NOTICES OF FINAL RULEMAKING

This section of the *Arizona Administrative Register* contains Notices of Final Rulemaking. Final rules have been through the regular rulemaking process as defined in the Administrative Procedures Act. These rules were either approved by the Governor's Regulatory Review Council or the Attorney General's Office. Certificates of Approval are on file with the Office.

text of the rules as filed by the agency. Economic Impact Statements are not published.

The Office of the Secretary of State is the filing office and publisher of these rules. Questions about the interpretation of the final rules should be addressed to the agency that promulgated the rules. Refer to Item #5 to contact the person charged with the rulemaking. The codified version of these rules will be published in the *Arizona Administrative Code*.

The final published notice includes a preamble and

NOTICE OF FINAL RULEMAKING

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY SOCIAL SERVICES

[R16-231]

PREAMBLE

<u>1.</u> Article, Part, or Section Affected (as applicable)	Rulemaking Action
R6-5-5201	Amend
R6-5-5202	Amend
R6-5-5207	Amend
R6-5-5217	Amend
R6-5-5218	Amend
R6-5-5219	Amend

2. <u>Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):</u>

Authorizing statute: A.R.S. § 41-1954(A)(3)

Implementing statute: A.R.S. § 46-809

3. <u>The effective date of the rules:</u>

a. If the agency selected a date earlier than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the earlier date and state the reason or reasons the agency selected the earlier effective date as provided in A.R.S. § 41-1032(A)(1) through (5):

October 28, 2016

The Department requests that the rule be effective immediately on filing in the office of the Secretary of State and the time and date are affixed as provided in A.R.S. § 41-1031, for the following reasons:

To provide a benefit to the public and a penalty is not associated with a violation of the rule. 41-1032(A)(4);and

To adopt a rule that is less stringent than the rule that is currently in effect and that does not have an impact on the public health, safety, welfare or environment, or that does not affect the public involvement and public participation process. 41-1032(A)(5)

- b. If the agency selected a date later than the 60 day effective date as specified in A.R.S. § 41-1032(A), include the later date and state the reason or reasons the agency selected the later effective date as provided in A.R.S. § 41-1032(B):
 Not applicable
 Not applicable
- 4. <u>Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the proposed rulemaking:</u>

Notice of Rulemaking Docket Opening: 22 A.A.R. 1065, May 6, 2016 Notice of Proposed Rulemaking: 22 A.A.R. 1029, May 6, 2016

5. <u>The agency's contact person who can answer questions about the rulemaking:</u> Name: Rodney K. Huenemann

Address: Department of Economic Security P.O. Box 6123, Mail Drop 1292 Phoenix, AZ 85005

	Or
	Department of Economic Security 1789 W. Jefferson St., Mail Drop 1292 Phoenix, AZ 85007
Telephone:	(602) 542-6159
Fax:	(602) 542-6000
E-mail:	rhuenemann@azdes.gov

6. <u>An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking:</u>

This rulemaking is in response to a Five-year Review Report, approved by the Governor's Regulatory Review Council on September 9, 2014. This rulemaking will address concerns identified in a rulemaking petition that the current rule unnecessarily restricts the number of organizations that are allowed to provide training in first aid and infant/child cardiopulmonary resuscitation (CPR) to family child care home providers. The current rule defines acceptable first aid and infant/child CPR training as a course approved by the American Red Cross or the American Heart Association. The proposed rule will adjust the definition of "acceptable training" to include a classroom or blended-learning course which <u>conforms</u> to the current guidelines of the American Red Cross or the American Heart Association, as confirmed in writing by the training provider. Additionally, this rulemaking will make technical corrections to correct typographical errors and incorrect citations.

