total health team. The plan shall reference the patient's problems and needs as well as the approaches to achieve treatment goals. The plan shall be available to all members of the patient's health team.~~

R9-10-316. ~~Surgical services~~ Repealed

~~**A.** Rural general hospitals are not required to provide surgical services.~~
~~**B.** Rural general hospitals that provide surgical services shall meet the following requirements:~~
~~1. The rural general hospital shall have at least 1 operating room.~~
~~2. A roster specifying the surgical privileges of each physician shall be kept in the operating room or suite.~~
~~3. The medical staff shall establish policies specifying the surgical procedures which will require a second physician as assistant in surgery.~~
~~4. A chronological register of surgical operations performed shall be maintained in the surgical suite.~~
~~5. Except in a documented emergency, a history shall be taken and physical examination shall be performed on every patient prior to surgery.~~
~~6. There shall be policies and procedures for the immediate post-operative care.~~
~~7. The surgical suite shall be supervised by a registered nurse.~~
~~8. The operating room(s) and support services shall be located to prevent through traffic.~~
~~9. General anesthesia shall be administered by an anesthesiologist or an anesthetist.~~
~~10. The recovery room shall be supervised by a registered nurse who may be the surgical services supervisor.~~
~~11. There shall be available a current listing of all types of surgical procedures offered in the hospital. The current edition of the American Medical Association Procedural Terminology shall be used as a guide when preparing this list.~~
~~12. Policies shall be adopted regarding the content of, and timing for, anesthetic follow-up notes.~~
~~13. When surgical procedures are scheduled to be performed under general anesthesia, at least 1 other physician shall be on call and available to the rural general hospital within 20 minutes.~~

R9-10-317. ~~Dietetic services~~ Repealed

~~**A.** Organization~~
~~1. The rural general hospital shall have an organized dietetic service under the direction of a qualified food service director who has authority and accountability for the dietetic services.~~
~~2. Each rural general hospital shall have at least 1 dietitian employed on either a full-time, part-time, or consultant basis to direct the nutritional aspects of patient care and to advise on food preparation and services.~~
~~3. There shall be written policies and procedures established for all dietetic services.~~

~~**B.** Staffing~~
~~1. Staffing of dietetic services shall be maintained at levels to assure adequate numbers of dietitians, technical, clerical, and other appropriately qualified personnel to complete all dietary functions.~~
~~2. Time schedules and job assignments shall be on file.~~

~~**C.** Facilities: Adequate space, equipment, and supplies shall be provided for the efficient, safe and sanitary receiving, storage, refrigeration, preparation and service of food.~~

~~**D.** Nutritional care~~
~~1. A current diet manual shall be readily available to physicians, nursing and food service personnel.~~
~~2. Pertinent observations and information related to special diets, patient's food habits and dietetic treatment shall be recorded in the patient's medical record.~~
~~3. A written order for modified diet prescriptions as recorded in the patient's medical record shall be kept on file in the dietetic services office throughout the duration of the order.~~
~~**E.** Sanitation: Food service sanitation shall be maintained in accordance with the Department's regulations contained in 9 A.A.C. 8, Article 1, "Food and Drink".~~

R9-10-318. ~~Emergency services~~ Repealed

~~**A.** A rural general hospital is not required to staff or equip a full-time emergency department, but necessary emergency medical services shall be provided in a designated area of the rural general hospital. The rural general hospital shall have procedures whereby the ill or injured person will be assessed and treated or referred to an appropriate facility.~~
~~**B.** Emergency services shall be provided to any person in need of them. If the hospital offers only a partial range of services and elects to transfer the patient for further care, essential lifesaving measures and emergency procedures shall be instituted that will minimize aggravation of the condition during transportation. A patient shall be transferred only to a receiving institution that has consented to accept the patient. A record of the immediate medical problem and treatment provided shall accompany the patient.~~
~~**C.** There shall be written policies approved by the medical staff and adopted by the governing authority establishing the type of treatment to be carried out by the emergency service. These written policies shall provide for transfer to facilities offering specialized care.~~
~~**D.** There shall be a physician responsible for the overall medical direction of emergency services.~~
~~**E.** The emergency services of a rural general hospital shall maintain the following minimum staffing requirements:~~
~~1. A current roster of physicians on call.~~
~~2. A registered nurse available to the rural general hospital within 15 minutes.~~
~~3. A laboratory technician on call.~~
~~4. A radiologic technician on call.~~
~~**F.** Resuscitative and monitoring equipment and supplies shall be readily available for emergency services.~~
~~**G.** An emergency cart containing the drugs and emergency equipment required for the immediate care of emergencies shall be readily available. The emergency cart shall be inventoried on each shift, as well as after each use, by a designated person unless it is in a sealed unit and the seal is intact. Written documentation of this inventory shall be maintained.~~

R9-10-319. ~~Disaster preparedness~~ Repealed

~~**A.** Disaster plan: There shall be a written plan of operation with procedures to be followed in the event of a disaster. The plan shall be developed in 2 phases:~~
~~1. Phase one -- Internal disasters such as fire, gas explosion, etc. Policies and procedures shall include:~~
~~a. Notification of personnel and assignment of responsibilities.~~
~~b. Instructions regarding the location and use of fire alarm systems and fire fighting equipment.~~
~~c. Provision for each type of internal disaster (fire, bomb scare, etc.).~~
~~d. Provisions for evacuation, including priorities for evacuation and disposition.~~
~~e. Management of casualties.~~
~~f. Emergency feeding plan.~~
~~2. Phase two -- External disasters such as mine explosion, bus accidents, flood, earthquakes, etc. Policies and procedures shall include:~~
~~a. Notification of personnel and assignment of responsibilities.~~
~~b. Communications with other facilities.~~
~~c. Unified medical command.~~
~~d. Establishment of a triage unit and its location.~~
~~e. Transfer of patients.~~
~~f. Method of identifying patients.~~
~~g. Establishment of an emergency treatment record.~~
~~h. Public information center.~~
~~i. Security.~~
~~j. Method to obtain necessities (water, food, etc.).~~
~~k. Determination of availability of beds, blood, medical supplies, etc.~~
~~l. Emergency feeding plan.~~
~~**B.** Disaster and fire drills: As required by A.A.C. R9-1-412(3), Life Safety Code, at least 12 fire drills shall be held each year. They shall be conducted at irregular intervals and at least 4 times on each shift. At least 1 disaster drill shall be held on each shift each year. Fire and disaster drills may be combined and may accommodate more than 1 shift.~~

~~C.~~ ~~Policies shall be established for obtaining sufficient personnel to staff the rural general hospital during post-emergency or disaster periods.~~

R9-10-320. ~~Environmental services~~ Repealed

~~A.~~ ~~A committee composed of members of the medical staff, nursing staff, laboratory staff, and other appropriate persons shall develop policies and procedures for investigating, controlling and preventing infections in the rural general hospital and shall monitor staff performance in implementation of these procedures. All cases of reportable diseases shall be reported in accordance with applicable rules and regulations adopted by the Department. There shall be a method of control used in relation to sterilization of supplies and water and a written policy requiring sterile supplies to be reprocessed at specified time periods.~~

~~B.~~ ~~The rural general hospital shall be kept clean, free of insects, rodents, litter, and rubbish. All areas shall be regularly and appropriately cleaned in accordance with administrative policies and procedures.~~

~~C.~~ ~~The rural general hospital physical plant, including equipment, shall be periodically inspected and, where appropriate, tested, calibrated, serviced or repaired to assure that all equipment is free of fire and electrical hazards and is functioning properly. Records shall be maintained to assure that appropriate inspections and maintenance of equipment are periodically accomplished by qualified personnel.~~

~~D.~~ ~~There shall be available at all times clean linen essential to the proper care and comfort of the patients. Linens shall be handled, stored, processed and transported in a manner which will prevent the spread of infection.~~

~~E.~~ ~~All potentially hazardous wastes such as waste from isolation rooms and disposable materials contaminated with secretions, excretions or blood, patient care and laboratory animal care wastes, laboratory wastes and the like shall be sterilized by autoclaving and buried in a Department approved sanitary landfill or may be disposed of by incinerating in an incinerator approved by the Air Pollution Control Officer having jurisdiction. If only 1 autoclave is available and an incinerator is not available, the waste shall be double bagged, clearly marked and shall be taken to a Department approved landfill. The operator of the landfill shall be notified and immediate burial assured. Provisions of 9 A.A.C. 8, Article 4 pertaining to disposal of such material shall be observed.~~

~~F.~~ ~~When oxygen is being used, the following precautions shall be taken:~~

1. ~~A warning sign shall be placed at each entrance to the room.~~
2. ~~Ash trays, matches, and other smoking material shall be removed from the room.~~
3. ~~Oxygen tanks shall be secured at all times. Additional precautions shall be taken in accordance with the Life Safety Code adopted by reference in A.A.C. R9-1-412(B) and the Inhalation Anesthetics Code adopted by reference in A.A.C. R9-1-417(A).~~
4. ~~Hydrocarbon greases shall not be used.~~

~~G.~~ ~~Electrical safety:~~

1. ~~Extension cords shall not be used except for maintenance services.~~
2. ~~Equipment and appliances including radios and television sets, which use electricity as a source of energy shall be grounded.~~
3. ~~Additional precautions shall be taken in accordance with the National Electrical Code adopted by reference in A.A.C. R9-1-412(E).~~

~~H.~~ ~~There shall be written policies concerning syringe and needle storage, handling and disposal.~~

~~I.~~ ~~Water supply shall be in accordance with the Department's regulations contained in 9 A.A.C. 8, Article 2.~~

~~J.~~ ~~Sewage systems shall be in accordance with the Department's regulations contained in 9 A.A.C. 8, Article 3.~~

R9-10-321. ~~Medical records services~~ Repealed

~~A.~~ ~~There shall be a medical records service under the direction of a designated person and with adequate staff and facilities to perform all required functions. If the designated person is not qualified in medical records management, he shall receive consultation from a qualified person.~~

~~B.~~ ~~A medical record shall be established and maintained for every person receiving treatment as an inpatient, outpatient, or on an emergency basis in any unit of the rural general hospital. The records shall be available to other units engaged in care and treatment of the patient.~~

~~C.~~ ~~Only authorized personnel shall have access to the records.~~

~~D.~~ ~~Medical record information shall be released only with the written consent of the patient, the legal guardian, or in accordance with law.~~

~~E.~~ ~~In rural general hospitals that have designated psychiatric or substance abuse units, confidentiality of medical records shall be maintained as required by A.R.S. § 36-509 and applicable regulations.~~

~~F.~~ ~~For licensing purposes medical records shall be readily retrievable for a period of not less than 3 years, except that A.R.S. § 36-343 requires retention of vital records and statistics for 10 years.~~

~~G.~~ ~~The original or signed copy of all clinical reports shall be filed in the medical record.~~

~~H.~~ ~~Medical records shall be indexed to facilitate continuity of care, acquisition of statistical medical information and retrieval of records for research or administrative action.~~

~~**I.** Within 48 hours of admission, a current or updated history and physical examination shall be in the record.~~
~~**J.** When a patient is re-admitted within 30 days for the same problem, there shall be at least a reference to the previous history by an interval note.~~
~~**K.** Histories and physicals shall be written by members of the medical or the house staff. When authorized by medical staff bylaws, physician assistants and nurse practitioners may write or dictate medical histories and results of physical examinations. A physician's signature shall be required on each page of the record which bears a notation made by a physician assistant or nurse practitioner under his direction.~~
~~**L.** All entries in the record must be dated and signed or initialed by the person making the entry. If initials are used, a method must be established to identify authorship.~~
~~**M.** Medical records of discharged patients shall be completed within the time limit established by the medical staff.~~
~~**N.** Inpatient medical records shall contain the following information, if applicable:~~
~~1. Patient's identification sheet, including name, address, date of birth, sex, person to be notified in an emergency, and an unique identifying number.~~
~~2. History and physical examination.~~
~~3. Physician's orders and progress notes.~~
~~4. Laboratory and diagnostic reports.~~
~~5. Nursing notes.~~
~~6. Patient care plans.~~
~~7. Medication and treatment record.~~
~~8. Admitting diagnosis.~~
~~9. Disposition and discharge diagnosis.~~
~~10. Record of informed consent.~~
~~11. Discharge summary.~~
~~**O.** The outpatient's medical record shall be accessible:~~
~~1. In outpatient departments that are organized by clinics, the following information shall be available:~~
~~a. Patient's identification sheet.~~
~~b. History and physical examination.~~
~~c. Physician's orders.~~
~~d. Any laboratory and other diagnostic tests, diagnosis and treatment.~~
~~e. Disposition.~~
~~2. If outpatient services are provided in other than an organized outpatient clinic, the following information shall be available:~~
~~a. Patient's identification.~~
~~b. That information pertaining to the patient's chief complaint including, but not limited to, physician's orders, treatment or service provided, and disposition.~~
~~**P.** The emergency services record shall contain the following:~~
~~1. Patient's identification.~~
~~2. Record of any treatment patient received prior to arrival.~~
~~3. History of disease or injury.~~
~~4. Physical findings.~~
~~5. Laboratory and x-ray reports, if applicable.~~
~~6. Diagnosis.~~
~~7. Record of treatment.~~
~~8. Disposition.~~
~~9. Name of physician who ordered emergency treatments.~~
~~**Q.** All deaths, abortional acts, post-mortem procedures, and births shall be reported in accordance with 9 A.A.C. 19.~~
~~**R.** If a facility ceases operation, there shall be an arrangement for preservation of records to ensure compliance with these regulations. The Department shall be notified, in writing, concerning the arrangements.~~
~~**S.** Symbols or abbreviations used in the medical record shall be approved by the medical staff and a current copy maintained at each nursing unit and in the medical record department.~~

R9-10-322. ~~Laboratory services~~ Repealed

~~**A.** Minimum capability:~~
~~1. There shall be within the rural general hospital the capability of providing clinical laboratory services required to support emergency services.~~
~~2. There shall be arrangements for the provision of clinical and anatomical pathology services necessary to meet the needs of hospitalized patients.~~
~~3. Clinical laboratory services may be provided by another hospital laboratory, an independent clinical laboratory or an out-of-state laboratory providing the following conditions are met:~~

a. ~~The contracting laboratory is licensed by the Department or, in the case of out-of-state clinical laboratories, licensed by the United States Government, to perform the contracted laboratory services.~~
b. ~~The conditions, procedures and type of examinations performed by the contracting laboratory or hospital for the rural general hospital shall be in writing and available in the rural general hospital.~~

~~**B.** Administration~~
1. ~~Clinical laboratory services shall be under the medical direction of a physician with training and experience in clinical laboratory services, or a person who holds a doctoral degree from an accredited institution with a chemical, physical or biological science as his major subject and who is qualified to perform at least 1 of the technical services provided by the laboratory. Anatomical pathology service shall be provided by a pathologist.~~
2. ~~A qualified person shall be appointed to be in charge of the laboratory in the absence of the director.~~
3. ~~At least 1 qualified laboratory technician or technologist shall be on duty or on call at all times.~~

~~**C.** Examination of specimens, written requests, reports of results, retention of test records:~~
1. ~~Except as otherwise provided, laboratory personnel shall examine specimens only at the request of a physician authorized to practice medicine and surgery or other persons permitted by law to use the findings of laboratory examinations or at the request of the Department for the purpose of quality control and proficiency testing.~~
2. ~~Results of tests shall be reported to the physician and entered in the patient's chart. No clinical interpretation, diagnosis, prognosis or suggested treatment shall appear on the laboratory report form except that a report made by a physician may include such information.~~
3. ~~All specimens received by the laboratory shall be tested on the premises or may be forwarded for analysis to another laboratory licensed under A.R.S. Title 36, Chapter 4.1, Article 2 or licensed as part of a rural general hospital or exempted by A.R.S. § 36-461(4). Specimens submitted for proficiency testing shall be analyzed on the premises by regularly assigned personnel using the laboratory's routine methods.~~
4. ~~When the laboratory performing the analysis is other than the laboratory which initially received the specimen, the report shall include the name, address, and name of the director of the laboratory actually performing the analysis.~~

~~**D.** Quality control program:~~
1. ~~Each laboratory director shall establish and file with the Department a detailed description of the services to be provided by the laboratory and of a quality control program that is acceptable to the Department and meets the standard specified in R9-14-108. It is the responsibility of the laboratory director to assure that the laboratory is operated in accordance with its approved quality control program.~~
2. ~~Each laboratory shall participate successfully in a proficiency testing program provided by the American Association of Bioanalysts or the College of American Pathologists for each authorized specialty and subspecialty. Records of such testing shall be kept for 2 years and shall be available for examination by representatives of the Department. Laboratory personnel shall enter the date and time of receipt of samples, results and other information as may be required on forms provided by the proficiency testing service.~~
3. ~~Each laboratory shall participate successfully in a Department operated proficiency testing program if the laboratory seeks authorization in a specialty or subspecialty for which proficiency testing is not available under subsection (D)(2) or if the Department needs additional assurance of the laboratory's proficiency. Such testing may be carried out during on-site inspections or by submittal of specimens by mail. Regularly assigned personnel shall examine samples using the laboratory's routine methods. The laboratory will be tested only in specialties or subspecialities for which an authorization has been issued by the Department. Proficiency test samples shall be tested within the time required under conditions of normal laboratory operation. Laboratory personnel shall enter the date and time of receipt of samples, results and other information as may be required on forms provided by the Department.~~

~~**E.** Sanitation and safety requirements: All laboratories shall be maintained and operated in a manner which prevents undue physical, chemical and biological hazards to hospital patients, employees or other members of the community and in accordance with standards specified in R9-14-109.~~

~~**F.** Maintenance, availability, retention of records:~~
1. ~~Records of observations shall be made concurrently with the performance of each step in the examination of specimens. The actual results of all control procedures shall be recorded.~~
2. ~~Records shall identify the individual performing the examination. Such records as well as duplicate copies of laboratory reports shall be retained in the laboratory area for a period of at least 1 year after the date the results are reported.~~
3. ~~A.R.S. § 25-103.06 requires that copies of premarital serology results be retained for 5 years.~~

~~**G.** Blood services: Hospitals shall have facilities adequate for the procurement, storage and transfusion of blood and blood components. Records of the donor and recipient of all blood handled shall be available. All transfusion reactions occurring in the hospital shall be investigated by the medical staff and an incident report shall be prepared.~~

