ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

COMMITTEE ON REGULATORY AFFAIRS

Report of Regular Meeting
Wednesday, March 22, 2023
House Hearing Room 5 -- 2:00 P.M.

Convened 3:32 P.M.
Recessed
Reconvened
Adjourned 4:46 P.M.

MINUTES RECEIVED
CHIEF CLERK'S OFFICE
3-23-23

Members Present
Representative Bravo
Representative Gutierrez
Representative Hernandez
Representative Payne
Representative McGarr, Vice-Chairman
Representative Hendrix, Chairman

Agenda
Original Agenda – Attachment 1

Request to Speak
Report – Attachment 2

Committee Attendance
Report – Attachment 3

Committee Action

Bill	Action	Vote	Attachments
SB1252	DP	7-0-0-0	4, 5
SB1334	DP	7-0-0-0	6, 7
SB1382	DPA	6-1-0-0	8, 9, 10
SB1503	DP	4-3-0-0	11, 12

Julie Ryberg, Committee Secretary
March 23, 2023

(Original attachments on file in the Office of the Chief Clerk; video archives available at http://www.azleg.gov)

REVISED - 3/21/23 REVISED - 3/21/23 REVISED - 3/21/23

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

Convened 3:32 pm
Adjourned 4:46 pm

REGULAR MEETING AGENDA

COMMITTEE ON REGULATORY AFFAIRS

DATE Wednesday, March 22, 2023 ROOM HHR 5 TIME 2:00 P.M.

Members of the public may access a livestream of the meeting here:
https://www.azleg.gov/videoplayer/?clientID=6361162879&eventID=2023031098

Members:

Representative Bravo
Representative Gutierrez
Representative Hernandez A
Representative Payne
Representative Peña
Representative McGarr, Vice-Chairman
Representative Hendrix, Chairman

Bills		Short Title	Strike Everything Title
~~*SB1202~~	~~_____~~	~~banking; fees; licensing~~	
		~~(Kaiser)~~	
	~~_____~~	~~RA w/d, WM, RULES~~	
SB1252	DP	child fatality review committee; establishment(now: maltreatment oversight committee; establishment)	
	7-0-0-0	(Shamp: Borrelli, Gowan, et al)	
		RA, RULES	
SB1334	DP	advanced practice nurses; compact	
		(Shamp)	
	7-0-0-0	RA, RULES	
*SB1382	DPA	pharmacy benefit managers; certificate requirements	
		(Shamp)	
	6-1-0-0	RA, RULES	
SB1503	DP	explicit content; age verification; internet(now: internet; verification; harmful to minors)	
		(Rogers: Bennett, Borrelli, et al)	
	4-3-0-0	RA, RULES	

* On previous agenda

ORDER OF BILLS TO BE SET BY THE CHAIRMAN

RA
~~03/16/2023~~
03/21/2023

People with disabilities may request reasonable accommodations such as interpreters, alternative formats, or assistance with physical accessibility. If you require accommodations, please contact the Chief Clerk's Office at (602) 926-3032 or through Arizona Relay Service 7-1-1.

Attachment 1

Information Registered on the Request to Speak System

House Regulatory Affairs (3/22/2023)

SB1252, child fatality review committee; establishment (NOW: maltreatment oversight committee; establishment)

Testified in support:
Meghaen Dell'Artino, The Center For The Rights Of Abused Children

Testified as neutral:
Melissa Compian, ARIZONA DEPARTMENT OF CHILD SAFETY

Support:
Lisa Gentry, representing self; Theresa Breithaupt, representing self

SB1334, advanced practice nurses; compact

Testified in support:
Steven Moortel, National Council Of State Boards Of Nursing (NCSBN) ; Shannon Bitza, representing self

Testified as opposed:
kathyrn busby, Arizona Nurses Association; Denise Link, PhD, WHNP, representing self; Heather Ross, representing self

Support:
Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE; Meghan McCabe, AZ HOSPITAL & HEALTHCARE ASSN; Brittney Kaufmann, HEALTH SYSTEM ALLIANCE OF ARIZONA; Lisa Gentry, representing self; Theresa Breithaupt, representing self; Kelli May Douglas (on behalf of the Department of Defense), representing self; Diane Caruso, representing self

All Comments:
Meghan McCabe, AZ HOSPITAL & HEALTHCARE ASSN: AzHHA strongly supports the APRN Compact, which will increase access to care, particularly for rural Arizona hospitals where APRNs serve as primary care providers.; Brittney Kaufmann, HEALTH SYSTEM ALLIANCE OF ARIZONA: The ability for APRNS to work across states and electronically is important to meeting our nursing workforce needs & improved access to quality healthcare.; Kelli May Douglas (on behalf of the Department of Defense), Self: Available to provide comments virtually or by phone, if requested.; kathyrn busby, Arizona Nurses Association: Apparently amendment is not being offered in committee as was expected.; Denise Link, PhD, WHNP, Self: This APRN Compact does not increase patient access to care nor does it facilitate APRN licensure where ever their patients reside

Attachment 2

SB1382, pharmacy benefit managers; certificate requirements

Testified in support:

Dianne McCallister, Az Independent Pharmacists Coalition, AZ PHARMACY ASSOCIATION; Teresa Dickinson, representing self; Julie Hoffman , representing self

Testified as neutral:

Kelsey Lundy, Pharmaceutical Care Management Association (PCMA)

Support:

Monique Whitney, representing self; Meghan McCabe, AZ HOSPITAL & HEALTHCARE ASSN; Amanda Rusing, AZ MEDICAL ASSN; Theresa Breithaupt, representing self

