# HOUSE BILL NO. 734

# INTRODUCED BY WINSLOW, D. O'HARA, HANNAH

## IN THE HOUSE

February 12,	1981	Introduced and referred to Committee on Human Services.
Pebruary 21,	1981	Committee recommend bill do pass as amended. Report adopted.
February 23,	1981	Bill printed and placed on members desks.
February 24,	1981	Second reading, do pass.
		On motion rules suspended and bill placed on third reading this day.
February 25,	1981	Correctly engrossed.
		Third reading, passed. Ayes, 91; Noes, 7. Transmitted to Senate.

### IN THE SENATE

March 3, 1981	Introduced and referred to Committee on Public Health, Welfare, and Safety.
March 25, 1981	Committee recommend bill be concurred in as amended. Report adopted.
March 26, 1981	Second reading, concurred in.
March 28, 1981	Third reading, concurred in as amended. Ayes, 44; Noes, 5.

#### IN THE HOUSE

March 28, 1981

Returned from Senate with amendments.

April 8, 1981

Second reading, amendments concurred in.

April 9, 1981

Third reading, amendments concurred in. Ayes, 97; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

1	HOUSE BILL NO. 734
2	INTRODUCED BY Whole A. O. Ham Hanne
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE
5	LICENSURE INSPECTION FOR HEALTH CARE FACILITIES THAT ARE
6	ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF
7	HOSPITALS; AMENDING SECTIONS 50-5-101 AND 50-5-103, MCA.*
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 50-5-101, MCA, is amended to read:
11	#50-5-101. Definitions. As used in parts 1 through 4
12	of this chapter, unless the context clearly indicates
13	otherwise, the following definitions apply:
14	(1) "Accreditation" means a designation of approval.
15	<pre>(1)121 "Adult day-care center" means a facility;</pre>
16	free-standing or connected to another health care facility:
17	which provides adults, on an intermittent basis, with the
18	care necessary to meet the needs of daily living.
19	(2)(3) "Affected persons" means the applicant, members
20	of the public who are to be served by the proposal, health
21	care facilities located in the geographic area affected by
22	the application, agencies which establish rates for health
23	care facilities, and agencies which plan or assist in
24	planning for such facilities, including any agency

qualifying as a health systems agency pursuant to Title XV

2 (3)(4) "Ambulatory surgical facility" means facility, not part of a hospital, which provides surgical treatment to patients not requiring hospitalization. This type of facility may include observation beds for patient recovery from surgery or other treatment. 7 141151 "Board" means the board of health and environmental sciences, provided for in 2-15-2104. 9 (5)(6) "Certificate of need" means a written 10 authorization by the department for a person to proceed with 11 a proposal subject to 50-5-301. 12 f6)[7] "Construction" means the physical erection of a 13 health care facility and any stage thereof, including ground 14 breaking. 15 †7)18] "Department" means the department of health and 16 environmental sciences provided for in Title 2, chapter 15, part 21. 17

(8)19) "Federal acts" means federal statutes for the

f9f(10) "Governmental unit" means the state, a state

(10)(11) "Health care facility" means any institution,

agency, a county, municipality, or political subdivision of

building, or agency or portion thereof, private or public,

excluding federal facilities, whether organized for profit

the state, or an agency of a political subdivision.

construction of health care facilities.

of the Public Health Service Act.

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1 or not, used, operated, or designed to provide health services, medical treatment, or nursing, rehabilitative, or 2 3 preventive care to any person or persons. The term does not 4 include offices of private physicians or dentists. The term 5 includes but is not limited to ambulatory surgical 6 facilities, health maintenance organizations, home health 7 agencies, hospitals, infirmaries, kidney treatment centers, 8 long-term care facilities, mental health centers, outpatient 9 facilities. public. health centers: rehabilitation 10 facilities, and adult day-care centers.

11 titl(12) "Health maintenance organization" means a
12 public or private organization organized as defined in 42
13 U-S-C- 300e, as amended.

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tt2)(13) "Home health agency" means a public agency or private organization or subdivision thereof which is engaged in providing home health services to individuals in the places where they live. Home health services must include the services of a licensed registered nurse and at least one other therapeutic service and may include additional support services.

tiff(114) "Hospital" means a facility providing, by or under the supervision of licensed physicians, services for medical diagnosis, treatment, rehabilitation, and care of injured, disabled, or sick persons. Services provided may or may not include obstetrical care, emergency care, or any

other service as allowed by state licensing authority. A
hospital has an organized medical staff which is on call and
available within 20 minutes, 24 hours per day. 7 days per
week, and provides 24-hour nursing care by licensed
registered nurses. This term includes hospitals specializing
in providing health services for psychiatric, mentally
retarded, and tubercular patients.

