

**Senate File 506 - Reprinted**

SENATE FILE 506  
BY COMMITTEE ON HEALTH AND  
HUMAN SERVICES

(SUCCESSOR TO SSB 1117)

(As Amended and Passed by the Senate March 22, 2023)

**A BILL FOR**

1 An Act relating to health facilities and health services  
2 including licensing and the certificate of need process, and  
3 including effective date provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

CERTIFICATE OF NEED — HEALTH FACILITIES COUNCIL

1  
2 Section 1. Section 68B.35, subsection 2, paragraph e, Code  
3 2023, is amended to read as follows:

4 e. Members of the state banking council, the Iowa ethics  
5 and campaign disclosure board, the credit union review board,  
6 the economic development authority, the employment appeal  
7 board, the environmental protection commission, ~~the health~~  
8 ~~facilities council,~~ the Iowa finance authority, the Iowa public  
9 employees' retirement system investment board, the board of  
10 the Iowa lottery authority, the natural resource commission,  
11 the board of parole, the petroleum underground storage tank  
12 fund board, the public employment relations board, the state  
13 racing and gaming commission, the state board of regents, the  
14 transportation commission, the office of consumer advocate, the  
15 utilities board, the Iowa telecommunications and technology  
16 commission, and any full-time members of other boards and  
17 commissions as defined under [section 7E.4](#) who receive an annual  
18 salary for their service on the board or commission. The Iowa  
19 ethics and campaign disclosure board shall conduct an annual  
20 review to determine if members of any other board, commission,  
21 or authority should file a statement and shall require the  
22 filing of a statement pursuant to rules adopted pursuant to  
23 chapter 17A.

24  
25 Sec. 2. Section 97B.1A, subsection 8, paragraph a,  
26 subparagraph (8), Code 2023, is amended to read as follows:

27 (8) Members of the state transportation commission, and the  
28 board of parole, ~~and the state health facilities council.~~

29 Sec. 3. Section 135.61, subsections 1, 14, 15, and 18, Code  
30 2023, are amended to read as follows:

31 1. "Affected persons" means, with respect to an application  
32 for a certificate of need:

33 a. The person submitting the application.

34 b. Consumers who would be served by the new institutional  
35 health service proposed in the application.

1 c. Each institutional health facility or health maintenance  
2 organization which is located in the geographic area which  
3 would appropriately be served by the new institutional  
4 health service proposed in the application. The appropriate  
5 geographic service area of each institutional health facility  
6 or health maintenance organization shall be determined on a  
7 uniform basis in accordance with criteria established in rules  
8 adopted by the department.

9 ~~d. Each institutional health facility or health maintenance~~  
10 ~~organization which, prior to receipt of the application by~~  
11 ~~the department, has formally indicated to the department~~  
12 ~~pursuant to this subchapter an intent to furnish in the future~~  
13 ~~institutional health services similar to the new institutional~~  
14 ~~health service proposed in the application.~~

15 ~~e. Any other person designated as an affected person by~~  
16 ~~rules of the department.~~

17 ~~f. Any payer or third-party payer for health services.~~

18 14. "Institutional health facility" means any of the  
19 following, without regard to whether the facilities referred  
20 to are publicly or privately owned or are organized for profit  
21 or not or whether the facilities are part of or sponsored by a  
22 health maintenance organization:

23 a. A hospital.

24 b. A health care facility.

25 ~~c. An organized outpatient health facility.~~

26 ~~d. c.~~ An outpatient surgical facility.

27 ~~e. A community mental health facility.~~

28 ~~f. A birth center.~~

29 15. "Institutional health service" means any health service  
30 furnished in or through institutional health facilities or  
31 health maintenance organizations, ~~including mobile health~~  
32 ~~services.~~

33 18. "New institutional health service" or "changed  
34 institutional health service" means any of the following:

35 a. The construction, development, or other establishment of

1 a new institutional health facility regardless of ownership, in  
2 excess of the following amounts, as applicable:

3 (1) Beginning January 1, 2023, three million five hundred  
4 thousand dollars.