R9-10-323. ~~Pharmaceutical services~~ Repealed

~~**A.** The rural general hospital shall maintain pharmaceutical services which comply with A.R.S. Title 36, Chapter 9, and A.R.S. Title 32, Chapter 18 and all applicable regulations adopted by the Board of Pharmacy pursuant thereto.~~

~~**B.** There shall be a pharmacy and therapeutics committee composed of a member of the medical staff, a pharmacist, and other appropriate personnel.~~

~~**C.** Administration of drugs:~~

~~1. Procedures shall be established to assure that drugs are administered only by persons authorized by state statutes and regulations.~~

~~2. Procedures shall be established to ensure that drugs are checked against physician's orders, that the patient is identified prior to administration of the drug, that each patient has an individual medication record, and that the dose of a drug administered to that patient is properly recorded therein by the person who administers the drug.~~

~~3. Drugs and biologicals shall be administered as soon as possible by a physician or a licensed nurse. Preparation for administration shall not be interpreted as dispensing.~~

R9-10-324. ~~Rehabilitation services~~ Repealed

~~**A.** For purposes of this Section rehabilitation services include physical therapy, occupational therapy, speech therapy or audiology services.~~

~~**B.** The following provisions shall be met in rural general hospitals that provide rehabilitation services:~~

~~1. Rehabilitation services shall be provided by a qualified therapist only when ordered or upon referral by a physician. Rehabilitation services may be provided by qualified aides and assistants only when a qualified therapist is on the premises.~~

~~2. There shall be written administrative and patient care policies and procedures for each of the rehabilitation services offered.~~

~~3. There shall be a written plan for each patient indicating the modality or type of treatment provided and the frequency of treatment. This plan shall be based on the written order of a physician.~~

~~4. There shall be written documentation in the patient's medical record of the rehabilitation services provided.~~

R9-10-325. Qu~~ality assurance~~ Repealed

~~**A.** Each rural general hospital shall have a quality assurance program conducted in accordance with A.R.S. § 36-445. A record of such activities shall be maintained.~~

~~**B.** A discharge planning program shall be established to provide for the transfer of information between hospital and other health facilities or agencies to facilitate continuity of care. Periodic review and evaluation of the program shall be conducted by a committee established for this purpose.~~

R9-10-326. ~~Radiology services~~ Repealed

~~**A.** A rural general hospital shall have within the hospital as a minimum the capability of providing emergency diagnostic radiology services.~~

~~**B.** A physician shall be responsible for the medical direction of the radiology department.~~

~~**C.** A radiologic technician shall be on duty or on call at all times.~~

~~**D.** There shall be a radiologic procedure manual available to radiology services personnel.~~

~~**E.** X-ray examinations shall be performed only when ordered by a person authorized by law. Request for x-ray shall contain a concise statement of the reason for the examination.~~

~~**F.** The radiology department shall be staffed, equipped and operated in accordance with A.R.S. Title 30, Chapter 4 and regulations adopted thereunder.~~

R9-10-327. ~~Respiratory care services~~ Repealed

~~Rural general hospitals that provide respiratory care services shall meet the following provisions:~~

~~1. Respiratory care services shall include therapeutic procedures and may include diagnostic procedures.~~

~~2. A physician shall be responsible for the medical direction of the respiratory care unit or department.~~

~~3. Respiratory care services shall be provided in accordance with the written order of a physician. The order shall state the modality to be used, the type, frequency and duration of treatment and type and dose of medication including dilution ratio.~~

~~4. Reports of respiratory care services shall be made a part of the patient's medical record.~~

~~5. Respiratory therapy shall be administered by qualified personnel.~~

R9-10-328. ~~Special care units~~ Repealed

~~Rural general hospitals shall not have intensive care or cardiac care units.~~

R9-10-329. ~~Obstetrical services~~ Repealed

~~In rural general hospitals providing obstetrical services, the following shall apply:~~

~~1. There shall be a registered nurse in charge of the delivery room and on duty there whenever patients are in the unit.~~

~~2. There shall be policies and procedures adopted by the medical staff in accordance with the Standards for Obstetric-Gynecologic Hospital Services adopted by reference in A.A.C. R9-1-413(A) which provides for:~~

~~a. Mixing of non-maternity patients with maternity patients.~~

~~b. The use of operating rooms for delivery.~~
~~c. Surgical procedures performed in the delivery room.~~
~~3. Designated delivery rooms shall be provided with necessary supplies and equipment.~~
~~4. Policies for the administration of oxytocic drugs, analgesics, and anesthetics shall be written.~~
~~5. Equipment and supplies for anesthesia shall be readily available.~~
~~6. Resuscitation equipment shall be available.~~
~~7. A warming device that is free from fire or electrical hazards and capable of minimizing neonatal heat loss shall be available.~~
~~8. Every newborn shall be identified by 2 reliable methods before removal from the delivery room other than in an emergency.~~
~~9. A chronological delivery room record shall be maintained.~~
~~10. Antepartum and postpartum care shall be under the supervision of a registered nurse.~~
~~11. Newborn nursery~~
~~a. Policies and procedures shall be adopted in accordance with the standards and recommendations for Hospital Care of Newborn Infants adopted by reference in A.A.C. R9-1-413(B).~~
~~b. A registered nurse shall be in charge of the nursery at all times.~~
~~c. A nursery shall be provided for the care of newborns and shall not be used for any other purpose.~~
~~d. A room in which "rooming-in" is practiced shall not be considered a nursery unless more than 2 mothers are accommodated in which case all requirements for newborn nurseries shall apply.~~
~~e. An individual bassinet shall be provided for each newborn and each newborn shall have separate equipment and supplies.~~
~~f. The use of common bathing or dressing areas is prohibited. All bathing, diaper changing, and treatments shall be carried out in the bassinet or on the newborn's individual shelf or drawer.~~
~~g. Accurate scales shall be provided.~~
~~h. Any newborn born outside of the hospital and any newborn suspected of having an infection or who has been exposed to actual or potential infection shall be properly isolated. The decision to transfer a newborn from the main nursery to isolation may be made by the nurse in charge of the main nursery in an emergency.~~
~~i. Only persons specified by hospital rules and regulations shall be admitted to any nursery.~~
~~j. Containers shall be provided for soiled diapers to ensure proper disposal.~~
~~k. Underwriters Laboratory-approved isolettes shall be available.~~
~~l. The use of a rack or bassinet stand which holds more than 1 bassinet is prohibited.~~
~~m. Oxygen, oxygen equipment and suction equipment adapted to the use of newborn infants shall be available. An oxygen analyzer shall be available.~~
~~n. Formula shall be prepared in an appropriate isolated area.~~
~~o. Traffic in the nursery shall be closely supervised by the registered nurse in charge.~~
~~p. Sanitized nursery linens or disposable linens shall be used.~~
~~q. Whenever 2 or more infants in a nursery exhibit symptoms of a communicable illness, the incident shall be reported to the Department as required by 9 A.A.C. 6.~~
~~12. Hospitals that do not provide obstetrical services but have only emergency obstetrical capabilities shall have:~~
~~a. A designated area within the hospital where emergency obstetrical services may be performed.~~
~~b. Necessary supplies and equipment to provide emergency obstetrical services.~~
~~c. At least 1 Underwriter Laboratory-approved isolette.~~

R9-10-330. ~~Pediatric services~~ Repealed

~~Rural general hospitals with a designated pediatric unit shall have distinct facilities for the care of children. There shall be facilities and procedures for the isolation of children with communicable diseases.~~
~~1. Policies shall be established to cover conditions under which parents or guardians may stay with their child.~~
~~2. The standards for the Care of Children in Hospitals adopted by reference in A.A.C. R9-1-413(C) are recommended as a guide for pediatric services in hospitals.~~

R9-10-331. ~~Social services~~ Repealed

~~When a rural general hospital provides social services the following conditions shall be met:~~
~~1. There shall be policies and procedures relating to the staff and functions of the department.~~
~~2. Personnel~~
~~a. The social service department shall be under the direction of a social worker and shall have adequate staff and facilities to perform all required functions; or~~
~~b. Social services shall be provided by a designated person who shall receive consultation from a social worker in accordance with a written agreement; or~~

c. ~~Social services shall be provided by referral, based on established written procedures, to appropriate social agencies.~~

3. ~~Social services to patients shall be initiated by physician referral or by request of patient, family member or guardian.~~
4. ~~Social services information shall be recorded. Policies and procedures shall be established by the Department with approval of the medical staff which specify the type and extent of this information to be placed in the medical record.~~
5. ~~Facilities shall be provided which are accessible to patients and staff and which assure privacy for interviews.~~

R9-10-332. ~~Rural general hospital physical plant~~ Repealed

~~A.~~ ~~Physical plant -- existing facilities~~

1. ~~The physical plant of all rural general hospitals licensed prior to adoption of these regulations shall meet the requirements of the sections applicable to existing hospitals in the Life Safety Code adopted by reference in regulation A.A.C. R9-1-412(B).~~
2. ~~Appropriate drawings shall be submitted to the Department for any additions, alterations, or modifications to the physical plant before work is undertaken.~~
3. ~~Alterations to the existing physical plant shall conform to new construction standards.~~

~~B.~~ ~~Physical plant -- new construction~~

1. ~~All new construction shall meet the minimum requirements of the applicable provisions of all codes and standards adopted by reference in A.A.C. R9-1-412 in accordance with their scope and applicability as specified in regulation A.A.C. R9-1-411.~~
2. ~~Unless otherwise specified in this Section, patient rooms in newly constructed rural general hospitals shall conform to the following minimum and maximum sizes:~~

~~Type of Accommodations~~	~~Minimum~~		~~Maximum*~~	
	~~Sq. Ft.)~~	~~(Sq. M.)~~	~~(Sq. Ft.)~~	~~(Sq. M.)~~
~~Private~~	~~100~~	~~9.29~~	~~150~~	~~13.94~~
~~2 Bed~~	~~160~~	~~14.86~~	~~230~~	~~21.37~~
~~3 Bed~~	~~240~~	~~22.30~~	~~310~~	~~28.80~~
~~4 Bed~~	~~320~~	~~29.73~~	~~390~~	~~36.23~~
~~*Exception: Maximum areas may be exceeded if the number of beds is limited by the configuration of the room, and when approval has been obtained from the Department.~~				

3. ~~Capacity of patient rooms (excluding special care units) shall not exceed 4 beds.~~
4. ~~All patient room doors required to be self-closing by the Uniform Building Code adopted by reference in A.A.C. R9-1-412(A) shall be equipped with a hold-open device. The device, upon activation of the fire alarm system, automatic fire extinguishing system and related products of combustion detectors, shall allow the door to close automatically.~~

~~C.~~ ~~All new and existing rural general hospitals shall meet the following physical plant and safety factors:~~

1. ~~Multi-bed rooms shall be designed and arranged to permit no more than 2 beds side by side parallel to the window wall with at least 3 feet (91 cm) between beds and 3 feet (91 cm) between bed and wall except at the head of the bed.~~
2. ~~All patient rooms shall be outside rooms. The window area in each patient room shall be at least 1/8 of the floor area. Suitable window shades or drapes shall be provided as a means of controlling light.~~
3. ~~Each bed shall have a nurse call system which conforms to the standard adopted by reference in A.A.C. R9-1-412(F).~~
4. ~~Each patient room shall be numbered. The Department shall be notified when room numbers are changed.~~
5. ~~Rural general hospitals licensed prior to the adoption of these regulations shall have a minimum ratio of 1 toilet, 1 lavatory and 1 tub or shower for each 10 beds on each floor.~~
6. ~~All toilet rooms, bathrooms, utility rooms and janitor's closets shall have mechanical ventilation providing a minimum number of air changes per hour as specified in the code adopted by reference in A.A.C. R9-1-412(F).~~
7. ~~There shall be adequate storage spaces or alcoves to store wheelchairs, walkers, and similar equipment when not in use. No corridors or stairwells shall be used for storing such equipment.~~
8. ~~There shall be adequate space for the preparation, cleaning, sterilization and storing of supplies and equipment.~~
9. ~~There shall be at least 1 isolation room for isolation of patients, with a communicable disease, for each 100 beds or fraction thereof. The isolation room shall contain a private toilet, shower/tub and lavatory facilities.~~
10. ~~Separate adequate storage space for each patient shall be provided within the patient's room.~~
11. ~~Newborn nurseries shall have at least 24 square feet (2.23 sq. M) of floor space for each bassinet with 2 feet (61 cm) between bassinets.~~
12. ~~Pediatric nurseries shall have at least 40 square feet (3.72 sq. M) of floor space for each bassinet.~~
13. ~~Pediatric beds shall have the same space requirements as adult patient beds.~~

14. Items such as drinking fountains, telephone booths, vending machines, furniture, and medical equipment shall be located so that they do not reduce the required width of exit doors.
15. No door which is required to be fire rated shall be held open except with a device approved by the codes adopted by reference in A.A.C. R9-1-412.
16. Patient beds licensed after June 19, 1964 shall maintain the following minimum square footage per bed:
    a. One bed rooms -- 100 square feet (9.23 sq. M) per bed.
    b. Multi-bed rooms -- 80 square feet (7.43 sq. M) per bed.
17. Multi-patient rooms licensed at 70 square feet (6.50 sq. M) per bed before and continuously since June 19, 1964 may retain the 70 square feet (6.50 sq. M) per bed.

R9-10-333. ~~Rates and charges~~ Repealed

~~The current schedule of rates and charges shall be posted in accordance with R9-11-114(H) and R9-10-1734.~~

ARTICLE 4. ~~SPECIAL HOSPITALS~~ REPEALED

R9-10-411. ~~General~~ Repealed

~~**A.** Special hospitals shall observe R9-10-211.~~
~~**B.** Special hospitals include but are not limited to:~~
1. Hospitals limiting admissions to patients requiring care or treatment for substance abuse.
2. Hospitals limiting admissions to patients requiring services for the terminally ill.
3. Hospitals limiting admissions to patients requiring psychiatric services.
4. Hospitals limiting admissions to patients requiring reconstructive surgery or services in rehabilitation medicine.
5. Hospitals limiting admissions to patients requiring obstetrical or gynecological services.
6. Hospitals limiting admissions to patients requiring services for the treatment of pain or stress.

~~**C.** Special hospitals under common ownership with a general hospital shall not be required to maintain independent services or functions if such services or functions are provided by the general hospital.~~

R9-10-412. ~~Definitions~~ Repealed

~~Section R9-10-212 is adopted with the following additions:~~
1. ~~"Detoxification" means the systematic reduction of physical dependence upon alcohol or other drugs (excluding dependence on methadone or other maintenance drugs) by use of therapeutic procedures, which may include medication, rest, diet, counseling, or medical supervision.~~
2. ~~"Drug administration" means the giving of a single dose of medication to a specific patient as a result of an order of a physician or other authorized medical practitioner.~~
3. ~~"Drug dispensing" means the issuing of 1 or more doses of a medication in a suitable container, with appropriate label for subsequent administration to or use by a patient.~~
4. ~~"Gynecologist" means a physician specialist for the diagnosis and treatment of the female generative organs. He may also be an obstetrician.~~
5. ~~"Obstetrician" means a physician specialist for treatment of women during pre-natal, natal, and post-natal periods. He may also be a gynecologist.~~
6. ~~"Patient activity program" means a level of therapeutic revitalization and assessment of needs, interests, and activities for the re-enforcement and maintenance of health and well-being of the patient.~~
7. ~~"Physiatrist" means a physician specialist for physical medicine and rehabilitation.~~
8. ~~"Physician specialist" means a physician who,~~
    a. ~~Is a diplomate of the appropriate American Board or Osteopathic Board, or~~
    b. ~~Is a fellow of the appropriate American Specialty College or a member of the Osteopathic Specialist College, or~~
    c. ~~Has been notified of the admissibility for examination by the appropriate American Board or Osteopathic Board, or has evidence of completion of an appropriate qualifying residency approved by the American Medical Association or the American Osteopathic Association and has not lost his eligibility for admissibility to the examination.~~
9. ~~"Psychiatric services" means the management, evaluation, diagnosis, treatment and prevention of mental illness.~~
10. ~~"Psychiatrist" means a physician specialist for the diagnosis and treatment of mental diseases and disorders.~~
11. ~~"Psychologist" means a person certified under provision of A.R.S. Title 32, Chapter 19.1.~~
12. ~~"Services for the terminally ill" means a program of palliative care for patients with terminal illness and treatment of the patient's concurrent medical conditions on an inpatient, day care or outpatient basis and may involve emotionally supportive care to the patient and his family, home health services and other social and health related services.~~
13. ~~"Substance abuse" means the chronic, habitual or compulsive use of alcohol, prescription or non-prescription drugs or intermittent or extended use of alcohol or such drugs resulting in impairment to physical health, mental faculties, social or economic functioning of the individual.~~

R9-10-413. ~~Administration~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-213. In addition, special hospitals that limit admissions to patients requiring services for the terminally ill shall be exempt from R9-10-213(B)(9)(a); however, pets shall not be allowed in the food service area.~~

R9-10-414. ~~Medical staff~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-214 with the following additions:~~

1. ~~Physical examinations are required at least annually for patients residing in special hospitals for more than 12 months.~~
2. ~~Special hospitals limiting admissions to patients requiring obstetrical and gynecological services shall have at least 1 medical staff member qualified as a physician specialist in obstetrics or gynecology.~~
3. ~~Special hospitals limiting admissions to patients requiring psychiatric services shall have at least a majority of the active medical staff members qualified as physician specialists in psychiatry.~~
4. ~~Special hospitals limiting admissions to patients requiring services in rehabilitation medicine shall have at least 1 medical staff member qualified as a physician specialist in rehabilitation medicine.~~
5. ~~Special hospitals limiting admissions to patients requiring services for the terminally ill shall have a medical director who is responsible for the overall coordination of the medical care to ensure the adequacy and appropriateness of the medical services provided to patients and the implementation of a program providing ongoing emotional support to staff and volunteers.~~
6. ~~The medical staff of special hospitals shall consist of 2 or more physicians.~~

R9-10-415. ~~Nursing services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-215 except that:~~

1. ~~The director of nurses shall have education and experience in the special services provided by the hospital.~~
2. ~~In special hospitals not offering emergency or obstetrical services, there shall be at least 1 registered nurse and at least 1 other ancillary nursing personnel on duty at all times when there are inpatients.~~

R9-10-416. ~~Surgical services~~ Repealed

~~Special hospitals that provide surgical services shall comply with the requirements of R9-10-216.~~

