



Healthcare Licensing Reform - Protecting Arizona's Most Vulnerable

From the sober living home crisis to reports of abuse and neglect in long-term care living facilities, it's clear Arizona needs more accountability in healthcare settings. That starts with how we inspect, enforce, and license facilities. The governor will seek changes to help root out fraud, waste, and abuse in healthcare settings and enact common sense reforms to protect vulnerable Arizonans.

Governor Hobbs' proposal to invest \$24.8 million in Healthcare Licensing Reform will:

- Ensure that offending facilities cannot erase their violation history by transferring ownership
- Increasing penalties violations, or for failing to appropriately report patient harm
- Standardize inspection frequency for nursing and residential care facilities
- Establish minimum standards for Memory Care
- Strengthen enforcement authority against unlicensed or fraudulent sober living homes
- Give Adult Protective Services the authority to seek emergency protective orders if necessary in the course of an investigation

By the Numbers:

- **\$10 million** ongoing to the Arizona Healthcare Cost Containment System (AHCCCS) for targeted rate behavioral health rate increases; these increases are limited to specific codes, and are a first step in a larger strategy to restore quality care within the AHCCCS system
- **\$10 million** ongoing for AHCCCS to incentivize participation in behavioral health quality improvement initiatives and activities
- **\$1.9 million** ongoing and **\$157,500** one-time to the Department of Health Services (ADHS) to increase workforce capacity for licensing, inspections, complaints, and enforcement; this will ensure ADHS has a robust workforce to swiftly respond to complaints while maintaining routine operations
- **\$500,000** ongoing and **\$900,000** one-time to ADHS to add sober living homes and behavioral health residential facilities to the AZ Care Check Portal, and to establish a quality rating system for residential and nursing care institutions, with ongoing funding to support systems maintenance and operations costs
- **\$485,500** ongoing and **\$10,000** one-time to the Department of Economic Security (DES) for 3 additional long-term care ombuds; these staff identify, investigate, and resolve complaints made by, or on behalf of, residents in Arizona's long-term care facilities. The remainder of the funding will be used to support the volunteer ombuds program through

the Area Agencies on Aging, which provides an important supplement to the state positions.

- **\$271,400** ongoing and **\$2,500** one-time at ADOA to add an Arizona State Hospital (ASH) ombudsman to independently review and investigate all complaints and grievances filed by patients at ASH
- **\$500,000** one-time to ADHS to commission an independent assessment of Arizona's network of services for persons with mental illness, including ASH
- **\$100,000** ongoing at ADHS to add an in-house counsel position

What's at stake:

- Restoring accountability, trust, and quality for Arizonans served by long-term care, assisted living, sober living homes, and other licensed healthcare settings and residences
- Holding sober living homes accountable for false, misleading, or deceptive practices