8 (14)(15) "Infirmary" means a facility located in a
9 university, college, government institution, or industry for
10 the treatment of the sick or injured, with the following
11 subdefinitions:

- 12 (a) an \*infirmary--A\* provides outpatient and
- (b) an "infirmary--B" provides outpatient care only.

  (16) "Joint commission on accreditation of hospitals"

  means the organization nationally recognized by that name

  with headquarters in Chicago. Illinois. that surveys health

  care facilities upon their requests and grants accreditation

  status to any health care facility that it finds meets its

  standards and requirements.
- 21 <u>+157(17)</u> "Kidney treatment center" means a facility
  22 which specializes in treatment of kidney diseases, including
  23 freestanding hemodialysis units.
- 24 (±6†(181) (a) "Long-term care facility" means a facility
  25 or part thereof which provides skilled nursing care or

intermediate nursing care to a total of two or more persons or personal care to more than three persons who are not related to the owner or administrator by blood or marriage, with these degrees of care defined as follows:

- (i) "Skilled nursing care" means the provision of nursing care services, health-related services, and social services under the supervision of a licensed registered nurse on a 24-hour basis.
- (ii) "Intermediate nursing care" means the provision of nursing care services, health-related services, and social services under the supervision of a licensed nurse to patients not requiring 24-hour nursing care.
- (iIi) "Personal care" means the provision of services and care which do not require nursing skills to residents needing some assistance in performing the activities of daily living.
- (b) Hotels, motels, boarding homes, roominghouses, or similar accommodations providing for transients, students, or persons not requiring institutional health care are not long-term care facilities.
- tittical "Mental health center" means a facility providing services for the prevention or diagnosis of mental illness, the care and treatment of mentally ill patients or the rehabilitation of such persons, or any combination of these services.

- 2 (a) the construction, development, or other 3 establishment of a health care facility which did not 4 previously exist;
  - (b) any expenditure by or on behalf of a health care facility within a 12-month period in excess of \$150,000, which, under generally accepted accounting principles consistently applied, is a capital expenditure. Whenever a health care facility or a person on behalf of a health care facility makes an acquisition under lease or comparable arrangement or through donation, which would have required review if the acquisition had been by purchase, such acquisition shall be considered a capital expenditure subject to review.
  - (c) a change in bed capacity of a health care facility which increases or decreases the total number of beds, redistributes beds among various service categories, or relocates such beds from one physical facility or site to another over a 2-year period by more than 10 beds or 10% of the total licensed bed capacity, whichever is less;
  - (d) health services which are offered in or through a health care facility and which were not offered on a regular basis in or through such health care facility within the 12-month period prior to the time such services would be offered or the deletion by a health care facility of a

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1	service previously offered;
2	(e) the expansion of a geographic service area of a
3	home health agency.
4	<pre> t+9+1211 "Nonprofit health care facility" means a </pre>
5	health care facility owned or operated by one or more
6	nonprofit corporations or associations.
7	<del>(20)</del> 1221 *Observation bed* means a bed occupied for not
8	more than 6 hours by a patient recovering from surgery or
9	other treatment.
10	<del>(21)</del> 123) *Offer* means the holding out by a health care
11	facility that it can provide specific health services.
12	<del>(22)</del> (24) "Outpatient facility" means a facility:
13	located in or apart from a hospital, providing, under the
14	direction of a licensed physician, either diagnosis or
15	treatment, or both, to ambulatory patients in need of
16	medical, surgical, or mental care. An outpatient facility
17	may have observation beds.
18	<del>(23)</del> [25] *Patient* means an individual obtaining
19	services, including skilled nursing care, from a health care
20	facility.
21	<del>(24)[26]</del> "Person" means any individual, firm,
22	partnership, association, organization, agency, institution,
23	corporation, trust, estate, or governmental unit, whether
24	organized for profit or not.

facility providing health services, including laborate	ories,
clinics, and administrative offices.	
<del>(26)</del> [28] "Rehabilitation facility" means a fac	cility
which is operated for the primary purpose of assisting	ng in
the rehabilitation of disabled persons by prov	viding
comprehensive medical evaluations and serv	vices.
psychological and social services, or vocational evalu	uation
and training or any combination of these services an	nd in
which the major portion of the services is furnished a	within
the facility.	
<del>(27)</del> [29] "Resident" means a person who is i	in a
long-term care facility for intermediate or personal	care.
<del>(20)</del> (30) "State plan" means the state medical fac	cility
plan provided for in part 4. <sup>M</sup>	
Section 2. Section 50-5-103, NCA, is amended to	read:
#50-5-103. Rules and standards accreditation	nby
joint_commission. (1) The department shall promulgat	te and
adopt rules and minimum standards for implementation	on of
parts 1 through 4.	
(2) Any facility covered by this chapter shall o	omply:
with the state and federal requirements relating	g to
construction, equipment, and fire and life safety.	
(3) The department shall extend a reasonable time	ne for

t25)1271 "Public health center" means a publicly owned

compliance with rules for parts 1 through 4 after adoption.

