

HOUSE BILL NO. 735

INTRODUCED BY WINSLOW, D. O'HARA, HANNAH

IN THE HOUSE

February 12, 1981	Introduced and referred to Committee on Human Services.
February 16, 1981	Fiscal note requested.
February 21, 1981	Fiscal note returned. 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	Third reading, passed. Ayes, 98; Noes, 0. 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	Motion pass consideration.
March 27, 1981	Second reading, concurred in.
March 30, 1981	Third reading, concurred in as amended. Ayes, 47; Noes, 2.

IN THE HOUSE

March 31, 1981

Returned from Senate with amendments.

April 8, 1981

Second reading, amendments concurred in.

April 9, 1981

Third reading, amendments concurred in. Ayes, 96; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

HOUSE BILL NO. 735

INTRODUCED BY Wendell D. O'Hara Hanner

A BILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE LICENSURE INSPECTION FOR CLINICAL LABORATORIES THAT ARE ACCREDITED BY THE COLLEGE OF AMERICAN PATHOLOGISTS; AMENDING SECTION 50-5-101, MCA."

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

Section 1. Section 50-5-101, MCA, is amended to read:

"50-5-101. Definitions. As used in parts 1 through 4 of this chapter, unless the context clearly indicates otherwise, the following definitions apply:

(1) "Accreditation" means a designation of approval.

(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.

(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.

(4) "Ambulatory surgical facility" means a 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.

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

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

(7) "Clinical laboratory" means a facility for the microbiological, serological, chemical, hematological, radiobiassays, cytological, immunohematological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or assessment of a medical condition.

(8) "College of American pathologists" means the organization nationally recognized by that name with headquarters in Traverse City, Michigan, that surveys clinical laboratories upon their requests and accredits clinical laboratories that it finds meet its standards and requirements.

(9) "Construction" means the physical erection of a

1 health care facility and any stage thereof, including ground
2 breaking.

3 ~~(7)~~(10) "Department" means the department of health and
4 environmental sciences provided for in Title 2, chapter 15,
5 part 21.

6 ~~(8)~~(11) "Federal acts" means federal statutes for the
7 construction of health care facilities.

8 ~~(9)~~(12) "Governmental unit" means the state, a state
9 agency, a county, municipality, or political subdivision of
10 the state, or an agency of a political subdivision.

11 ~~(10)~~(13) "Health care facility" means any institution,
12 building, or agency or portion thereof, private or public,
13 excluding federal facilities, whether organized for profit
14 or not, used, operated, or designed to provide health
15 services, medical treatment, or nursing, rehabilitative, or
16 preventive care to any person or persons. The term does not
17 include offices of private physicians or dentists. The term
18 includes but is not limited to ambulatory surgical
19 facilities, health maintenance organizations, home health
20 agencies, hospitals, infirmaries, kidney treatment centers,
21 long-term care facilities, mental health centers, outpatient
22 facilities, public health centers, rehabilitation
23 facilities, and adult day-care centers.

24 ~~(11)~~(14) "Health maintenance organization" means a
25 public or private organization organized as defined in 42

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

2 ~~(12)~~(15) "Home health agency" means a public agency or
3 private organization or subdivision thereof which is engaged
4 in providing home health services to individuals in the
5 places where they live. Home health services must include
6 the services of a licensed registered nurse and at least one
7 other therapeutic service and may include additional support
8 services.

9 ~~(13)~~(16) "Hospital" means a facility providing, by or
10 under the supervision of licensed physicians, services for
11 medical diagnosis, treatment, rehabilitation, and care of
12 injured, disabled, or sick persons. Services provided may or
13 may not include obstetrical care, emergency care, or any
14 other service as allowed by state licensing authority. A
15 hospital has an organized medical staff which is on call and
16 available within 20 minutes, 24 hours per day, 7 days per
17 week, and provides 24-hour nursing care by licensed
18 registered nurses. This term includes hospitals specializing
19 in providing health services for psychiatric, mentally
20 retarded, and tubercular patients.