Neutral:

Jay Kaprosy, CIGNA CORPORATE SERVICES LLC; Chad Heinrich, Arizonans For Affordable Health Coverage; Jaime Molera, CVS HEALTH; Stan Barnes, UNITED HEALTHCARE SERVICES, INC.; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE

Oppose:

Lisa Gentry, representing self

All Comments:

Jay Kaprosy, CIGNA CORPORATE SERVICES LLC: Neutral with proposed committee amendment.; Jaime Molera, CVS HEALTH: Neutral with amendment; Stan Barnes, UNITED HEALTHCARE SERVICES, INC.: Neutral with amendment; Mike Huckins, GREATER PHOENIX CHAMBER OF COMMERCE: Neutral with the adoption of the Hendrix amendment

SB1503, explicit content; age verification; internet (NOW: internet; verification; harmful to minors)

Testified in support:

Greg Blackie, representing self; Rob Hudelson, representing self; Luke Myers, representing self

Support:

Dianne Post, representing self; Lisa Gentry, representing self; Theresa Breithaupt, representing self

Oppose:

Sharon Lee, representing self

All Comments:

Dianne Post, Self: Contact information must be protected to prevent trolling. But pornography is very harmful and violent to women and girls.

PLEASE COMPLETE THIS FORM FOR THE PUBLIC RECORD

HOUSE OF REPRESENTATIVES

Please PRINT Clearly

Committee on Regulatory Affairs Bill Number 1503

Date 3/22/23 ☐ Support ☒ Oppose ☐ Neutral

Name Marilyn Rodriguez Need to Speak? ☒ Yes ☐ No

Representing ACLU of Arizona Are you a registered lobbyist? Y

Complete Address

E-mail Address Phone Number

Comments:

FIVE-MINUTE SPEAKING LIMIT

ARIZONA STATE LEGISLATURE

Fifty-sixth Legislature - First Regular Session

COMMITTEE ATTENDANCE RECORD

COMMITTEE ON **REGULATORY AFFAIRS**

CHAIRMAN: Laurin Hendrix VICE-CHAIRMAN: Cory McGarr

	DATE	03/22/23	/23	/23	/23	/23
	CONVENED	3:32 pm	m	m	m	m
	RECESSED					
	RECONVENED					
	ADJOURNED	4:46 pm				
MEMBERS						
Bravo		✓				
Gutierrez		✓				
Hernandez A		✓				
Payne		✓				
Peña		✓				
McGarr, Vice-Chairman		✓				
Hendrix, Chairman		✓				

√ Present --- Absent exc Excused

Attachment 3

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: GOV DP 5-3-0-0 | 3rd Read 18-12-0-0

SB 1252: maltreatment oversight committee; establishment
Sponsor: Senator Shamp, LD 29
Committee on Regulatory Affairs

Overview

Establishes the Independent Maltreatment Fatality and Near Fatality Oversight Committee (Oversight Committee) to conduct reviews of each child maltreatment fatality or near fatality. Describes the Oversight Committee's membership, duties, powers and confidentiality requirements.

History

Laws 1993, Chapter 245 established the Child Fatality Review Team (Team) within the Department of Health Services (DHS). The Team is required to: 1) develop a child fatalities collection system and provide system training; 2) conduct an annual report on the incidence and causes of child fatalities during the past fiscal year; 3) encourage and assist in the development of local child fatality review teams; 4) develop standards and protocols for local child fatality review teams and child fatality investigations; 5) determine and take steps to implement changes that are needed to decrease the incidence of preventable child fatalities; 6) provide case consultation to local teams and educate the public on child fatalities; 7) develop and distribute an informational brochure describing the Team; and 8) evaluate maternal fatalities and unexplained infant deaths (A.R.S. § 36-3501).

The Department of Child Safety (DCS) must maintain DCS information as required by federal law and provide the information, when necessary, to specified bodies for their duties. *DCS information* includes all information DCS gathers during an investigation, with outlined exclusions. Furthermore, DCS must promptly provide the public with information regarding a case of child abuse, abandonment or neglect that has resulted in a fatality or near fatality. A *near fatality* is an act that, as certified by the child's treating physician, places a child in serious or critical condition (A.R.S. §§ 8-807, 8-807.01). A health care provider must also disclose medical or payment records or the information contained in such records without the patient's written authorization as required by law or when ordered by specified bodies (A.R.S. § 12-2294).

Additionally, a *qualified young adult* is a former dependent child who is between 18 to 21 years old, meets the criteria for an extended foster care program and signs a voluntary agreement to participate (A.R.S. § 8-201).

Provisions

Oversight Committee Membership

1. Creates the Oversight Committee in the Arizona Department of Administration (ADOA) that consists of five advisory members or their designees and nine members appointed by the Director of ADOA. (Sec. 5)
2. Stipulates that the outlined advisory members are nonvoting members and do not count toward a quorum. (Sec. 5)
3. Outlines criteria for the members appointed by the Director of ADOA, including that they:

a) may not be current or former DCS employees;
b) must select a chairperson; and
c) serve staggered three-year terms, with specified exceptions. (Sec. 5)

4. Specifies the Oversight Committee members:
   a) may not receive compensation or reimbursement for expenses; and
   b) may employ an executive director with experience in DCS. (Sec. 5)
5. Provides the term lengths for the members appointed by the Director of ADOA. (Sec. 6)