(4) Any health care facility that furnishes written

1 evidence to the department of its accreditation granted by 2 the joint commission on accreditation of hospitals is 3 eligible for licensure in the state for the accreditation period and may not be subjected to an inspection by the 5 department. except that the department may inspect any licensed health care facility to answer specific complaints 7 made in writing by any person against the facility when such 8 complaints pertain to licensing requirements. Inspection by 9 the department upon such complaint shall be limited to the 10 specific area or condition of the health care facility to 11 which the complaint pertains."

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47th Legislature

ipproved by Comm. On Human Services

ı	HOUSE BILL NO. 734
2	INTRODUCED BY WINSLOW, D. O'HARA, HANNAH
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE
5	LICENSURE INSPECTION FOR HEALTH-GARE-FACTLIFTES HOSPITALS
6	THAT ARE ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION
7	OF HOSPITALS; AMENDING SECTIONS 50-5-101 AND 50-5-103, MCA-*
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9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
0	Section 1. Section 50-5-101, MCA, is amended to read:
1	*50-5-101. Definitions. As used in parts 1 through 4
2	of this chapter, unless the context clearly indicates
3	otherwise, the following definitions apply:
4	(1) "Accreditation" means a designation of approval.
5	(1)(2) "Adult day-care center" means a facility,
6	free-standing or connected to another health care facility.
.7	which provides adults, on an intermittent basis, with the
.8	care necessary to meet the needs of daily living.
9	f2+(3) "Affected persons" means the applicant, members
	1
20	of the public who are to be served by the proposal, health
21	care facilities located in the geographic area affected by
22	the application, agencies which establish rates for health
23	care facilities, and agencies which plan or assist in
24	planning for such facilities, including any agency
25	qualifying as a health systems agency pursuant to Title XV

1	of the Public Health Service Act.
2	t3† <u>(4)</u> "Ambulatory surgical facility" means a
3	facility, not part of a hospital, which provides surgical
4	treatment to patients not requiring hospitalization. This
5	type of facility may include observation beds for patient
6	recovery from surgery or other treatment.
7	t4)(5) "Board" means the board of health and
8	environmental sciences, provided for in 2-15-2104.
9	t5)(6) "Certificate of need" means a written
10	authorization by the department for a person to proceed with
11	a proposal subject to 50-5-301.
12	$\{6\}$ "Construction" means the physical erection of a
13	health care facility and any stage thereof, including ground
14	breaking.
15	†7†(8) "Department" means the department of health and
16	environmental sciences provided for in Title 2, chapter 15
17	part 21.
18	(8)(9) "Federal acts" means federal statutes for the
19	construction of health care facilities.
20	$rac{\{9\}}{10}$ "Governmental unit" means the state, a state
21	agency, a county, municipality, or political subdivision of
22	the state+ or an agency of a political subdivision.
23	(10)(11) "Health care facility" means any institution
24	building, or agency or portion thereof, private or public
25	excluding federal facilities, whether organized for profit

1	or not, used, operated, or designed to provide health
2	services, medical treatment, or nursing, rehabilitative, or
3	preventive care to any person or persons. The term does not
4	include offices of private physicians or dentists. The term
5	includes but is not limited to ambulatory surgical
6	facilities, health maintenance organizations, home health
7	agencies, hospitals, infirmaries, kidney treatment centers,
8	long-term care facilities, mental health centers, outpatient
9	facilities, public health centers, rehabilitation
10	facilities, and adult day-care centers.

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U.S.C. 300e, as amended.

tizi(13) "Home health agency" means a public agency or private organization or subdivision thereof which is engaged in providing home health services to individuals in the places where they live. Home health services must include the services of a licensed registered nurse and at least one other therapeutic service and may include additional support services.

filigraphical maintenance organization means a

public or private organization organized as defined in 42

4.24 jul : 1137(14) "Hospital" means a facility providing, by or 22 under the supervision of licensed physicians, services for 23 medical diagnosis, treatment, rehabilitation, and care of injured, disabled, or sick persons. Services provided may or may not include obstetrical care, emergency care, or any 1 other service as allowed by state licensing authority. A hospital has an organized medical staff which is on call and 3 available within 20 minutes, 24 hours per day, 7 days per week, and provides 24-hour nursing care by licensed registered nurses. This term includes hospitals specializing in providing health services for psychiatric, mentally retarded, and tubercular patients.