21 ~~(14)~~(17) "Infirmery" means a facility located in a
22 university, college, government institution, or industry for
23 the treatment of the sick or injured, with the following
24 subdefinitions:

25 (a) an "infirmery--A" provides outpatient and

1 inpatient care;

2 (b) an "infirmiry--B" provides outpatient care only.

3 ~~†15†(18)~~ "Kidney treatment center" means a facility
4 which specializes in treatment of kidney diseases, including
5 freestanding hemodialysis units.

6 ~~†16†(19)~~ (a) "Long-term care facility" means a facility
7 or part thereof which provides skilled nursing care or
8 intermediate nursing care to a total of two or more persons
9 or personal care to more than three persons who are not
10 related to the owner or administrator by blood or marriage,
11 with these degrees of care defined as follows:

12 (i) "Skilled nursing care" means the provision of
13 nursing care services, health-related services, and social
14 services under the supervision of a licensed registered
15 nurse on a 24-hour basis.

16 (ii) "Intermediate nursing care" means the provision of
17 nursing care services, health-related services, and social
18 services under the supervision of a licensed nurse to
19 patients not requiring 24-hour nursing care.

20 (iii) "Personal care" means the provision of services
21 and care which do not require nursing skills to residents
22 needing some assistance in performing the activities of
23 daily living.

24 (b) Hotels, motels, boarding homes, roominghouses, or
25 similar accommodations providing for transients, students,

1 or persons not requiring institutional health care are not
2 long-term care facilities.

3 ~~†17†(20)~~ "Mental health center" means a facility
4 providing services for the prevention or diagnosis of mental
5 illness, the care and treatment of mentally ill patients or
6 the rehabilitation of such persons, or any combination of
7 these services.

8 ~~†18†(21)~~ "New institutional health services" means:

9 (a) the construction, development, or other
10 establishment of a health care facility which did not
11 previously exist;

12 (b) any expenditure by or on behalf of a health care
13 facility within a 12-month period in excess of \$150,000,
14 which, under generally accepted accounting principles
15 consistently applied, is a capital expenditure. Whenever a
16 health care facility or a person on behalf of a health care
17 facility makes an acquisition under lease or comparable
18 arrangement or through donation, which would have required
19 review if the acquisition had been by purchase, such
20 acquisition shall be considered a capital expenditure
21 subject to review.

22 (c) a change in bed capacity of a health care facility
23 which increases or decreases the total number of beds,
24 redistributes beds among various service categories, or
25 relocates such beds from one physical facility or site to

1 another over a 2-year period by more than 10 beds or 10% of
2 the total licensed bed capacity, whichever is less;

3 (d) health services which are offered in or through a
4 health care facility and which were not offered on a regular
5 basis in or through such health care facility within the
6 12-month period prior to the time such services would be
7 offered or the deletion by a health care facility of a
8 service previously offered;

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

11 ~~(19)~~(22) "Nonprofit health care facility" means a
12 health care facility owned or operated by one or more
13 nonprofit corporations or associations.

14 ~~(20)~~(23) "Observation bed" means a bed occupied for not
15 more than 6 hours by a patient recovering from surgery or
16 other treatment.

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18 facility that it can provide specific health services.

19 ~~(22)~~(25) "Outpatient facility" means a facility,
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21 direction of a licensed physician, either diagnosis or
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23 medical, surgical, or mental care. An outpatient facility
24 may have observation beds.

25 ~~(23)~~(26) "Patient" means an individual obtaining

1 services, including skilled nursing care, from a health care
2 facility.

3 ~~(24)~~(27) "Person" means any individual, firm,
4 partnership, association, organization, agency, institution,
5 corporation, trust, estate, or governmental unit, whether
6 organized for profit or not.

7 ~~(25)~~(28) "Public health center" means a publicly owned
8 facility providing health services, including laboratories,
9 clinics, and administrative offices.