R9-10-417. ~~Dietetic services~~ Repealed

~~**A.** Special hospitals shall comply with the requirements of R9-10-217 with the following additions.~~

~~**B.** Special hospitals limiting admissions to terminally ill patients shall meet the following requirements:~~

1. ~~Each patient's nutritional needs and wants shall be evaluated on a daily basis.~~
2. ~~A selective menu shall be available to patients.~~
3. ~~Between meal snacks and bedtime nourishment shall be available to patients.~~

R9-10-418. ~~Emergency services~~ Repealed

~~**A.** There shall be written policies for the provision of emergency care to patients receiving treatment within the hospital.~~

~~**B.** Special hospitals that provide outpatient emergency services shall comply with the requirements of R9-10-218.~~

R9-10-419. ~~Disaster preparedness~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-219.~~

R9-10-420. ~~Environmental services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-220.~~

R9-10-421. ~~Medical records~~ Repealed

~~In addition to the requirements of R9-10-221 special hospitals shall comply with the following:~~

1. ~~Special hospitals limiting admissions to patients requiring psychiatric services shall include in the medical record:~~
   a. ~~A treatment plan shall include patient goals, treatment goals, treatment to be provided, and time intervals in which treatment is to be reviewed. The plan shall be annotated to reflect the results of treatment.~~
   b. ~~A report of neurological examination.~~
   c. ~~A report of a psychiatric evaluation.~~
   d. ~~A report of social services, if any.~~
   e. ~~A report of required physical examinations.~~
2. ~~Special hospitals that limit admissions to patients requiring reconstructive surgery or services in rehabilitation medicine shall include the following information in the medical record:~~
   a. ~~A treatment plan including patient goals, treatment goals, treatment to be provided, time intervals in which treatment is reviewed, and measures to be used to assess the effects of the treatment.~~
   b. ~~Report of an evaluation by a psychiatrist or other properly qualified physician specialist.~~
   c. ~~Prosthetic or orthotic evaluation and reports, if applicable.~~

3. ~~Special hospitals that limit admission to patients requiring services for the terminally ill shall include the following information in the medical record:~~
   a. ~~Record of home care treatment, if applicable.~~
   b. ~~Record of day care treatment, if applicable.~~
   c. ~~Record of services provided to family, if applicable.~~
   d. ~~Social service reports.~~
   e. ~~Activities plan.~~
4. ~~Special hospitals that limit admission to patients requiring obstetrical and gynecological services shall include the following information in the medical record:~~
   a. ~~A copy of the pre-natal record, if available.~~
   b. ~~A pre-natal examination updated within 24 hours of admission may substitute for the required physical examination.~~

R9-10-422. ~~Laboratory services~~ Repealed

~~A.~~ ~~Special hospitals that provide outpatient emergency services, obstetrical services, or surgical services shall comply with the requirements of R9-10-222.~~

~~B.~~ ~~Special hospitals that do not provide emergency, obstetrical or surgical services shall provide laboratory services on the premises or by agreement with a licensed laboratory. The laboratory service available by agreement shall be appropriate to meet the needs of hospitalized patients.~~

R9-10-423. ~~Pharmaceutical services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-223.~~

R9-10-424. ~~Rehabilitation services~~ Repealed

~~Special hospitals that elect to provide rehabilitation services shall comply with the requirements of R9-10-224.~~

1. ~~Special hospitals limiting admissions to patients requiring psychiatric services shall provide occupational therapy and a patient activity program.~~
2. ~~Special hospitals limiting admission to patients with terminal illness shall provide physical therapy and a patient activity program.~~
3. ~~Special hospitals that limit admission to patients requiring reconstructive surgery or services in rehabilitation medicine shall provide rehabilitation services and comply with R9-10-224.~~

R9-10-425. ~~Quality assurance~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-225.~~

R9-10-426. ~~Radiology services~~ Repealed

~~A.~~ ~~Special hospitals that provide outpatient emergency or surgical services shall comply with the requirements of R9-10-226.~~

~~B.~~ ~~Special hospitals that do not provide emergency or surgical services shall nevertheless have radiologic services available on the premises or by agreement.~~

R9-10-427. ~~Respiratory care services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-227.~~

R9-10-428. ~~Special care units~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-228.~~

R9-10-429. ~~Obstetrical services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-229.~~

R9-10-430. ~~Pediatric services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-230.~~

R9-10-431. ~~Social services~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-231. In addition, social services shall be provided in special hospitals which limit their admissions to patients requiring pain and stress services, reconstructive surgery or services in rehabilitation medicine, psychiatric services, substance abuse services, and services for the terminally ill.~~

R9-10-432. ~~Hospital physical plant~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-232 with the following additions and exceptions:~~

1. ~~New construction in special hospitals which limit admissions to patients requiring psychiatric services may, notwithstanding the provisions in the standards adopted by reference in A.A.C. R9-1-412(A) and (B), have exit corridors of a minimum width of 6 feet (1.82 meters) in lieu of 8 feet (2.43 meters) if alcoves opening onto the corridors are provided. The alcoves, suitable for temporary parking of linen carts, food carts, cleaning carts, and other equipment, shall have a minimum of 20 square feet (1.85 square meters) and be spaced no farther apart than 40 linear feet (12.2~~

~~meters) of corridor length or fraction thereof. New construction in these special hospitals shall conform to the requirements listed in the chapter for Long-Term Care of the standard adopted by reference in A.A.C. R9-1-412(F) except that:~~

~~a. The examination and treatment room may be omitted.~~
~~b. Parking space for stretchers and wheelchairs may be omitted.~~
~~c. Combined inpatient dining and recreation areas shall be increased to 40 square feet (3.71 square meters) per bed, for the first 100 beds and 30 square feet (2.78 square meters) for all beds in excess of 100.~~
~~d. In addition to inpatient's dining and recreation space an additional 40 square feet (3.71 square meters) shall be provided for each day care patient if a day care program is provided.~~
~~e. The nurse call system may be omitted.~~
~~f. Physical therapy facilities may be omitted.~~
~~g. General storage rooms may be reduced in size to 5 square feet (.46 square meters) per bed.~~
~~h. Seclusion rooms, i.e., those rooms not assigned as patient rooms and used only as holding rooms, will not be counted as licensed beds.~~
~~i. Hospital type elevators may be omitted.~~
~~j. Doors to patient rooms may be a minimum of 3 feet (91 centimeters) clear width.~~
~~k. Bed pan washers are not required in patient bath rooms.~~
~~l. Toilet training rooms may be omitted.~~
~~m. Emergency generators may be omitted; however, emergency power to provide lighting to means of egress and exit signs and power to alarm systems, smoke detection systems, sprinkler alarm systems, and magnetic hold-open devices on doors shall be provided.~~

~~2. New construction for special hospitals limiting admissions to terminally ill patients shall conform to the requirements listed in the chapter for Long-Term Care of the standard adopted by reference in A.A.C. R9-1-412(F), except that:~~

~~a. An examination room is not required.~~
~~b. In addition to inpatient's dining and recreation space an additional 40 square feet (3.71 square meters) shall be provided for each day care patient if a day care program is provided.~~
~~c. If a personal care room (beauty parlor or barber shop) is not provided within the facility, provision shall be made for outside services.~~
~~d. An attractive outdoor recreation area, suitable for lounging shall be provided.~~
~~e. A room suitable for storing and dispensing all necessary patient medication shall be provided.~~
~~f. In the event the facility for terminally ill patients is a separately licensed component of a general hospital, separate dining and recreational spaces shall be provided.~~

~~3. New construction for special hospitals limiting admissions to patients requiring treatment of pain and stress shall conform to the requirements listed in the chapter for Hospitals of the standard adopted by reference in A.A.C. R9-1-412(F), except that:~~

~~a. Rooms for disturbed patients are not required.~~
~~b. Psychiatric nursing units are not required.~~
~~c. Surgical facilities are not required within the facility.~~
~~d. Radiology facilities are not required within the facility.~~
~~e. Laboratory facilities are not required within the facility.~~
~~f. A group therapy room or rooms shall be provided at a rate of 50 square feet (4.6 square meters) per patient.~~
~~g. Hospital type elevators may be omitted.~~
~~h. Doors to patients' rooms may be a minimum of 3 feet (91 centimeters) clear width.~~
~~i. Bed pan washers are not required in patient bath rooms.~~
~~j. Toilet training rooms may be omitted.~~
~~k. Emergency generators may be omitted; however, emergency power to provide lighting to means of egress and exit signs, and power to alarm systems, smoke detection systems, sprinkler alarm systems, and magnetic hold-open devices on doors shall be provided.~~
~~l. Nurse call systems may be omitted.~~
~~m. The width of exit access corridors may be a minimum of 6 feet (1.82 meters) in lieu of 8 feet (2.43 meters) if alcoves opening onto the corridors are provided. The alcoves, suitable for temporary parking of linen carts, food carts, cleaning carts, and other equipment, shall have a minimum of 20 square feet (1.85 square meters) and be spaced no farther apart than 40 linear feet (12.2 meters) of corridor length or fraction thereof.~~

~~4. New construction for special hospitals limiting admissions to patients requiring treatment for substance abuse shall conform to the requirements listed in the chapter for Long-Term Care of the standard adopted by reference in A.A.C. R9-1-412(F), except that:~~

~~a. Physical therapy and occupational therapy facilities are not required.~~
~~b. Parking space for stretchers and wheelchairs may be omitted.~~
~~c. Hospital type elevators may be omitted.~~

~~d. Door to patients' rooms may be a minimum of 3 feet (91 centimeters) clear width.~~
~~e. Bed pan washers are not required in patient bath rooms.~~
~~f. Toilet training rooms may be omitted.~~
~~g. Emergency generators may be omitted; however, emergency power to lighting to means of egress, exit signs, and power to alarm systems, smoke detection systems, sprinkler alarm systems, and magnetic hold-open devices on doors shall be provided.~~
~~h. General storage rooms may be reduced in size to 5 square feet (.46 square meters) per bed.~~
~~i. The width of exit access corridors may be a minimum of 6 feet (1.82 meters) in lieu of 8 feet (2.43 meters) if alcoves opening onto the corridors are provided. The alcoves, suitable for temporary parking of linen carts, food carts, cleaning carts, and other equipment, shall have a minimum of 20 square feet (1.85 square meters) and be spaced no farther apart than 40 linear feet (12.2 meters) of corridor length or fraction thereof.~~
~~j. Nurse call systems may be omitted.~~

~~5. New construction for special hospitals limiting admissions to patients requiring reconstructive surgery or services in rehabilitation medicine shall conform to the requirements listed in the chapter for Hospitals of the standard adopted by~~ reference in A.A.C. R9-1-412(F), except that:

~~a. Patient rooms exclusively for the use of the pediatric patient may have a maximum capacity of 8 patients for no more than 50% of the total pediatric beds.~~
~~b. Pediatric patient rooms with more than 4 beds shall contain a nursing desk positioned to allow the staff constant visual observation of the patients.~~
~~c. In addition, all patient toilet rooms shall be designed in accordance with provisions for the handicapped person as required by the standard adopted by reference in A.A.C. R9-1-412(I); however, toilet heights shall be established as required by the service offered and type of patient served by the hospital.~~
~~d. The number of parking spaces designed in accordance with provisions for the handicapped person as required by the standard adopted by reference in A.A.C. R9-1-412(I) shall be provided for new construction at a rate of 1 space per 10 beds; however, based on the services offered, the Hospital may be excused from the above handicapped parking space requirement with prior approval from the Department.~~

~~6. Special hospitals limiting admissions to patients requiring treatment for obstetrical and gynecological services may exceed the maximum patient room square footage for patient rooms when used as birthing rooms for labor, delivery, and postpartum care by adding additional space usually allotted to bassinet space in the nursery.~~

R9-10-433. ~~Rates and charges~~ Repealed

~~Special hospitals shall comply with the requirements of R9-10-233.~~

R9-10-434. ~~License application~~ Repealed

~~Application for licensure for special hospitals shall include a statement describing the type of services the hospital will offer.~~

R9-10-435. ~~Special hospitals that limit admission to patients requiring pain and stress services~~ Repealed

~~There shall be written policies and procedures concerning the provision of special treatments such as:~~

~~1. Drug therapy.~~
~~2. Biofeedback and autogenic training.~~
~~3. Transcutaneous and neural stimulation.~~

R9-10-436. ~~Special hospitals that limit admissions to patients requiring psychiatric services~~ Repealed

~~**A.** Psychological services~~

~~1. Psychological services shall be available to meet the needs of patients.~~
~~2. There shall be a written plan describing the organization of psychology services or arrangements for provisions for such services.~~
~~3. There shall be sufficient number of appropriately qualified staff to provide psychological services.~~
~~4. The psychology staff shall participate in development of the treatment plan for each patient.~~
~~5. There shall be documentation of psychological services provided.~~
~~6. There shall be written procedures for the referral of patients for evaluation and treatment not available in the hospital.~~

~~**B.** Social services~~

~~1. There shall be adequate staff to meet the specific needs of individual patients and their families.~~
~~2. There shall be a written plan describing the organization of social services.~~
~~3. Social work services shall be under the supervision of a qualified social worker.~~

~~**C.** Patient activities program~~

~~1. There shall be adequate, suitable area available for patient activities including a patient lounge.~~
~~2. There shall be a written patient activities plan suitable to the needs of each patient. Activities shall encourage independence and self-care consistent with patient's condition.~~

3. ~~Patient activities shall be supervised by a patient's activity director or an employee of the hospital who shall receive consultation from a qualified consultant. Records shall be maintained of patient attendance, services rendered, patient's response, and recommendations made by the consultant.~~
4. ~~A schedule of patient activities shall be posted in a prominent place in an area of the hospital readily available to all patients.~~
5. ~~Activities shall be available to bedfast patients.~~

R9-10-437. ~~Special hospitals limiting admissions to patients requiring services in rehabilitation medicine~~ Repealed

~~**A.** Organization. Rehabilitation services shall be under the medical direction of a physician specializing in rehabilitation medicine.~~

~~**B.** Services. In addition to physical therapy, occupational therapy, speech therapy, and audiology services as required by R9-10-224(A), prosthetic and orthotic, psychology, vocational and social services shall be available.~~

~~**C.** Facilities, supplies, equipment. There shall be:~~

1. ~~Adequate facilities available for the provision of therapy, including suitable space and equipment, for teaching activities of daily living.~~
2. ~~Physical and occupational therapy areas that include a reception area, treatment area, office space for therapy staff, storage space for supplies and equipment, and adequate appropriate equipment as determined by professional staff to meet the requirements for treatment of patients.~~
3. ~~Suitable space and equipment for speech therapy, sensory testing and evaluation within the facility or through arrangements with an existing community facility.~~
4. ~~Adequate office space for patient vocational counseling and evaluation.~~
5. ~~Adequate space shall be provided for fitting and adjustment of prosthetic and orthotic devices.~~

~~**D.** Outpatient services. When outpatient services are offered, the equipment shall be adequate to provide safe, prompt services to the number and types of patients served.~~

R9-10-438. ~~Special hospitals limiting admissions to patients requiring substance abuse services~~ Repealed

~~**A.** Services. The following shall be available:~~

1. ~~Detoxification.~~
2. ~~Substance abuse rehabilitation.~~
   a. ~~Substance abuse rehabilitation service which includes physical, psychological, education and socio-cultural aspects of rehabilitation.~~
   b. ~~Social and recreational activities suited to the needs of the patients shall be available.~~
   c. ~~Patients may participate in facility tasks, household chores, and general duties when these are included in the plan of treatment.~~
3. ~~Outpatient services shall be provided in the hospital or by written agreement for outside services.~~
4. ~~Family services. Counseling and information services shall be available to families of patients.~~

~~**B.** Staffing~~

1. ~~There shall be sufficient staff to assure the safety and welfare of the patients, and to achieve the objectives of the program.~~
2. ~~The substance abuse rehabilitation program in hospitals treating alcoholism shall be staffed by qualified persons at a rate of not fewer than 1 per 10 patients undergoing alcoholism treatment.~~
3. ~~Psychologists, social workers, and physical therapists shall be available as required to meet the needs of patients.~~

NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION - SECURITIES

PREAMBLE

1. Sections Affected	**Rulemaking Action**
R14-4-131	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. § 44-1821

Implementing statutes: A.R.S. §§ 44-1961 and 44-1962

Constitutional authority: Arizona Constitution, Article XV, §§ 4 and 13

3. A list of all previous notices appearing in the Arizona Administrative Register.

Notice of Rulemaking Docket Opening: 7 A.A.R. 3122, July 20, 2001

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

Name: Cheryl T. Farson, General Counsel

Address: Corporation Commission, Securities Division
1300 W. Washington, Third Floor
Phoenix, AZ 85007-2996

Telephone: (602) 542-4242

Fax: (602) 594-7470

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

A.R.S. § 44-1961(A)(12) states that a dealer's failure to reasonably supervise its salesmen is grounds for denial, revocation, or suspension of the dealer's registration in Arizona. A.A.C. R14-4-131 ("rule 131") provides a "safe harbor" for dealers. It provides that no dealer shall be deemed to have failed to reasonably supervise its salesmen for purposes of § 44-1961 if the dealer complies with the procedures set forth in the rule. The legislature has amended A.R.S. § 44-1962(A) to provide that a salesman's failure to reasonably supervise other salesmen under the salesman's supervisory control is grounds for denial, revocation, or suspension of the supervisory salesman's registration in Arizona. The Corporation Commission proposes to amend rule 131 to include supervisory salesmen in the rule's "safe harbor" for purposes of § 44-1962(A)(11).

6. Reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study, and other supporting material:

None

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:

The amendment to rule 131 does not diminish a previous grant of authority of a political subdivision of this state.

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

The economic, small business, and consumer impact statement for the amendment to rule 131 analyzes the costs, savings, and benefits that accrue to the Commission, the office of the Attorney General, the regulated public, and the general public. With the adoption of the proposed amendment, the impact on established Commission procedures, Commission staff time, and other administrative costs is minimal. The estimated additional cost to the office of the attorney general is minimal. The benefits provided by the amendment to rule 131 are nonquantifiable. The amendment to rule 131 should benefit the Commission's relations with the regulated public because of increased uniformity with federal and other state laws and the clarification of the supervisory obligations imposed by A.R.S. § 44-1962. The public will benefit from the clarification of the standards imposed on salesmen who supervise other salesmen in connection with the offer and sale of securities. The Commission anticipates that the proposed amendment may decrease record keeping burdens on regulated persons because it clarifies the procedures to which the regulated persons are expected to adhere. The costs of implementation or enforcement are not increased or are only marginally increased and such increase does not equal or exceed the potential reduction in burdens.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Please provide comment regarding the accuracy of this summary to the individual named in item #4.

