

# House Research Act Summary

**CHAPTER:** 198

**SESSION:** 2004 Regular Session

**TOPIC:** Outpatient Surgical Centers and Diagnostic Imaging Facilities

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## Overview

This Act contains provisions related to the regulation of outpatient surgical centers and diagnostic imaging facilities. The Act adds additional licensure requirements for outpatient surgical centers and requires diagnostic imaging facilities to report specified information to the commissioner of health. The Act also requires health care providers to disclose financial interests and makes other changes.

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- 1**     **Issuance.** Amends § 144.55, subd. 1. Adds a statutory reference to the commissioner's responsibility for licensing outpatient surgical centers. Provides that outpatient surgical centers licensed as part of a hospital do not need a separate license.
- 2**     **License fee.** Amends § 144.55, by adding subd. 1a. Sets the annual license fee for outpatient surgical centers at \$1,512.
- 3**     **Standards for nursing care.** Amends § 144.55 by adding subd. 1b. Requires outpatient surgical centers, as a condition of licensure, to provide nursing care consistent with nationally accepted nursing clinical standards that are generally accepted in the professional nursing community.
- 4**     **Definitions.** Amends § 144.55, subd. 2. Provides a definition of "outpatient surgical center." Updates an existing definition.
- 5**     **Standards for licensure.** Amends § 144.55, subd. 3. Requires outpatient surgical centers to establish policies and procedures to prevent the transmission of HIV and Hepatitis B.
- 6**     **Coordination of inspections.** Amends § 144.55, subd. 5. Adds a reference to outpatient surgical centers to a section of law dealing with coordinating inspections by state agencies.

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**7**        **Suspension, revocation, and refusal to renew.** Amends § 144.55, subd. 6. Classifies violation of the rules on hospital and outpatient surgical center reporting (chapter 4650) and the licensure rule for outpatient surgical centers (chapter 4675) as grounds for action against a facility's license.

A new clause (5) provides that the commissioner may suspend or revoke the license of a hospital or outpatient surgical center if there is a pattern of conduct involving one or more physicians failing to disclose their financial or economic interests to patients as required by section 144.6521.

**8**        **Hearing.** Amends § 144.55, subd. 7. Requires compliance with rules for outpatient surgical center reporting (chapter 4650) and the licensure rule for outpatient surgical centers (chapter 4675) as a condition for obtaining a new license following regulatory action taken against a prior license.

**9**        **Diagnostic imaging facilities.** Adds § 144.552

**Subd. 1. Utilization and services data; economic and financial interests.**

Requires diagnostic imaging facilities to report utilization data for specified services for each health plan company and public program, including workers' compensation, and the names of individuals with financial or economic interests, to the commissioner.

**Subd. 2. Commissioner's right to inspect records.** Allows the commissioner to inspect a facility's books, audits, and records if a report is not filed or the commissioner has reason to believe a report is incomplete or false.

**Subd. 3. Separate reports.** Requires separate reports for facilities that are not attached or contiguous to a hospital or hospital affiliate. Requires separate reports for each facility owned by the same entity.

**Subd. 4. Definitions.** Defines the following terms: diagnostic imaging facility, financial or economic interest, freestanding, and mobile.

**10**       **Definitions.** Amends § 144.651, subd. 2. For purposes of specified provisions of the patient bill of rights, expands the definition of "patient" to include a person who receives health care services at an outpatient surgical center.

**11**       **Disclosure of financial interest.** Adds § 144.6521.

**Subd. 1. Disclosure.** Prohibits health care providers who have a financial or economic interest in, or an employment or contractual arrangement that limits referral options with, a hospital, outpatient surgical center, or diagnostic imaging facility, or an affiliate, from referring a patient to that entity or an affiliate, unless they disclose this interest to the patient using a written disclosure form. Requires hospitals, outpatient surgical centers, and diagnostic imaging facilities to report provider violations to the commissioner.

**Subd. 2. Posting of notice.** Requires each health care provider having a financial or economic interest, or employment or contractual arrangement, to post a notice of that interest or arrangement in a conspicuous public location within the provider's

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facility.

**Subd. 3. Definition.** Defines the following terms: affiliate, diagnostic imaging facility, employment or contractual arrangement that limits referral options, freestanding, financial or economic interest, health care provider, and mobile.

- 12 Without notice.** Amends § 144.653, subd. 4. Adds a cross-reference to the licensure rule for outpatient surgical centers.
- 13 Yearly reports.** Amends § 144.698, subd. 1. Requires hospitals and outpatient surgical centers to report information on changes in ownership or control to the commissioner. Requires outpatient surgical centers to provide balance sheets to the commissioner.
- 14 Commissioner's right to inspect records.** Amends § 144.698, subd. 5. Allows the commissioner to inspect a hospital or outpatient surgical center's books, audits, and records if a report is not filed or the commissioner has reason to believe a report is incomplete or false. (Current law, which is stricken, gives the commissioner inspection authority "as reasonably necessary" to verify reports.)
- 15 Facility.** Amends § 144.7063, subd. 3. Requires outpatient surgical centers to comply with adverse health events reporting requirements. States that the section is effective on the date of full implementation of the adverse health events reporting system, provided the commissioner has secured sufficient funds from nonstate sources to operate the adverse health care events reporting system in FY 2005.
- 16 Grounds listed.** Amends § 147.091, subd. 1. Revises provisions regarding grounds for disciplinary action against a physician by the Board of Medical Practice by defining a financial or economic interest which must be disclosed by a physician to a patient and the requirements of the disclosure.
- 17 Vendor of medical care.** Amends § 256B.02, subd. 7. Includes ambulatory surgical center services within the Medical Assistance definition of "vendor of medical care."
- 18 Limited benefits coverage for certain single adults and households without children.** Amends § 256L.035. Adds freestanding ambulatory surgical center services as a covered service under the MinnesotaCare limited benefit set.
- 19 Appropriation.** (a) Appropriates any money received by the Commissioner of Health from nonstate sources to operate the adverse health care events reporting system in FY 2005 to the commissioner, for that purpose.

(b) Appropriates the annual licensing fees paid by outpatient surgical centers from the state government special revenue fund to the commissioner of health, for purposes of regulating outpatient surgical centers.