Oversight Committee Requirements

6. Requires the Oversight Committee to:
   a) conduct a thorough review of each child maltreatment fatality or near fatality as prescribed;
   b) inform the child's parents, guardian or caregiver that a review has commenced and of their ability to present information to the Oversight Committee;
   c) develop an understanding of the circumstances surrounding a child maltreatment fatality or near fatality;
   d) critically analyze the child safety system's interactions with the child and their family to identify specified improvements;
   e) identify best practices and services that may have prevented the fatality or near fatality;
   f) maintain a publicly accessible website that includes biographies of members, annual reports, data and trends and reports of recommendations and responses;
   g) analyze and publish annual data and trends on observations made during fatality and near fatality reviews for a 10-year period as outlined;
   h) produce, publish and distribute, on or before June 30th annually, the prescribed annual child maltreatment fatality or near fatality report;
   i) post the annual child maltreatment fatality or near fatality report, omitting any personal identifying information, in an easily accessible format on its website; and
   j) submit a copy of the annual child maltreatment fatality or near fatality report to the specified entities. (Sec. 5)

Oversight Committee Records Access and Confidentiality

7. Instructs DCS to provide the Oversight Committee access to necessary DCS information to perform its duties. (Sec. 2)
8. Authorizes a health care provider to disclose medical or payment records and a clinical laboratory to disclose laboratory results to the Oversight Committee without the written authorization of the patient or their health care decision maker. (Sec. 3)
9. Directs the Team, upon finding that a child's fatality resulted from maltreatment, to submit to the Oversight Committee:
   a) the child's death certificate;
   b) a notice of finding that abuse or neglect contributed to the child's death; and
   c) the status of the case with DCS at the time of the child's death. (Sec. 4)
10. Allows the Oversight Committee to have ongoing access to complete and unredacted records from DCS and direct remote access to any case management system used by DCS. (Sec. 5)
11. Enables the Oversight Committee to have access to relevant records and information from any state agency, educational institution or medical provider of the child and their immediate family and household members. (Sec. 5)
12. Entitles an Oversight Committee chairperson or their designee to be provided access to relevant records and information as outlined within five days of their request. (Sec. 5)

13. Permits a law enforcement agency, with approval from a prosecuting attorney, to withhold records that interfere with a pending criminal investigation or prosecution, including information requested by a subpoena. (Sec. 5)
14. Grants the Oversight Committee chairperson or their designee the authority to apply to the superior court for a subpoena to compel the production of evidence, in the manner provided by the law. (Sec. 5)
15. States all information and records used by the Oversight Committee are confidential from civil or criminal proceedings or subpoena, excluding any information that is otherwise available from other sources. (Sec. 5)
16. Extends the confidentiality requirement to Oversight Committee members, attendees and presenters, though a person may testify to independently obtained or publicly available information. (Sec. 5)
17. Exempts Oversight Committee meetings when the facts and circumstances of a child maltreatment fatality or near fatality are reviewed from the statutory requirement that they be open to the public. (Sec. 5)
18. Designates a violation of the established confidentiality requirements as a class 2 misdemeanor. (Sec. 5)
19. Adds that DCS must notify the Oversight Committee of a confirmed child maltreatment fatality or near fatality within 48 hours and provide ongoing and unredacted access to any material about the case. (Sec. 5)

Miscellaneous

20. Defines *child*, *committee*, *department*, *near fatality* and *qualified young adult*. (Sec. 5)
21. Contains a purpose statement. (Sec. 6)
22. Makes technical and conforming changes. (Sec. 1, 2, 3, 4, 6)

☐ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Regulatory Affairs BILL NO. SB 1252

DATE March 22, 2023 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Bravo		✓			
Gutierrez		✓			
Hernandez A		✓			
Payne		✓			
Peña		✓			
McGarr, Vice-Chairman		✓			
Hendrix, Chairman		✓			
		7	0	0	0

APPROVED:

LAURIN HENDRIX, Chairman
CORY MCGARR, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 5

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

SB 1334: advanced practice nurses; Compact
Sponsor: Senator Shamp, LD 29
Committee on Regulatory Affairs

Overview

Adopts the Advanced Practice Registered Nurse Compact (Compact) to allow for multistate uniform licensure for advanced practice registered nurses (APRNs).

History

An *APRN* is a registered nurse who meets all prescribed licensure or certification requirements and who has undergone graduate-level education to practice advanced practice nursing (American Nurses Association). Currently, Arizona provides for licensure for four types of APRNs: 1) registered nurse practitioner; 2) certified nurse midwife; 3) clinical nurse specialist; and 4) certified registered nurse anesthetist (A.R.S. Title 32, Chapter 15, Articles 1 and 2). The Arizona State Board of Nursing (AZBN) is tasked with certifying APRN applicants in accordance with statutory requirements and AZBN rules (AZBN).

The Compact, a mutual recognition model of licensure for APRNs that allows an APRN to hold one multistate license with a privilege to practice in other Compact states, was adopted by the National Council of State Boards of Nursing (NCSBN) in 2002. The Compact went through several revisions. In 2020, NCSBN introduced the newly revised APRN Compact. This revised APRN Compact, including mandatory 2,080 practice hours among other uniform licensure requirements, was adopted at the 2020 NCSBN Delegate Assembly (AZBN APRN Compact Survey).