- 7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material: The Department did not review or rely on any study relevant to the rules.
- 8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state: Not applicable

9. A summary of the economic, small business, and consumer impact:

All Department certified family child care providers are small business owners who contract with Child Care Administration to care for children of Department clients. The current rule significantly limits the options of choosing first aid and CPR courses especially in the rural areas. Because of the limited availability, some providers are unable to comply with the first aid and CPR training requirement within 60 days after receiving a child care certificate. In addition, the providers, in some cases, find themselves incurring higher cost due to limited availability and not being able to wait for better options. Having more training available means less burden on the providers who will benefit from having additional opportunities to choose the training that is affordable, timely, and that fits their needs.

10. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

There are no substantive changes between the proposed rules, published on May 6, 2016, and the final rules. In R6-5-5202(R), in the second sentence, the word "completeness" was added after "administrative" to correct an omission. In response to a public comment, the definition of "acceptable training" was changed to include a "classroom or blended-learning course" in R6-5-5207(C).

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

The Department received a written request on May 18, 2016, from the Health and Safety Institute, to amend the rules to permit training and certification using hybrid (blended) learning approaches in addition to the traditional classroom approach. The Department agreed with the request and changed the definition of "acceptable training" to include a classroom or blended-learning course in R6-5-5207(C).

- 12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions: No other matters are prescribed.
 - a. <u>Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used:</u>

These rules do not require a permit.

b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law:

The Child Care and Development Block Grant (CCDBG) Act of 1990 and 45 CFR 98 and 99 are applicable to the subject of the rule. The Department has determined that the rules are not more stringent than corresponding federal law.

- Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness <u>c.</u> of business in this state to the impact on business in other states: No analysis was submitted.
- 13. A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rule: None
- 14. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages: Not applicable
- 15. The full text of the rules follows:

TITLE 6. ECONOMIC SECURITY

CHAPTER 5. DEPARTMENT OF ECONOMIC SECURITY SOCIAL SERVICES

ARTICLE 52. CERTIFICATION AND SUPERVISION OF FAMILY CHILD CARE HOME PROVIDERS

Section

- R6-5-5201. Definitions
- R6-5-5202. Initial Application for Certification
- Maintenance of Certification: General Requirements; Training R6-5-5207.

R6-5-5217. Meals and Nutrition

R6-5-5218. Health Care; Medications

R6-5-5219. Recordkeeping; Unusual incidents; Immunizations

ARTICLE 52. CERTIFICATION AND SUPERVISION OF FAMILY CHILD CARE HOME PROVIDERS

R6-5-5201. Definitions

No change

- 1. No change
- 2. No change
- 3. No change
- 4. No change
- 5. No change
- 6. No change
- 7. No change
- 8. No change
- No change 9.
- 10. No change
- 11. No change
- 12. No change
- 13. No change
- 14. No change
- 15. No change
- 16. No change
- 17. No change
- 18. No change
- 19. No change
- 20. No change
- 21. No change
- 22. No change
 - a. No change
 - b. No change
 - c. No change
- 23. No change
- 24. No change
- 25. No change
- 26. No change
- 27. No change

- 28. No change
- 29. No change
- 30. No change
 - a. No change
 - b. No change
- 31. No change
- 32. No change
- 33. No change
- 34. No change
- 35. "Neglect" has the same meaning ascribed in A.R.S. § 8-201(21) 8-201.
- 36. No change
- 37. No change
- 38. No change
- 39. No change
- 40. No change
- 41. No change
 - a. No change
 - b. No change
 - c. No change
 - d. No change
 - e. No change
- 42. No change
- 43. No change
- 44. No change
- 45. No change

R6-5-5202. **Initial Application for Certification**

- A. No change
- **B.** No change
- C. No change
- **D.** No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- E. No change
- F. No change
 - 1. No change
 - 2. No change
 - 3. No change
- **G.** No change
- H. No change I.
 - No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - 6. No change
 - 7. No change
 - 8. No change
 - 9. No change

 - 10. No change
 - 11. No change
 - 12. No change
 - 13. No change
 - 14. No change
- J. No change K. No change
- An applicant shall furnish proof that the applicant, the individual backup provider, and members of the applicant's L. household who are age 13 or younger are immune from measles, rubella, diphtheria, tetanus, pertusis, pertusis, polio, and any other diseases for which routine immunizations are readily and safely available.