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11 which is operated for the primary purpose of assisting in
12 the rehabilitation of disabled persons by providing
13 comprehensive medical evaluations and services,
14 psychological and social services, or vocational evaluation
15 and training or any combination of these services and in
16 which the major portion of the services is furnished within
17 the facility.

18 ~~(27)~~(30) "Resident" means a person who is in a
19 long-term care facility for intermediate or personal care.

20 ~~(28)~~(31) "State plan" means the state medical facility
21 plan provided for in part 4."

22 NEW SECTION. Section 2. Exemption from inspection --
23 accredited laboratories. Any clinical laboratory that
24 furnishes written evidence to the department of its
25 accreditation by the college of American pathologists is

LC 1173/01

1 exempt from inspection by the department during the period
2 of accreditation.

3 Section 3. Codification instruction. Section 2 is
4 intended to be codified as an integral part of Title 50,
5 chapter 5, part 2, and the provisions of 50-5-101 apply to
6 section 2.

-End-

STATE OF MONTANA

REQUEST NO. 384-81

FISCAL NOTE

Form BD-15

In compliance with a written request received 2/17/81, 19____, there is hereby submitted a Fiscal Note for HB 735 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION

An act to waive state licensure inspection for clinical laboratories that are accredited by the College of American Pathologists; amending section 50-5-101, MCA.

ASSUMPTIONS

1. Inflation will continue at approximately 15% per annum/
2. There will be approximately 510 clinical laboratories requiring an annual inspection.

FISCAL IMPACT

Revenue: No revenue is expected to be generated via the inspection. Therefore, the total burden will be placed on the general fund.

<u>Expenditure:</u>	<u>FY 82</u>	<u>FY 83</u>
Personnel Services		
Salaries		
4 Professionals, Grade 15 — — — —	\$94,504	\$108,700
(the above figure includes benefits)		
Operating Expenditure		
Travel	19,420	} 24,200
Supplies	400	
Telephone	800	
Merit System	456	
Capital Equipment		
4 desks	1,800	} _____
4 chairs	800	
	<u> </u>	
TOTAL	\$118,180	\$132,900

TECHNICAL NOTES

The current licensing law had to be amended to include clinical laboratories so that the proposed law could waive the licensing requirement for those laboratories certified by the College of American Pathologists.

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-21-81

Approved by Comm. On Human Services

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24 furnishes written evidence to the department of its
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1 exempt from inspection by the department during the period
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3 NEW SECTION. SECTION 3. [SECTION 2] APPLIES ONLY TO
4 THOSE CLINICAL LABORATORIES OPERATED BY A HOSPITAL LICENSED
5 BY MONTANA.

6 Section 4. Codification instruction. Section 2 is
7 intended to be codified as an integral part of Title 50,
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17 facility makes an acquisition under lease or comparable
18 arrangement or through donation, which would have required
19 review if the acquisition had been by purchase, such
20 acquisition shall be considered a capital expenditure
21 subject to review.

22 (c) a change in bed capacity of a health care facility
23 which increases or decreases the total number of beds,
24 redistributes beds among various service categories, or
25 relocates such beds from one physical facility or site to

1 another over a 2-year period by more than 10 beds or 10% of
2 the total licensed bed capacity, whichever is less;

3 (d) health services which are offered in or through a
4 health care facility and which were not offered on a regular
5 basis in or through such health care facility within the
6 12-month period prior to the time such services would be
7 offered or the deletion by a health care facility of a
8 service previously offered;

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

11 ~~(19)~~(22) "Nonprofit health care facility" means a
12 health care facility owned or operated by one or more
13 nonprofit corporations or associations.

14 ~~(20)~~(23) "Observation bed" means a bed occupied for not
15 more than 6 hours by a patient recovering from surgery or
16 other treatment.

17 ~~(21)~~(24) "Offer" means the holding out by a health care
18 facility that it can provide specific health services.