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule, or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: December 5, 2001

Time: 9:30 a.m.

Location: Corporation Commission
1200 W. Washington Avenue
Phoenix, AZ 85007

Nature: Oral proceeding. Subsequent to the oral proceeding, the Arizona Corporation Commission will take final action at an open meeting with respect to the making of the proposed rule.

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. The full text of the rule follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION - SECURITIES

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

Section
R14-4-131. Supervision of Salesmen

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

R14-4-131. Supervision of Salesmen

For purposes of A.R.S. §§ 44-1961(A)(12) and 44-1962(A)(11), no ~~dealer~~ person shall be deemed to have failed to reasonably supervise ~~its salesmen~~ any other person if:

1. There have been established and maintained written procedures, and a system for applying such procedures, which would reasonably be expected to prevent and detect, insofar as practicable, any such violation by such ~~salesman~~ other person of the Arizona Securities Act, or of any rule or regulation adopted thereunder; and
2. Such ~~dealer~~ person has reasonably discharged the duties and obligations incumbent upon ~~it~~ that person by reason of such procedures and system without reasonable cause to believe that such procedures and system were not being complied with.

NOTICE OF PROPOSED RULEMAKING

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION - SECURITIES

PREAMBLE

1. Sections Affected	**Rulemaking Action**
R14-4-134	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. §§ 44-1821 and 44-1902

Implementing statute: A.R.S. § 44-1902

Constitutional authority: Arizona Constitution, Article XV, §§ 4 and 13

3. A list of all previous notices appearing in the Arizona Administrative Register.

Notice of Rulemaking Docket Opening: 7 A.A.R. 3123, July 20, 2001

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

Name: Cheryl T. Farson, General Counsel

Address: Corporation Commission, Securities Division
1300 W. Washington, Third Floor
Phoenix, AZ 85007-2996

Telephone: (602) 542-4242

Fax: (602) 594-7470

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

Rule 134 provides for the registration of limited public securities offerings that do not exceed $5 million, as authorized by A.R.S. § 44-1902. The Commission proposes that rule 134 be amended to: update the required application form U-7 and reference two rules recently made by the Commission - A.A.C. R14-4-117 and R14-4-119 - that apply to offerings registered under § 44-1902.

For the purpose of clarification, the Commission has recommended other changes in the rule format that do not change the substance of rule 134.

6. Reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study, and other supporting material:

None

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:

The amendment to rule 134 does not diminish a previous grant of authority of a political subdivision of this state.

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

Pursuant to A.R.S. § 41-1055(D)(3), the Commission is exempt from providing an economic, small business, and consumer impact statement.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Not applicable

10. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule, or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Date: December 5, 2001

Time: 10:00 a.m.

Location: Corporation Commission
1200 W. Washington Avenue
Phoenix, AZ 85007

Nature: Oral proceeding. Subsequent to the oral proceeding, the Arizona Corporation Commission will take final action at an open meeting with respect to the making of the proposed rule.

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. The full text of the rule follows:

TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

CHAPTER 4. CORPORATION COMMISSION - SECURITIES

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

Section
R14-4-134. Guidelines for Securities Filings Under A.R.S. § 44-1902

ARTICLE 1. IN GENERAL RELATING TO THE ARIZONA SECURITIES ACT

R14-4-134. Guidelines for Securities Filings Under A.R.S. § 44-1902

A. Uniform Limited Offering Registration ("ULOR"). An issuer may register securities by qualification under A.R.S. § 44-1902 in an aggregate amount not exceeding $5 million in any 12-month period as provided in this Section.

B. ~~Incorporation by reference of~~ Form U-7 and the Issuer's Manual.

1. ~~1.~~ Any reference in this Section to Form U-7 means the Small ~~Corporate~~ Company Offering Registration Form ~~(Form U-7)~~ as adopted by the North American Securities Administrators Association, Inc. Any reference to the Issuer's Manual means the Small Company Offering Registration Issuer's Manual, which contains the requirements and general instructions for use of the Form U-7, as adopted by the North American Securities Administrators Association, Inc.~~, on April 29, 1989, which is incorporated by reference and on file with the Secretary of State.~~
2. ~~2.~~ Copies of Form U-7 and the Issuer's Manual are available from the Commission and from the North American Securities Administrators Association, Inc.
3. ~~3. References to Form U-7 in this Section do not include any amendments or editions to Form U-7 adopted subsequent to April 29, 1989.~~

C. Qualification. To be eligible for registration under A.R.S. § 44-1902, the issuer shall comply with the following conditions:

1. The offering shall not be a blind pool offering as defined in A.R.S. § 44-1801.
2. The issuer shall not be an investment company subject to the Investment Company Act of 1940.
3. The issuer shall not be subject to the reporting requirements of Section 13 or Section 15(d) of the Securities Exchange Act of 1934.
4. The issuer and offering must meet the qualifications for use set forth in the ~~Part II ("Qualifications for Use of Form") in the Instructions For Use of Form U-7~~ Issuer's Manual.
5. If the offering includes debt securities, the application for registration shall include information that demonstrates the ability of the issuer to service its debt.

D. Disclosure Document. The issuer shall apply for registration of securities by qualification under A.R.S. § 44-1902 by filing with the Commission Form U-7, with exhibits and such other documents as required by ~~Part V of the Instructions For Use of Form U-7, and such other documents as required by Part III(A) of the Instructions For Use of Form U-7~~ the Issuer's Manual.

E. Financial Statements. The financial statements included in the application for registration shall be in the form provided in ~~Part IV(K) of the Instructions For Use of Form U-7~~ the Issuer's Manual. All prospective financial information that is included in the Form U-7 must be prepared or reviewed by an independent accounting firm.

F. Registration Fee. An application for registration shall be accompanied by a nonrefundable fee as provided in A.R.S. § 44-1861.

G. Issuer-Dealer Registration. An application for registration of securities also shall constitute an application for registration under A.R.S. § 44-1941 of the issuer as a dealer who deals exclusively in securities of which the dealer is the issuer ("issuer-dealer") if accompanied by a duly completed Form BD, a brief description of the proposed method of sale, and other information required by A.R.S. § 44-1941. No bond shall be required for purposes of such issuer-dealer application. The Commission or the Director may require submission of additional information as to the issuer's previous history, record, or business experience as deemed necessary to determine whether the issuer should be registered as a dealer, as provided under A.R.S. § 44-1942. Appropriate examinations may be required.

~~I.~~H. Other Registration Requirements. ~~For each offer of securities, the issuer must deliver to each investor a copy of any literature mandated by the Commission, along with a Form U-7 that has been declared effective by the Commission and any supplements. In addition, the~~The following applicable Sections shall apply to registration of securities by qualification under A.R.S. § 44-1902:

1. R14-4-103 (advertising and sales literature). The issuer shall not distribute advertising and sales materials prior to receipt of the ~~Commission's~~ Division's notification that the issuer may use the materials.
2. R14-4-105 (promotional securities). For purposes of this Section~~, the first sentence of~~ R14-4-105(C) is revised as follows: "securities that are issued to promoters for consideration valued at less than the following percentages of the proposed public offering price, in an amount that represents an ultimate right of participation in excess of 60~~%~~ percent of the securities to be outstanding at the completion of the proposed public offering, shall be promotional securities. The value of consideration other than cash received by the issuer for shares shall be established to the Commission's satisfaction by appraisals, evidence of amounts paid by others for substantially similar services or property, evidence of a bona fide offer to purchase such services or property, evidence of significant services rendered or contractually required to be rendered to the issuer, which may take into account the relevant experience, special

skills, and other qualifications of the person rendering the service, or any other evidence. The value of noncash consideration that cannot be established to the satisfaction of the Commission shall be zero.

"1. For all securities issued to a promoter within one year prior to and including the date of the offering of securities to the public: 85 percent.

"2. For all securities issued to a promoter within two years but not less than one year prior to and including the date of the offering of securities to the public: 75 percent.

"3. For all securities issued to a promoter within three years but not less than two years prior to and including the date of the offering of securities to the public: 65 percent."

3. R14-4-106 (options, warrants, and rights to purchase).
4. R14-4-107 (promoters equity).
5. R14-4-108 (sales commission and expenses). For purposes of this Section R14-4-108(A) is revised as follows: "no issuer shall incur a liability that must be paid by the issuer as a selling expense in connection with the offering of greater than 20~~%~~ percent of the amount of the offering actually sold to the public."
6. R14-4-110 (installment sales).
7. R14-4-111 (commissions to officers and directors).
8. R14-4-112 (impoundment of funds) and R14-4-113 (impound dates).
9. ~~R14-4-118~~ R14-4-117 (debt offerings).
10. R14-4-118 (statements required in prospectus).
11. R14-4-119 (preferred stock).

I. Delivery Requirements. The issuer must deliver to each offeree a copy of any literature mandated by the Commission, along with a Form U-7 that has been declared effective by the Commission and any supplements. As long as any securities sold in the offering are outstanding, the issuer shall deliver to investors any reports required by Form U-7 or under the Securities Exchange Act of 1934, unless there are ten or fewer shareholders and all of such shareholders consent in writing to the cessation of such reporting.

~~**H.**~~**J.** Reporting. After registration under A.R.S. § 44-1902, the issuer shall cause the following reports to be delivered to the Commission:. The Commission may specify the forms necessary to fulfill the reporting requirements stated below.

1. Within ~~10~~ten business days after every 90-calendar-day period following the effective date of the registration and on completion of the offering, a report stating the number of purchasers and the dollar amount of securities sold.
2. Within ~~10~~ten business days after every 90-calendar-day period following the effective date of the registration and on completion of the offering, a statement reflecting that the issuer has not made any changes in or amendments to the Form U-7 or sales and advertising materials provided to the Commission, other than any changes or amendments filed with and declared effective or cleared by the ~~Securities~~ Division.
3. Within ~~10~~ten business days after every ~~6~~six-month period following the effective date of the registration and at such time as the proceeds have been completely used, a report stating in reasonable detail the issuer's use of the offering proceeds.
4. ~~The Commission may specify the forms necessary to fulfill the reporting requirements stated above in subsections(1), (2), and (3).~~
5. ~~As long as any securities sold in the offering are outstanding, the issuer shall deliver to investors any reports required by Form U-7 or under the Securities Exchange Act of 1934, unless there are 10 or fewer shareholders and all of such shareholders consent in writing to the cessation of such reporting.~~

Within ten business days after delivery to investors, ~~In addition, the issuer shall deliver~~ copies of any other reports, brochures, letters, or such similar documents furnished, through any medium, to investors ~~or such other materials as the Commission may determine~~.

NOTICE OF PROPOSED RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 3. DEPARTMENT OF TRANSPORTATION

HIGHWAYS DIVISION

PREAMBLE

1. Sections affected: **Rulemaking Action:**

R17-3-406	Repeal
R17-3-407	Repeal
R17-3-408	Repeal

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. § 28-366

Implementing statute: A.R.S. § 28-7045

3. A list of all previous notices appearing in the Register addressing the proposed rule:

Notice of Rulemaking Docket Opening: 7 A.A.R. 4363, October 5, 2001

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

Name: Wendy S. LeStarge, Rules Analyst

Address: Administrative Rules Unit, Department of Transportation, Mail Drop 507M
3737 N. 7th Street, Suite 160
Phoenix, AZ 85014-5079

Telephone: (602) 712-6007

Fax: (602) 241-1624

E-mail: wlestarge@dot.state.az.us

Please visit the ADOT web site to track progress of this rule and any other agency rulemaking matters: www.dot.state.az.us/about/rules.

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

This rulemaking deals with traffic control devices at bridge approaches, restrictions of use of controlled access roadways, and regulating traffic through roadway construction and maintenance projects. The Arizona Department of Transportation seeks to repeal these rules, since statute requires the subject matter be handled through traffic control devices. This rulemaking arises from proposed agency action in the Five-year Review Report approved by the Governor's Regulatory Review Council on May 2, 2000 (F-00-0402).

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

None

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 preliminary summary of the economic, small business, and consumer impact:

The Department claims exemption under A.R.S. § 41-1055(D). The only foreseen economic impact of repealing R17-3-406, R17-3-407, and R17-3-408 is clerical costs in formal rulemaking. Repeal of these unnecessary rules decreases agency monitoring and enforcing burdens required of effective administrative rules.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Wendy S. LeStarge, Rules Analyst

Address: Administrative Rules Unit, Department of Transportation, Mail Drop 507M
3737 N. 7th Street, Suite 160
Phoenix, AZ 85014-5079

Telephone: (602) 712-6007

Fax: (602) 241-1624

E-mail: wlestarge@dot.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

No oral proceeding is scheduled for this rulemaking. Written, faxed, e-mail comments, or requests for an oral proceeding may be made by contacting the officer listed in item #4 between 8:00 a.m. and 4:30 p.m., Monday through Friday. If no oral proceeding is requested, the public comment period shall continue for 30 days from this notice's publication date. This rulemaking's public record will close at 4:30 p.m. on November 27, 2001.

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:

Not applicable

13. The full text of the rules follows:

TITLE 17. TRANSPORTATION

CHAPTER 3. DEPARTMENT OF TRANSPORTATION - HIGHWAYS DIVISION

ARTICLE 4. ~~HIGHWAY LIMITATIONS (WEIGHT RESTRICTIONS AND TRAFFIC CONTROLS)~~ REPEALED

Section
R17-3-406. ~~Traffic controls at bridge approaches~~ Repealed
R17-3-407. ~~Restrictions of use of controlled access roadways~~ Repealed
R17-3-408. ~~Regulating traffic through hazardous areas created by construction and maintenance activity~~ Repealed

ARTICLE 4. ~~HIGHWAY LIMITATIONS (WEIGHT RESTRICTIONS AND TRAFFIC CONTROLS)~~ REPEALED

R17-3-406. ~~Traffic controls at bridge approaches~~ Repealed

~~Application of traffic control devices at narrow bridges having a roadway clearance less than the width of the approach pavement.~~

~~1. One lane bridge - a bridge with a roadway width less than 18 feet.~~
~~2. Narrow bridge - a bridge with a roadway width between 18 feet and 24 feet (not including 24 feet) and the bridge width is less than the sum of the lane widths on the approach. (Narrow bridge conditions are not considered to exist wherever a bridge is as wide as the sum of the widths of the approach traffic lanes.)~~
~~3. A bridge 24 feet or wider, but where the bridge is narrower than the approach roadway pavement width.~~

R17-3-407. ~~Restrictions of use of controlled access roadways~~ Repealed

~~Pedestrians and operators of or drivers of bicycles, motor-driven cycles, nonmotorized vehicles, and equestrian riders may not travel or ride upon those controlled access roadways, designated as Interstate Routes I-8, I-10, I-15, I-17, I-19, I-40 and S.R. 360, which are under the jurisdiction of the Arizona Department of Transportation and where official signs have been erected to inform such persons thereof.~~

R17-3-408. ~~Regulating traffic through hazardous areas created by construction and maintenance activity~~ Repealed

~~**A.** Title 18, Chapter 1, Arizona Revised Statutes, provides that the Arizona State Highway Commission shall exercise complete and exclusive control and jurisdiction of state highways, and prescribe such rules and regulations to govern the use of state highways as it deems necessary for public safety and convenience.~~

~~**B.** Title 28, Chapter 6, Arizona Revised Statutes, provides that the Arizona State Highway Commission may determine and declare reasonable and safe maximum speed limits when appropriate signs giving notice thereof are erected.~~

~~**C.** The Arizona State Highway Commission, in the interest of public safety and convenience, has determined that existing legal speed limits shall remain in effect on construction and maintenance projects, except for those locations within and/or adjacent to project limits where construction and maintenance activity creates a public hazard.~~

~~**D.** The Arizona State Highway Commission has determined that posted or statutory speed limits may be too great for the safety and protection of men and equipment working on or near the roadway on construction or maintenance projects and for traffic through these construction or maintenance projects.~~

~~**E.** When construction or maintenance activities have progressed to a point where roadway conditions warrant a reduction of speed through all or part of the construction or maintenance project as determined by the District Engineer or his duly authorized representative, the necessary speed reduction shall be established by the use of legal speed limit signs placed, or caused to be placed, by the Arizona State Highway Department prior to creation of the hazard. Upon elimination of the hazard, these signs shall be removed, or caused to be removed, by the Arizona State Highway Department.~~

~~F. When the necessary signs have been placed and maintained in accordance with these rules and Part VI and others of the Manual on Uniform Traffic Control Devices for Streets and Highways and the Arizona Highway Department Traffic Control Manual for Highway Construction and Maintenance, no vehicle shall proceed at a speed greater than the numerical limits posted on the signs.~~

NOTICE OF PROPOSED RULEMAKING

TITLE 17. TRANSPORTATION

CHAPTER 3. DEPARTMENT OF TRANSPORTATION - HIGHWAYS DIVISION

PREAMBLE

1. Sections affected: **Rulemaking Action:**
R17-3-703 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. §§ 28-366 and 28-7942(D)

Implementing statutes: A.R.S. §§ 28-7941 through 28-7946

3. A list of all previous notices appearing in the Register addressing the proposed rule:
Notice of Rulemaking Docket Opening: 7 A.A.R. 2528, June 15, 2001

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

Name:	Wendy S. LeStarge, Rules Analyst
Address:	Department of Transportation Administrative Rules Unit, Mail Drop 507M 3737 N. 7th Street, Suite 160 Phoenix, AZ 85014-5017
Telephone:	(602) 712-6007
Fax:	(602) 241-1624
E-mail:	wlestarge@dot.state.az.us

Please visit the ADOT web site to track progress of this rule and any other agency rulemaking matters: www.dot.state.az.us/about/rules.

5. An explanation of the rule, including the agency's reasons for initiating the rule:
As part of the Highway Beautification Act of 1965, 23 U.S.C. § 136 requires the states to provide effective control of outdoor junkyards within 1,000 feet of an interstate highway or face a 10 percent reduction in federal highway funds. Arizona's response for effective control is to require that junkyards be screened from view of the interstate highways. A.R.S. §§ 28-7941 through 28-7946. A.R.S. § 28-7943(A) requires a junkyard to obtain a screening license. The Arizona Department of Transportation ("ADOT") is required to adopt and enforce rules regarding the location, planting, construction, and maintenance for screening junkyards. A.R.S. § 28-7942(D). Arizona Junkyard Control, R17-3-703, governs the criteria and procedure for obtaining a junkyard screening permit.