- 1. No change
- 2. No change
 - a. No change
 - b. No change
- **M.** No change
 - 1. No change
 - a. No change
 - b. No change
- 2. No change
- N. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - 6. No change
- **O.** No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
- P. No change
- Q. No change
- R. The Department shall send an applicant a notice of administrative completeness or deficiency, as described in A.R.S. § 41-1074, indicating the additional information, if any, that the applicant must provide for a complete application package. The Department shall send the notice after receiving the application and before expiration of the administrative completeness review time-frame described in R6 5 5204 R6-5-5205. If the applicant does not supply the missing information listed in the notice, the Department may close the file.
- S. No change
- **T.** No change

R6-5-5207. Maintenance of Certification: General Requirements; Training

- A. No change
- B. No change
- C. No later than 60 days after the date of provider certification, a provider and individual backup providers shall furnish the Department with proof of acceptable first aid training and certification in infant/child cardiopulmonary resuscitation ("CPR"). As used in this Section, "acceptable training" means a <u>classroom or blended-learning</u> course approved by that conforms to the current guidelines of the American Red Cross or the American Heart Association, as confirmed in writing by the training provider. The Department may extend the time for completing this requirement and children may remain in care during an extension, if:
 - 1. No change
 - 2. No change
- **D.** No change
- E. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - 6. No change
 - 7. No change
 - 8. No change
 - 9. No change
 - 9. No change
- **F.** No change **G.** No change
- **H.** No change
- I. No change
- J. No change
- **K.** No change
- L. No change
- M. No change
- N. No change
- **O.** No change
 - 1. No change

2. No change

R6-5-5217. **Meals and Nutrition**

- A. No change
- B. No change
- C. No change D. No change
- E. No change
- F. A provider shall monitor all perishable foods, including infant formulas and sack lunches. The provider shall ensure that food is individually labeled with a child's name, dated, covered, and properly stored to prevent spoilage- at temperatures of 45°F or less.

R6-5-5218. Health Care; Medications

- A. No change
- **B.** No change
 - 1. No change
 - 2. No change
- C. No change
- **D.** No change
- E. No change
- F. No changeG. No change
- H. No change
 - 1. No change
 - 2. No change
- I. No change
 - 1. No change
 - 2. No change
 - 3. No change
 - The dosage administered. 4.
 - A provider shall use a sanitary medication measure for accurate dosage.
- **J.** A provider shall use a sanitary medication measure for accurate dosage. **J.** K.No change
- K.L.No change

L.M.No change

R6-5-5219. **Recordkeeping; Unusual incidents; Immunizations**

- A. No change
- **B.** No change
- C. No change
- **D.** No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
 - 6. No change
 - 7. No change
 - 8. No change
- **E.** No change
 - 1. No change
 - 2. No change
 - 3. No change
 - 4. No change
 - 5. No change
- **F.** No change
 - 1. No change
 - a. An immunization record prepared by the child's health care provider stating that child has received current, age-appropriate immunizations specified in R9 6 701R9-6-702, including immunizations for Diphtheria, homophiles influenza Haemophilus influenzae type b, Hepatitis B, Measles, Mumps, Pertusis, Pertusis, Poliomyelitis, Rubella, and Tetanus;
 - b. No change
 - c. No change

- If a child has received all current immunizations but requires further inoculations to be fully immunized, the provider shall require the parent to verify that the parent will have the child complete all immunizations in accordance with the DHS recommended schedule identified in R9-6-701 <u>R9-6-702</u>. The provider shall:
 - a. No change
 - b. No change
- 3. No change
- G. No change

NOTICE OF FINAL RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

[R16-232]