5 (2) Beginning January 1, 2028, four million dollars.

6 (3) Beginning January 1, 2033, four million five hundred  
7 thousand dollars.

8 (4) Beginning January 1, 2038, five million dollars.

9 *b.* Relocation of an institutional health facility.

10 *c.* ~~Any capital expenditure, lease, or donation by or on~~  
11 ~~behalf of~~ expenditure or lease by an institutional health  
12 facility in excess of ~~one million five hundred thousand dollars~~  
13 the following amounts, as applicable, within a twelve-month  
14 period.:

15 (1) Beginning January 1, 2023, three million five hundred  
16 thousand dollars.

17 (2) Beginning January 1, 2028, four million dollars.

18 (3) Beginning January 1, 2033, four million five hundred  
19 thousand dollars.

20 (4) Beginning January 1, 2038, five million dollars.

21 *d.* A permanent change in the bed capacity, as determined  
22 by the department, of an institutional health facility. For  
23 purposes of this paragraph, a change is permanent if it is  
24 intended to be effective for one year or more.

25 ~~*e.* Any expenditure in excess of five hundred thousand~~  
26 ~~dollars by or on behalf of an institutional health facility for~~  
27 ~~health services which are or will be offered in or through an~~  
28 ~~institutional health facility at a specific time but which were~~  
29 ~~not offered on a regular basis in or through that institutional~~  
30 ~~health facility within the twelve-month period prior to that~~  
31 ~~time.~~

32 ~~*f.* The deletion of one or more health services, previously~~  
33 ~~offered on a regular basis by an institutional health facility~~  
34 ~~or health maintenance organization or the relocation of one or~~  
35 ~~more health services from one physical facility to another.~~

1 ~~g. Any acquisition by or on behalf of a health care provider~~  
2 ~~or a group of health care providers of any piece of replacement~~  
3 ~~equipment with a value in excess of one million five hundred~~  
4 ~~thousand dollars, whether acquired by purchase, lease, or~~  
5 ~~donation.~~

6 ~~h. Any acquisition by or on behalf of a health care provider~~  
7 ~~or group of health care providers of any piece of equipment~~  
8 ~~with a value in excess of one million five hundred thousand~~  
9 ~~dollars, whether acquired by purchase, lease, or donation,~~  
10 ~~which results in the offering or development of a health~~  
11 ~~service not previously provided. A mobile service provided~~  
12 ~~on a contract basis is not considered to have been previously~~  
13 ~~provided by a health care provider or group of health care~~  
14 ~~providers.~~

15 ~~i. Any acquisition by or on behalf of an institutional~~  
16 ~~health facility or a health maintenance organization of any~~  
17 ~~piece of replacement equipment with a value in excess of one~~  
18 ~~million five hundred thousand dollars, whether acquired by~~  
19 ~~purchase, lease, or donation.~~

20 ~~j. Any acquisition by or on behalf of an institutional~~  
21 ~~health facility or health maintenance organization of any~~  
22 ~~piece of equipment with a value in excess of one million five~~  
23 ~~hundred thousand dollars, whether acquired by purchase, lease,~~  
24 ~~or donation, which results in the offering or development of~~  
25 ~~a health service not previously provided. A mobile service~~  
26 ~~provided on a contract basis is not considered to have been~~  
27 ~~previously provided by an institutional health facility.~~

28 ~~k. Any air transportation service for transportation of~~  
29 ~~patients or medical personnel offered through an institutional~~  
30 ~~health facility at a specific time but which was not offered~~  
31 ~~on a regular basis in or through that institutional health~~  
32 ~~facility within the twelve-month period prior to the specific~~  
33 ~~time.~~

34 ~~l. Any mobile health service with a value in excess of one~~  
35 ~~million five hundred thousand dollars.~~

