

# Senate File 40 - Introduced

SENATE FILE 40

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## A BILL FOR

1 An Act relating to the definition and regulation of outpatient  
2 surgical facilities or ambulatory surgical centers and  
3 providing for fees.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 135.61, subsection 21, Code 2011, is  
2 amended to read as follows:

3 21. "*Outpatient surgical facility*" means a any of the  
4 following:

5 a. A facility which as its primary function provides,  
6 through an organized medical staff and on an outpatient basis  
7 to patients who are generally ambulatory, surgical procedures  
8 not ordinarily performed in a private physician's office, but  
9 not requiring twenty-four hour hospitalization, and which is  
10 ~~neither not~~ a part of a hospital nor is owned wholly or in part  
11 by a hospital. "*Outpatient surgical facility*" also does not  
12 include the private office of a health care provider who there  
13 engages in the lawful practice of surgery. ~~"Outpatient surgical~~  
14 ~~facility"~~ ~~includes a~~

15 b. A facility certified or seeking certification as an  
16 ambulatory surgical center, under the federal Medicare program  
17 or under the medical assistance program established pursuant to  
18 chapter 249A.

19 c. A facility that provides for the performing or inducing  
20 of any second or third trimester abortions or five or more  
21 first trimester abortions per month.

22 Sec. 2. NEW SECTION. 135P.1 Definitions.

23 As used in this chapter, unless the context otherwise  
24 requires:

25 1. "*Ambulatory surgical center*" means an outpatient surgical  
26 facility as defined in section 135.61 or an ambulatory surgical  
27 facility as defined in section 514.5.

28 2. "*Department*" means the department of inspections and  
29 appeals.

30 Sec. 3. NEW SECTION. 135P.2 Licenses — fees — criteria.

31 1. A person shall not operate an ambulatory surgical center  
32 in this state without first obtaining a license from the  
33 department after meeting the requirements of this chapter. The  
34 application shall be on a form prescribed by the department and  
35 shall require information the department deems necessary. Each

1 application for license shall be accompanied by a nonrefundable  
2 biennial license fee determined by the department.

3     2. The ambulatory surgical center shall meet the  
4 requirements of 42 C.F.R. § 416 before a license is issued.  
5 The department shall provide the necessary personnel to inspect  
6 the ambulatory surgical center to determine if the ambulatory  
7 surgical center complies with necessary requirements before  
8 a license is issued. An ambulatory surgical center that is  
9 certified under the federal Medicare program and thereby meets  
10 the requirements of 42 C.F.R. § 416 shall be licensed without  
11 inspection by the department.

12     Sec. 4. NEW SECTION. 135P.3 Denial, suspension, or  
13 revocation of license.

14     The department may deny, suspend, or revoke a license if  
15 the department determines an ambulatory surgical center fails  
16 to comply with this chapter or the rules adopted under this  
17 chapter. A denial, suspension, or revocation may be appealed  
18 under chapter 17A. The department may reissue a license  
19 following a suspension or revocation after the ambulatory  
20 surgical center corrects the conditions upon which the  
21 suspension or revocation was based.

22     Sec. 5. NEW SECTION. 135P.4 Limitation, expiration, and  
23 renewal of license.

24     A license for an ambulatory surgical center shall be issued  
25 only for the premises, person, or facility named in the  
26 application and is not transferable or assignable. A license,  
27 unless sooner suspended or revoked, shall expire two years  
28 after the date of issuance and shall be renewed biennially  
29 upon an application by the licensee. Application for renewal  
30 shall be made in writing to the department at least thirty days  
31 prior to the expiration of the license. The fee for a license  
32 renewal shall be determined by the department.

33     Sec. 6. NEW SECTION. 135P.5 Rules.

34     Except as otherwise provided in this chapter, the department  
35 shall adopt rules pursuant to chapter 17A necessary to

1 implement this chapter, subject to approval of the state board  
2 of health. Formulation of the rules shall include consultation  
3 with persons affected by this chapter.

4 Sec. 7. Section 514.5, Code 2011, is amended to read as  
5 follows:

6 **514.5 Contracts for service.**

7 1. A hospital service corporation organized under  
8 chapter 504, Code 1989, or current chapter 504 may enter  
9 into contracts for the rendering of hospital service to any  
10 of its subscribers with hospitals maintained and operated by  
11 the state or any of its political subdivisions, or by any  
12 corporation, association, or individual. Such hospital service  
13 corporation may also contract with an ambulatory surgical  
14 facility to provide surgical services to the corporation's  
15 subscribers. Hospital service is meant to include bed and  
16 board, general nursing care, use of the operating room, use of  
17 the delivery room, ordinary medications and dressings and other  
18 customary routine care. "*Ambulatory surgical facility*" means  
19 a facility constructed and operated for the specific purpose  
20 of providing surgery to patients admitted to and discharged  
21 from the facility within the same day or an "outpatient surgical  
22 facility" as defined in section 135.61.

23 2. A medical service corporation organized under this  
24 chapter may enter into contracts with subscribers to furnish  
25 health care service through physicians and surgeons, dentists,  
26 podiatric physicians, osteopathic physicians, osteopathic  
27 physicians and surgeons, or chiropractors.

28 3. Any pharmaceutical or optometric service corporation  
29 organized under the provisions of said chapter may enter  
30 into contracts for the rendering of pharmaceutical or  
31 optometric service to any of its subscribers. Membership in  
32 any pharmaceutical service corporation shall be open to all  
33 pharmacies licensed under chapter 155A.

34 4. A hospital service corporation or medical service  
35 corporation organized under this chapter may enter into

1 contracts with subscribers and providers to furnish health care  
2 services not otherwise allocated by this section.

3 EXPLANATION

4 This bill defines an outpatient surgical facility or  
5 ambulatory surgical center to include any facility that  
6 provides for performing or inducing any second or third  
7 trimester abortions or five or more first trimester abortions  
8 per month, thereby making these establishments subject  
9 to certificate of need requirements and other regulatory  
10 provisions to which outpatient surgical facilities or  
11 ambulatory surgical centers are subject. The bill also amends  
12 the definition of an outpatient surgical facility to exclude  
13 facilities that are owned wholly or in part by a hospital.

14 The bill also requires that ambulatory surgical centers be  
15 licensed and meet the requirements of the centers for Medicare  
16 and Medicaid services of the United States department of health  
17 and human services for ambulatory surgical centers.