Provisions

Multistate APRN Uniform Licensure

1. Requires a party state to implement procedures for considering the criminal history records of applicants for initial APRN licensure or APRN licensure by endorsement, which must include submitting fingerprints or other biometric-based information to obtain such records from the Federal Bureau of Investigation (FBI) and the agency responsible for retaining that state's criminal records.
2. Outlines the APRN uniform licensure requirements for an applicant to obtain or retain a multistate license in the home state as follows:
   a) meets the home state's qualifications for licensure or renewal and all applicable state laws;
   b) completed either an accredited graduate-level education program that prepares the applicant for one of the four recognized roles and one of the six population foci or a foreign APRN education program as outlined.
   c) passed an English proficiency examination, if applicable;
   d) passed a national certification exam that measures APRN, role and population-focused competencies;
   e) maintains continued competence as evidenced by recertification in the role and population focus through the national certification program;

f) holds an active, unencumbered license as a registered nurse and an active, unencumbered authorization to practice as an APRN;
g) passed an NCLEX-RN exam or recognized predecessor, as applicable;
h) practiced for at least 2,080 hours, not including hours obtained as part of enrollment in an APRN education program, as outlined;
i) submitted fingerprints or other biometric data to obtain criminal history records from the FBI and agency responsible for retaining the state or, if applicable, foreign country's criminal records;
j) has not been convicted or found guilty, or entered an agreed disposition of a felony offense under applicable state, federal or foreign criminal law, or a misdemeanor offense related to the practice of nursing as determined by rules adopted by the commission;
k) is not currently enrolled in an alternative program;
l) is subject to self-disclosure requirements regarding current participation in an alternative program; and
m) has a valid U.S. social security number.

3. Requires an APRN who is issued a multistate license to be licensed in an approved role and at least one approved population focus.
4. Defines *population focus* as a family/individual across the lifespan, adult-gerontology, pediatrics, neonatal, women's health/gender-related or psych/mental health.
5. Defines *role* as certified registered nurse anesthetists, certified nurse-midwives, clinical nurse specialists or certified nurse practitioners.
6. Requires each party state to recognize an APRN multistate license as authorizing the APRN to practice in each party state, under a multistate licensure privilege, in the same role and population focus as the APRN is licensed in the home state.
7. Specifies that the Compact does not affect the requirements established by a party state for issuing a single-state license, but an applicant's failure to opt for a single-state license may result in the issuance of a multistate license.
8. Requires the issuance of a multistate license to include prescriptive authority for noncontrolled prescription drugs.
9. Stipulates that an APRN seeking authority to prescribe controlled substances must satisfy all requirements imposed by the state in which the APRN seeks such authority.
10. Authorizes an APRN issued a multistate license to assume responsibility and accountability for patient care independent of a supervisory or collaborative relationship.
11. Authorizes all party states, in accordance with state due process laws, to take adverse action against an APRN's multistate licensure privileges, including revocation, suspension, probation or any other action that affects the multistate licensure privilege.
12. Requires a party state that takes an adverse action to promptly notify the administrator of the Coordinated License Information System (System), who must promptly notify the home state.
13. Defines the *System* as an integrated process for collecting, storing and sharing information on APRN licensure and enforcement activities related to APRN licensure laws that is administered by a nonprofit organization composed of and controlled by licensing boards.
14. Requires an APRN practicing in a party state to comply with the state practice laws of the state in which the client is located at the time service is provided, except as otherwise expressly provided in the Compact.

15. Specifies that APRN practice includes all advanced nursing practice as defined by the state practice laws of the party state.

16. Specifies that APRN practice in a party state subjects the APRN to the jurisdiction of the licensing board, courts and laws of the party state in which the client is located at the time service is provided.

17. Stipulates that the Compact does not affect additional requirements imposed by states for advanced practice registered nursing, except as otherwise specified, but requires party states to recognize multistate licensure as satisfying any state law requirement for registered nurse (RN) licensure as a precondition for authorization to practice as an APRN in that state.

18. Allows individuals who do not reside in party states to continue to apply for a single-state APRN license as provided under the laws of that party state and specifies such a license will not be recognized as granting the privilege to practice as an APRN in any other party state.

Application

19. Requires the licensing board in the issuing party state, on application for a license, to ascertain through the System whether:
    a) the applicant has ever held or is the holder of a licensed practical or vocational nursing, RN or APRN license issued by another state;
    b) there are any encumbrances on any license or multistate licensure privilege held by the applicant;
    c) any adverse action has been taken against any license or multistate licensure privilege held by the applicant; and
    d) the applicant is currently participating in an alternative program.

20. Permits an APRN to hold a multistate APRN license issued by the home state in only one party state at a time.

21. Requires an APRN who moves between party states to apply for APRN licensure in the new home state of residence and specifies the license issued by the prior home state must be deactivated in accordance with applicable rules of the Interstate Commission of APRN Compact Administrators (Commission).

22. Allows an APRN to apply for licensure in advance of a change in primary state of residence.

23. Prohibits a license from being issued by the new home state until the APRN:
    a) provides satisfactory evidence of a change in primary state of residence; and
    b) satisfies all applicable requirements to obtain a license from the new home state.

24. Specifies that if an APRN moves from a party state to a nonparty state, the APRN multistate license converts to a single-state license valid only in the former home state.

Licensing Boards

Authorizes a licensing board to:
    a) take adverse action against an APRN's multistate licensure privilege to practice in that party state, subject to specified limitations below;
    b) issue cease and desist orders or impose an encumbrance on an APRN's authority to practice within that party state;
    c) complete any pending investigations of an APRN who changes primary state of residence during an investigation and take action, then promptly report the conclusions of the investigation to System administrator, who must promptly notify the new home state of any such actions;
    d) issue subpoenas for hearings and investigations that require attendance and testimony of witnesses and production of evidence;

e) obtain and submit applicant fingerprints or other biometric-based information for criminal background checks, receive the results and use them in making licensure decisions;
f) recover from the affected APRN, if allowed by state law, the costs of investigations and disposition of cases resulting from any adverse action taken against that APRN; and
g) take adverse action based on the factual findings of another party state if the licensing board follows its own procedures for taking such adverse action.