†14†(15) "Infirmary" means a facility located in a university, college, government institution, or industry for 10 the treatment of the sick or injured, with the following 11 subdefinitions:

- 12 (a) an "infirmary--A" provides outpatient and 13 inpatient care;
- 14 (b) an "infirmary--B" provides outpatient care only. 15 (16) "Joint commission on accreditation of hospitals" 16 means the organization nationally recognized by that name 17 with headquarters in Chicago, Illinois, that surveys health care facilities upon their requests and grants accreditation 18 19 status to any health care facility that it finds meets its
- 20 standards and requirements.
- 21 f15+(17) "Kidney treatment center" means a facility 22 which specializes in treatment of kidney diseases, including 23 freestanding hemodialysis units.
- t16+(18) (a) "Long-term care facility" means a facility 24 25 or part thereof which provides skilled nursing care or

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intermediate nursing care to a total of two or more	persons
or personal care to more than three persons who	are not
related to the owner or administrator by blood or made	rriage,
with these degrees of care defined as follows:	

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- (i) "Skilled nursing care" means the provision of nursing care services, health-related services, and social services under the supervision of a licensed registered nurse on a 24-hour basis.
- (ii) "Intermediate nursing care" means the provision of nursing care services, health-related services, and social services under the supervision of a licensed nurse to patients not requiring 24-hour nursing care.
- (iii) "Personal care" means the provision of services and care which do not require nursing skills to residents needing some assistance in performing the activities of daily living.
  - (b) Hotels, motels, boarding homes, roominghouses, or similar accommodations providing for transients, students, or persons not requiring institutional health care are not long-term care facilities.
- 21 +17+(19) "Mental health center" means a facility 22 providing services for the prevention or diagnosis of mental 23 illness, the care and treatment of mentally ill patients or 24 the rehabilitation of such persons, or any combination of 25 these services.

1	<u> (105) (84)</u>	"New	institutional	health	services*	means
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- 2 (a) the construction. development. other 3 establishment of a health care facility which did not 4 previously exist;
  - (b) any expenditure by or on behalf of a health care facility within a 12-month period in excess of \$150,000. which, under generally accepted accounting principles consistently applied, is a capital expenditure. Whenever a health care facility or a person on behalf of a health care facility makes an acquisition under lease or comparable arrangement or through donation, which would have required review if the acquisition had been by purchase, such acquisition shall be considered a capital expenditure subject to review.
- (c) a change in bed capacity of a health care facility 15 16 which increases or decreases the total number of beds. 17 redistributes beds among various service categories, or 18 relocates such beds from one physical facility or site to 19 another over a 2-year period by more than 10 beds or 10% of the total licensed bed capacity, whichever is less; 20
- (d) health services which are offered in or through a health care facility and which were not offered on a regular 23 basis in or through such health care facility within the 24 12-month period prior to the time such services would be 25 offered or the deletion by a health care facility of a

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Service	previously	offered:
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- 2 (e) the expansion of a geographic service area of a 3 home health agency.
- 4 ti9†(21) "Nonprofit health care facility" means a
  5 health care facility owned or operated by one or more
  6 nonprofit corporations or associations.
- 7 t201(22) "Observation bed" means a bed occupied for not
  8 more than 6 hours by a patient recovering from surgery or
  9 other treatment.
- 10 t217(23) "Offer" means the holding out by a health care
  11 facility that it can provide specific health services.
  - f227(24) "Outpatient facility" means a facility, located in or apart from a hospital, providing, under the direction of a licensed physician, either diagnosis or treatment, or both, to ambulatory patients in need of medical, surgical, or mental care. An outpatient facility may have observation beds.
- 18 t23†(25) "Patient" means an individual obtaining
  19 services, including skilled nursing care, from a health care
  20 facility.
- partnership, association, organization, agency, institution, corporation, trust, estate, or governmental unit, whether organized for profit or not.
- 25 {25}(27) "Public health center" means a publicly owned

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- facility providing health services, including laboratories,
  clinics, and administrative offices.
- the rehabilitation of disabled persons by providing comprehensive medical evaluations and services, psychological and social services, or vocational evaluation and training or any combination of these services within the facility.
- 11 t27)(29) "Resident" means a person who is in a
  12 long-term care facility for intermediate or personal care.
  13 t28)(30) "State plan" means the state medical facility
  14 plan provided for in part 4."
- 20 (2) Any facility covered by this chapter shall comply
  21 with the state and federal requirements relating to
  22 construction, equipment, and fire and life safety.
  - (3) The department shall extend a reasonable time for compliance with rules for parts 1 through 4 after adoption-(4) Any health-core-facility HOSPITAL that furnishes

