
SUBSTITUTE SENATE BILL 5778

State of Washington

64th Legislature

2016 Regular Session

By Senate Health Care (originally sponsored by Senators Becker, Frockt, Keiser, Bailey, Dammeier, Liias, Hatfield, Angel, Dansel, King, Baumgartner, Brown, Cleveland, Warnick, Honeyford, Parlette, Hill, Rivers, Fain, Braun, Litzow, Conway, Sheldon, Ericksen, and Hewitt)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to ambulatory surgical facilities; amending RCW
2 43.70.250, 70.230.020, 70.230.050, and 70.230.100; adding a new
3 section to chapter 48.39 RCW; and repealing RCW 70.230.180.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 43.70.250 and 2013 c 77 s 2 are each amended to read
6 as follows:

7 (1) It shall be the policy of the state of Washington that the
8 cost of each professional, occupational, or business licensing
9 program be fully borne by the members of that profession, occupation,
10 or business.

11 (2) The secretary shall from time to time establish the amount of
12 all application fees, license fees, registration fees, examination
13 fees, permit fees, renewal fees, and any other fee associated with
14 licensing or regulation of professions, occupations, or businesses
15 administered by the department. In fixing said fees, the secretary
16 shall set the fees for each program at a sufficient level to defray
17 the costs of administering that program and the cost of regulating
18 licensed volunteer medical workers in accordance with RCW 18.130.360,
19 except as provided in RCW 18.79.202. In no case may the secretary
20 increase a fee for an ambulatory surgical facility licensed under
21 chapter 70.230 RCW that exceeds three percent of the current fee or

1 that exceeds the rate of inflation as determined by the consumer
2 price index for the Seattle Washington area as compiled by the bureau
3 of labor and statistics of the United States department of labor for
4 that year, whichever is lower.

5 (3) All such fees shall be fixed by rule adopted by the secretary
6 in accordance with the provisions of the administrative procedure
7 act, chapter 34.05 RCW.

8 **Sec. 2.** RCW 70.230.020 and 2007 c 273 s 2 are each amended to
9 read as follows:

10 The secretary shall:

11 (1) Issue a license to any ambulatory surgical facility that:

12 (a) Submits payment of the fee established in (~~section 7,~~
13 ~~chapter 273, Laws of 2007~~)) RCW 43.70.110 and 43.70.250;

14 (b) Submits a completed application that demonstrates the ability
15 to comply with the standards established for operating and
16 maintaining an ambulatory surgical facility in statute and rule. An
17 ambulatory surgical facility shall be deemed to have met the
18 standards if it submits proof of certification as a medicare
19 ambulatory surgical facility or accreditation by an organization that
20 the secretary has determined to have substantially equivalent
21 standards to those of the department; and

22 (c) Successfully completes the survey requirements established in
23 RCW 70.230.100;

24 (2) Develop an application form for applicants for a license to
25 operate an ambulatory surgical facility;

26 (3) Initiate investigations and enforcement actions for
27 complaints or other information regarding failure to comply with this
28 chapter or the standards and rules adopted under this chapter;

29 (4) Conduct surveys of facilities, including reviews of medical
30 records and documents required to be maintained under this chapter or
31 rules adopted under this chapter;

32 (5) By March 1, 2008, determine which accreditation organizations
33 have substantially equivalent standards for purposes of deeming
34 specific licensing requirements required in statute and rule as
35 having met the state's standards; and

36 (6) Adopt any rules necessary to implement this chapter.

37 **Sec. 3.** RCW 70.230.050 and 2007 c 273 s 5 are each amended to
38 read as follows:

1 (1) An applicant for a license to operate an ambulatory surgical
2 facility must demonstrate the ability to comply with the standards
3 established for operating and maintaining an ambulatory surgical
4 facility in statute and rule, including:

5 (a) Submitting a written application to the department providing
6 all necessary information on a form provided by the department,
7 including a list of surgical specialties offered;

8 (b) Submitting building plans for review and approval by the
9 department for new construction, alterations other than minor
10 alterations, and additions to existing facilities, prior to obtaining
11 a license and occupying the building;

12 (c) Demonstrating the ability to comply with this chapter and any
13 rules adopted under this chapter;

14 (d) Cooperating with the department during on-site surveys prior
15 to obtaining an initial license or renewing an existing license;

16 (e) Providing such proof as the department may require concerning
17 the ownership and management of the ambulatory surgical facility,
18 including information about the organization and governance of the
19 facility and the identity of the applicant, officers, directors,
20 partners, managing employees, or owners of ten percent or more of the
21 applicant's assets;

22 (f) Submitting proof of operation of a coordinated quality
23 improvement program in accordance with RCW 70.230.080;

24 (g) Submitting a copy of the facility safety and emergency
25 training program established under RCW 70.230.060;

26 (h) Paying any fees established by the secretary under (~~section~~
27 ~~7, chapter 273, Laws of 2007~~) RCW 43.70.110 and 43.70.250; and

28 (i) Providing any other information that the department may
29 reasonably require.