This rulemaking arises from proposed agency action in the Five-year review report approved by the Governor's Regulatory Review Council on May 2, 2000 (F-00-0402). ADOT is amending R17-3-703 so that the language is clear, concise, and understandable, and complies with the Secretary of State's rulemaking standards.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:
None

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 preliminary summary of the economic, small business, and consumer impact:

This rulemaking should impose minimal costs to ADOT or to junkyard businesses. A junkyard screening license is permanent, as long as a junkyard does not expand. Only about six or seven screening licenses exist, and no applications have been submitted in the past few years. This rulemaking provides a substantial benefit to ADOT and the general public. By having statutes and rules in place that provide effective control of junkyards, ADOT does not face a penalty of having its federal highway funds reduced.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Wendy S. LeStarge, Rules Analyst

Address: Department of Transportation
Administrative Rules Unit, Mail Drop 507M
3737 N. 7th Street, Suite 160
Phoenix, AZ 85014-5017

Telephone: (602) 712-6007

Fax: (602) 241-1624

E-mail wlestarge@dot.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

No oral proceeding is scheduled for this rulemaking. Written, faxed, e-mail comments, or requests for an oral proceeding may be made by contacting the officer listed in item #4 between 8:00 a.m. and 4:30 p.m., Monday through Friday. If no oral proceeding is requested, the public comment period shall continue for 30 days from this notice's publication date. This rulemaking's public record will close at 4:30 p.m. on November 27, 2001.

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. The full text of the rules follows:

TITLE 17. TRANSPORTATION

CHAPTER 3. DEPARTMENT OF TRANSPORTATION - HIGHWAY DIVISION

ARTICLE 7. HIGHWAY ENCROACHMENTS AND PERMITS

Section
R17-3-703. Arizona junkyard control

ARTICLE 7. HIGHWAY ENCROACHMENTS AND PERMITS

R17-3-703. Arizona junkyard control

~~**A.** Authority. A.R.S. §§ 2§ 28-2131 through 28-2136 are the authority for and are relevant to the content and intent of this rule. This rule is in addition to and does not purport to change or alter federal or state law.~~

~~**B.**~~**A.** Purpose~~. and responsibility~~. The purpose of this ~~subsection~~ rule is to describe the Arizona Department of Transportation's responsibility ~~the Arizona Department of Transportation exercises~~ to effectively control junkyards within ~~one thousand~~ 1,000 feet of the right-of-way on interstate ~~and primary~~ highways ~~in accordance with statutory directives~~ according to A.R.S. §§ 28-7941 through 28-7946.

~~**C.**~~**B.** Definitions. ~~The definition of specialized terms describing roadside junkyards, and matters relating thereto, as used in this rule are as follows:~~

1. "Department" means the Arizona Department of Transportation.

~~1.~~2. "Director" means the Director, Arizona Department of Transportation or ~~his~~ the Director's delegated representative.

~~2.~~3. "Screening" means the use of any vegetative planting, fencing, masonry wall or other architectural treatment, earthen embankment, or a combination of any of these which will effectively hide from view any deposit of junk from the main-traveled way.

~~3.~~4. "Screening license" means a license issued by the Director~~, Arizona Department of Transportation,~~ as required by A.R.S. § ~~28-2133~~ 28-7943 and as ~~further~~ described in this rule.

5. "Unsound industrial area" means the same as A.R.S. § 28-7901(11).

~~D.~~C. Roadside junkyard screening license application procedure.

1. ~~Purpose. The purpose of this subsection is to present the procedures to be followed by the applicants in requesting licenses for the screening of roadside junkyard facilities.~~

~~2.~~ Junkyard screening license required. ~~After May 11, 1971, any new junkyard established or any lawfully existing junkyard expanded, any portion of which is within one thousand feet of the nearest edge of the right-of-way of the interstate or primary highway systems, and of which any portion is within view of the main-traveled way on such highway system will require a screening license from the Director.~~ The Department requires a junkyard screening license for any junkyard that:

a. Was established or expanded after July 1, 1974;
b. Is located within 1000 feet of the nearest edge of the right-of-way of the interstate highway system;
c. Is within view of the main-traveled way of the interstate highway system; and
d. Is not located in a zoned or unzoned industrial area.

~~3.~~2. ADOT screening license form ~~and fee required. Each application for a license to screen a roadside junkyard must be made on forms prescribed by the Director which shall be designated "Junkyard Permit Application" and shall be accompanied by a check or money order in the amount of $20.00 payable to the Arizona Department of Transportation for credit to the State Highway Fund. Assistance to applicants is available at District Offices~~. An applicant shall use the Department form "Junkyard Permit Application" to apply for a screening license for a roadside junkyard, and provide the following information:

a. Name, address, and telephone number of the owner;
b. Legal description of the land where the junkyard to be screened is located;
c. Name and address of the junkyard business;
d. Location of the junkyard, including:
   i. The highway route number,
   ii. Distance to nearest highway milepost,
   iii. Distance in feet from the highway right-of-way to the junkyard boundaries.
e. Zoning classification of the land where the junkyard is located; and,
f. Type, size, and date of establishment of the junkyard.

~~4.~~3. Application mailed to ~~maintenance permit engineer. Applications for a license to screen a roadside junkyard should be mailed to~~ Permits Manager. An applicant shall mail the completed Junkyard Permit Application, required documentation and the $25.00 fee, in the form of a check or money order payable to the Arizona Department of Transportation, to:

Arizona Department of Transportation
~~Highways Division~~ Intermodal Transportation Division
206 S. 17thAvenue, ~~Room 175-A~~ MD 004R
Phoenix, AZ 85007
Attention: Maintenance ~~Permit Engineer~~ Permits Manager, Maintenance Section

~~5.~~4. ~~Property description, ownership, and location diagram. Applicants shall submit the legal description and ownership of record of the land occupied by the junkyard to be screened along with a location diagram or plat of the junkyard area which shall indicate the highway route number, distance to nearest highway milepost and such physical features as: buildings, bridges, culverts, utility poles and other stationary improvements or site features necessary to adequately describe the location. This site plan shall also indicate the distance in feet from the highway right-of-way to the junkyard boundaries if not coincident.~~ Required documentation. Along with the Junkyard Permit Application, an applicant shall submit the following documentation:

a. A location diagram or plat of the junkyard area which indicates:
   i. The highway route number;
   ii. Distance to nearest highway milepost;
   iii. Physical features such as buildings, bridges, culverts, utility poles, and other stationary improvements or site features that adequately describe the location; and
   iv. Distance, in feet, from the highway right-of-way to the junkyard boundaries.
b. A drawing or plan, drawn to scale, of the junkyard screening design to be used, which includes:
   i. Plan view;
   ii. Elevation;
   iii. Construction details of fencing, berms and plantings used alone or in combination;
   iv. If applicable, plant pit size, backfill material to be used, planting and staking details, botanical names of plant materials, plant size at the time of planting, and the spacing between plants;
   v. Any details necessary to show design and construction materials to be used.

~~6. Screen design.~~
~~a. The applicant shall submit drawings or plans to scale satisfactorily illustrating the design of the junkyard screen to be implemented. Drawings submitted shall include plan view, elevation and details adequate to show design and construction materials to be used. The design submitted shall effectively screen from view from the traveled way all contained junk in accordance with standards established by the Director. The design of screening plans submitted will be reviewed and approved by Roadside Development Services prior to issuance of approved license.~~
~~b. After the screening plans have been approved by the Director, the applicant has a maximum of~~
~~7.~~5. Each pending application field checked. ~~Each pending application will be field checked for compliance with the state act and these regulations. If all requirements are met, final approval for the screening license will be given by the Director.~~
a. The Department shall field check each pending application to ensure the applicant complies with the screening requirements as stated in A.R.S. §§ 28-7941 through 28-7946, and this rule.
b. If the Director approves a screening plan, an applicant has up to 180 days to screen the junkyard.
6. Extensions. An applicant shall request an extension in writing. The Department shall grant a 60 day extension in the following circumstances:
a. If the Department denies an application because the screening plan does not comply with A.R.S. §§ 28-7942 through 28-7946 or this rule, an applicant may submit an amended screening plan, without paying an additional fee. An applicant shall request an extension within 10 days of the denial, and then submit an amended application and amended screening plan.
b. Within 90 days after the Department approves a screening plan, an applicant may request an extension for commencement and completion of construction.
c. If the Department gives a junkyard owner a violation notice, a junkyard owner may request an extension to submit the screening application within 60 days of receiving the violation notice.
~~8.~~ 7. ~~Noncompliance. Each application for a license to screen a roadside junkyard facility which does not comply with all requirements of the law and these regulations will be denied and the application fee will be retained by the state. The applicant may, however, receive a 90-day extension upon written request within ten days of denial, by submitting an amended application without loss of fee.~~ Denial and forfeiture of fee.
a. The Department shall deny an application for a screening license for failure to comply with all requirements of A.R.S. §§ 28-7941 through 28-7946 and this rule. The Department shall retain the fee.
~~9. Forfeiture of screening license fee.~~
~~b. Construction for new roadside junkyard screening facilities, for which screening license has been issued, shall be commenced within 120 days and completed within 180 days from the date of the issuance of the permit. If the applicant mails a written request for extension of time prior to the expiration of the construction commencement date, an additional 60 days extension for commencement and completion of construction may be granted. Any screening license cancelled because the junkyard screening was not completed within the prescribed time will result in forfeiture of the $20.00 fee.~~ A junkyard owner who fails to complete the junkyard screening within 180 days, or other prescribed period, shall forfeit the $25.00 fee.
~~10.~~8. Invalidation of screening license. An existing screening license ~~will~~ shall become invalid at a previously approved location when ~~the~~ a junkyard ~~facilities have been~~ is enlarged or substantially changed in use so that the screening ~~is~~ no longer ~~adequate to screen~~ adequately screens the junk. ~~A~~ An owner shall apply for a new and separate screening license ~~will be required~~.
~~11.~~9. Transfer of screening license. ~~Screening licenses are permanent and transferable~~ To transfer a screening license upon sale of ~~the facility provided~~ a junkyard, a new owner ~~furnishes the Director with~~ shall submit to the Department written notification of sale within 30 days after date of sale. Upon sale of the junkyard, a new owner shall continue all screening maintenance.
~~12. Calendar days. All references to days made in this junkyard screening procedure shall mean calendar days.~~

E. Screening.
1. Purpose. ~~The purpose of this~~ This subsection ~~is to describe~~ describes the ~~regulations~~ requirements governing the location, planting, construction and maintenance, including materials used in screening junkyards as required in A.R.S. § ~~28-2132~~, 28-7942 subsection (D).
2. Junkyard expansions. ~~Any expansion of a junkyard shall be screened by the owner at his own expense.~~ A junkyard owner shall be responsible for any expense to expand an existing junkyard screen. Screening expansions shall be aesthetically compatible, as ~~determined by~~ the Director determines, with any existing screens.
3. ~~Screening responsibility. Junkyards established subsequent to May 11, 1971, the effective date of the "Beautification of Highways – Regulation of Junkyards" Act (A.R.S. §§ 28-2131- 28-2136), any part of which is located in the area of control must be adequately screened by the owners of the junkyard. Such screening shall be licensed in accordance with state law and these regulations by the Director and located off of the right-of-way.~~

~~4.~~ Screening location. Fences and screens ~~must~~ shall be located in such a manner as to not be hazardous to the traveling public. New junkyards and expansions shall have screens in place ~~prior to the time the~~ before any junk is deposited.

~~5.~~4. Acceptable screening. ~~Plans shall show construction details of fencing, berms and plantings used alone or in combination.~~ When fencing is used alone or in combination with plant material, the results shall provide immediate screening. When planting is used alone or in combination with an earthen berm, the number, type, size and spacing of the plants shall be capable of screening the junk entirely from view. The Department shall judge the ability of the proposed plant material to accomplish this objective ~~shall be judged by the Director~~.

~~6.~~5. Acceptable fencing materials. ~~Subject to the approval of the Director, acceptable~~ Acceptable fencing ~~shall include fences of~~ includes steel or other metals, durable woods such as heart cypress, redwood or other wood treated with a preservative, or walls of concrete block, brick, stone or other masonry. Metal fencing shall be stained, colored, coated, or painted to blend into surroundings and be aesthetically unobtrusive.

~~7.~~6. Acceptable plant materials. ~~Subject to the approval of the Director, plant materials indicated on the plans shall specify the botanical name, the size at the time of planting, and the spacing between plant.~~ Plant materials used shall be predominantly evergreen. ~~Planting plans shall show plant pit size, backfill material to be used, planting and staking details.~~ In general, the minimum size of plant materials used shall be equal to five-gallon container. ~~Condition and sizes shall meet~~ An applicant may obtain a list of appropriate plant type requirements ~~established by the American Nurserymen's Association's current publication, "American Standard for Nursery Stock"~~ from the Department.

~~8.~~7. Screening maintenance. A junkyard owner shall ensure that screening does not enter the right-of-way. ~~The owners of any~~ A junkyard owner shall maintain ~~any~~ all screening ~~off the right-of-way~~ in good condition~~.~~, which can include the following responsibilities:

a. ~~Fences,~~ Maintain fences, walls or other structural material ~~shall be kept~~ in good appearance by timely painting and repair.

b. ~~Plant material shall be adequately watered, cultivated, or mulched and given any required maintenance,~~ Adequately water, cultivate, mulch, or give other maintenance to plant material, including spraying for insect control, to keep the planting in ~~good~~ healthy condition.

c. ~~Dead~~ Remove all dead plant material ~~will be removed~~ immediately and ~~shall be replaced~~ replace it promptly during the following proper planting season. Replacement plants shall be at least as large as the initial planting as approved on the screening license. ~~Upon sale of the junkyard, the new owner shall continue all screening maintenance.~~

~~9.~~8. Abandoned, destroyed, or voluntarily discontinued junkyards. When a junkyard ~~establishment or place of business in existence on the effective date of the Article~~ ceases to operate for a period of one year, it must comply with A.R.S. § ~~28-2133~~ 28-7943 and obtain a screening license to be reopened.

~~10.~~9. Violation.

a. ~~The owners of any junkyards in violation will be given a violation notice and be given~~ The Department shall issue a violation notice to a junkyard owner for failing to comply with A.R.S. §§ 28-7941 through 28-7946. A junkyard owner shall have 60 days to apply for a screening license and submit a screening plan for ~~our~~ the Department's review and approval. ~~If requested in writing, prior to the expiration of the 60 days, an additional 60 days extension may be granted.~~

b. A person who violates any provisions of ~~the state statutes or regulation promulgated by the Director~~ A.R.S. §§ 28-7941 through 28-7946 or this rule for junkyard control ~~is~~ can be found guilty of a misdemeanor ~~(A.R.S. § 28-2136~~ according to A.R.S. § 28-7956~~)~~.

NOTICE OF PROPOSED RULEMAKING

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 6. DEPARTMENT OF INSURANCE

PREAMBLE

1. Sections Affected	**Rulemaking Action**
R20-6-604	Repeal
R20-6-604	New Section
R20-6-604.01	New Section
R20-6-604.02	New Section

R20-6-604.03	New Section
R20-6-604.04	New Section
R20-6-604.05	New Section
R20-6-604.06	New Section
R20-6-604.07	New Section
R20-6-604.08	New Section
R20-6-604.09	New Section
R20-6-604.10	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. § 20-1615

Implementing statutes: A.R.S. §§ 6-636; 20-1601 through 20-1616

3. List all previous notices appearing in the register addressing the proposed rules:

Notice of Rulemaking Docket Opening: 7 A.A.R. 2778, June 29, 2001

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

Name: Vista Thompson Brown

Address: Department of Insurance
2910 N. 44th Street, Second Floor
Phoenix, AZ 85018

Telephone: (602) 912-8456

Fax: (602) 912-8452

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

Pursuant to A.R.S. § 20-1610, the benefits provided under a credit life or credit disability insurance policy must be reasonable in relation to the premiums charged. The current rule establishes required loss ratios of 50 percent for credit life insurance and 60 percent for credit disability insurance as the standard for what is reasonable. The current rule also establishes prima facie rates. Insurers charging no more than prima facie rates are presumed to satisfy the minimum loss ratios.

The Department has recently conducted a review of the experience history on credit life and credit disability insurance business for the period 1997 through 1999, and has determined that the current prima facie rates need to be lowered to generate the required loss ratios. The proposed rules will repeal the current prima facie rates and permit the director to establish rates by order after notice and a hearing.

In addition, the language of the rule needs to be updated to conform to current rulemaking stylistic requirements to make the rule more clear, concise and understandable, including elimination of text that duplicates statute, insertion of statutory cross-references, elimination of unnecessary forms.

Specific Section-By-Section Explanation of This Proposal

R20-6-604. Definitions: Establishes definitions used throughout the Article; includes new definitions for "preexisting condition" and "reasonableness standard."

R20-6-604.01. Rights and Treatment of Debtors: Requires lenders to advise borrowers of certain rights regarding the purchase of credit insurance; establishes rights for individual debtors insured through a group policy that is terminated; establishes requirements for treatment of credit insurance when a debt is refinanced or prepaid.

R20-6-604.02. Determining Reasonableness of Benefits in Relation to Premium Charged: Sets loss ratios required to satisfy the statutory reasonableness standard for standard and non-standard coverages.

R20-6-604.03. Establishing Prima Facie Rates: Describes the process by which the Director will establish prima facie rates.

R20-6-604.04. Credit Life Insurance Rates and Provisions: Allows presumptive use of prima facie rates for credit life insurance and establishes requirements for certain policy terms.

R20-6-604.05. Credit Disability Insurance Rates and Provisions: Allows presumptive use of prima facie rates for credit disability insurance and establishes requirements for certain policy terms

R20-6-604.06. Refund Formulas: Establishes requirements for refund formulas used to determine the amount of refunds on policies.

R20-6-604.07. Experience Reports: Establishes annual experience reporting requirements for insurers and provides a penalty for late reports.

R20-6-604.08. Use of Prima Facie Rates; Deviations: Permits insurers to file for deviations from prima facie rates and establishes conditions for permitted deviations.

R20-6-604.09. Monitoring Consumer Credit Insurance Operations: Requires an insurer to monitor the operations of lenders selling the insurer's product for compliance with applicable credit insurance laws.