1 ~~m. Any of the following:~~

2 ~~(1) Cardiac catheterization service.~~

3 ~~(2) Open heart surgical service.~~

4 ~~(3) Organ transplantation service.~~

5 ~~(4) Radiation therapy service applying ionizing radiation~~  
6 ~~for the treatment of malignant disease using megavoltage~~  
7 ~~external beam equipment.~~

8 Sec. 4. Section 135.61, subsections 2, 4, 5, 7, 16, and 20,  
9 Code 2023, are amended by striking the subsections.

10 Sec. 5. Section 135.62, Code 2023, is amended to read as  
11 follows:

12 **135.62 Department to administer subchapter — health**  
13 **~~facilities council established — appointments — powers and~~**  
14 **~~duties.~~**

15 1. **This subchapter** shall be administered by the department.  
16 The director shall employ or cause to be employed the necessary  
17 persons to discharge the duties imposed on the department by  
18 this subchapter.

19 ~~2. There is established a state health facilities council~~  
20 ~~consisting of five persons appointed by the governor. The~~  
21 ~~council shall be within the department for administrative and~~  
22 ~~budgetary purposes.~~

23 ~~a. Qualifications. The members of the council shall be~~  
24 ~~chosen so that the council as a whole is broadly representative~~  
25 ~~of various geographical areas of the state and no more than~~  
26 ~~three of its members are affiliated with the same political~~  
27 ~~party. Each council member shall be a person who has~~  
28 ~~demonstrated by prior activities an informed concern for the~~  
29 ~~planning and delivery of health services. A member of the~~  
30 ~~council and any spouse of a member shall not, during the~~  
31 ~~time that member is serving on the council, do either of the~~  
32 ~~following:~~

33 ~~(1) Be a health care provider nor be otherwise directly or~~  
34 ~~indirectly engaged in the delivery of health care services nor~~  
35 ~~have a material financial interest in the providing or delivery~~

1 of health services.

2 (2) ~~Serve as a member of any board or other policymaking~~  
3 ~~or advisory body of an institutional health facility, a health~~  
4 ~~maintenance organization, or any health or hospital insurer.~~

5 ~~b. *Appointments.* Terms of council members shall be six~~  
6 ~~years, beginning and ending as provided in [section 69.19](#). A~~  
7 ~~member shall be appointed in each odd-numbered year to succeed~~  
8 ~~each member whose term expires in that year. Vacancies~~  
9 ~~shall be filled by the governor for the balance of the~~  
10 ~~unexpired term. Each appointment to the council is subject to~~  
11 ~~confirmation by the senate. A council member is ineligible~~  
12 ~~for appointment to a second consecutive term, unless first~~  
13 ~~appointed to an unexpired term of three years or less.~~

14 ~~c. *Chairperson.* The governor shall designate one of~~  
15 ~~the council members as chairperson. That designation may~~  
16 ~~be changed not later than July 1 of any odd-numbered year,~~  
17 ~~effective on the date of the organizational meeting held in~~  
18 ~~that year under paragraph "d".~~

19 ~~d. *Meetings.* The council shall hold an organizational~~  
20 ~~meeting in July of each odd-numbered year, or as soon~~  
21 ~~thereafter as the new appointee or appointees are confirmed~~  
22 ~~and have qualified. Other meetings shall be held as necessary~~  
23 ~~to enable the council to expeditiously discharge its duties.~~  
24 ~~Meeting dates shall be set upon adjournment or by call of the~~  
25 ~~chairperson upon five days' notice to the other members.~~

26 ~~e. *2. Duties.* The council department shall do all of the~~  
27 ~~following:~~

28 ~~(1) *a.* Make the final decision, as required by section~~  
29 ~~135.69, with respect to each application for a certificate of~~  
30 ~~need accepted by the department.~~

31 ~~(2) *b.* Determine and adopt such policies as are authorized~~  
32 ~~by law and are deemed necessary to the efficient discharge of~~  
33 ~~its the department's duties under [this subchapter](#).~~

34 ~~(3) *c.* Have authority to direct staff personnel of the~~  
35 ~~department assigned to conduct formal or summary reviews of~~

1 applications for certificates of need.