PREAMBLE

<u>1.</u>	Article, Part, or Section Affected (as applicable)	Rulemaking Action
	Article 4	New Article
	R9-22-401	New Section
	R9-22-402	New Section
	R9-22-403	New Section
	R9-22-404	New Section
	R9-22-405	New Section
	R9-22-406	New Section
	R9-22-407	New Section
	R9-22-408	New Section

2. Citations to the agency's statutory rulemaking authority to include the authorizing statute (general) and the implementing statute (specific):

Authorizing statutes: A.R.S. § 36-2903.01(F)

Implementing statutes: A.R.S. §§ 36-2905.04 and 36-2991

3. The effective date of the rule:

October 19, 2016

4. <u>Citations to all related notices published in the *Register* as specified in R1-1-409(A) that pertain to the record of the proposed rule:</u>

Notice of Rulemaking Docket Opening: 22 A.A.R. 1293, May 20, 2016

Notice of Proposed Rulemaking: 22 A.A.R. 1289, May 20, 2016

5. <u>The agency's contact person who can answer questions about the rulemaking:</u>

Name:James MaguireAddress:AHCCCS
Office of Administrative Legal Services
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034Telephone:(602) 417-4693
Fax:Fax:(602) 253-9115
AHCCCSRules@azahcccs.govE-mail:AHCCCSRules@azahcccs.gov

6. An agency's justification and reason why a rule should be made, amended, repealed or renumbered, to include an explanation about the rulemaking: A.R.S. §§ 36-2905.04 and 36-2991 provide for the control and deterrence of fraud relating to AHCCCS eligibility,

A.R.S. §§ 36-2905.04 and 36-2991 provide for the control and deterrence of fraud relating to AHCCCS eligibility, including the Hospital Presumptive Eligibility (HPE) program, through the discretionary imposition of a civil penalty on those persons who obtain AHCCCS eligibility through fraudulent means. A.R.S. §§ 36-2905.04(E) and 36-2991(E) require the AHCCCS Director to adopt rules providing for the appeal of a decision to impose such a penalty. The Administration will promulgate rules necessary for the imposition and appeal of penalties resulting from eligibility fraud, including fraud associated with the HPE program. 7. A reference to any study relevant to the rule that the agency reviewed and proposes either to rely on or not to rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:

A study was not referenced or relied upon when adding these regulations as A.R.S. §§ 36-2905.04(E) and 36-2991(E) require AHCCCS to promulgate these rules.

- 8. A showing of good cause why the rulemaking is necessary to promote a statewide interest if the rulemaking will diminish a previous grant of authority of a political subdivision of this state: Not applicable
- 9. A summary of the economic, small business, and consumer impact:

The Administration anticipates a minimal economic impact on the implementing agency, small businesses and consumers. AHCCCS currently pursues civil remedies against those who obtain AHCCCS eligibility through fraudulent means; therefore, AHCCCS does not anticipate that adding these regulations to its recovery efforts will have more than a minimal economic impact.

In SFY 2015, the AHCCCS Member Compliance section, through prosecutions and repayment agreements, recovered \$812,124.14 in money from persons who obtained eligibility through fraudulent means. In addition, the unit saved \$840,008.24 by discontinuing the eligibility of persons who were deemed ineligible due to non-residency in Arizona, unreported income, impermissible transference of resources and other misrepresentations.

The Administration anticipates an increase of 10% to 25% above the existing recovery amounts within the next fiscal year as a result of this rulemaking, which represents a potentially positive economic impact for the implementing agency.

10. A description of any changes between the proposed rulemaking, to include supplemental notices, and the final rulemaking:

No changes were made between the proposed rulemaking and the final rulemaking.

11. An agency's summary of the public or stakeholder comments made about the rulemaking and the agency response to the comments:

No comments were received.