25. Specifies that only the home state has the power to take adverse action against an APRN's license issued by the home state.

26. Requires, for purposes of taking adverse action, the home state licensing board to give the same priority and effect to reported conduct that occurred outside the home state as it would have if the conduct occurred within the home state and directs the home state to apply its own state laws to determine the appropriate action.

27. Prescribes the requirements for issuance of subpoenas by a party state licensing board.

28. Directs the issuing licensing board to pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which the witnesses and evidence are located.

29. Requires multistate licensure privilege to be deactivated if adverse action is taken by a home state against an APRN's license until all encumbrances have been removed.

30. States that all home state disciplinary orders that impose adverse action against a license to include a statement that the APRN's licensure privilege is deactivated in all party states during the pendency of the order.

31. Specifies that the Compact does not override a party state's decision that participation in an alternative program may be used in lieu of adverse action.

32. Requires the home state licensing board to deactivate the multistate licensure privilege of any APRN for the duration of the APRN's participation in an alternative program.

System

33. Requires party states to participate in a System of all APRNs, licensed RNs and practical or vocational nurses, including information on the license and disciplinary history of each APRN submitted by party states, to assist in the coordinated administration of APRN licensure and enforcement efforts.

34. Requires the Commission, in coordination with the System administrator, to formulate procedures to identify, collect and exchange information under the Compact.

35. Stipulates that all licensing boards must promptly report the following to the System:
a) any adverse action and current significant investigative information;
b) denials of applications with the reasons for the denial; and
c) APRN participation in alternative programs known to the board, regardless of whether such participation is deemed nonpublic or confidential under state law.

36. Allows all party state licensing boards contributing information to the System to designate information that may not be shared with nonparty states or disclosed to others without the express permission of the contributing state.

37. Prohibits any personally identifiable information obtained from the System by a party state licensing board from being shared with nonparty states or disclosed to others except to the extent allowed by the laws of the party state contributing the information.

38. Requires any information subsequently required to be expunged by the laws of the party state contributing the information to be removed from the System.

39. Requires the Compact administrator of each party state to furnish a uniform data set to the administrator of each party state that includes at least the following:
    a) identifying information;
    b) licensure data;
    c) information related to alternative program participation; and
    d) other information that may facilitate the administration of the Compact, as determined by commission rules.

40. Requires the Compact administrator of a party state to provide all investigative documents and information requested by another party state.

Commission

41. Establishes the Commission as an instrumentality of the party states.

42. Requires judicial proceedings by or against the Commission be brought in a court of competent jurisdiction where the principal office of the Commission is located.

43. Allows the Commission to waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternative dispute resolution proceedings.

44. States that the Compact is not a waiver of sovereign immunity.

45. Limits each party state to one Compact administrator who is the head of the state licensing board or that person's designee.

46. Allows the administrator to be suspended, removed from office or replaced as allowed by state law.

47. Entitles each administrator to one vote related to rules and bylaws.

48. Requires the Commission to meet at least once during each calendar year.

49. Requires meetings to be open to the public and with public notice.

50. Allows a closed nonpublic meeting to discuss:
    a) noncompliance of a party state with Compact obligations;
    b) personnel matters as specified;
    c) current, threatened or reasonably anticipated litigation;
    d) negotiation of contracts to purchase or sell goods, service or real estate;
    e) accusing any person of a crime or formally censuring any person;
    f) disclosure of trade secrets or commercial or financial information that is privileged or confidential;
    g) disclosure of personal information that would constitute a clearly unwarranted invasion of personal privacy;
    h) disclosure of information related to reports prepared by or on behalf of the Commission to investigate Compact compliance; and
    i) matters specifically exempt from disclosure by federal or state statute.

51. Outlines requirements for certifying closed meetings, referencing the relevant exemption and keeping minutes.

52. Requires the Commission to prescribe bylaws and rules, including:
    a) establishing a fiscal year;
    b) providing reasonable standards and procedures for establishing other committees and delegating Commission authority or function;

c) providing reasonable procedures for calling and conducting meetings, including public participation and closed meetings;
d) establishing titles, duties and authority and reasonable procedures for electing officers;
e) providing reasonable standards and procedures for establishing personnel policies and Commission programs; and
f) providing a mechanism for winding up the operations and equitable disposition of surplus monies after paying and reserving all debts and obligations.

53. Requires the Commission to publish its bylaws, rules and amendments in a convenient form on its website.

54. Requires the Commission to maintain its financial records in accordance with its bylaws.

55. Authorizes the Commission to:
a) create uniform rules for the Compact, which have the force and effect of law and are binding in all party states;
b) bring and prosecute legal actions provided that the standing of any licensing board to sue or be sued under applicable law is not affected;
c) purchase and maintain insurance and bonds;
d) borrow, accept or contract for personnel, including employees of a party state or nonprofit organizations;
e) cooperate with other organizations that administer state Compacts regarding nursing, as outlined;
f) hire employees, elect or appoint officers, fix compensation, define duties, grant authority and establish policies regarding conflicts of interest, qualifications of personnel and other related personnel matters;
g) accept appropriate donations, grants and gifts of monies, equipment, supplies, materials and services, striving to avoid any appearance of impropriety or conflict of interest;
h) lease, purchase, accept appropriate gifts or donations of property, whether real, personal or mixed, striving to avoid any appearance of impropriety;
i) sell, convey or otherwise dispose of any property, whether real, personal or mixed;
j) establish a budget and make expenditures;
k) borrow monies;
l) appoint committees as specified;
m) issue advisory opinions;
n) provide and receive information from, and cooperate with, law enforcement agencies;
o) adopt and use an official seal; and
p) perform other functions as necessary to achieve the purposes of the Compact consistent with state regulation of APRN licensure and practice.