2 ~~(4)~~ d. Advise and counsel with the director concerning the  
3 provisions of **this subchapter** and the policies and procedures  
4 adopted by the department pursuant to **this subchapter**.

5 ~~(5) Review and approve, prior to promulgation, all rules~~  
6 ~~adopted by the department under **this subchapter**.~~

7 Sec. 6. Section 135.63, subsection 1, Code 2023, is amended  
8 to read as follows:

9 1. A new institutional health service or changed  
10 institutional health service shall not be offered or developed  
11 in this state without prior application to the department  
12 for and receipt of a certificate of need, pursuant to  
13 this subchapter. The application shall be made upon forms  
14 furnished or prescribed by the department and shall contain  
15 such information as the department may require under this  
16 subchapter. The application shall be accompanied by an  
17 economic impact statement that includes information specified  
18 by rule to assist the department in the evaluation of the  
19 application pursuant to section 135.64. The application shall  
20 be accompanied by a fee equivalent to three-tenths of one  
21 percent of the anticipated cost of the project with a minimum  
22 fee of six hundred dollars and a maximum fee of twenty-one  
23 thousand dollars. The fee shall be remitted by the department  
24 to the treasurer of state, who shall place it in the general  
25 fund of the state. If an application is voluntarily withdrawn  
26 within thirty calendar days after submission, seventy-five  
27 percent of the application fee shall be refunded; if the  
28 application is voluntarily withdrawn more than thirty but  
29 within sixty days after submission, fifty percent of the  
30 application fee shall be refunded; if the application is  
31 withdrawn voluntarily more than sixty days after submission,  
32 twenty-five percent of the application fee shall be refunded.  
33 Notwithstanding the required payment of an application fee  
34 under **this subsection**, an applicant for a new institutional  
35 health service or a changed institutional health service



1 offered or developed by an intermediate care facility for  
2 persons with an intellectual disability or an intermediate care  
3 facility for persons with mental illness as defined pursuant to  
4 section 135C.1 is exempt from payment of the application fee.

5 Sec. 7. Section 135.63, subsection 2, paragraphs a and e,  
6 Code 2023, are amended to read as follows:

7 a. Private offices and private clinics of an individual  
8 physician, dentist, or other practitioner or group of  
9 health care providers, except as provided by ~~section 135.61,~~  
10 ~~subsection 18, paragraphs "g", "h", and "m", and section 135.61,~~  
11 subsections 20 and 21.

12 e. A health maintenance organization or combination of  
13 health maintenance organizations or an institutional health  
14 facility controlled directly or indirectly by a health  
15 maintenance organization or combination of health maintenance  
16 organizations, except when the health maintenance organization  
17 or combination of health maintenance organizations ~~does any of~~  
18 ~~the following:~~

19 ~~(1) Constructs~~ constructs, develops, renovates, relocates,  
20 or otherwise establishes an institutional health facility.

21 ~~(2) Acquires major medical equipment as provided by section~~  
22 ~~135.61, subsection 18, paragraphs "i" and "j".~~

23 Sec. 8. Section 135.63, subsection 2, paragraph h, Code  
24 2023, is amended by striking the paragraph.

25 Sec. 9. Section 135.63, subsection 4, unnumbered paragraph  
26 1, Code 2023, is amended to read as follows:

27 ~~A copy of the application shall be sent to the department~~  
28 ~~of human services at the time the application is submitted to~~  
29 ~~the Iowa department of public health. The department shall not~~  
30 ~~process applications for and the council shall not consider a~~  
31 ~~new or changed institutional health service for an intermediate~~  
32 ~~care facility for persons with an intellectual disability~~  
33 unless both of the following conditions are met:

34 Sec. 10. Section 135.64, subsection 1, unnumbered paragraph  
35 1, Code 2023, is amended to read as follows:

1 In determining whether a certificate of need shall be  
2 issued, the department ~~and council~~ shall consider the  
3 following:

4 Sec. 11. Section 135.64, subsection 1, paragraph r, Code  
5 2023, is amended to read as follows:

6 *r.* The recommendations of staff personnel of the department  
7 assigned to the area of certificate of need, concerning the  
8 application, ~~if requested by the council.~~

9 Sec. 12. Section 135.64, subsection 2, unnumbered paragraph  
10 1, Code 2023, is amended to read as follows:

11 In addition to the findings required with respect to any  
12 of the criteria listed in [subsection 1 of this section](#), the  
13 ~~council~~ department shall grant a certificate of need for a new  
14 institutional health service or changed institutional health  
15 service only if ~~it~~ the department finds in writing, on the  
16 basis of data submitted ~~to it by the department~~, that:

17 Sec. 13. Section 135.66, Code 2023, is amended to read as  
18 follows:

19 **135.66 Procedure upon receipt of application — public**  
20 **notification.**

21 1. *a.* Within fifteen business days after receipt of an  
22 application for a certificate of need, the department shall  
23 examine the application for form and completeness and accept  
24 or reject it. An application shall be rejected only if it  
25 fails to provide all information required by the department  
26 pursuant to [section 135.63, subsection 1](#). The department shall  
27 promptly return to the applicant any rejected application, with  
28 an explanation of the reasons for its rejection.

29 *b.* Within thirty days after notifying the applicant of  
30 rejection of the application, the applicant may resubmit a  
31 revised application for review under this subsection and shall  
32 not be subject to payment of another required application  
33 fee pursuant to section 135.63. If a subsequent rejection  
34 is issued, the applicant shall resubmit the application in  
35 accordance with and shall be subject to the procedure and

1 requirements for an initial application.

2 2. Upon acceptance of an application for a certificate  
3 of need, the department shall promptly undertake to notify  
4 all affected persons in writing that formal review of the  
5 application has been initiated. Notification to those affected  
6 persons who are consumers ~~or third-party payers or other~~  
7 ~~payers for health services~~ may be provided by distribution of  
8 the pertinent information ~~to the news media~~ by an electronic  
9 distribution method available to the department.

10 3. Each application accepted by the department shall  
11 be formally reviewed for the purpose of furnishing to the  
12 ~~council~~ department the information necessary to enable ~~it~~ the  
13 department to determine whether or not to grant the certificate  
14 of need. A formal review shall consist at a minimum of the  
15 following steps:

16 a. Evaluation of the application against the criteria  
17 specified in [section 135.64](#).

18 b. A public hearing on the application, to be held prior to  
19 completion of the evaluation required by paragraph "a", ~~shall be~~  
20 conducted by the ~~council~~ department.

21 4. When a hearing is to be held pursuant to subsection 3,  
22 paragraph "b", the department shall give at least ten days'  
23 notice of the time and place of the hearing. ~~At~~ Any affected  
24 person or that person's designated representative may submit  
25 written testimony in a manner prescribed by the department  
26 beginning on the day the notice of the hearing is given until  
27 the day prior to the date fixed for the hearing, or at the  
28 hearing, any affected person or that person's designated  
29 representative ~~shall~~ may have the opportunity to present  
30 testimony.

31 Sec. 14. Section 135.67, subsection 1, Code 2023, is amended  
32 to read as follows:

33 1. The department may ~~wave the letter of intent procedures~~  
34 ~~prescribed by [section 135.65](#) and substitute~~ conduct a summary  
35 review procedure, which shall be established by rules of the

1 department, when it accepts an application for a certificate of  
2 need for a project which meets any of the following criteria  
3 ~~in paragraphs "a" through "e":~~

4 a. A project which is limited to repair or replacement of a  
5 facility or equipment damaged or destroyed by a disaster, and  
6 which will not expand the facility nor increase the services  
7 provided beyond the level existing prior to the disaster.