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ì	written evidence INCLUDING THE RECOMMENDATION FOR FUTURE
2	COMPLIANCE STATEMENT to the department of its accreditation
3	granted by the joint commission on accreditation of
4	hospitals is eligible for licensure in the state for the
5	accreditation period and may not be subjected to an
6	inspection by the department, except that the department may
7	inspect any licensed health care facility to answer specific
8	complaints made in writing by any person against the
9	facility when such complaints pertain to licensing
10	requirements. Inspection by the department upon such
11	complaint shall be limited to the specific area or condition
12	of the health care facility to which the complaint
13	pertains."
14	NEW SECTION. SECTION 3. ALL WRITTEN EVIDENCE
15	SUBMITTED BY THE HOSPITAL TO THE DEPARTMENT OF HEALTH AND
16	ENVIRONMENTAL SCIENCES MUST BE CONFIDENTIAL AND NOT RELEASED
17	TO ANY PERSON WITHOUT A PRIOR WRITTEN RELEASE SIGNED BY THE
18	CHIEF EXECUTIVE OFFICER OF THE HOSPITAL.

-End-

HOUSE	RUI	NO.	734
11003	DICE	110	1,7,4

#### INTRUDUCED BY WINSLOW, D. O'HARA: HANNAH

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A SILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE LICENSURE INSPECTION FOR HEALTH-GARE-FACILITIES HOSPITALS THAT ARE ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION OF HOSPITALS: AMENDING SECTIONS 50-5-101 AND 50-5-103, MCA."

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#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 50-5-101, MCA, is amended to read: 11 \*50-5-101. Definitions. As used in parts 1 through 4 12 of this chapter, unless the context clearly indicates otherwise, the following definitions apply:

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(1) "Accreditation" means a designation of approval. +1+(2) "Adult day-care center" means a facility: free-standing or connected to another health care facility. which provides adults, on an intermittent basis, with the care necessary to meet the needs of daily living.

+2+(3) "Affected persons" means the applicant+ members of the public who are to be served by the proposal, health care facilities located in the geographic area, affected, by the application, agencies which establish rates for health care facilities, and agencies which plan or assist in planning for such facilities, including any agency qualifying as a health systems agency pursuant to Title XV

of the Public Health Service Act.

2 +3+(4) "Ambulatory surgical facility" means a facility, not part of a hospital, which provides surgical 3 treatment to patients not requiring hospitalization. This type of facility may include observation beds for patient recovery from surgery or other treatment.

141(5) "Board" means the board of health and environmental sciences, provided for in 2-15-2104.

9 (5)(6) "Certificate of need" means a written 10 authorization by the department for a person to proceed with a proposal subject to 50-5-301. 11

12 f6)(7) "Construction" means the physical erection of a health care facility and any stage thereof, including ground 13 14 breaking.

15 (3) "Department" means the department of health and environmental sciences provided for in Title 2, chapter 15, 17 part 21.

t8)(9) "Federal acts" means federal statutes for the construction of health care facilities. 19

(9) (10) "Governmental unit" means the state, a state 20 agency, a county, municipality, or political subdivision of 21 the state, or an agency of a political subdivision. 22

f16+(11) "Health care facility" means any institution, 23 building, or agency or portion thereof, private or public, 24 excluding federal facilities, whether organized for profit 25

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or not, used, operated, or designed to provide health services, medical treatment, or nursing, rehabilitative, or preventive care to any person or persons. The term does not include offices of private physicians or dentists. The term includes but is not limited to ambulatory surgical facilities, health maintenance organizations, home health agencies, hospitals, infirmaries, kidney treatment centers, long-term care facilities, mental health centers, outpatient facilities, public health centers, rehabilitation facilities, and adult day-care centers.

fitt(12) "Health maintenance organization" means a public or private organization organized as defined in 42 U.S.C. 300e, as amended.

(12) "Home health agency" means a public agency or private organization or subdivision thereof which is engaged in providing home health services to individuals in the places where they live. Home health services must include the services of a licensed registered nurse and at least one other therapeutic service and may include additional support services.

fi3f(14) "Hospital" means a facility providing, by or under the supervision of licensed physicians, services for medical diagnosis, treatment, rehabilitation, and care of injured, disabled, or sick persons. Services provided may or may not include obstetrical care, emergency care, or any

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other service as allowed by state licensing authority. A hospital has an organized medical staff which is on call and 3 available within 20 minutes, 24 hours per day, 7 days per week+ and provides 24-hour nursing care by licensed registered nurses. This term includes hospitals specializing in providing health services for psychiatric, mentally retarded, and tubercular patients.