- 12. All agencies shall list other matters prescribed by statute applicable to the specific agency or to any specific rule or class of rules. Additionally, an agency subject to Council review under A.R.S. §§ 41-1052 and 41-1055 shall respond to the following questions:
 - a. Whether the rule requires a permit, whether a general permit is used and if not, the reasons why a general permit is not used: Not applicable
 - b. Whether a federal law is applicable to the subject of the rule, whether the rule is more stringent than federal law and if so, citation to the statutory authority to exceed the requirements of federal law: The following federal law applies to the subject of this rulemaking:

42 C.F.R. Part 455 requires AHCCCS to maintain a fraud detection and investigation program to maintain the integrity of the Arizona Health Care Cost Containment System.

This rulemaking is not more stringent than, or prohibited by, federal law.

- c. Whether a person submitted an analysis to the agency that compares the rule's impact of the competitiveness of business in this state to the impact on business in other states: No analysis was submitted.
- 13. <u>A list of any incorporated by reference material as specified in A.R.S. § 41-1028 and its location in the rule:</u> None
- 14. Whether the rule was previously made, amended or repealed as an emergency rule. If so, cite the notice published in the Register as specified in R1-1-409(A). Also, the agency shall state where the text was changed between the emergency and the final rulemaking packages: Not applicable
- **<u>15.</u>** The full text of the rules follows:

TITLE 9. HEALTH SERVICES

CHAPTER 22. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION

ARTICLE 4. REPEALED PENALTY FOR OBTAINING ELIGIBILITY BY FRAUD

Section	
R9-22-401.	Repealed Definitions
R9-22-402.	Repealed Determining the Amount of the Penalty
R9-22-403.	Repealed Mitigating and Aggravating Circumstances
R9-22-404.	Repealed Notice of Intent
R9-22-405.	Repealed Failure to Respond to the Notice of Intent
<u>R9-22-406.</u>	Request for State Fair Hearing
R9-22-407.	Burden of Proof
DO 00 400	

ARTICLE 4. REPEALED PENALTY FOR OBTAINING ELIGIBILITY BY FRAUD

R9-22-401. Repealed Definitions

Definitions. The following definitions apply specifically to terms used within this Article:

"Amounts incurred by the system" include capitation payments, costs incurred by any contractor in excess of capitation, reinsurance, and other administrative, legal or investigative costs associated with a person who obtained eligibility contrary to A.R.S. §§ 36-2905.04 and/or A.R.S. § 36-2991.

"Application for eligibility" means any request for benefits administered by AHCCCS under the authority of A.R.S. Title 36, Chapter 29, including applications for presumptive eligibility submitted to hospitals as described under Article 16 of this Chapter.

"Penalty" means an amount not to exceed the amounts incurred by the system during any time period that the person would have been ineligible for benefits but for the false or fraudulent information provided on the application for eligibility. A penalty does not include, and does not need to be reduced by, the amount of any overpayments that AHCCCS may be entitled to recoup from a person who violated A.R.S. § 36-2905.04 and/or A.R.S. § 36-2991.

R9-22-402. Repealed Determining the Amount of the Penalty

- A. <u>AHCCCS shall determine the amount of a penalty according to A.R.S. § 36-2905.04(B) or A.R.S. § 36-2991(B), whichever is applicable, and this Article.</u>
- **B.** In addition to any penalty imposed pursuant to ARS §§ 36-2905.04 or 36-2991, and this Article, the Administration may also recoup from the person the amounts incurred by the system as a part of the notice and appeal process described in this Article.

