

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 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 34. BOARD OF MANUFACTURED HOUSING

[R07-146]

PREAMBLE

- 1. Sections Affected**

R4-34-101	<u>Rulemaking Action</u>
R4-34-204	Amend
	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. § 41-2144
Implementing statutes: A.R.S. § 41-2144
- 3. A list of all previous notices appearing in the Register addressing the proposed rules:**

Notice of Rulemaking Docket Opening: 13 A.A.R. 40, January 5, 2007
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Gary Grounds
Address:	Department of Fire, Building and Life Safety 1110 W. Washington, Suite #100 Phoenix, AZ 85007
Telephone:	(602) 364-1003
Fax:	(602) 364-1063
- 5. An explanation of the rules, including the agency's reasons for initiating the rulemaking:**

The proposed rules will add a definition of "permanent foundation" and the rules also add education plus experience requirements for installer applicants.
- 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:**

The Board did not review any study related to this rulemaking.
- 7. A showing of good cause why the rules are necessary to promote a statewide interest if the rules 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 impact of these proposed rules to licensees and consumers will be minimal. The first proposed rule will have no impact to minimal to consumers depending on their type of financing. The second proposed rule will be minimal to a licensee depending on the type of education the applicant gets.
- 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:	Gary Grounds
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Notices of Proposed Rulemaking

Address: Department of Fire, Building and Life Safety
1110 W. Washington, Suite #100
Phoenix, AZ 85007

Telephone: (602) 364-1003

Fax: (602) 364-1063

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

No oral proceedings are scheduled. Written comments on the proposed rules will be accepted by the Board addressed to the person in #4 no later than 5 p.m., Monday, June 25, 2007.

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. Any material incorporated by reference and its location in the rules:

None

13. The full text of the rules follows:

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 34. BOARD OF MANUFACTURED HOUSING

ARTICLE 1. GENERAL

Section
R4-34-101. Definitions

ARTICLE 2. LICENSING

Section
R4-34-204. Installers

ARTICLE 1. GENERAL

R4-34-101. Definitions

- A. "Act" No change
- B. "Agency" No change
- C. "Agency disclosure" No change
- D. "Agent" No change
- E. "Board" No change
- F. "Branch location" No change
- G. "Brokered transaction" No change
- H. "Co-brokered transaction" No change
- I. "Factory-built building" or "FBB" No change
- J. "HUD" No change
- K. "Incidental" No change
- L. "Lease with option to purchase" No change
- M. "New" No change
- N. "Offer to purchase in a brokered transaction" No change
- O. "Open subassembly" No change
- P.** "Permanent foundation" means a system of support and perimeter enclosure of crawl space, that is constructed of durable materials (e.g., concrete, masonry, steel, or treated wood) and developed in accordance with the manufacturer's installation instructions or designed by a licensed professional engineer. A permanent foundation has a means of attachment that effectively transfers all vertical and horizontal design loads that could be imposed on the structure by wind, snow, frost, seismic, or flood conditions if applicable, to the underlying soil or rock. Anchoring straps or cables affixed to ground anchors, other than footings, do not meet this requirement. The perimeter enclosure of a permanent foundation is designed to exclude unwanted elements and varmints, ensure sufficient ventilation, and provide for adequate access to the building.
- ~~P.Q.~~ "Purchase contract in a brokered transaction" No change
- ~~Q.R.~~ "Reconstruction" No change
- ~~R.S.~~ "Respond" No change

- ~~S.T.~~ "Retailer" No change
- ~~T.U.~~ "Standards" No change
- ~~U.V.~~ "Supplement" No change
- ~~V.W.~~ "Technical service" No change
- ~~W.X.~~ "Typical plan" No change
- ~~X.Y.~~ "Used home" No change

ARTICLE 2. LICENSING

R4-34-204. Installers

The Department shall place an installer's license application into one of the following license classes, based on the listed activities that limit the scope of each class:

1. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
 - f. No change
 - g. No change
 - h. No change
 - i. No change
2. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
3. No change
 - a. No change
 - b. No change
 - c. No change
4. Installer applicants. In addition to the applicable requirements in subsections (1)-(3), an applicant for an installer I-10C, I-10D, or I-10G license shall:
 - a. Have a minimum of three years practical or field management experience in the specific type of installation, a related construction field, or the equivalent, for which the applicant is applying. At least two of the three years experience shall be within ten years of the date of application. At the Department's discretion technical training in the specific type of installation, a related construction field, or the equivalent, from an accredited college or university or from Department of Fire, Building and Life Safety workshop for no more than one year of the three years experience required in subsection (a);
 - b. Supply a written, notarized statement from the employer, appropriate regulatory agency or other qualified individual, which includes the name, address, and contact phone number of the individual(s) making the statement, the dates in subsection (a) of the applicant's employment and a description of the position held, as proof of the experience requirement; and
 - c. Supply written documentation in the form of official transcripts or certificates of completion for any technical training the applicant wishes the Department to consider as part of meeting the requirement in subsection (b).

NOTICE OF PROPOSED RULEMAKING

TITLE 9. HEALTH SERVICES

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

[R07-159]

PREAMBLE

- | | |
|------------------------------------|---------------------------------|
| 1. <u>Sections Affected</u> | <u>Rulemaking Action</u> |
| R9-22-712.35 | Amend |
| R9-22-712.40 | Amend |
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 36-2903.01
Implementing statute: A.R.S. § 36-2903.01
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 13 A.A.R. 41, January 5, 2007
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**

The proposed rules have been updated with an adjustment to the percentage applicable to Critical Access Hospitals (CAH). As of July 1, 2005 a new Outpatient Capped Fee for Service Schedule was created for outpatient payments. In addition to the regular payment that is calculated and described in the new schedule from 2005 a percentage adjustment to this amount was also required for those rural hospitals and specialty services.

