S-4154.2

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**SUBSTITUTE SENATE BILL 5778**

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**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)

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

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

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

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

(2) The secretary shall from time to time establish the amount of all application fees, license fees, registration fees, examination fees, permit fees, renewal fees, and any other fee associated with licensing or regulation of professions, occupations, or businesses administered by the department. In fixing said fees, the secretary shall set the fees for each program at a sufficient level to defray the costs of administering that program and the cost of regulating licensed volunteer medical workers in accordance with RCW 18.130.360, except as provided in RCW 18.79.202. In no case may the secretary increase a fee for an ambulatory surgical facility licensed under chapter 70.230 RCW that exceeds three percent of the current fee or that exceeds the rate of inflation as determined by the consumer price index for the Seattle Washington area as compiled by the bureau of labor and statistics of the United States department of labor for that year, whichever is lower.

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

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

The secretary shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) The applicant may demonstrate compliance with any of the requirements of subsection (1) of this section by providing satisfactory documentation to the secretary that it has met the standards of an accreditation organization or federal agency that the secretary has determined to have substantially equivalent standards as the statutes and rules of this state.

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

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

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

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

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

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

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

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

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

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

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

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

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