56. Requires the Commission to pay or provide for the payment of reasonable expenses of its establishment, organization and ongoing activities.

57. Allows the Commission to levy and collect an annual assessment from each party state to cover the cost of its operations, activities and staff in its annual budget as approved each year.

58. Requires the aggregate annual assessment amount to be allocated based on a formula to be determined by the Commission by rule.

59. Prohibits the Commission from incurring obligations before securing the monies adequate to meet those obligations or pledging the credit of any party state except by and with the authority of such party state.

60. Requires the Commission to keep accurate accounts of all receipts and disbursements, which are subject to the audit and accounting procedures under its bylaws and requires a yearly

audit by a certified or licensed public accountant and the report to be included in the Commission's annual report.

61. Details immunity from claims of civil liability as outlined for specified Commission-related individuals.

62. Requires the Commission to defend specified Commission-related individuals in any civil liability action arising out of prescribed circumstances.

63. Requires the Commission to indemnify and hold harmless any specified Commission-related individual for any settlement or judgment obtained against that person as outlined if the actual or alleged act, error or omission did not result from the intentional, wilful or wanton misconduct of that person.

Rulemaking

64. Specifies that rules and amendments have the same force and effect as the Compact.

65. Requires rules or amendments to be adopted at a regular or special Commission meeting.

66. Requires the Commission to file a notice of proposed rulemaking on the Commission's website and the website of each licensing board or as each state would otherwise publish proposed rules before promulgation and adoption of a final rule and at least 60 days before the meeting at which the rule will be considered and voted on.

67. Details what must be included in the notice of proposed rulemaking.

68. Requires the Commission to allow persons to submit written data, facts, opinions and arguments, which must be made available to the public, before adopting a rule.

69. Requires the Commission to publish information about the public hearing and to allow public comment orally or in writing.

70. Requires all hearings to be recorded, with a copy made available on request.

71. Allows rules to be grouped at hearings.

72. Requires the Commission to consider all written and oral comments as specified.

73. Requires the Commission to take final action on the proposed rule by majority vote of all administrators and to determine its effective date.

74. Allows emergency rules as outlined under specified circumstances but requires the usual procedures to be followed as soon as reasonably possible but not later than 90 days after the rule's effective date.

75. Permits the Commission to direct revisions to a rule or amendment to correct typographical or formatting errors, errors in consistency or grammatical errors, with public notice and subject to challenge.

Oversight, Dispute Resolution and Enforcement

76. Requires each party state to enforce the Compact and take actions necessary and appropriate to effectuate the Compact's purposes and intent.

77. Entitles the Commission to receive service of process in proceedings that may affect the powers, responsibilities or actions of the Commission and specifies that the Commission has standing to intervene in such a proceeding.

78. States that failing to provide service of process to the Commission renders a judgment or order void as to the Commission, the Compact or rules.

79. Specifies the Commission shall provide the following if it determines that a party state has defaulted in performing its obligations or responsibilities under the Compact or rules:
    a) written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default and any other action to be taken by the Commission; and
    b) remedial training and specific technical assistance regarding the default.
80. Allows the defaulting state's membership in the Compact to be terminated if the state fails to cure the default, on the affirmative vote of a majority of the administrators and all rights, privileges and benefits conferred by the Compact to be terminated on the effective date of the termination.
81. Specifies that a cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default.
82. Allows termination of membership to be imposed only after all other means of securing compliance have been exhausted.
83. Requires the Commission to give notice of intent to suspend or terminate to the governor of the defaulting state and to the executive officers of the licensing board, the licensing board and each of the party states.
84. Specifies that a terminated state is responsible for all assessments, obligations and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date of termination.
85. Prohibits the Commission from bearing any costs related to a state found to be in default or whose membership has been terminated unless agreed in writing.
86. Outlines requirements for a defaulting state to appeal.
87. Requires the Commission, on request by a party state, to attempt to resolve Compact disputes that arise among party states and between party and nonparty states.
88. Requires the Commission to adopt a rule providing for mediation and binding dispute resolution for disputes, as appropriate.
89. Outlines requirements if the Commission cannot resolve disputes, including for arbitration.
90. Requires the Commission, in the reasonable exercise of its discretion, to enforce the Compact and related rules and specifies requirements for legal action.
91. Stipulates the remedies in the Compact are not the exclusive remedies of the Commission, which may pursue other remedies available under federal or state law.

Effective Date, Withdrawal and Amendment

92. Specifies that the Compact comes into limited effect when it is enacted in seven party states for the sole purpose of establishing and convening the Commission to adopt rules relating to its operation.
93. Subjects any state that joins the Compact after the Commission's initial adoption of the APRN uniform licensure requirements to all Commission rules that were previously adopted.
94. Allows a party state to withdraw from the Compact by repealing the Compact but prohibits the withdrawal from taking effect until six months after enactment of the repealing statute.
95. Prohibits a party state's withdrawal or termination from affecting the continuing requirement of that state's licensing board to report adverse actions and significant investigations occurring before the effective date of the withdrawal or termination.

96. Specifies that the Compact does not invalidate or prevent any APRN licensure agreement or other cooperative arrangement between a party state and a nonparty state that does not conflict with the Compact.