19 ~~(22)~~(25) "Outpatient facility" means a facility,
20 located in or apart from a hospital, providing, under the
21 direction of a licensed physician, either diagnosis or
22 treatment, or both, to ambulatory patients in need of
23 medical, surgical, or mental care. An outpatient facility
24 may have observation beds.

25 ~~(23)~~(26) "Patient" means an individual obtaining

1 services, including skilled nursing care, from a health care
2 facility.

3 ~~(24)~~(27) "Person" means any individual, firm,
4 partnership, association, organization, agency, institution,
5 corporation, trust, estate, or governmental unit, whether
6 organized for profit or not.

7 ~~(25)~~(28) "Public health center" means a publicly owned
8 facility providing health services, including laboratories,
9 clinics, and administrative offices.

10 ~~(26)~~(29) "Rehabilitation facility" means a facility
11 which is operated for the primary purpose of assisting in
12 the rehabilitation of disabled persons by providing
13 comprehensive medical evaluations and services,
14 psychological and social services, or vocational evaluation
15 and training or any combination of these services and in
16 which the major portion of the services is furnished within
17 the facility.

18 ~~(27)~~(30) "Resident" means a person who is in a
19 long-term care facility for intermediate or personal care.

20 ~~(28)~~(31) "State plan" means the state medical facility
21 plan provided for in part 4."

22 NEW SECTION. Section 2. Exemption from inspection --
23 accredited laboratories. Any clinical laboratory that
24 furnishes written evidence to the department of its
25 accreditation by the college of American pathologists is

1 exempt from inspection by the department during the period
2 of accreditation.

3 NEW SECTION. SECTION 3. [SECTION 2] APPLIES ONLY TO
4 THOSE CLINICAL LABORATORIES OPERATED BY A HOSPITAL LICENSED
5 BY MONTANA.

6 Section 4. Codification instruction. Section 2 is
7 intended to be codified as an integral part of Title 50,
8 chapter 5, part 2, and the provisions of 50-5-101 apply to
9 section 2.

-End-

HOUSE BILL NO. 735

INTRODUCED BY WINSLOW, D. O'HARA, HANNAH

A BILL FOR AN ACT ENTITLED: "AN ACT TO WAIVE STATE LICENSURE INSPECTION FOR CLINICAL LABORATORIES THAT ARE ACCREDITED BY THE COLLEGE OF AMERICAN PATHOLOGISTS; AMENDING SECTION 50-5-101, MCA."

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

Section 1. Section 50-5-101, MCA, is amended to read:

"50-5-101. Definitions. As used in parts 1 through 4 of this chapter, unless the context clearly indicates otherwise, the following definitions apply:

(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.

~~(3)~~ (4) "Ambulatory surgical facility" means a 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.

~~(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 authorization by the department for a person to proceed with a proposal subject to 50-5-301.

(7) "Clinical laboratory" means a facility for the microbiological, serological, chemical, hematological, radiobioassay, cytological, immunohematological, pathological, or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention, or treatment of any disease or assessment of a medical condition.

(8) "College of American pathologists" means the organization nationally recognized by that name with headquarters in Traverse City, Michigan, that surveys clinical laboratories upon their requests and accredits clinical laboratories that it finds meet its standards and requirements.

~~(6)~~ (9) "Construction" means the physical erection of a

1 health care facility and any stage thereof, including ground
2 breaking.

3 ~~(7)~~(10) "Department" means the department of health and
4 environmental sciences provided for in Title 2, chapter 15,
5 part 21.

6 ~~(8)~~(11) "Federal acts" means federal statutes for the
7 construction of health care facilities.

8 ~~(9)~~(12) "Governmental unit" means the state, a state
9 agency, a county, municipality, or political subdivision of
10 the state, or an agency of a political subdivision.