R20-6-604.10. Prohibited Transactions: Establishes unfair trade practices applicable to credit insurance.

6. A reference to any study that the agency proposes to rely on in its evaluation of or justification for the proposed rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:

Report of Department Actuary to the Director, dated June 20, 2001. This report may be viewed on the Department's web site at www.state.az.us/id, under the heading "Credit Insurance Rules Changes."

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 preliminary summary of the economic, small business and consumer impact:

There will be significant economic impacts as a result of this rule change. Based on the report of the Department actuary, the Department believes that annual premium revenues for credit insurers will decline by approximately $19 million. A portion of the $19 million reflects commission amounts paid to producers, many of whom are affiliated with the lenders offering the credit insurance products. Revenues lost to credit insurers translate into savings for the Arizona's credit insurance consumers. In addition, Arizona will lose some tax revenues because insurers pay premium taxes of two percent on all premiums collected in the state.

There will be a minimal economic impact on the Department, the Secretary of State, and the Governor's Regulatory Review Council associated with the rulemaking process.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Vista Thompson Brown

Address: Department of Insurance
2910 N. 44th Street, Second Floor
Phoenix, AZ 85018

Telephone: (602) 912-8456

Fax: (602) 912-8452

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule or, if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

The Department will hold an oral proceeding to receive public comments on this rulemaking on Tuesday, November 27, 2001, at 10:00 a.m., in the Third Floor Training Room of the Arizona Department of Insurance, 2910 N. 44th Street, Phoenix, AZ 85018.

The comment period will end and the record will close at 5:00 p.m. on Wednesday November 28, 2001. The Department will accept oral comments at the oral proceeding and written comments that are received by 5:00 p.m. on, or postmarked by, November 28, 2001.

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 rule:

None

13. The full text of the rules follows:

TITLE 20. COMMERCE, BANKING, AND INSURANCE

CHAPTER 6. DEPARTMENT OF INSURANCE

ARTICLE 6. TYPES OF INSURANCE CONTRACTS

Section
R20-6-604. ~~Credit Life Insurance and Credit Disability Insurance~~ Definitions
R20-6-604.01. Rights and Treatment of Debtors
R20-6-604.02. Determining Reasonableness of Benefits in Relation to Premium Charged
R20-6-604.03 Establishing Prima Facie Rates
R20-6-604.04. Credit Life Insurance Rates and Provisions
R20-6-604.05. Credit Disability Insurance Rates and Provisions
R20-6-604.06. Refund Formulas
R20-6-604.07. Experience Reports
R20-6-604.08. Use of Prima Facie Rates; Deviations
R20-6-604.09. Monitoring Consumer Credit Insurance Operations
R20-6-604.10. Prohibited Transactions

ARTICLE 6. TYPES OF INSURANCE CONTRACTS

R20-6-604. ~~Credit Life Insurance and Credit Disability Insurance~~ Definitions

~~**A.** Applicability. This rule applies to all credit life insurance and credit disability insurance issued or made effective in connection with a loan or other credit transaction as provided in A.R.S. § 20-1602.~~

~~**B.** Definitions~~

~~1. "Account" is one plan of credit life or credit disability coverage on one class of business written through one creditor.~~
~~2. "Class of business" means similar industry or business which, through its business activity, sells credit insurance, as illustrated in subsection (G), paragraph (2).~~
~~3. "Compensation" means money or anything else of value.~~
~~4. "Credit insurance" means both credit life insurance and credit disability insurance.~~
~~5. "Earned premium at prima facie rate" means actual earned premiums adjusted to the amount which would have been earned had the premium rate during the experience period been equal to the current prima facie rate in accordance with instructions and method of calculation for Reporting Form A. Reasonable methods of approximation may be used.~~
~~6. "Earned premiums at rates in use" means actual earned premiums, that is, the premiums earned at the premium rates actually charged in force during the experience period in accordance with the instructions and method of calculation for Reporting Form A.~~
~~7. "Experience" means "earned premiums" and incurred claims during the experience period.~~
~~8. "Experience period" means the most recent period of time for which experience is reported, but not for a period longer than 1 full year. (Note: the term "year" for individual policies means calendar year and for group policies means either a calendar year or a policy year at the option of the insurer.)~~
~~9. "Incurred claims" means total claims paid during the experience period, adjusted for the change in the claim reserve.~~
~~10. "Net written premium" means gross written premium before deduction for dividends and experience rating credits minus refunds on termination.~~
~~11. "Outstanding indebtedness" means the amount borrowed by the debtor plus any unearned interest or finance charge.~~
~~12. "Plan of insurance", unless otherwise filed and approved, means a separate and unique plan based upon the following types of rating and coverage categories:~~
~~a. Credit life insurance on a flat rated basis other than revolving accounts (i.e., including joint and single life coverage, decreasing and level insurance, outstanding balance and single premium),~~
~~b. Credit life insurance on a revolving account basis,~~
~~c. Credit life insurance on an age-graded basis,~~
~~d. Credit disability insurance other than on revolving accounts combining outstanding balance and single premium but separately for each combination of waiting period and retroactive or non-retroactive.~~
~~e. Credit disability insurance on a revolving account basis separately for each combination of waiting period and retroactive or non-retroactive.~~
~~13. "Prima facie rates" means rates shown in subsections (E) and (F).~~

~~**C.** Rights and treatment of debtors~~

1. Multiple plans of insurance. If a creditor makes available to the debtors under the same account more than 1 plan of credit life insurance or more than 1 plan of credit disability insurance, all debtors under said account must be informed of such plans.
2. Substitution. When a creditor requires credit life insurance, credit disability insurance, or both, as additional security for an indebtedness, the debtor shall be given the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by the debtor or procuring and furnishing the required coverage through any insurer authorized to transact insurance business in this state. The debtor shall be informed by the creditor of the right to provide alternative coverage before the transaction is completed.
3. Whenever the amount of insurance may exceed the unpaid indebtedness such excess shall be paid to a beneficiary, other than the creditor, named by the debtor, or to the debtor's estate. If payment of insurance proceeds is made by a creditor, the insurer shall require the creditor to file with the insurer monthly reports detailing all payments to creditors and second beneficiaries or estates in accordance with Form D of this rule or its equivalent. Such reports shall be available to the Director on request.
4. Refund formulas to be used in computing refunds shall be filed with and approved in writing by the Director prior to use.
    a. No refund need be made in the event that the amount to be refunded does not exceed five dollars ($5).
    b. The following refund formulas shall be deemed to be approved by the Director of Insurance:
        i. The pure premium method which requires that the amount of the refund equal the amount of the unearned premium for the balance of the term of the policy or certificate;
        ii. The actuarial method as prescribed in A.R.S. § 6-626;
        iii. The pro rata method. The pro rata unearned gross premium method shall be used for level term credit life insurance, and credit accident and health insurance wherein the insured is covered for a constant maximum indemnity and for credit insurance coverage under which premiums are collected from the debtor on a basis other than the single premium basis.
        iv. The sum of the digits method. The rule of 78's or sum of the digits unearned premium method for coverages other than those included in subdivision (iii) may be used; provided coverage is also on the sum of the digits method.
        v. Combination methods. An appropriate combination of the pro rata method and the rule of 78's shall be used or, at the option of the insurer, the pro rata method for credit life insurance provided as a combination of level and decreasing term coverage and for credit accident and health insurance wherein the insured is covered for a constant maximum indemnity for a given period of time, after which the maximum indemnity begins to decrease in even amounts per month.
    c. Other refund methods shall be filed and subject to the review and prior written approval of the Director.
    d. Refund formulas may recognize adjustments to a daily basis, for interest or payments, which are consistent with the underlying credit transaction.
5. Termination of group credit insurance policy
    a. If a debtor is covered by a group insurance policy providing for the payment of single premiums to the insurer, then provision shall be made by the insurer that in the event of termination of the policy for any reason, insurance coverage with respect to any debtor insured under such policy shall be continued for the entire period for which the single premium has been paid.
    b. If a debtor is covered by a group credit insurance policy providing for the payment of premiums to the insurer on a monthly outstanding balance basis, then the policy shall provide that, in the event of termination of such policy for whatever reason, termination notice thereof shall be given to the insured debtor at least 30 days prior to the effective date of termination except where replacement of the coverage by the same or another insurer in the same or greater amount takes place without lapse of coverage. The notice required in this subparagraph shall be given by the insurer, or, at the option of the insurer, by the creditor.
6. Interest on premiums. If the creditor adds identifiable insurance charges or premiums for credit insurance to the indebtedness, and any direct or indirect finance, carrying, credit, or service charge is made to the debtor on such insurance charges or premiums, the creditor must remit and the insurer shall collect such premium within 60 days after it is added to the indebtedness.
7. Renewal or refinancing of indebtedness. In any renewal or refinancing of the indebtedness, the effective date of the coverage as respects any policy provision shall be deemed to be the first date on which the debtor became insured under the policy covering the indebtedness which was renewed or refinanced, at least to the extent of the amount and term of the indebtedness outstanding at the time of renewal and refinancing of the debt.
8. Maximum aggregate provisions. A provision in a policy or certificate that sets a maximum limit on total payments must apply only to that policy or certificate.
9. Voluntary prepayment of indebtedness. If a debtor prepays the indebtedness other than as a result of death or through a lump sum disability payment:

a. Any credit life insurance covering such indebtedness shall be terminated and an appropriate refund of the credit life insurance premium shall be made to the debtor; and

b. Any credit disability insurance covering such indebtedness shall be terminated and an appropriate refund of the credit disability insurance premium shall be made to the debtor. If a disability claim is in progress at the time of prepayment, the amount of refund may be determined as if the prepayment did not occur until the payment of benefits terminates.

10. Involuntary prepayment of indebtedness. If an indebtedness is prepaid by the proceeds of a credit life insurance policy or by a lump sum payment of a disability claim under a credit insurance policy, then it shall be the responsibility of the insurer to see that the following are paid to the insured debtor if living or the beneficiary, other than the creditor, named by the debtor or to the debtor's estate:

a. In the case of prepayment by the proceeds of a credit life insurance policy, or by the proceeds of a lump sum total and permanent disability benefit under credit life coverage, an appropriate refund of the credit disability insurance premium,

b. In the case of prepayment by a lump sum disability claim, an appropriate refund of the credit life insurance premium.

c. In either case, the amount of the benefits in excess of the amount required to repay the indebtedness.

11. Charges for insurance upon termination. In the event of voluntary or involuntary prepayment of the indebtedness or termination of the credit insurance, the insurer may:

a. Not charge for the first 15 days of a loan month but may charge a full month for 16 days or more of a loan month; or

b. Charge for credit insurance on a daily basis if premiums, pursuant to the credit transaction, are computed on a daily basis.

12. Amounts to be insured; election of coverage, net or gross

a. Credit life insurance may provide benefits not exceeding the amount of indebtedness outstanding or, at the option of the insurer, provide benefits not exceeding the amount of indebtedness outstanding less the unearned interest or finance charges. Premium charges shall be computed on the same basis as the benefits provided.

b. Credit disability insurance may provide benefits not exceeding the amount of outstanding indebtedness.

D. Determination of reasonableness of benefits in relation to the premium charged

1. General standard. Benefits provided by credit insurance policies must be reasonable in relation to the premium charged. This requirement shall be presumed to be satisfied if the premium rate charged develops or may reasonably be expected to develop an actual loss ratio, as shown on line 3a of Form A, of not less than 50% for credit life insurance and 60% for credit disability insurance.

2. Nonstandard coverage. If any insurer files for approval of any form providing coverage more restrictive than that described in subsections (E) and (F), the insurer shall demonstrate to the satisfaction of the Director that the premium rates to be charged for such restricted coverage will develop or may be reasonably expected to develop a loss ratio not less than that contemplated for standard coverage at the premium rates described in these Sections.

3. Coverage without separate charge. If no specific charge is made to the debtor for credit insurance the standards of subsection (D) are not required to be used but any premium rates resulting from such standards as are used which exceed the premium rate standards set out in subsections (E) and (F) must be filed with and approved by the Director. For purposes of this subsection, it will be considered that the debtor is charged a specific amount for insurance if an identifiable charge for insurance is disclosed in the credit or other instrument furnished the debtor which sets out the financial elements of the credit transactions, or if there is a differential in finance, interest, service or other similar charge made to debtors who are in like circumstances, except for their insured or noninsured status.

E. Prima facie credit life insurance rates

1. The following rates shall be presumed to be not excessive and to develop the loss ratios prescribed by subsection (D). Credit life insurance premium rates for the insured portion of an indebtedness which decreases uniformly by the amount of the monthly installment paid, shall be as set forth in subparagraphs (a) and (c). Subparagraphs (b), (d) and (e), refer to premium rates for other types of benefits applicable.

a. Single premium decreasing term: $.44 per $100 per annum.

b. Level term premium: $.82 per $100 per annum.

c. Outstanding balance: $.68 per month per $1,000.

d. Joint coverage on either of the basis in subparagraphs (a), (b), or (c), of paragraph (1), shall be 150% of the specific rate for that type of coverage.

e. If the benefits provided are on an age-graded basis, rates for such benefits shall be actuarially consistent with the rates provided in subparagraphs (a), (b), (c), and (d) and shall be filed and approved by the Director prior to use. Such rates shall be deemed approved after 30 days from the date of filing unless disapproved.

f. Single premium decreasing term rates for benefits provided on the outstanding balance less unearned interest or finance charges, or other basis, shall be actuarially consistent with the rates provided in subparagraph (a).

g. Rate calculations may recognize adjustments to a daily basis, for interest or payments, which are consistent with the underlying credit transaction.

2. 'The premium rates in paragraph (1) shall apply to policies providing credit life insurance to be issued with or without evidence of insurability, to be offered to all debtors, and containing:
   a. No exclusions other than suicide within 6 months of the incurred indebtedness; and
   b. Either no age restrictions or age restrictions making ineligible for coverage debtors who will attain age 70 or over on the maturity date of the indebtedness.
   c. A revolving credit insurance policy may exclude from the classes eligible for insurance, class of debtors determined by age, and provide for the cessation of insurance or reduction in the amount of insurance upon attainment of not less than age 70.

F. Credit disability insurance rates

1. Credit disability insurance premium rates for the insured portion of an indebtedness repayable in equal monthly installments, where the insured portion of the indebtedness decreases uniformly by the amount of the monthly installment paid, shall be as set forth in subparagraphs (a) and (b). Subparagraphs (c), (d) and (e) refer to premium rates for other types of benefits applicable to subparagraphs (a) and (b).
   a. As set forth in Exhibit A if premiums are payable on a single-premium basis for the duration of the coverage; or
   b. If premiums are paid on the basis of a premium rate per month per thousand of outstanding insured indebtedness, these premiums shall be computed according to the following formula or according to a formula approved by the Director which produces rates actuarially equivalent to the single premium rates in Exhibit A:

      $$OP_n = \frac{SP_n}{20\ \overline{n+1}\ n}$$

      Where SPn = Single Premium Rate per $100 of initial insured indebtedness repayable in n equal monthly installments (Exhibit A).
      OPn = Monthly Outstanding Balance Premium Rate per $1,000.
      n = Original repayment period, in months.
   c. The actuarial equivalent of subparagraphs (a) and (b) shall be used if the coverage provided is a constant maximum indemnity for a given period of time.
   d. An appropriate combination of the premium rate for a constant maximum indemnity for a given period of time and the premium rate for a maximum indemnity which decreases in even amounts per month, if the coverage provided is a combination of a constant maximum indemnity for a given period of time after which the maximum indemnity begins to decrease in even amounts per month.
   e. If the benefits provided are other than those described in paragraph (1) above, rates for such benefits shall be actuarially consistent with rates provided in subparagraphs (a), (b), (c), and (d) and shall be filed with and approved by the Director prior to use. Such rates shall be deemed approved after 30 days from the date of filing unless disapproved.
   f. The outstanding balance rate for credit disability insurance may be either a term specified rate or may be a single composite term outstanding balance rate applicable to all loans made under an open-end credit plan.

2. The premium rates in paragraph (1) shall apply to policies providing credit disability insurance to be issued with or without evidence of insurability, to be offered to all eligible debtors and containing:
   a. No provision excluding or denying a claim for disability resulting from preexisting conditions except for those conditions for which the insured debtor received medical advice, diagnosis or treatment within 6 months preceding the effective date of the debtor's coverage and which caused loss within the 6 months following the effective date of coverage.
   b. No other provision which excludes or restricts liability in the event of disability caused in a specified manner except that it may contain provisions excluding or restricting coverage in the event of normal pregnancy and intentionally self-inflicted injuries.
   c. No Actively at Work Test may require that the debtor be employed more than 30 hours per week.
   d. No age restrictions or only age restrictions making ineligible for coverage debtors 65 or over at the time the indebtedness is incurred or debtors who will have attained age 66 or over on the maturity date of indebtedness;
   e. A daily benefit equal in amount to 1/30 of the monthly benefit payable under the policy for the indebtedness;
   f. A definition of "disability" which provides that during the first 12 months of disability the insured shall be unable to perform the duties of his occupation at the time the disability occurred, and thereafter the duties of any occupation for which the insured is reasonably fitted by education, training or experience. This subparagraph shall not apply to lump sum disability coverage.
   g. A revolving credit insurance policy may exclude from the classes eligible for insurance classes of debtors determined by age, and provide for the cessation of insurance or reduction in the amount of insurance upon attainment of not less than age 65.