8 b. A project necessary to enable the facility or service to  
9 achieve or maintain compliance with federal, state, or other  
10 appropriate licensing, certification, or safety requirements.

11 c. A project which will not change the existing bed capacity  
12 of the applicant's facility or service, as determined by the  
13 department, by more than ten percent or ten beds, whichever is  
14 less, over a two-year period.

15 ~~d. A project the total cost of which will not exceed one  
16 hundred fifty thousand dollars.~~

17 ~~e.~~ d. Any other project for which the applicant proposes  
18 and the department agrees to summary review.

19 Sec. 15. Section 135.69, Code 2023, is amended to read as  
20 follows:

21 **135.69 Council Department to make final decision.**

22 ~~1.~~ The department shall complete its formal review of  
23 the application within ninety days after acceptance of the  
24 application, except as otherwise provided by section 135.72,  
25 subsection 4. Upon completion of the formal review, the  
26 ~~council~~ department shall approve or deny the application. The  
27 ~~council~~ department shall issue written findings stating the  
28 basis for ~~its~~ the department's decision on the application, and  
29 the department shall send copies of the ~~council's~~ department's  
30 decision and the written findings supporting the decision to  
31 the applicant and to any other person who so requests.

32 ~~2. Failure by the council to issue a written decision  
33 on an application for a certificate of need within the time  
34 required by this section shall constitute denial of and final  
35 administrative action on the application.~~

1     Sec. 16. Section 135.70, Code 2023, is amended to read as  
2 follows:

3     **135.70 Appeal of certificate of need decisions.**

4     The ~~council's~~ department's decision on an application for  
5 certificate of need, when announced pursuant to [section 135.69](#),  
6 is a final decision. Any dissatisfied party who is an affected  
7 person with respect to the application, and who participated  
8 or sought unsuccessfully to participate in the formal review  
9 procedure prescribed by [section 135.66](#), may request a rehearing  
10 in accordance with [chapter 17A](#) and rules of the department.  
11 If a rehearing is not requested or an affected party remains  
12 dissatisfied after the request for rehearing, an appeal may be  
13 taken in the manner provided by [chapter 17A](#). Notwithstanding  
14 the Iowa administrative procedure Act, [chapter 17A](#), a request  
15 for rehearing is not required, prior to appeal under section  
16 17A.19.

17     Sec. 17. Section 135.71, subsection 1, Code 2023, is amended  
18 to read as follows:

19     1. A certificate of need shall be valid for a maximum of  
20 one year from the date of issuance. Upon the expiration of  
21 the certificate, or at any earlier time while the certificate  
22 is valid the holder thereof shall provide the department such  
23 information on the development of the project covered by  
24 the certificate as the department may request. The ~~council~~  
25 department shall determine at the end of the certification  
26 period whether sufficient progress is being made on the  
27 development of the project. The certificate of need may be  
28 extended by the ~~council~~ department for additional periods of  
29 time as are reasonably necessary to expeditiously complete the  
30 project, but may be revoked by the ~~council~~ department at the  
31 end of the first or any subsequent certification period for  
32 insufficient progress in developing the project.

33     Sec. 18. Section 135.72, unnumbered paragraph 1, Code 2023,  
34 is amended to read as follows:

35     The department shall adopt, ~~with approval of the council,~~

1 such administrative rules as are necessary to enable ~~it~~ the  
2 department to implement this subchapter. These rules shall  
3 include:

4 Sec. 19. Section 135.72, subsection 4, Code 2023, is amended  
5 to read as follows:

6 4. Criteria for determining when it is not feasible to  
7 complete formal review of an application for a certificate of  
8 need within the time limits specified in section 135.69. The  
9 rules adopted under this subsection shall include criteria for  
10 determining whether an application proposes introduction of  
11 technologically innovative equipment, and if so, procedures  
12 to be followed in reviewing the application. However, a rule  
13 adopted under this subsection shall not permit a deferral of  
14 more than ~~sixty~~ thirty days beyond the time when a decision is  
15 required under section 135.69, unless both the applicant and  
16 the department agree to a longer deferment.

