

**GOVERNOR’S REGULATORY REVIEW COUNCIL (GRRC)  
MINUTES OF THE STUDY SESSION  
JUNE 30, 2015**

The Governor’s Regulatory Review Council study session was held on **Tuesday, June 30, 2015**, at **10:00 a.m.**, at the Arizona Department of Administration, 100 N. 15th Avenue, third Floor Conference Room, Phoenix, Arizona.

**PRESENT:**

<b>Council Member:</b>	Lori Daniels
<b>Council Member:</b>	Connie Wilhelm
<b>Council Member:</b>	Michael Lofton
<b>Council Member:</b>	Warde Nichols
<b>GRRC Staff Attorney:</b>	Scott Cooley
<b>GRRC Staff Attorney:</b>	Christopher Kleminich
<b>GRRC Intern:</b>	Johnathon Hanes

**ABSENT:**

<b>Council Chair:</b>	Bret Parke
<b>Council Member:</b>	Jason Isaak
<b>Council Member:</b>	Marcus Osborn
<b>Attorney General Representative:</b>	Christopher Munns

**CALL TO ORDER:**

**Council Member Lori Daniels** called the Study Session to order at approximately 10:00 a.m.

**DISCUSSION OF MINUTES:**

<b>Council Meeting Minutes 6/2/2015:</b>	No Discussion
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**DISCLOSURE OF CONFLICTS OF INTEREST:**

None

**DISCUSSION AGENDA:**

**D. Five-Year-Review Reports for Discussion:**

- 1. ARIZONA DEPARTMENT OF REVENUE (F-15-0603)**  
Title 18, Chapter 10, Article 1, Appeal Procedures; Article 2, Administration; Article 3, Authorized Transmission of Funds; Article 4, Reimbursement of Fees and Other Costs Related to an Administrative Proceeding; Article 5, Electronic Filing Program

**Johnathon Hanes** gave a report on the legal and economic analysis for this agenda item.

2. **ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (f-15-0701)**  
Title 18, Chapter 11, Article 1, Water Quality Standards for Surface Waters; Article 4, Aquifer Water Quality Standards; Article 5 Aquifer Boundary and Protected Use Classification

**Chris Klemmich** gave a report on the legal and economic analysis for this agenda item.

3. **ARIZONA STATE BOARD OF DENTAL EXAMINERS (f-15-0702)**  
Title 4, Chapter 11, Article 11, Advertising; Article 12, Continuing Dental Education and Renewal Requirements; Article 14, Dispensing Drugs and Devices; Article 15, Complaints, Investigations, Disciplinary Actions; Article 18 Business Entities

**Johnathon Hanes** gave a report on the legal and economic analysis for this agenda item.

**Council Member Lofton** asked why the department would allow an inconsistency with regard to the reporting of narcotic loss or theft. It seems like a public safety issue. They may want to be consistent with the stringent R-4 rule.

**Johnathon Hanes** commented that he spoke to the Board and they agreed with that assessment and are trying to work through the process of the rule making so they allowed for that December 31, 2016 guideline to give as much time to submit it, but they're going to work on it to submit it quicker.

**Council Member Nichols** commented on whether the federal law is one day and we're at seven days right now.

**Council Member Daniels** concurred.

4. **ARIZONA DEPARTMENT OF REVENUE PROPERTY TAX OVERSIGHT COMMISSION (F-15-0703)**  
Title 15, Chapter 12, Article 1, General Provisions; Article 2, Property Tax Levy Limits; Article 3, Hearing and Appeal Procedure

**Scott Cooley** gave a report on the legal and economic analysis for this agenda item.

#### **E. CONSIDERATION AND DISCUSSION OF RULES:**

1. **ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION (R-15-0701)**  
Title 9, Chapter 22, Article 2, Scope of Services; Article 12, Behavioral Health Services

Amend: R9-22-202  
Amend: R9-22-1202

**Scott Cooley** gave a report on the legal and economic analysis for this agenda item.

**2. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
ADMINISTRATION (R-15-0703)**

Title 9, Chapter 28, Article 2, Covered Services

Amend: R9-28-202  
Amend: R9-28-206

**Johnathon Hanes** gave a report on the legal analysis for this agenda item.

**Council Member Daniels asked:** What rationalization or reasoning did the department come back with on the areas where you disagreed?

**Johnathon Hanes responded:** It was clear to them.

**Council Member Wilhelm commented:** So we're trying to address a lawsuit to potentially set ourselves up for another one?

**Johnathon Hanes responded:** Potentially.

**Council Member Daniels asked:** I'm a little concerned about passing approval of this with the areas that you were talking about where you're not sure it's really clear and concise.

**Chris Klemmich responded:** The way that the rule reads, we can certainly take this off the Consent Agenda and consider it next week. There's some question as to what the significance of the "and/or" issue really is and how much the cost might be, as we are talking about a very small subset here. The administration's representative is here if you want to hear their rationale.

**Council Member Daniels commented:** I appreciate that, thank you.

**Mariaelena Ugarte of AHCCCS commented:** I'm the senior rule writer for AHCCCS. The conjunction he is speaking of is to us just a technical change. If you read it in the context of the rule language itself it is clear it can be done. But we can make that change if that'll satisfy the Council. We just didn't think it was really necessary. As far as treating what is medically necessary, the decision has been made by the primary care physician of what is medically necessary or to treat the medical condition. They're the only ones who can provide the diagnosis, so as long as it meets the criteria that it's cost effective and medically necessary, it's always been covered

under Chapter 22, for acute care services. We've cross-referenced from the ALTC services to meet that criteria as well. That's why it may seem broad, but in reality it's always been that way.

**Council Member Daniels commented:** I appreciate that. Any comments or questions?

**Council Member Nichols commented:** On the distinction we're looking at with the and/or comment, maybe the uneasiness is because of the ruling that happened not too long ago where the court said and/or includes both, it's not one or the other. So I can understand the fuzziness there.

**Council Member Daniels commented:** I would appreciate it if AHCCCS would change that area. I understand "medically necessary" by physicians is a common term. I'm a little bit more comfortable with that. The other one seems to be a pretty easy fix to do. We can do that between now and our meeting next week, correct?

**Scott Cooley commented:** Correct.

**Council Member Daniels commented:** On the Council, we're more concerned about that just because of court rulings, so if that change could be made before our next meeting?

**Mariaelena Ugarte commented:** Definitely.

**Council Member Daniels commented:** I wanted to clarify this before we moved on. Thank you.

**Johnathon Hanes** gave a report on the economic analysis for this agenda item.

**Council Member Daniels asked:** With this small change can this still be put on the Consent Agenda?

**Chris Klemminich responded:** Given that some of the members are missing, we should probably still take it off of the Consent Agenda.

### 3. ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY (R-15-0704)

Title 18, Chapter 8, Article 2, Hazardous Wastes

Amend: R18-8-260

Amend: R18-8-261

Amend: R18-8-262

Amend: R18-8-263

Amend: R18-8-264  
Amend: R18-8-265  
Amend: R18-8-266  
Amend: R18-8-268  
Amend: R18-8-270  
Amend: R18-8-271  
Amend: R18-8-273

**Christopher Klemmich** gave a report on the legal and economic analysis for this agenda item.

**F. ADJOURNMENT**

**Council Member Daniels** adjourned the study session at approximately 11:05 a.m.

Respectfully submitted,  
/S/dh  
*GRRC Executive Staff Assistant*