97. Allows the Compact to be amended by the party states, which becomes effective and binding after enactment into law by all party states.

98. Permits representatives of nonparty states to be invited to participate in Commission activities on a nonvoting basis before the adoption of the Compact by all states.

Miscellaneous

99. Specifies that the Compact does not supersede state law related to the applicable APRN scope of practice or related rules and does not alter the scope of practice.

100. Requires APRNs practicing in this state to comply with the applicable scope of practice pursuant to state law.

101. Specifies that the Commission does not have the authority to alter the scope of practice for APRNs practicing in this state.

102. Allows the Governor to withdraw the state from the Compact if:
   a) the Commission adopts a rule to change the scope of practice of APRNs in this state; and
   b) a law is enacted that repeals the Compact.

103. Outlines findings and purposes related to uniform APRN regulation and licensure.

104. Requires the Compact to be liberally construed to effectuate its purposes.

105. Contains a severability clause.

106. Defines pertinent terms.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Regulatory Affairs BILL NO. SB 1334

DATE March 22, 2023 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Bravo		✓			
Gutierrez		✓			
Hernandez A		✓			
Payne		✓			
Peña		✓			
McGarr, Vice-Chairman		✓			
Hendrix, Chairman		✓			
		7	0	0	0

APPROVED:

LAURIN HENDRIX, Chairman
CORY MCGARR, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 7

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: 5-2-0-0 | 27-2-1-0

SB 1382: pharmacy benefit managers; certificate requirements
Sponsor: Senator Shamp, LD 29
Committee on Regulatory Affairs

Overview

Effective January 1, 2025, requires all pharmacy benefit managers to obtain a certificate of authority to operate and prescribes the Department of Insurance and Financial Institution's role, responsibilities and authority.

History

The Department of Insurance and Financial Institutions (DIFI) oversees insurance companies and related professionals through its adopted administrative rules and guidelines conferred by the power and authority of Arizona law. Statute allows the Director of DIFI (Director) to conduct examinations and investigations of insurance matters, including those for adjusters, producers and brokers and other regulated individuals. The Director also establishes guidelines for insurers of home health services prescribed by a physician or registered nurse practitioner, and skilled professional care in a home comparable to that provided in a hospital as outlined. (A.R.S. § 20-142).

A pharmacy benefit manager (PBM) is a person, business or other entity that, under a contract or an employment relationship with an insurer or third-party payor, either directly or through an intermediary manages the prescription drug coverage provided by the insurer or other third-party payor, including: 1) the processing and payment of claims for prescription drugs; 2) the performance of drug utilization review; 3) the processing of drug prior authorization requests; 4) the adjudication of appeals or grievances related to prescription drug coverage; 5) contracting with network pharmacies; and 6) controlling the cost of covered prescription drugs (A.R.S. § 20-3321)

Statute prohibits a PBM from: 1) limiting a pharmacist or pharmacy from providing an insured individual information on the amount of the insured's cost share for the insured's prescription drug and the clinical efficacy of a more affordable alternative; 2) penalizing a pharmacy or pharmacist for disclosing such information to an insured; and 3) requiring a pharmacist or pharmacy to charge or collect from an insured a copayment that exceeds the total submitted charged by the network pharmacy (A.R.S. § 44-1752)

Provisions

1. Requires a valid certificate of authority to operate as a PBM and makes the certificate of authority renewable on a biennial basis. (Sec. 1)
2. Describes the required information that a PBM must submit to the Director to obtain the certificate of authority to operate. (Sec. 1)

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

3. Outlines information in the application, including pertinent identifying information of the PBM, copy of the basic organizational documents with articles of incorporation, bylaws, articles of association and trade name certificate and any related documents and amendments. (Sec. 1)
4. Prescribes the necessary information that must be submitted by an out-of-state PBM, including an in-state appointed director, copy of the required power of attorney, and authority to accept service of process in Arizona. (Sec. 1)
5. Requires a signed certificate of good standing, along with a description of the PBM and its services, facilities, personnel and a document confirming the business practices and contracts comply with state laws. (Sec. 1)
6. Authorizes the Director to prescribe an application fee. (Sec. 1)
7. Requires the Director to issue a certificate of authority to operate to a PBM within 90 days after receipt of a completed and qualified application and related fee. (Sec. 1)
8. Requires the Director to state specific reasons for any denial and provides 60 days for the PBM to remedy any stated deficiencies. (Sec. 1)
9. Prescribes that the PBM must file a notice of modification with the Director within 30 days after any material modifications to the application. (Sec. 1)
10. Authorizes the Director to refuse to issue a certificate of authority to a PBM who had a license or certificate of authority revoked for cause in another state. (Sec. 1)
11. Allows the Director to issue a cease-and-desist order, or to deny, suspend or revoke a certificate of authority after notice and opportunity for hearing as outlined. (Sec. 1)
12. Permits the Director to allow a PBM to operate a maximum 120 days or more to ensure minimal disruptions to the continuity of care if the certificate of authority is suspended or restricted. (Sec. 1)
13. Prescribes the monthly civil penalties when a PBM's certificate of authority is suspended or restricted for unintentional and intentional violations as follows:
    a. Unintentional violation: no more than $1,000 for each violation and maximum aggregate of $10,000 in any 6-month period.
    b. Intentional violation: no more than $5,000 for each violation and maximum aggregate of $50,000 in any 6-month period. (Sec. 1)
14. Authorizes the Director to revoke a certificate of authority if the PBM has been operating under a suspended certificate of authority for more than 120 days. (Sec. 1)
15. Prescribes the same rights and notices for hearings for PBMs as others entitled under the Administrative Procedures Act. (Sec. 1)
16. Allows the Director to investigate PBM officers, directors and owners. (Sec. 1)
17. Outlines requirements for renewals of certificates of authority and deems them expired by operation of law pursuant to administrative rules if not timely renewed. (Sec. 1)
18. Requires the PBM to comply with Arizona laws and rules on the effective date of the certificate of authority if a PBM and insurer enter into a contractual agreement. (Sec. 1)
19. Stipulates that the PBM must comply with records retention rules, the duties and appeals process of a utilization review agent and permits the Director to examine and review books and records as outlined. (Sec. 1)