G. Experience reports

1. ~~Each insurer doing credit insurance business in this state shall submit experience reports as provided in this subsection for the experience period of each class of business which it writes.~~
2. ~~Each of the following constitutes a separate "class of business":~~
   a. ~~Credit unions;~~
   b. ~~Banks, and savings and loan institutions;~~
   c. ~~Cash loans;~~
   d. ~~Sales finance;~~
   e. ~~All others.~~
3. ~~The reports required by this subsection shall be submitted in the manner prescribed by Forms A, B1, B2, C1 and C2 attached to this rule. Insurers are expected to reproduce the forms for use according to their needs. Such experience reports shall be submitted not later than April 1st of each calendar year following the effective date of this rule and filed with the Life and Disability Division of the Department. The Director shall publish and provide instructions to be followed for completing annual experience reports.~~

H. ~~Rates and adjustments~~

~~1. Minimum Loss Ratio Test~~

   a. ~~Benefits will be presumed to be reasonable in relation to the premium charged if the ratio of claims incurred to premium earned during the most recent experience period at the rates in use produces a loss ratio that equals or exceeds the Minimum Loss Ratio Standard specified in subsection (D).~~
   b. ~~If an insurer has deviated rates approved under paragraph (3), subparagraph (a), the test will exclude the experience of the accounts for which deviated rates are in use. The reasonableness of rates for those accounts will be determined by paragraph (3).~~

2. ~~Use of prima facie rates. An insurer that has rates on file which are equal to or lower than prima facie rates may retain on file and use those rates without further proof of their reasonableness. An insurer may at any time use a rate for an account that is lower than its filed rate but must file that rate with the Director within 30 days of its use.~~
3. ~~Rate adjustments~~
   a. ~~Upward rate adjustments will not be considered unless the loss ratio which results from the Loss Ratio Test is more than 5 percentage points higher than the Minimum Loss Ratio Standard. The insurer may file for approval and upon approval use rates that are higher than prima facie rates if it can be expected that the use of such higher rates will continue to produce the minimum loss ratio standard for the accounts to which they are applied. The Director will provide instructions to be followed when calculating any upward deviation of rates.~~
   b. ~~The Director may review credit insurance experience, insurer administrative expenses, other pertinent information and prima facie rates on a class basis as frequently as he deems necessary but at least every 3 years. The Director may then amend this rule to make appropriate adjustments in the prima facie rate for a class or combination of classes.~~
   c. ~~If deviated rates are to be filed under (3)(a) of this subsection, the rate for each account which has been deviated must be redetermined on the same basis thereafter, or until the rate for the account is no longer deviated.~~
   d. ~~A deviated rate filed under (3)(a) of this subsection will be in effect for a period of time not longer than 12 months.~~

I. ~~Supervision of credit insurance operations~~

1. ~~Each insurer transacting credit insurance in this state shall periodically review creditors with which it does business to assure compliance with the insurance laws and this rule.~~
2. ~~Written records of such reviews shall be maintained by the insurer for review by the Director.~~

J. ~~Disclosure~~

~~1. When a premium or identifiable charge is payable by a debtor for credit insurance coverage offered by a creditor, at the time such insurance is applied for, disclosures shall be made to the principal debtor and copies given and retained, in accordance with state and federal law. The creditor shall also disclose the optional nature of the coverage, premium or identifiable charge separately by type of coverage, eligibility requirements, and policy limitations and exclusions. These disclosures may be made in conjunction with either~~

   a. ~~The Federal Truth-in-Lending disclosure, or~~
   b. ~~A notice of proposed insurance, or insurance policy or certificate.~~

K. ~~Reserves~~

1. ~~Credit life. For annual statement purposes, statutory reserves shall be held on a recognized mortality table, method, and rate of interest, consistent with Title 20, A.R.S.~~
2. ~~Credit disability insurance. The unearned premium reserve as defined in "D. Premium Reserves" of the Instructions to Form A of the Experience Report shall be the minimum statutory reserve for annual statement purposes.~~
3. ~~The minimum statutory reserve defined by this subsection shall be construed to be at least the equivalent of the pro rata reserve for disability insurance as required by A.R.S. § 20-508.~~

~~L. Prohibited transactions. The following practices, when engaged in by insurers in connection with the sale or placement of credit insurance, or as an inducement thereto, shall constitute unfair methods of competition and shall be subject to the Unfair Trade Practices Act of this state.~~

~~1. The offer or grant by an insurer to a creditor of any special advantage or any service not set out in either the group insurance contract or in the agency contract, other than the payment of agent's commissions;~~

~~2. design or intent that the same shall affect or take the place of a deposit of money or securities which otherwise would be required of the creditor by such bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement;~~

~~3. Deposit by an insurer of money or securities without interest or at a lesser rate of interest than is currently being paid by the creditor, bank or financial institution to other depositors of like amounts. This paragraph shall not be construed to prohibit the maintenance by an insurer of such demand deposits or premium deposit accounts as are reasonably necessary for use in the ordinary course of the insurer's business.~~

~~M. Severability. If any provision or clause of this rule or the application thereof to any person or situation is held invalid, such invalidity shall not affect any other provision or application of the rule which can be given effect without the invalid provision or application, and to this end the provisions of this rule are declared severable.~~

~~N. Effective date.~~

~~1. This rule shall take effect on June 1, 1983, and shall apply to all individual and group policies issued on or after that date.~~

~~2. Certificates, notices of proposed insurance and premium rates issued or delivered after the anniversary date of existing group policies shall conform to the requirements of this rule not later than the anniversary date of the group policy next following June 1, 1983.~~

~~3. Any group policy issued to replace an existing group policy of credit insurance or an amendment to an existing group policy of credit insurance shall be ignored for the purposes of determining the anniversary date if such change is made after January 1, 1983.~~

The definitions in A.R.S. § 20-1603 and this Section apply in R20-6-604 through R20-6-604.10.

1. "Actual loss ratio" means incurred claims divided by earned premiums at rates in use.
2. "Actuarially equivalent" means of equal actuarial present value determined as of a given date with each value based on the same set of actuarial assumptions. When used in this Article in reference to rates and coverage, "actuarially equivalent" means a rate or coverage that is actuarially determined to yield loss ratios of 50 percent for credit life insurance and 60 percent for credit disability insurance.
3. "Credit insurance" means credit life insurance, credit disability insurance, or both.
4. "Debt" has the same meaning as indebtedness in A.R.S. § 20-1603(6).
5. "Earned premiums" means earned premiums at prima facie rate and earned premiums at rates in use.
6. "Earned premiums at prima facie rate" means an insurer's actual earned premiums, adjusted to the amount that the insurer would have earned if the insurer's premium rate had equaled the current prima facie rates in effect during the experience period.
7. "Earned premiums at rates in use" means premiums that an insurer actually earns on the premium rates the insurer charges during an experience period.
8. "Evidence of individual insurability" means information about a debtor's health status or medical history that a debtor provides as a condition of credit insurance becoming effective.
9. "Experience" means earned premiums and incurred claims during an experience period.
10. "Experience period" means a period of time for which an insurer is reporting income and expense information on the insurer's credit insurance business.
11. "Final adjusted rates" means the prima facie rates in R20-6-604.04 and R20-6-604.05, subject to any deviations approved under R20-6-604.08.
12. "Incurred claims" means total claims paid during an experience period, adjusted for the change in the claim reserves.
13. "Outstanding indebtedness" means the amount a debtor has borrowed, plus any unearned interest or finance charge.
14. "Plan of credit insurance" means an insurance plan based on one of the following rate and coverage categories:
    a. Credit life insurance, other than on revolving accounts, including joint and single life coverage, decreasing and level insurance, and outstanding balance and single premium;
    b. Credit life insurance on revolving accounts;
    c. Credit life insurance on an age-graded basis;
    d. Credit disability insurance, other than on revolving accounts, including outstanding balance and single premium, and each combination of waiting period and retroactive or non-retroactive benefits;
    e. Credit disability insurance on revolving accounts, including each combination of waiting period and retroactive or non-retroactive benefits.
15. "Preexisting condition" means a condition,
    a. For which a debtor received medical advice, consultation, or treatment within six months before the effective date of credit insurance coverage; and

b. From which the debtor dies, in the case of life insurance, or becomes disabled, in the case of disability insurance, within six months after the effective date of coverage.

16. "Prima facie adjusted loss ratio" means incurred claims divided by earned premiums at prima facie rates.
17. "Prima facie rates" means the rates established by order of the Director as prescribed in R20-6-604.03.
18. "Reasonableness standard" means the requirement in A.R.S. § 20-1610(B) that an insurer's premium rates for credit insurance be reasonable in relation to the benefits provided under the policy of insurance.

~~**Exhibit A**~~
~~**Credit Disability Rates**~~

~~**RATE EXTENSIONS**~~ **Repealed**

~~DURATION~~	~~NON-RETROACTIVE 14 day~~	~~30 Day~~	~~RETROACTIVE 14 Day~~	~~30 Day~~
~~1~~	~~.23~~	~~.00~~	~~.29~~	~~0.00~~
~~2~~	~~.35~~	~~.26~~	~~.43~~	~~.39~~
~~3~~	~~.47~~	~~.35~~	~~.56~~	~~.52~~
~~4~~	~~.59~~	~~.43~~	~~.71~~	~~.65~~
~~5~~	~~.70~~	~~.51~~	~~.85~~	~~.78~~
~~6~~	~~.82~~	~~.60~~	~~.98~~	~~.91~~
~~7~~	~~.93~~	~~.68~~	~~1.13~~	~~1.04~~
~~8~~	~~1.05~~	~~.77~~	~~1.27~~	~~1.17~~
~~9~~	~~1.16~~	~~.86~~	~~1.40~~	~~1.30~~
~~10~~	~~1.28~~	~~.94~~	~~1.55~~	~~1.43~~
~~11~~	~~1.40~~	~~1.02~~	~~1.69~~	~~1.55~~
~~12~~	~~1.51~~	~~1.10~~	~~1.82~~	~~1.68~~
~~13~~	~~1.58~~	~~1.16~~	~~1.89~~	~~1.74~~
~~14~~	~~1.64~~	~~1.22~~	~~1.96~~	~~1.80~~
~~15~~	~~1.70~~	~~1.28~~	~~2.02~~	~~1.85~~
~~16~~	~~1.76~~	~~1.34~~	~~2.09~~	~~1.91~~
~~17~~	~~1.82~~	~~2.40~~	~~2.15~~	~~1.97~~
~~18~~	~~1.88~~	~~1.46~~	~~2.21~~	~~2.03~~
~~19~~	~~1.94~~	~~1.52~~	~~2.27~~	~~2.09~~
~~20~~	~~2.00~~	~~1.58~~	~~2.33~~	~~2.14~~
~~21~~	~~2.06~~	~~1.64~~	~~2.39~~	~~2.20~~
~~22~~	~~2.12~~	~~1.69~~	~~2.45~~	~~2.25~~
~~23~~	~~2.18~~	~~1.75~~	~~2.51~~	~~2.30~~
~~24~~	~~2.24~~	~~1.80~~	~~2.57~~	~~2.36~~
~~25~~	~~2.29~~	~~1.85~~	~~2.63~~	~~2.41~~
~~26~~	~~2.34~~	~~1.91~~	~~2.69~~	~~2.46~~
~~27~~	~~2.39~~	~~1.96~~	~~2.75~~	~~2.51~~
~~28~~	~~2.45~~	~~2.01~~	~~2.80~~	~~2.57~~
~~29~~	~~2.51~~	~~2.06~~	~~2.85~~	~~2.62~~
~~30~~	~~2.56~~	~~2.12~~	~~2.91~~	~~2.66~~
~~31~~	~~2.60~~	~~2.17~~	~~2.96~~	~~2.72~~
~~32~~	~~2.66~~	~~2.21~~	~~3.02~~	~~2.76~~
~~33~~	~~2.71~~	~~2.27~~	~~3.07~~	~~2.81~~
~~34~~	~~2.75~~	~~2.31~~	~~3.12~~	~~2.86~~
~~35~~	~~2.81~~	~~2.36~~	~~3.17~~	~~2.90~~
~~36~~	~~2.85~~	~~2.41~~	~~3.23~~	~~2.96~~
~~37~~	~~2.90~~	~~2.45~~	~~3.27~~	~~3.00~~
~~38~~	~~2.95~~	~~2.50~~	~~3.32~~	~~3.05~~
~~39~~	~~2.99~~	~~2.54~~	~~3.38~~	~~3.09~~
~~40~~	~~3.04~~	~~2.59~~	~~3.42~~	~~3.14~~
~~41~~	~~3.08~~	~~2.63~~	~~3.47~~	~~3.18~~
~~42~~	~~3.13~~	~~2.68~~	~~3.52~~	~~3.23~~
~~43~~	~~3.17~~	~~2.72~~	~~3.56~~	~~3.26~~
~~44~~	~~3.21~~	~~2.77~~	~~3.61~~	~~3.31~~
~~45~~	~~3.26~~	~~2.81~~	~~3.65~~	~~3.35~~
~~46~~	~~3.30~~	~~2.85~~	~~3.70~~	~~3.39~~
~~47~~	~~3.34~~	~~2.90~~	~~3.74~~	~~3.44~~
~~48~~	~~3.38~~	~~2.93~~	~~3.79~~	~~3.47~~
~~49~~	~~3.42~~	~~2.98~~	~~3.83~~	~~3.52~~
~~50~~	~~3.46~~	~~3.02~~	~~3.88~~	~~3.56~~
~~51~~	~~3.50~~	~~3.05~~	~~3.92~~	~~3.59~~
~~52~~	~~3.54~~	~~3.09~~	~~3.96~~	~~3.63~~
~~53~~	~~3.58~~	~~3.14~~	~~4.00~~	~~3.68~~
~~54~~	~~3.62~~	~~3.17~~	~~4.04~~	~~3.71~~
~~55~~	~~3.65~~	~~3.21~~	~~4.08~~	~~3.75~~
~~56~~	~~3.69~~	~~3.25~~	~~4.13~~	~~3.79~~
~~57~~	~~3.73~~	~~3.28~~	~~4.16~~	~~3.83~~

	NON-RETROACTIVE		RETROACTIVE	
DURATION	14 day	30 Day	14 Day	30 Day
58	3.76	3.32	4.20	3.86
59	3.80	3.35	4.24	3.89
60	3.83	3.39	4.28	3.93
61	3.86	3.43	4.31	3.97
62	3.90	3.46	4.35	4.00
63	3.93	3.50	4.39	4.04
64	3.97	3.53	4.43	4.07
65	4.00	3.56	4.46	4.10
66	4.03	3.59	4.49	4.13
67	4.07	3.62	4.53	4.17
68	4.10	3.66	4.57	4.20
69	4.13	3.69	4.60	4.23
70	4.16	3.72	4.64	4.27
71	4.19	3.75	4.67	4.30
72	4.22	3.78	4.70	4.33
73	4.25	3.81	4.73	4.36
74	4.28	3.84	4.76	4.39
75	4.30	3.87	4.79	4.42
76	4.33	3.90	4.82	4.45
77	4.36	3.93	4.85	4.48
78	4.38	3.96	4.89	4.51
79	4.41	3.99	4.92	4.54
80	4.44	4.02	4.94	4.57
81	4.46	4.04	4.97	4.60
82	4.49	4.07	5.00	4.62
83	4.52	4.10	5.03	4.65
84	4.54	4.13	5.06	4.68
85	4.57	4.16	5.09	4.70
86	4.59	4.18	5.12	4.73
87	4.61	4.21	5.15	4.76
88	4.64	4.23	5.17	4.79
89	4.67	4.25	5.20	4.81
90	4.69	4.28	5.23	4.84
91	4.71	4.31	5.25	4.86
92	4.73	4.33	5.27	4.89
93	4.76	4.36	5.30	4.91
94	4.78	4.38	5.33	4.94
95	4.80	4.40	5.35	4.97
96	4.82	4.43	5.38	4.99
97	4.85	4.45	5.40	5.01
98	4.87	4.48	5.42	5.03
99	4.88	4.50	5.45	5.06
100	4.91	4.52	5.47	5.09
101	4.93	4.55	5.50	5.11
102	4.95	4.57	5.52	5.14
103	4.97	4.59	5.54	5.15
104	4.99	4.61	5.57	5.18
105	5.01	4.64	5.59	5.20
106	5.03	4.66	5.61	5.22
107	5.05	4.67	5.63	5.24
108	5.07	4.70	5.65	5.27
109	5.09	4.72	5.67	5.29
110	5.11	4.74	5.69	5.31
111	5.13	4.76	5.72	5.33
112	5.15	4.79	5.74	5.36
113	5.17	4.80	5.75	5.37
114	5.18	4.82	5.78	5.39

	NON-RETROACTIVE		RETROACTIVE	
DURATION	14 day	30 Day	14 Day	30 Day
115	5.21	4.85	5.80	5.42
116	5.22	4.87	5.81	5.44
117	5.24	4.88	5.84	5.46
118	5.26	4.91	5.86	5.48
119	5.27	4.93	5.87	5.50
120	5.30	4.94	5.89	5.52
121	5.32	4.97	5.92	5.54
122	5.34	4.99	5.94	5.57
123	5.36	5.01	5.96	5.59
124	5.39	5.03	5.99	5.61
125	5.41	5.06	6.01	5.63
126	5.43	5.08	6.03	5.66
127	5.45	5.10	6.05	5.68
128	5.48	5.12	6.08	5.70
129	5.50	5.15	6.10	5.72
130	5.52	5.17	6.12	5.75
131	5.54	5.19	6.14	5.77
132	5.57	5.21	6.17	5.79
133	5.59	5.24	6.19	5.81
134	5.61	5.26	6.21	5.84
135	5.63	5.28	6.23	5.86
136	5.66	5.30	6.26	5.88
137	5.68	5.33	6.28	5.90
138	5.70	5.35	6.30	5.93
139	5.72	5.37	6.32	5.95
140	5.75	5.39	6.35	5.97
141	5.77	5.42	6.37	5.99
142	5.79	5.44	6.39	6.02
143	5.81	5.46	6.41	6.04
144	5.84	5.48	6.44	6.06
145	5.86	5.51	6.46	6.08
146	5.88	5.53	6.48	6.11
147	5.90	5.55	6.50	6.13

	NON-RETROACTIVE		RETROACTIVE	
DURATION	14 day	30 Day	14 Day	30 Day
148	5.93	5.57	6.53	6.15
149	5.95	5.60	6.55	6.17
150	5.97	5.62	6.57	6.20
151	5.99	5.64	6.59	6.22
152	6.02	5.66	6.62	6.24
153	6.04	5.69	6.64	6.26
154	6.06	5.71	6.66	6.29
155	6.08	5.73	6.68	6.31
156	6.11	5.75	6.71	6.33
157	6.13	5.78	6.73	6.35
158	6.15	5.80	6.75	6.38
159	6.17	5.82	6.77	6.40
160	6.20	5.84	6.80	6.42
161	6.22	5.87	6.82	6.44
162	6.24	5.89	6.84	6.47
163	6.26	5.91	6.86	6.49
164	6.29	5.93	6.89	6.51
165	6.31	5.96	6.91	6.53
166	6.33	5.98	6.93	6.56
167	6.35	6.00	6.95	6.58
168	6.38	6.02	6.98	6.60
169	6.40	6.05	7.00	6.62
170	6.42	6.07	7.02	5.65
171	6.44	6.09	7.04	6.67
172	6.47	6.11	7.07	6.69
173	6.49	6.14	7.09	6.71
174	6.51	6.16	7.11	6.74
175	6.53	6.18	7.13	6.76
176	6.56	6.20	7.16	6.78
177	6.58	6.23	7.18	6.80
178	6.60	6.25	7.20	6.83
179	6.62	6.27	7.22	6.85
180	6.65	6.29	7.25	6.87