11 ~~(10)~~(13) "Health care facility" means any institution,
12 building, or agency or portion thereof, private or public,
13 excluding federal facilities, whether organized for profit
14 or not, used, operated, or designed to provide health
15 services, medical treatment, or nursing, rehabilitative, or
16 preventive care to any person or persons. The term does not
17 include offices of private physicians or dentists. The term
18 includes but is not limited to ambulatory surgical
19 facilities, health maintenance organizations, home health
20 agencies, hospitals, infirmaries, kidney treatment centers,
21 long-term care facilities, mental health centers, outpatient
22 facilities, public health centers, rehabilitation
23 facilities, and adult day-care centers.

24 ~~(11)~~(14) "Health maintenance organization" means a
25 public or private organization organized as defined in 42

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

2 ~~(12)~~(15) "Home health agency" means a public agency or
3 private organization or subdivision thereof which is engaged
4 in providing home health services to individuals in the
5 places where they live. Home health services must include
6 the services of a licensed registered nurse and at least one
7 other therapeutic service and may include additional support
8 services.

9 ~~(13)~~(16) "Hospital" means a facility providing, by or
10 under the supervision of licensed physicians, services for
11 medical diagnosis, treatment, rehabilitation, and care of
12 injured, disabled, or sick persons. Services provided may or
13 may not include obstetrical care, emergency care, or any
14 other service as allowed by state licensing authority. A
15 hospital has an organized medical staff which is on call and
16 available within 20 minutes, 24 hours per day, 7 days per
17 week, and provides 24-hour nursing care by licensed
18 registered nurses. This term includes hospitals specializing
19 in providing health services for psychiatric, mentally
20 retarded, and tubercular patients.

21 ~~(14)~~(17) "Infirmery" means a facility located in a
22 university, college, government institution, or industry for
23 the treatment of the sick or injured, with the following
24 subdefinitions:

25 (a) an "infirmery--A" provides outpatient and

1 inpatient care;

2 (b) an "infirmiry--B" provides outpatient care only.

3 ~~(15)~~(18) "Kidney treatment center" means a facility
4 which specializes in treatment of kidney diseases, including
5 freestanding hemodialysis units.

6 ~~(16)~~(19) (a) "Long-term care facility" means a facility
7 or part thereof which provides skilled nursing care or
8 intermediate nursing care to a total of two or more persons
9 or personal care to more than three persons who are not
10 related to the owner or administrator by blood or marriage,
11 with these degrees of care defined as follows:

12 (i) "Skilled nursing care" means the provision of
13 nursing care services, health-related services, and social
14 services under the supervision of a licensed registered
15 nurse on a 24-hour basis.

16 (ii) "Intermediate nursing care" means the provision of
17 nursing care services, health-related services, and social
18 services under the supervision of a licensed nurse to
19 patients not requiring 24-hour nursing care.

20 (iii) "Personal care" means the provision of services
21 and care which do not require nursing skills to residents
22 needing some assistance in performing the activities of
23 daily living.

24 (c) Hotels, motels, boarding homes, roominghouses, or
25 similar accommodations providing for transients, students,

1 or persons not requiring institutional health care are not
2 long-term care facilities.

3 ~~(17)~~(20) "Mental health center" means a facility
4 providing services for the prevention or diagnosis of mental
5 illness, the care and treatment of mentally ill patients or
6 the rehabilitation of such persons, or any combination of
7 these services.

8 ~~(18)~~(21) "New institutional health services" means:

9 (a) the construction, development, or other
10 establishment of a health care facility which did not
11 previously exist;

12 (b) any expenditure by or on behalf of a health care
13 facility within a 12-month period in excess of \$150,000,
14 which, under generally accepted accounting principles
15 consistently applied, is a capital expenditure. Whenever a
16 health care facility or a person on behalf of a health care
17 facility makes an acquisition under lease or comparable
18 arrangement or through donation, which would have required
19 review if the acquisition had been by purchase, such
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-End-

March 25, 1981

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

That House Bill No. 735 be amended as follows:

1. Page 9, line 3.
Following: "3."
Insert: "Application."