17 Sec. 20. Section 135.73, subsection 1, Code 2023, is amended  
18 to read as follows:

19 1. Any party constructing a new institutional health  
20 facility or an addition to or renovation of an existing  
21 institutional health facility without first obtaining a  
22 certificate of need ~~or, in the case of a mobile health service,~~  
23 ~~ascertaining that the mobile health service has received~~  
24 ~~certificate of need approval,~~ as required by this subchapter,  
25 shall be denied licensure or change of licensure by the  
26 appropriate responsible licensing agency of this state.

27 Sec. 21. Section 135.73, subsection 2, paragraph a, Code  
28 2023, is amended to read as follows:

29 a. A class I violation is one in which a party offers a  
30 new institutional health service or changed institutional  
31 health service modernization or acquisition without review and  
32 approval by the ~~council~~ department. A party in violation is  
33 subject to a penalty of three hundred dollars for each day of a  
34 class I violation. The department may seek injunctive relief  
35 which shall include restraining the commission or continuance

1 of an act which would violate the provisions of this paragraph.  
2 Notice and opportunity to be heard shall be provided to a party  
3 pursuant to [rule of civil procedure 1.1507](#) and contested case  
4 procedures in accordance with [chapter 17A](#). The department may  
5 reduce, alter, or waive a penalty upon the party showing good  
6 faith compliance with the department's request to immediately  
7 cease and desist from conduct in violation of [this section](#).

8 Sec. 22. Section 135.131, subsection 1, paragraph a, Code  
9 2023, is amended to read as follows:

10 a. "*Birth center*" means ~~birth center as defined in section~~  
11 ~~135.61~~ a facility or institution, which is not an ambulatory  
12 surgical center or a hospital or in a hospital, in which  
13 births are planned to occur following a normal, uncomplicated,  
14 low-risk pregnancy.

15 Sec. 23. Section 135P.1, Code 2023, is amended to read as  
16 follows:

17 **135P.1 Definitions.**

18 For the purposes of [this chapter](#), unless the context  
19 otherwise requires:

20 1. "*Adverse health care incident*" means an objective and  
21 definable outcome arising from or related to patient care that  
22 results in the death or physical injury of a patient.

23 2. "*Health care provider*" means a physician or osteopathic  
24 physician licensed under [chapter 148](#), a physician assistant  
25 licensed and practicing under a supervising physician pursuant  
26 to [chapter 148C](#), a podiatrist licensed under [chapter 149](#), a  
27 chiropractor licensed under [chapter 151](#), a licensed practical  
28 nurse, a registered nurse, or an advanced registered nurse  
29 practitioner licensed under [chapter 152](#) or [152E](#), a dentist  
30 licensed under [chapter 153](#), an optometrist licensed under  
31 [chapter 154](#), a pharmacist licensed under [chapter 155A](#), or  
32 any other person who is licensed, certified, or otherwise  
33 authorized or permitted by the law of this state to administer  
34 health care in the ordinary course of business or in the  
35 practice of a profession.

1 3. "Health facility" means an institutional health facility  
2 ~~as defined in section 135.61~~, a hospice licensed under chapter  
3 135J, a home health agency as defined in [section 144D.1](#), an  
4 assisted living program certified under [chapter 231C](#), a clinic,  
5 a community health center, or the university of Iowa hospitals  
6 and clinics, and includes any corporation, professional  
7 corporation, partnership, limited liability company, limited  
8 liability partnership, or other entity comprised of such health  
9 facilities.