30 (2) A license is valid for three years, after which an ambulatory
31 surgical facility must submit an application for renewal of license
32 upon forms provided by the department and the renewal fee as
33 established in (~~section 7, chapter 273, Laws of 2007~~) RCW 43.70.110
34 and 43.70.250. The applicant must demonstrate the ability to comply
35 with the standards established for operating and maintaining an
36 ambulatory surgical facility in statutes, standards, and rules. The
37 applicant must submit the license renewal document no later than
38 thirty days prior to the date of expiration of the license.

39 (3) The applicant may demonstrate compliance with any of the
40 requirements of subsection (1) of this section by providing

1 satisfactory documentation to the secretary that it has met the
2 standards of an accreditation organization or federal agency that the
3 secretary has determined to have substantially equivalent standards
4 as the statutes and rules of this state.

5 **Sec. 4.** RCW 70.230.100 and 2007 c 273 s 11 are each amended to
6 read as follows:

7 (1) The department shall make or cause to be made a survey of all
8 ambulatory surgical facilities as follows:

9 (a) Except as provided in (b) of this subsection, ambulatory
10 surgical facilities must be surveyed no more than once every eighteen
11 months; and

12 (b) Once certified by the centers for medicare and medicaid
13 services or accredited by an accrediting organization that has been
14 determined by the secretary of the department of health to have
15 substantially equivalent survey standards to those of the department,
16 an ambulatory surgical facility must be surveyed no more than once
17 every thirty-six months if a certification or accreditation survey
18 occurs within eighteen months of a department survey.

19 (2) Every survey of an ambulatory surgical facility may include
20 an inspection of every part of the surgical facility. The department
21 may make an examination of all phases of the ambulatory surgical
22 facility operation necessary to determine compliance with all
23 applicable statutes, rules, and regulations. In the event that the
24 department is unable to make a survey or cause a survey to be made
25 during the three years of the term of the license, the license of the
26 ambulatory surgical facility shall remain in effect until the state
27 conducts a survey or a substitute survey is performed if the
28 ambulatory surgical facility is in compliance with all other
29 licensing requirements.

30 ~~((2) An ambulatory surgical facility shall be deemed to have met~~
31 ~~the survey standards of this section if it submits proof of~~
32 ~~certification as a medicare ambulatory surgical facility or~~
33 ~~accreditation by an organization that the secretary has determined to~~
34 ~~have substantially equivalent survey standards to those of the~~
35 ~~department. A survey performed pursuant to medicare certification or~~
36 ~~by an approved accrediting organization may substitute for a survey~~
37 ~~by the department if:~~

38 ~~(a) The ambulatory surgical facility has satisfactorily completed~~
39 ~~a survey by the department in the previous eighteen months; and~~

1 ~~(b) Within thirty days of learning the result of a survey, the~~
2 ~~ambulatory surgical facility provides the department with documentary~~
3 ~~evidence that the ambulatory surgical facility has been certified or~~
4 ~~accredited as a result of a survey and the date of the survey.~~

5 ~~(3) Ambulatory surgical facilities shall make the written reports~~
6 ~~of surveys conducted pursuant to medicare certification procedures or~~
7 ~~by an approved accrediting organization available to department~~
8 ~~surveyors during any department surveys, upon request.))~~

9 NEW SECTION. **Sec. 5.** A new section is added to chapter 48.39
10 RCW to read as follows:

11 If a payor that contracts with an ambulatory surgical facility
12 licensed under chapter 70.230 RCW requires successful completion of a
13 survey as part of the contract, the ambulatory surgical facility is
14 deemed to have met survey requirements if it has successfully
15 completed a survey performed pursuant to medicare certification or by
16 an accrediting organization that has been determined by the secretary
17 of the department of health to have substantially equivalent survey
18 standards to those of the centers for medicare and medicaid services.
19 The payor may not impose additional survey requirements on the
20 ambulatory surgical facility.

21 NEW SECTION. **Sec. 6.** RCW 70.230.180 (Ambulatory surgical
22 facility account) and 2007 c 273 s 19 are each repealed.

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