(14)(15) "Infirmary" means a facility located in a university, college, government institution, or industry for the treatment of the sick or injured, with the following subdefinitions:

- (a) an "infirmary--A" provides outpatient 12 and 13 inpatient care;
- (b) an "infirmary--B" provides outpatient care only. 15 (16) "Joint commission on accreditation of hospitals" 16 means the organization nationally recognized by that name 17 with headquarters in Chicago, Illinois, that surveys health care facilities upon their requests and grants accreditation 19 status to any health care facility that it finds meets its 20 standards and requirements.
- 21 +15+(17) "Kidney treatment center" means a facility 22 which specializes in treatment of kidney diseases, including 23 freestanding hemodialysis units.
- t+6+(18) (a) "Long-term care facility" means a facility 24 or part thereof which provides skilled nursing care or

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- intermediate nursing care to a total of two or more persons
  or personal care to more than three persons who are not
  related to the owner or administrator by blood or marriage,
  with these degrees of care defined as follows:
- 5 (i) "Skilled nursing care" means the provision of 6 nursing care services, health-related services, and social 7 services under the supervision of a licensed registered 8 nurse on a 24-hour basis.

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- 13 (iii) "Personal care" means the provision of services
  14 and care which do not require nursing skills to residents
  15 needing some assistance in performing the activities of
  16 daily living.
  - (b) Hotels, motels, boarding homes, roominghouses, or similar accommodations providing for transients, students, or persons not requiring institutional health care are not long-term care facilities.
- the rehabilitation of such persons, or any combination of these services.

f18f(20) "New institutional health services" means:

- (a) the construction, development, or other sestablishment of a health care facility which did not previously exist;
  - (b) any expenditure by or on behalf of a health care facility within a 12-month period in excess of \$150,000, which, under generally accepted accounting principles consistently applied, is a capital expenditure. Whenever a health care facility or a person on behalf of a health care facility makes an acquisition under lease or comparable arrangement or through donation, which would have required review if the acquisition had been by purchase, such acquisition shall be considered a capital expenditure subject to review.
  - (c) a change in bed capacity of a health care facility which increases or decreases the total number of beds, redistributes beds among various service categories, or relocates such beds from one physical facility or site to another over a 2-year period by more than 10 beds or 10% of the total licensed bed capacity, whichever is less;
  - {d} health services which are offered in or through a nealth care facility and which were not offered on a regular basis in or through such health care facility within the l2-month period prior to the time such services would be offered or the deletion by, a health care facility of a

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2 (e) the expansion of a geographic service area of a 3 home health agency.

t+9+(21) "Nonprofit health care facility" means a
health care facility owned or operated by one or more
nonprofit corporations or associations.

#201(22) "Observation bed" means a bed occupied for not more than 6 hours by a patient recovering from surgery or other treatment.

t211(23) "Offer" means the holding out by a health care facility that it can provide specific health services.

f221(24) "Outpatient facility" means a facility.

located in or apart from a hospital, providing, under the direction of a licensed physician, either diagnosis or treatment, or both, to ambulatory patients in need of medical, surgical, or mental care. An outpatient facility may have observation beds.

f23f(25) "Patient" means an individual obtaining
services, including skilled nursing care, from a health care
facility.

t24)(26) "Person" means any individual, firm, partnership, association, organization, agency, institution, corporation, trust, estate, or governmental unit, whether organized for profit or not.

25 f25 f(27) "Public health center" means a publicly owned

facility providing health services, including laboratories,

f26†[28] "Rehabilitation facility" means a facility
which is operated for the primary purpose of assisting in
the rehabilitation of disabled persons by providing
comprehensive medical evaluations and services,
psychological and social services, or vocational evaluation
and training or any combination of these services and in
which the major portion of the services is furnished within
the facility.

t27)[29] "Resident" means a person who is in a long-term care facility for intermediate or personal care.

t28)[30] "State plan" means the state medical facility plan provided for in part 4."

Section 2. Section 50-5-103, MCA, is amended to read:

"50-5-103. Rules and standards — accreditation by

ioint commission. (1) The department shall promulgate and
adopt rules and minimum standards for implementation of
parts 1 through 4.

- {2} Any facility covered by this chapter shall comply with the state and federal requirements relating to construction, equipment, and fire and life safety.
- (3) The department shall extend a reasonable time for compliance with rules for parts 1 through 4 after adoption.
  (4) Any health-care-facility HOSPITAL that furnishes

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1 written evidence INCLUDING THE RECOMMENDATION FOR FUTURE 2 COMPLIANCE STATEMENT to the department of its accreditation 3 granted by the joint commission on accreditation of hospitals is eligible for licensure in the state for the accreditation period and may not be subjected to an inspection by the department, except that the department may 7 inspect any licensed health care facility to answer specific 8 complaints made in writing by any person against the facility when such complaints pertain to licensing 10 requirements. Inspection by the department upon such 11 complaint shall be limited to the specific area or condition 12 of the health care facility to which the complaint 13 pertains." 14 NEW SECTION. SECTION 3. ALL WRITTEN EVIDENCE 15 SUBMITTED BY THE HOSPITAL TO THE DEPARTMENT OF HEALTH AND 16 ENVIRONMENTAL SCIENCES MUST BE CONFIDENTIAL AND NOT RELEASED 17 TO ANY PERSON WITHOUT A PRIOR WRITTEN RELEASE SIGNED BY THE CHIEF EXECUTIVE OFFICER OF THE HOSPITAL.