10 4. "Institutional health facility" means any of the  
11 following, without regard to whether the facilities referred  
12 to are publicly or privately owned or are organized for profit  
13 or not, or whether the facilities are part of or sponsored by a  
14 health maintenance organization:

15 a. A hospital as defined in section 135B.1.

16 b. A health care facility as defined in section 135C.1.

17 c. An organized outpatient health facility as defined in  
18 section 135.61.

19 d. An outpatient surgical facility as defined in section  
20 135.61.

21 e. A community mental health center as defined in section  
22 230A.102.

23 f. A birth center as defined in section 135.131.

24 ~~4.~~ 5. "Open discussion" means all communications that are  
25 made under [section 135P.3](#), and includes all memoranda, work  
26 products, documents, and other materials that are prepared  
27 for or submitted in the course of or in connection with  
28 communications under [section 135P.3](#).

29 ~~5.~~ 6. "Patient" means a person who receives medical care  
30 from a health care provider, or if the person is a minor,  
31 deceased, or incapacitated, the person's legal representative.

32 Sec. 24. 2023 Iowa Acts, Senate File 514, section  
33 1443, subsection 1, if enacted, is amended by striking the  
34 subsection.

35 Sec. 25. 2023 Iowa Acts, Senate File 514, section



1 1443, subsection 5, if enacted, is amended by striking the  
2 subsection.

3 Sec. 26. 2023 Iowa Acts, Senate File 514, sections 1584  
4 through 1609, if enacted, are amended by striking the sections.

5 Sec. 27. REPEAL. Section 135.65, Code 2023, is repealed.

6 DIVISION II

7 BIRTH CENTERS

8 Sec. 28. BIRTH CENTERS — PROVISIONAL LICENSURE. The  
9 department of inspections, appeals, and licensing shall develop  
10 minimum standards for provisional licensure of a birth center  
11 and shall adopt rules pursuant to chapter 17A to administer  
12 birth center provisional licensure. The department shall  
13 issue a provisional license to a birth center that meets the  
14 minimum standards. A provisional license may be granted  
15 for a period of no more than one year from the date the  
16 specified administrative rules are adopted. A provisional  
17 license shall expire at the end of the license term and is  
18 not renewable. During the term of a provisional license, a  
19 health care provider accepting the transfer of a patient from  
20 a provisionally licensed birth center shall not be subject to  
21 civil or criminal liability for outcomes arising from actions  
22 of the provisionally licensed birth center or any of the  
23 employees, agents, or contractors of such birth center.

24 Sec. 29. EMERGENCY RULES. The department of inspections,  
25 appeals, and licensing shall adopt emergency rules under  
26 section 17A.4, subsection 3, and section 17A.5, subsection  
27 2, paragraph "b", to implement the birth center provisional  
28 licensure provisions of this division of this Act, within six  
29 months of the effective date of this division of this Act and  
30 shall submit such rules to the administrative rules coordinator  
31 and the administrative code editor pursuant to section 17A.5,  
32 subsection 1, within the same period. The rules shall be  
33 effective immediately upon filing unless a later date is  
34 specified in the rules. Any rules adopted in accordance with  
35 this section shall also be published as a notice of intended

1 action as provided in section 17A.4.

2 Sec. 30. PROPOSED LEGISLATION — BIRTH CENTER

3 LICENSURE. The department of inspections, appeals, and  
4 licensing shall submit proposed legislation under section  
5 2.16 that provides for state licensure of and inspection  
6 requirements for birth centers to be considered by the 2024  
7 session of the general assembly.

8 Sec. 31. DEFINITIONS. For the purposes of this division of  
9 this Act:

10 1. "Birth center" means a facility or institution, which  
11 is not an ambulatory surgical center or a hospital or in a  
12 hospital, in which births are planned to occur following a  
13 normal, uncomplicated, low-risk pregnancy.

14 2. "Health care provider" means the same as defined in  
15 section 147.136A.

16 Sec. 32. EFFECTIVE DATE. This division of this Act, being  
17 deemed of immediate importance, takes effect upon enactment.