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**Health Care & Wellness  
Committee**

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**HB 1414**

**Brief Description:** Licensing ambulatory surgical facilities.

**Sponsors:** Representatives Cody, Green, Morrell, Moeller, Schual-Berke and Campbell.

**Brief Summary of Bill**

- Establishes licensing and reporting requirements for ambulatory surgical facilities.

**Hearing Date:** 1/29/07

**Staff:** Chris Blake (786-7392).

**Background:**

Ambulatory surgical centers are health care facilities that provide surgical services to patients that do not require hospitalization. Washington does not license ambulatory surgical centers, however, certain ambulatory surgical centers are subject to certificate of need reviews.

Since 1982, ambulatory surgical centers have been able to bill Medicare for certain surgical procedures. As of 2004 there were approximately 4,100 ambulatory surgical centers participating in Medicare and about 2,500 surgical procedures that they could bill for under Medicare.

Ambulatory surgical centers that wish to participate in Medicare must meet certain criteria and be approved through a process known as "certification." The certification standards address governance, safety, quality, and facility requirements. In addition, an ambulatory surgical center must obtain a survey which may be performed by a state agency or an accreditation organization. There are three primary accreditation organizations for ambulatory surgical centers that have deemed status from the Centers for Medicare and Medicaid Services (CMS). CMS will deem an ambulatory surgical center to have met its standards if it is accredited by one of these organizations or licensed by a state licensing agency.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Ambulatory surgical facilities must obtain a license from the Secretary of Health (Secretary) to operate in Washington. Ambulatory surgical facilities are defined as entities that provide specialty or multispecialty outpatient surgical services in which patients are admitted and discharged by the facility on the same working day and do not require overnight hospitalization.

An applicant for a license to operate an ambulatory surgical facility must:

- submit an application that lists all of the surgical specialties that it offers;
- submit any building plans for review and approval for new construction, alterations, and additions to facilities;
- complete an on-site survey;
- provide information about ownership and management;
- submit information about its coordinated quality improvement plan;
- submit a facility safety and emergency training program; and
- pay any required fees.

An applicant may demonstrate that it has met any of the standards for obtaining a license by providing documentation that it has met the standards of an accrediting organization or federal agency with substantially equivalent standards. A license is valid for three years.

A license is not required for a dental office, an ambulatory surgical facility that is maintained and operated by a hospital, or an individual or group practice office unless it has a portion that is regularly used for outpatient surgeries.

Ambulatory surgical facilities must report any adverse actions that they take against a health care provider due to a conviction, determination or finding that the health care provider engaged in an act of unprofessional conduct. Prior to granting privileges to any physician, an ambulatory surgical facility must receive information from the physician regarding other hospitals or ambulatory surgical facilities where the physician had an association and any information about pending misconduct proceedings or malpractice actions. The ambulatory surgical facility must request other hospitals or ambulatory surgical facilities where the physician has had an association to disclose any prior or pending misconduct proceedings or malpractice actions.

Ambulatory surgical facilities must maintain policies to assure that information regarding unanticipated outcomes is given to patients or their families or representatives. Such notification is not an admission of liability and no statements or gestures suggesting an apology may be admitted as evidence in a civil trial. Ambulatory surgical facilities must post a notice of the phone number where a complaint may be filed with the Department of Health. Ambulatory surgical facilities must participate in the state's adverse event reporting system.

Ambulatory surgical facilities must maintain policies and practices in accordance with charity care provisions. Ambulatory surgical facilities must report charity care data and pay fees to support data collection activities.

The Secretary shall initiate investigations and bring enforcement actions for failures to comply with licensing requirements. The Secretary must determine which accreditation organizations have substantially equivalent standards for purposes of deeming ambulatory surgical facilities to have met certain licensing requirements. In addition, the Secretary must develop standards for the construction, maintenance, and operation of ambulatory surgical facilities.

**Appropriation:** None.

**Fiscal Note:** Requested on January 24, 2007.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.