STATE OF ARIZONA

DEPARTMENT OF INSURANCE
1601 WEST JEFFERSON
PHOENIX, ARIZONA 85007

CREDIT LIFE & DISABILITY INSURANCE EXPERIENCE REPORT

CALENDAR YEAR OF 19____

FORM A (SEE INSTRUCTIONS)

CLASSES OF BUSINESS: Check one;

(a) Credit Unions
(b) Banks, and Savings
(c) and Loan Associations
(c) Cash Loans
(d) Sales Finance
(e) All Others

Mode of Premium Payment:

Single Premium
Outstanding Balance (Monthly Premium)
Revolving Account

Plan of Benefits: Policy Form No: _____

Credit Life: Decreasing Single Life Gross Group
Level Joint Life Net Individual

Credit Disability_____Days, Retro Non-Retro

1. **Actual Earned Premiums** Mean Insurance in Force
   a. Gross premium written (before deduction for Dividends and Experience Rating Credits)
   b. Refunds on terminations
   c. Net (a-b)
   d. Premium reserve, beginning of period
   e. Premium reserve, end of period
   f. Actual earned premiums (c+d-e)
   g. Earned premiums at prima facie rate (Form B)
2. **Incurred Claims**
   a. Claims paid
   b. Unreported claims, beginning of period
   c. Unreported claims, end of period
   d. Claim reserve, beginning of period
   e. Claim reserve, end of period
   f. Incurred Claims (a-b+c-d+e)
3. **Loss Ratio**
   a. Actual loss ratio (2f ÷ 1f)
   b. Loss ratio at prima facie rate (2f ÷ 1g)

(See Instructions)

(Company) (Signature) (Title)

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1601 WEST JEFFERSON

PHOENIX, ARIZONA 85007

CREDIT LIFE INSURANCE EXPERIENCE REPORT

PRIMA FACIE EARNED PREMIUM

Class of business_____ Calendar Year 19 _____

Premium Mode_____ Plan of Benefits_____

Credit Life Insurance

	Actual Earned Premiums	Prima Facie Rate	Actual Premium Rate	Prima Facie Earned Premium
	Col. 1	Col. 2	Col. 3	Col. 4
A. Earned premiums at prima facie rate	_____	XXX	XXX	_____
B. Earned premiums at other than prima facie rates:				
1. _____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____
	_____	_____	_____	_____
Totals	_____	XXX	XXX	_____
	To form A, Line 1f			To Form A Line 1g

_____

(Company)

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1601 WEST JEFFERSON
PHOENIX, ARIZONA 85007

CREDIT DISABILITY INSURANCE EXPERIENCE REPORT

PRIMA FACIE EARNED PREMIUM

FORM B2 (SEE INSTRUCTIONS)

Class of business_____ Calendar Year 19 _____

Premium Mode_____ Plan of Benefits_____

Credit Disability Insurance

			Actual Earned Premium	Premium Rates: 12 mo	24 mo	36 mo	Prima Facie Earned Premium
			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
A.	Earned premiums at prima facie rate		_____	____	____	____	_____
B.	Earned premiums at other than prima facie rates:						
1.	a.	Actual Rate	XXX	____	____	____	_____
	b.	Ratio	XXX	____	____	____	_____
	c.	Earned Premium	_____	____	____	____	_____
2.	a.	Actual Rate	XXX	____	____	____	_____
	b.	Ratio	XXX	____	____	____	_____
	c.	Earned Premium	_____	____	____	____	_____
3.	a.	Actual Rate	XXX	____	____	____	_____
	b.	Ratio	XXX	____	____	____	_____
	c.	Earned Premium	_____	____	____	____	_____
			_____	____	____	____	_____
Totals			_____	XXX	XXX	XXX	_____
			To Form A, Line 1f				To Form A, Line 1g

_____

(Company)

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1601 WEST JEFFERSON

PHOENIX, ARIZONA 85007

CREDIT DISABILITY INSURANCE EXPERIENCE REPORT

RECONCILIATION TO STATE PAGE

FOR THE CURRENT YEAR OF 19 _____

FORM C1 (SEE INSTRUCTIONS)

	Premiums		Claims	
	Written	Earned	Paid	Incurred
	(Line 1c)	(Line 1f)	(Line 2a)	(Line 2f)
Credit Life:				
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
	_____	_____	_____	_____
Total Life	_____	_____	_____	_____
Annual Statement Page 46, Line 31	_____	_____	_____	_____

Explain any differences between “Total Life” and Page 46, Line 28.

_____

(Company)

STATE OF ARIZONA

DEPARTMENT OF INSURANCE

1601 WEST JEFFERSON

PHOENIX, ARIZONA 85007

CREDIT DISABILITY INSURANCE EXPERIENCE REPORT

RECONCILIATION TO STATE PAGE

FOR THE CURRENT YEAR OF 19 _____

FORM C2 (SEE INSTRUCTIONS)

	Premiums		Claims	
	Written	Earned	Paid	Incurred
	(Line 1c)	(Line 1f)	(Line 2a)	(Line 2f)
Credit Life:				
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
Page _____of _____	_____	_____	_____	_____
	_____	_____	_____	_____
Total Life	_____	_____	_____	_____
Annual Statement Page 46, Line 31	_____	_____	_____	_____

Explain any differences between “Total Disability” and Page 46, Line 31.

_____

(Company)

FORM D
DISTRIBUTION OF BENEFITS

Claim # _____ Group Policy # _____ Certificate # _____
Insured _____
Check(s) Enclosed _____ Date Account Settled _____, 19 ___
_____

Payment of proceeds under your Group Policy provides, and the law requires that the net indebtedness be discharged and any excess be paid to the named beneficiary (if any) or to estate or person/institution entitled to receive payment, and a report of distribution be filed with the Company

Paid to Lender Name _____ Amount _____

Paid to Beneficiary/Estate/Other Name _____ Amount _____

Certified By: Signature _____ Title _____
For _____
Group Policyholder/Agent

(Upon execution - forward to Company)

R20-6-604.01. Rights and Treatment of Debtors

A. Multiple Plans of Insurance. If a creditor makes more than one plan of credit insurance available to debtors, the creditor shall inform each debtor of each plan for which the debtor is eligible and of the premium and charges for each plan.

B. Substitution. If a creditor requires a debtor to have credit insurance as additional security for a debt, the creditor shall inform the debtor in writing about the right to provide alternative coverage as prescribed in A.R.S. § 20-1614 before the loan transaction is completed.

C. Termination Provisions for Group Policies. A group credit insurance policy shall provide for continued coverage of debtors covered under the policy if the policy terminates, as provided in this subsection:

1. For a policy with single premium payments, or any other payment method that prepays coverage beyond one month, a provision requiring continued insurance coverage for the entire period for which the premium has been paid; and
2. For a policy with monthly premium payments, a provision requiring the insurer to send the debtor a termination notice at least 30 days before the effective date of termination, unless an insurer is issuing replacement coverage in at least the same amount, without lapse of coverage.

D. Remittance of Premiums. If a creditor adds an insurance charge or premium to a debt, the creditor shall remit and the insurer shall collect the insurance charge or premium within 60 days after it is added to the debt.

E. Insurance on Refinanced Debt.

1. If a debt is discharged because the debtor refinances the debt before the scheduled maturity date, the creditor shall notify the insurer that issued the credit insurance on the discharged debt.
2. An insurer shall not issue any credit insurance covering the refinanced debt with an effective date that precedes the termination date of the old insurance on the original debt.
3. The insurer issuing the coverage on the discharged debt shall refund to or credit the debtor with all unearned insurance charges or premium as prescribed in R20-6-604.06.
4. If a debt is refinanced, the effective date of the policy provisions in any new insurance covering the refinanced debt is the first date on which the debtor became insured under the old policy. An insurer may apply any new exclusion periods or preexisting condition limitations only to the portion of the new loan that exceeds the old loan.

F. Maximum Aggregate Provisions. A provision in an individual policy or group certificate that sets a maximum limit on total claim payments shall apply only to that individual policy or group certificate.

G. Prepayment of Debt.

1. Except as provided in subsection (G)(2), if a debtor prepays a debt in full, any credit insurance covering the debt shall automatically terminate on the date of payment. The creditor and insurer shall refund to or credit the debtor with any unearned premium as prescribed in R20-6-604.06.
2. If a debt is fully prepaid because of a debtor's death or any other lump sum credit insurance payment, a creditor or insurer is not required to refund premium for the coverage under which the lump sum was paid.
3. If a claim under credit disability coverage is in progress at the time of prepayment, the insurer:

a. May calculate the refund as if the prepayment did not occur until the end of the period for payment of benefits, and

b. Is not required to refund premiums for any period for which credit disability benefits are payable.

H. Benefits Payable on Revolving Account. If a creditor is charging the debtor for credit insurance coverage on a revolving account, and the debtor dies, the insurer shall pay a benefit amount equal to the amount of indebtedness outstanding on the date of death, provided that the insurer may exclude preexisting conditions occurring within six months of any advance on the revolving account, running separately for each advance or charge.

R20-6-604.02. Satisfying the Reasonableness Standard

A. An insurer shall comply with all requirements of A.R.S. § 20-1610 regarding premium and insurance charges.

B. An insurer may satisfy the reasonableness standard in A.R.S. § 20-1610(B) if the insurer's premium rate develops a loss ratio of not less than 50 percent for credit life insurance and not less than 60 percent for credit disability insurance.

C. The rates described in R20-6-604.03 and R20-6-604.04, subject to any deviations approved under R20-6-604.07, ("final adjusted rates") are presumed to develop the loss ratios described in subsection (B). The Department may rebut this presumption by disapproving the rates as prescribed in A.R.S. § 20-1610.

D. If an insurer wants to provide coverage other than the standard coverage described in R20-6-604.04 and R20-6-604.05, the insurer shall file the nonstandard coverage policy information as prescribed in A.R.S. § 20-1609, and shall demonstrate that the rates for the coverage are reasonably expected to develop a loss ratio of not less than 50 percent for credit life insurance and not less than 60 percent for credit disability insurance.

R20-6-604.03. Determination of Prima Facie Rates

A. The Director shall, by order, establish prima facie rates as prescribed in this Section.

B. At least once every three years, the Director shall:

1. Determine the rate of expected claims on a statewide basis;
2. Compare the rate of expected claims with the rate of actual claims for the past three years determined from the incurred claims and earned premiums at prima facie rates; and
3. If the Director determines that an adjustment is required, issue a notice of hearing and proposed order adjusting the actual statewide prima facie rates. The hearing date on the proposed order shall be no earlier than 45 days from the date of the notice.

C. The Director shall mail a copy of the notice and proposed order to each insurer that reported transaction of credit insurance on the annual statement immediately preceding the date of the notice and any other person who has sent the Director a written request for notice of proceedings to adjust the prima facie rates.

D. Any person may submit written comments to the Director or appear at the hearing and provide oral comments on the record. Written comments shall be received no later than the close of record date specified in the notice of hearing

E. The Director shall issue a final order no later than 30 days after the close of record date specified in the hearing notice, and shall consider written and oral comments before issuing a final order.

R20-6-604.04. Credit Life Insurance Rates and Provisions

A. Pursuant to the process prescribed in R20-6-604.03, the Director shall issue an order establishing prima facie rates for credit life insurance

B. An insurer is presumed to meet the loss ratios prescribed in R20-6-604.02(B) if the insurer uses the prima facie rates, subject to the conditions and requirements in this Section and R20-6-604.08. An insurer may use the prima facie rates without filing additional actuarial support.

C. A credit life insurance policy shall meet the requirements listed in this Section. The policy shall:

1. Provide coverage for death, by whatever means caused, to all eligible debtors, without evidence of individual insurability for debtors that purchase coverage within 30 days of becoming eligible.
2. Have no exclusions other than for:
   a. Suicide within six months after the effective date of coverage.
   b. Preexisting conditions for coverage on revolving accounts.
3. Have no age restrictions, except:
   a. A policy may exclude coverage for debtors who will be age 70 or older on the maturity date of the debt; and
   b. A revolving credit life insurance policy may:
      i. Exclude classes of debtors determined by age, and
      ii. Provide for termination of insurance or reduction in the amount of insurance when a debtor reaches age 70.
4. Have, as the effective date of coverage for each part of the insurance attributable to a different advance or a charge to the plan account, the date on which the advance or charge occurs. Any exclusion period or preexisting condition limitation shall run separately for each advance or charge.

R20-6-604.05. Credit Disability Insurance Rates and Provisions

A. Pursuant to the process prescribed in R20-6-604.03, the Director shall issue an order establishing prima facie rates for credit disability insurance.

B. An insurer is presumed to meet the loss ratios prescribed in R20-6-604.02(B) if the insurer uses the prima facie rates, subject to the conditions and requirements in this Section and R20-6-604.08. An insurer may use the prima facie rates without filing additional actuarial support.

C. A credit disability insurance policy shall meet the requirements listed in this Section. The policy shall:

1. Provide coverage for disability, by whatever means caused, to all eligible debtors, without evidence of individual insurability for debtors that purchase coverage within 30 days of becoming eligible.
2. Include a definition of disability that is no more restrictive than the following:
   a. For the first 12 months of disability, the inability of the insured to perform the essential functions of the insured's own occupation; and
   b. After the first 12 months of disability, the inability of the insured to perform the essential functions of any occupation for which the insured is reasonably suited by virtue of education, training, or experience.
3. Not include any employment requirement that requires a debtor to be employed more than full-time on the effective date of coverage, with "full time" defined as a regular work week of at least 30 hours.
4. Have no exclusions other than for disabilities resulting from:

a. Normal pregnancy;
   b. Intentionally self-inflicted injury; or
   c. A preexisting condition.
5. Have, as the effective date of coverage for each part of the insurance attributable to a different advance or a charge to the plan account, the date on which the advance or charge occurs. Any exclusion period or preexisting condition limitation shall run separately for each advance or charge.
6. Not include an age restriction, except that the following age restrictions are permissible:
   a. A provision that no insurance is effective on a debtor who is age 66 or older; and
   b. A provision terminating coverage for a debtor who reaches age 66 after coverage became effective.
7. Include a provision for a daily benefit of not less than 1/30th of the monthly benefit payable under the policy.

R20-6-604.06. Refund Formulas

A. When refunding premiums as prescribed in A.R.S. § 20-1611, an insurer shall use a refund formula that is actuarially equivalent to the type of coverage the debtor purchased. An insurer's refund formula may recognize adjustments to a daily basis, for interest or payments, if the adjustments are consistent with the underlying credit transaction.

B. An insurer is not required to refund any amount under $5.

R20-6-604.07. Experience Reports

A. By April 1st of each year, an insurer that transacts credit insurance in this state shall file with the Director an experience report, on a form specified by the Director, for each class of business that the insurer transacts, as provided in this subsection.

1. In this subsection, a "class of business" means:
   a. Credit unions,
   b. Banks and savings and loan institutions,
   c. Cash loans,
   d. Sales finance, and
   e. All other.
2. The report shall include the following information:
   a. Mode of premium payment,
   b. Plan of benefits description,
   c. Earned premiums,
   d. Incurred claims,
   e. Loss ratios, and
   f. For credit life insurance, mean insurance in force.

B. For each day a report is late, the Director may assess a penalty in the same amounts prescribed in A.R.S. § 20-220.

R20-6-604.08. Use of Prima Facie Rates; Rate Deviations

A. Use of Rates Greater Than Prima Facie Rates. Pursuant to A.R.S. § 20-1610, an insurer shall file for approval and use of any deviated rates that are higher than the prima facie rates in R20-6-604.04 and R20-6-604.05.

1. The deviated rates shall meet the minimum loss ratio standards and other requirements prescribed by R20-6-604.02.
2. The filing shall specify the accounts to which the rates apply.
3. The rates may be:
   a. Applied uniformly to all accounts of the insurer; or

b. Applied on an equitable basis approved by the Director to accounts of the insurer for which the insurer's experience has been less favorable than expected.

B. Approval Period of Deviated Rates. An insurer may use a deviated rate for the same period of time as the experience period used to establish the rate, not to exceed a period of three years from the date of approval. An insurer may file for a new rate before the end of the approval period, but not more often than once in any twelve month period.

C. Approval is Non-Transferable. Approval of a deviated rate is not transferable to another insurer. If an insurer acquires an account for which another insurer obtained a deviated rate, the successor insurer may not charge the deviated rate without obtaining approval for the deviation as prescribed in subsection (B).

D. Use of Rates Lower than Filed Rates. An insurer may use a rate that is less than its filed rate without notice to the Director.

R20-6-604.09. Supervision of Consumer Credit Insurance Operations

A. At least once every three years, an insurer transacting credit insurance in this state shall review the credit insurance operations of creditors with whom the insurer does business to ensure that the creditor is complying with applicable credit insurance laws, including the following:

1. The creditor is not charging rates in excess of the prima facie rates or any deviated rates for which the insurer has obtained approval;
2. The creditor is making benefit payments as prescribed in the policy; and
3. The creditor is refunding unearned premiums as prescribed in R20-6-604.06

B. The insurer shall maintain a written record of each review for at least three years following the end of the review, for the Director's inspection.

C. Within 30 days of completing a review, the insurer shall notify the Director of any material noncompliance that the insurer finds.

R20-6-604.10. Prohibited Transactions

A. The practices listed in this Section are deemed unfair trade practices under A.R.S. § 20-442. An insurer that commits any of these practices is subject to penalties as prescribed in A.R.S. § 20-456.

1. Offering or providing a creditor with any special advantage or any service not set out in either the group insurance contract or in the agency contract, other than payment of commissions.
2. Agreeing to deposit with a bank or financial institution, the insurer's money or securities as a substitute for a deposit of money or securities that the financial institution would otherwise require from the creditor as a compensating balance or deposit offset for a loan or other advancement.
3. Depositing money or securities without interest or at a lesser rate of interest than the creditor, bank, or financial institution is currently paying on other similar deposits.

B. This subsection does not prohibit an insurer from maintaining demand deposits or premium deposit accounts that are reasonably necessary for use in the ordinary course of the insurer's business.