R9-22-403. Repealed <u>Mitigating and Aggravating Circumstances</u>

- A. <u>AHCCCS shall consider any of the following to be mitigating circumstances when determining the amount of a penalty</u> for obtaining eligibility by fraud.
 - 1. Degree of culpability. The degree of culpability of a person is a mitigating circumstance if the person did not intend to provide or cause to be provided false information on the application for eligibility but was negligent as to the truthfulness of the information provided.
 - 2. <u>Prior Offenses. At the time of the submittal of the application the person:</u>
 - a. Did not have any prior criminal convictions; and
 - b. Had not been held civilly liable for defrauding a public assistance program.
 - 3. Financial condition. The financial condition of a person who violates A.R.S. §§ 36-2905.04 or 36-2991 is a mitigating circumstance if the imposition of a penalty without reduction will render the person incapable of obtaining necessities of life such as food, clothing, and shelter. AHCCCS may consider the resources available to the person when determining the amount of the penalty.
 - 4. Other matters as justice may require. AHCCCS shall take into account other circumstances of a mitigating nature, if in the interest of justice; the circumstances require a reduction of the penalty.
- **B.** AHCCCS shall consider any of the following to be aggravating circumstances when determining the amount of a penalty for obtaining eligibility by fraud.
 - 1. Degree of culpability. The degree of culpability of a person who provides or causes to be provided false information on the application for eligibility is an aggravating circumstance if the person knows or had reason to know that the information provided on the application for eligibility was false, or the person failed to correct the false information prior to AHCCCS incurring a financial loss as a result of the application for eligibility.
 - 2. Prior offenses. At any time before the submittal of the application for eligibility, the person was held criminally or civilly liable for committing any fraud, waste, or abuse against any public assistance program.
 - 3. Financial Loss. The person's violation of A.R.S. §§ 36-2905.04 or 36-2991 caused a loss to the system equal to or exceeding \$5,000.00.
 - 4. Other matters as justice may require. AHCCCS shall take into account other circumstances of an aggravating nature, if in the interest of justice; the circumstances require an increase of the penalty.

R9-22-404. Repealed Notice of Intent

- A. If AHCCCS imposes a penalty pursuant to this Article, AHCCCS shall hand deliver or send by certified mail, return receipt requested, or Federal Express to the person, a written Notice of Intent to impose a penalty.
- **B.** The Notice of Intent shall include:

<u>R9-22-408.</u> <u>Rescission of the Notice of Intent</u>

- 1. The legal and factual basis for AHCCCS' determination that there has been a violation of A.R.S §§ 36-2905.04 and/or 36-2991;
- 2. <u>The penalty;</u>
- 3. The amounts incurred by the system as a result of the violation of A.R.S. §§ 36-2905.04 and/or 36-2991, if AHC-CCS intends to recoup those amounts through this process; and
- 4. The procedure for requesting a State Fair Hearing.

R9-22-405. Repealed <u>Failure to Respond to the Notice of Intent</u>

If a person fails to respond to the Notice of Intent within the timeframe described in A.A.C. § R9-22-406(A), AHCCCS shall uphold the penalty and recoupment amounts described in the Notice of Intent.

<u>R9-22-406.</u> Request for State Fair Hearing

- A. To dispute the agency action described in the Notice of Intent, the person shall file a written Request for State Fair Hearing with AHCCCS within sixty (60) days from the date of receipt of the Notice of Intent.
- B. If AHCCCS receives a timely request for a State Fair Hearing from the person, AHCCCS shall mail a Notice of Hearing pursuant to the Uniform Administrative Hearing Procedures described in A.R.S. Title 41, Chapter 6, Article 10.
 C. AHCCCS shall accept a written request for withdrawal of a hearing request if the written request for withdrawal is
- C. AHCCCS shall accept a written request for withdrawal of a hearing request if the written request for withdrawal is received from the person before AHCCCS mails a Notice of Hearing under the Uniform Administrative Hearing Procedures described in A.R.S. Title 41, Chapter 6, Article 10.

<u>R9-22-407.</u> Burden of Proof

- A. In any State Fair Hearing conducted under this Article, AHCCCS shall prove a violation of A.R.S. §§ 36-2905.04 and/ or 36-2991, and any aggravating circumstances by a preponderance of the evidence.
- **B.** AHCCCS does not have to prove any specific intent to defraud.
- C. A person shall bear the burden of producing and proving by a preponderance of the evidence any affirmative defense or any circumstance that would justify reducing the amount of the penalty.

<u>R9-22-408.</u> Rescission of the Notice of Intent

AHCCCS may rescind the Notice of Intent at any time prior to the State Fair Hearing without prejudice.