20. Authorizes the Director to adopt and implement administrative rules, records retention schedules and deems records, books documentation and other data obtained by DIFI as confidential and proprietary information, which is not considered public records. (Sec. 1)
21. Contains an effective date of January 1, 2025. (Sec. 1)

Fifty-sixth Legislature
First Regular Session

Regulatory Affairs
S.B. 1382

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1382

(Reference to Senate engrossed bill)

Page 1, strike lines 23 through 28, insert:

"(c) THE NAME AND ADDRESS OF THE PHARMACY BENEFIT MANAGER'S AGENT IN THIS STATE FOR SERVICE OF PROCESS."

Page 4. between lines 3 and 4, insert:

"R. THIS SECTION SHALL ONLY APPLY TO A PHARMACY BENEFIT MANAGER PERFORMING SERVICES FOR A HEALTH PLAN SUBJECT TO THE JURISDICTION OF THIS STATE.

S. THIS SECTION DOES NOT APPLY TO A WORKERS' COMPENSATION INSURER PERFORMING SERVICES UNDER TITLE 23."

Amend title to conform

LAURIN HENDRIX

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H: DC/ls

Adopted ✓ # of Verbals _____
Failed _____ Withdrawn _____
Not Offered ____ Analysts Initials ___

Attachment 9

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Regulatory Affairs BILL NO. SB 1382

DATE March 22, 2023 MOTION: DPA

	PASS	AYE	NAY	PRESENT	ABSENT
Bravo		✓			
Gutierrez		✓			
Hernandez A		✓			
Payne		✓			
Peña		✓			
McGarr, Vice-Chairman			✓		
Hendrix, Chairman		✓			
		6	1	0	0

APPROVED:

LAURIN HENDRIX, Chairman
CORY MCGARR, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 10

ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
First Regular Session

Senate: TAT DP 5-2-0-0 | 3rd Read 19-11-0-0

SB 1503: internet; verification; harmful to minors
Sponsor: Senator Rogers, LD 7
Committee on Regulatory Affairs

Overview

Directs a commercial entity to verify that any person attempting to access an internet website containing a substantial portion of material harmful to minors is at least 18 years old.

History

A person is prohibited, with knowledge of the character of the item, to present, provide, lend or advertise to minors any item that is harmful to minors, including through electronic mail, personal messaging or any other direct internet communication. However, this prohibition does not apply to posting material on an internet website (A.R.S. § 13-3506, 13-3506.01).

The governing board of every school district must prescribe policies for public schools that provide a public access computer to deploy a technology protection measure that prevents minors from accessing child pornography or material that is harmful to minors or obscene. Furthermore, a public library must deploy and enforce similar technology protection measures for minors. Statute prescribes penalties for public schools and public libraries that are found to be in violation of the outlined requirements (A.R.S. § 34-502).

Statute defines *internet* as collectively, the myriad of computer and telecommunications facilities, including equipment and operating software, that comprise the interconnected worldwide network of networks that employ the outlined protocols (A.R.S. § 18-541).

Provisions

1. Requires a commercial entity that intentionally or knowingly publishes or distributes material harmful to minors, on an internet website that contains a substantial portion of such material, to verify that any person attempting to access the material is at least 18 years old. (Sec. 1)
2. Authorizes the age verification to be made through:
   a) a commercially available database that is regularly used by businesses or governmental entities for the purposes of age and identity verification; or
   b) any other commercially reasonable method of age and identity verification. (Sec. 1)
3. Subjects a commercial entity that violates the verification requirement to civil liability for damages, including attorney fees and costs, resulting from the minor's access to the material. (Sec. 1)
4. Clarifies that a provider or user of an interactive computer service on the internet is not obligated to or liable for the verification requirement. (Sec. 1)
5. Defines *material harmful to minors* as any description or representation of nudity, sexual conduct, sexual excitement or sadomasochistic abuse, that:
   a) appeals to the prurient, shameful or morbid interest of minors;

☐ Prop 105 (45 votes)	☐ Prop 108 (40 votes)	☐ Emergency (40 votes)	☐ Fiscal Note

b) is patently offensive to prevailing standards in the adult community as a whole, with respect to what is suitable material for minors; and
c) is, when taken as a whole, lacking in serious literary, artistic, political or scientific value for minors. (Sec. 1)

6. Specifies that a *substantial portion* means that more than 33.3% of the total material on a website is explicit, sexual material harmful to minors. (Sec. 1)
7. Defines *internet* and *interactive computer service*. (Sec. 1)

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON Regulatory Affairs BILL NO. SB 1503

DATE March 22, 2023 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Bravo			✓		
Gutierrez			✓		
Hernandez A			✓		
Payne		✓			
Peña		✓			
McGarr, Vice-Chairman		✓			
Hendrix, Chairman		✓			
		4	3	0	0

APPROVED:

LAURIN HENDRIX, Chairman
CORY MCGARR, Vice-Chairman

COMMITTEE SECRETARY

ATTACHMENT 12