-End-

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1	HOUSE BILL NO. 734
2	INTRODUCED BY WINSLOW. D. O'HARA, HANNAH
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4	A BILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE
5	LICENSURE INSPECTION FOR HEALTH-EARE-FACTLITTES HOSPITALS
6	THAT ARE ACCREDITED BY THE JOINT COMMISSION ON ACCREDITATION
7	OF HOSPITALS; AMENDING SECTIONS 50-5-101 AND 50-5-103+ MCA."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10	Section 1. Section 50-5-101, MCA, is amended to read:
11	"50-5-101. Definitions. As used in parts 1 through 4
12	of this chapter, unless the context clearly indicates
13	otherwise, the following definitions apply:
14	(1) "Accreditation" means a designation of approval.
15	<pre>ttt(2) "Adult day-care center" means a facility.</pre>
16	free-standing or connected to another health care facility.
17	which provides adults, on an intermittent basis, with the
18	care necessary to meet the needs of daily living.
19	$\{2\}$ "Affected persons" means the applicant, members
20	of the public who are to be served by the proposal, health
21	care facilities located in the geographic area affected by
22	the application, agencies which establish rates for health
23	care facilities, and agencies which plan or assist in

planning for such facilities, including any agency

qualifying as a health systems agency pursuant to Title XV

of the Public Health Service Act. 2 (3)(4) "Ambulatory surgical facility" means a 3 facility, not part of a hospital, which provides surgical treatment to patients not requiring hospitalization. This type of facility may include observation beds for patient recovery from surgery or other treatment. 7 †4†(5) "Board" means the board of health and environmental sciences, provided for in 2-15-2104. \$5\$(6) "Certificate of need" means a written 10 authorization by the department for a person to proceed with 11 a proposal subject to 50-5-301. 12 t6)(7) "Construction" means the physical erection of a 13 health care facility and any stage thereof+ including ground 14 breaking. 15 †7†[8] "Department" means the department of health and 16 environmental sciences provided for in Title 2, chapter 15, 17 part 21. 18 t8)(9) "Federal acts" means federal statutes for the 19 construction of health care facilities. †9)(10) "Governmental unit" means the state, a state 20 21 agency, a county, municipality, or political subdivision of 22 the state, or an agency of a political subdivision. 23 file; (11) "Health care facility" means any institution. 24 building, or agency or portion thereof, private or public. 25 excluding federal facilities, whether organized for profit

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or not, used, operated, or designed to provide health services, medical treatment, or nursing, rehabilitative, or preventive care to any person or persons. The term does not include offices of private physicians or dentists. The term includes but is not limited to ambulatory surgical facilities, health maintenance organizations, home health agencies, hospitals, infirmaries, kidney treatment centers, long-term care facilities, mental health centers, outpatient facilities, public health centers, rehabilitation facilities, and adult day-care centers.

titt(12) "Health maintenance organization" means a
public or private organization organized as defined in 42
U-S-C- 300e, as amended.

fiz)(13) "Home health agency" means a public agency or private organization or subdivision thereof which is engaged in providing home health services to individuals in the places where they live. Home health services must include the services of a licensed registered nurse and at least one other therapeutic service and may include additional support services.

ti3)[14] "Hospital" means a facility providing, by or under the supervision of licensed physicians, services for medical diagnosis, treatment, rehabilitation, and care of injured, disabled, or sick persons. Services provided may or may not include obstetrical care, emergency care, or any

other service as allowed by state licensing authority. A
hospital has an organized medical staff which is on call and
available within 20 minutes, 24 hours per day, 7 days per
week, and provides 24-hour nursing care by licensed
registered nurses. This term includes hospitals specializing
in providing health services for psychiatric, mentally
retarded, and tubercular patients.

ti4+j(15) "Infirmary" means a facility located in a
university, college, government institution, or industry for
the treatment of the sick or injured, with the following
subdefinitions:

- 12 (a) an "infirmary--A" provides outpatient and
  13 inpatient care;
- (b) an "infirmary--B" provides outpatient care only
  (16) "Joint commission on accreditation of hospitals"

  means the organization nationally recognized by that name

  with headquarters in Chicago: Illinois: that surveys health

  care facilities upon their requests and grants accreditation

  status to any health care facility that it finds meets its

  standards and requirements.
- 21 (±5†(17) "Kidney treatment center" means a facility
  22 which specializes in treatment of kidney diseases, including
  23 freestanding hemodialysis units.
  - ft6f(18) (a) "Long-term care facility" means a facility
    or part thereof which provides skilled nursing care or