From a recent review of data it has been substantiated that the majority of CAH's have been negatively impacted by the estimated adjustment percentage that was applied in 2005. This was contrary to what the Administration had forecasted in 2005. The Administration believes that with the proposed change in the adjustment fee percentage to 115%, five of eight CAH facilities will no longer be negatively impacted when compared to payments based on an updated CCR had no methodology change occurred.

In addition to the adjustment fee impact, it was also noted that a need to clarify rule R9-22-712.40 was needed to describe that the Administration may update new and revised procedure codes and APC groups.
- 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:**

No study was reviewed or used to rely on for the changes applicable to the proposed rules.
- 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 AHCCCS Administration believes that with the proposed change in the adjustment fee percentage to 115% five of eight CAH facilities will no longer be negatively impacted by the new payment methodology.

This change is estimated to have a fiscal impact to AHCCCS of approximately \$1.5 million based on current utilization.

The clarification provided in reference to the procedure codes and APC groups is estimated to have a nominal impact since it only clarifies how new and existing procedure codes and APC groups are updated.

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: Mariaelena Ugarte
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4693
Fax: (602) 253-9115
E-mail: AHCCCSRules@azahcccs.gov

Proposed rule language will be available on the AHCCCS web site www.azahcccs.gov the week of May 7, 2007. Please send written comments to the above address by 5:00 p.m., June 27, 2007. E-mail comments will be accepted.

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:

Date: June 27, 2007
Time: 3:30 p.m.
Location: AHCCCS
701 E. Jefferson
Phoenix, AZ 85034
Nature: Public Hearing

Date: June 27, 2007
Time: 3:30 p.m.
Location: ALTCS: Arizona Long-term Care System
110 S. Church, Suite 1360
Tucson, AZ 85701
Nature: Public Hearing

Date: June 27, 2007
Time: 3:30 p.m.
Location: ALTCS: Arizona Long-term Care System
3480 E. Route 66
Flagstaff, AZ 86004
Nature: Public Hearing

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 9. HEALTH SERVICES

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

ARTICLE 7. STANDARDS FOR PAYMENTS

Section

R9-22-712.35. Outpatient Hospital Reimbursement: Adjustments to Fees

R9-22-712.40. Outpatient Hospital Reimbursement: Annual and Periodic Update

ARTICLE 7. STANDARDS FOR PAYMENTS

R9-22-712.35. Outpatient Hospital Reimbursement: Adjustments to Fees

- A. AHCCCS shall increase the fees established under R9-22-712.20 (except for laboratory services) for the following hospitals submitting any claims:
1. By 48 percent for public hospitals on July 1, 2005, as well as hospitals that were public in calendar year 2004.
 2. By 45 percent for hospitals in counties other than Maricopa and Pima with more than 100 Medicare PPS beds during the year in which the rates are effective.
 3. By 50 percent for hospitals in counties other than Maricopa and Pima with 100 or less Medicare PPS beds during the year in which the rates are effective.
 4. By ~~92~~ 115 percent for hospitals designated as Critical Access Hospitals, or for hospitals that have not been designated as Critical Access Hospitals, but meet the criteria.
 5. By 113 percent for a freestanding children's hospital with at least 110 pediatric beds.
 6. By 14 percent for a University Affiliated Hospital defined as those hospitals that have a majority of the member of its board of directors appointed by the Board of Regents.
- B. In addition to subsection (A) the following increase may be established: A 50 percent adjustment for a Level 2 and 3 emergency department procedures billed by a level 1 Trauma center as defined by R9-22-2101.
- C. Fee adjustments in subsection (A) are available with the AHCCCS Outpatient Capped Fee-For Service Schedule on file and online with AHCCCS.

R9-22-712.40. Outpatient Hospital Reimbursement: Annual and Periodic Update

- A. Procedure Codes. AHCCCS shall add new procedure codes for covered outpatient services and shall either assign the default CCR, the Medicare rate, or calculate an appropriate fee when procedure codes are issued by CMS or the Current Procedural Terminology published by the American Medical Association.
- B.** APC Changes. AHCCCS may reassign procedure codes to new or different APC groups when APC groups are revised by Medicare. AHCCCS may reassign procedure codes to a different APC group than Medicare or not assign to any APC when AHCCCS determines that utilization of the code within the Medicare program is substantially different from the AHCCCS program. For procedure codes not grouped into an APC by Medicare, AHCCCS may assign the code to an APC group when AHCCCS determines that the cost and resources associated with the non-assigned code are substantially similar to those in a particular APC group.
- ~~B~~**C.** Annual Update ~~For~~ for Outpatient Hospital Fee Schedule. Beginning October 1, 2006, AHCCCS shall adjust outpatient fee schedule rates:
1. On an annual basis by multiplying the rates effective during the prior year by the Global Insight Prospective Hospital Market Basket Inflation Index; or
 2. In any given year the director may substitute the increases in (B)(1) by calculating the dollar value associated with the inflationary increase in (B)(1), and applying that dollar value to adjust rates at varying levels.
- ~~C~~**D.** Rebase. AHCCCS shall rebase the outpatient fees every five years.
- ~~D~~**E.** Statewide CCR. The statewide CCR shall be recalculated at the time of rebasing, at which time AHCCCS may consider recalculating the statewide CCR based on the costs and charges for those services excluded from the outpatient hospital fee schedule.