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intermediate nursing care to a total of two or more persons or personal care to more than three persons who are not related to the owner or administrator by blood or marriage, with these degrees of care defined as follows:

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- (i) "Skilled nursing care" means the provision of nursing care services, health-related services, and social services under the supervision of a licensed registered nurse on a 24-hour basis.
- 9 (ii) "Intermediate nursing care" means the provision of
  10 nursing care services, health-related services, and social
  11 services under the supervision of a licensed nurse to
  12 patients not requiring 24-hour nursing care.
- (iii) "Personal care" means the provision of services
  and care which do not require nursing skills to residents
  needing some assistance in performing the activities of
  daily living.
  - (b) Hotels, motels, boarding homes, roominghouses, or similar accommodations providing for transients, students, or persons not requiring institutional health care are not long-term care facilities.
  - ti7f(19) "Mental health center" means a facility
    providing services for the prevention or diagnosis of mental
    illness, the care and treatment of mentally ill patients or
    the rehabilitation of such persons, or any combination of
    these services.

1 fl0)(20) "New institutional health services" means:

- 2 (a) the construction, development, or other
  3 establishment of a health care facility which did not
  4 previously exist;
- (b) any expenditure by or on behalf of a health care facility within a 12-month period in excess of \$150,000, which, under generally accepted accounting principles consistently applied, is a capital expenditure. Whenever a health care facility or a person on behalf of a health care facility makes an acquisition under lease or comparable arrangement or through donation, which would have required review if the acquisition had been by purchase, such acquisition shall be considered a capital expenditure subject to review.
- (c) a change in bed capacity of a health care facility
  which increases or decreases the total number of beds,
  redistributes beds among various service categories, or
  relocates such beds from one physical facility or site to
  another over a 2-year period by more than 10 beds or 10% of
  the total licensed bed capacity, whichever is less;
  - (d) health services which are offered in or through a health care facility and which were not offered on a regular basis in or through such health care facility within the 12-month period prior to the time such services would be offered or the deletion by a health care facility of a

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service previously offered:

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(e) the expansion of a geographic service area of a home health agency.

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<del>(21)</del>(23) "Offer" means the holding out by a health care facility that it can provide specific health services.

<del>(22)</del>(24) "Outpatient facility" means a facility. located in or apart from a hospital, providing, under the direction of a licensed physician, either diagnosis or treatment, or both, to ambulatory patients in need of medical, surgical, or mental care. An outpatient facility may have observation beds.

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<del>124)</del>(26) "Person" means any individual. firm. partnership, association, organization, agency, institution, corporation, trust, estate, or governmental unit, whether organized for profit or not.

(25)(27) "Public health center" means a publicly owned

facility providing health services, including laboratories, 1 clinics, and administrative offices.

3 <del>(26)</del>(28) "Rehabilitation facility" means a facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons by providing comprehensive medical evaluations and services. psychological and social services, or vocational evaluation and training or any combination of these services and in which the major portion of the services is furnished within 10 the facility.

11 †27†(29) "Resident" means a person who is in a 12 long-term care facility for intermediate or personal care. 13 +28+(30) "State plan" means the state medical facility 14 plan provided for in part 4."

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(2) Any facility covered by this chapter shall comply with the state and federal requirements relating to construction, equipment, and fire and life safety.

(3) The department shall extend a reasonable time for compliance with rules for parts 1 through 4 after adoption. (4) Any health-core-facility HOSPITAL that furnishes

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2	COMPLIANCE STATEMENT to the department of its accreditation
3	granted by the joint commission on accreditation of
4	hospitals is eligible for licensure in the state for the
5	accreditation period and may not be subjected to an
5	inspection by the department, except that the department may
7	inspect any licensed health care facility to answer specific
8	complaints made in writing by any person against the
9	facility when such complaints pertain to licensing
10	requirements. Inspection by the department upon such
11	complaint shall be limited to the specific area or condition
12	of the health care facility to which the complaint
13	pertains."
14	NEH-SEEFEBNSEEFEBN-3ALLWRIFFENEVEBENSE
15	SUBMETTEDBYTHEHBSPETAL-TB-THE-BEPARTHENT-BF-HEALTH-AND
16	ENVIRONMENTAL-SETENCES-MUST-BE-CONFIDENTIAL-AND-NOT-RELEASED
17	#8-ANY-PERSON-WITHOUT-A-PRIOR-WRITTEN-RELEASE-SIGNED-BYTHE
18	EHIEF-EXECUTIVE-OFFICER-OF-THE-MOSPITAL.

-End-

### SENATE STANDING COMMITTEE REPORT (Public Health, Welfare & Safety)

That House Bill No. 734 be amended as follows:

Page 9, lines 14 through 18.
 Following: line 13.
 Strike: Section 3 in its entirety