

**2017 -- S 0577 SUBSTITUTE A**

LC001691/SUB A

**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2017**

**A N A C T**

**RELATING TO HEALTH CARE FACILITIES - LICENSING**

Introduced By: Senators Sosnowski, Sheehan, Miller, Crowley, and Goldin

Date Introduced: March 15, 2017

Referred To: Senate Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 23-17-2 of the General Laws in Chapter 23-17 entitled "Licensing  
2 of Health-Care Facilities" is hereby amended to read as follows:

3           **23-17-2. Definitions.**

4           As used in this chapter:

5           (1) "Alzheimer's dementia special-care unit or program" means a distinct living  
6 environment within a nursing facility that has been physically adapted to accommodate the  
7 particular needs and behaviors of those with dementia. The unit provides increased staffing;  
8 therapeutic activities designed specifically for those with dementia; and trains its staff on an  
9 ongoing basis on the effective management of the physical and behavioral problems of those with  
10 dementia. The residents of the unit/program have had a standard, medical-diagnostic evaluation  
11 and have been determined to have a diagnosis of Alzheimer's dementia or another dementia.

12           (2) (i) "Change in operator" means a transfer by the governing body or operator of a  
13 health-care facility to any other person (excluding delegations of authority to the medical or  
14 administrative staff of the facility) of the governing body's authority to:

15           (A) Hire or fire the chief executive officer of the health-care facility;

16           (B) Maintain and control the books and records of the health-care facility;

17           (C) Dispose of assets and incur liabilities on behalf of the health-care facility; or

18           (D) Adopt and enforce policies regarding operation of the health-care facility.

19           (ii) This definition is not applicable to circumstances wherein the governing body of a

1 health-care facility retains the immediate authority and jurisdiction over the activities enumerated  
2 in subdivisions (2)(i)(A) -- (2)(i)(D).

3 (3) "Change in owner" means:

4 (i) In the case of a health-care facility that is a partnership, the removal, addition, or  
5 substitution of a partner that results in a new partner acquiring a controlling interest in the  
6 partnership;

7 (ii) In the case of a health-care facility that is an unincorporated, solo proprietorship, the  
8 transfer of the title and property to another person;

9 (iii) In the case of a health-care facility that is a corporation:

10 (A) A sale, lease exchange, or other disposition of all, or substantially all, of the property  
11 and assets of the corporation; or

12 (B) A merger of the corporation into another corporation; or

13 (C) The consolidation of two (2) or more corporations, resulting in the creation of a new  
14 corporation; or

15 (D) In the case of a health-care facility that is a business corporation, any transfer of  
16 corporate stock that results in a new person acquiring a controlling interest in the corporation; or

17 (E) In the case of a health-care facility that is a nonbusiness corporation, any change in  
18 membership that results in a new person acquiring a controlling vote in the corporation.

19 (4) "Clinician" means a physician licensed under chapter 37 of title 5; a nurse licensed  
20 under chapter 34 of title 5; a psychologist licensed under chapter 44 of title 5; a social worker  
21 licensed under chapter 39.1 of title 5; a physical therapist licensed under chapter 40 of title 5; and  
22 a speech language pathologist or audiologist licensed under chapter 48 of title 5.

23 (5) "Director" means the director of the Rhode Island state department of health.

24 (6) "Freestanding, emergency-care facility" means an establishment, place, or facility that  
25 may be a public or private organization, structurally distinct and separate from a hospital; staffed,  
26 equipped, and operated to provide prompt, emergency medical care. For the purposes of this  
27 chapter, "emergency medical care" means services provided for a medical condition or  
28 behavioral-health condition that is manifested by symptoms of sufficient severity that, in the  
29 absence of immediate medical attention, could result in harm to the person or others; serious  
30 impairment to bodily functions; serious dysfunction of any bodily organ or part; or development  
31 or continuance of severe pain.

32 (7) "Health-care facility" means any institutional health-service provider, facility, or  
33 institution, place, building, agency, or portion thereof, whether a partnership or corporation,  
34 whether public or private, whether organized for profit or not, used, operated, or engaged in

1 providing health-care services, including, but not limited to: hospitals; nursing facilities; home  
2 nursing-care provider (which shall include skilled nursing services and may also include activities  
3 allowed as a home-care provider or as a nursing service agency); home-care provider (which may  
4 include services such as personal care or homemaker services); rehabilitation centers; kidney  
5 disease treatment centers; health maintenance organizations; freestanding, emergency-care  
6 facilities as defined in this section, and facilities providing surgical treatment to patients not  
7 requiring hospitalization (surgi-centers); hospice care, and physician ambulatory-surgery centers  
8 and podiatry ambulatory-surgery centers providing surgical treatment. The term "health-care  
9 facility" also includes organized ambulatory-care facilities that are not part of a hospital but that  
10 are organized and operated to provide health-care services to outpatients, such as: central-services  
11 facilities serving more than one health-care facility or health-care provider; treatment centers;  
12 diagnostic centers; outpatient clinics; infirmaries and health centers; school-based health centers,  
13 and neighborhood health centers. The term "health-care facility" also includes a mobile, health-  
14 screening vehicle as defined in this section. The term "health-care facility" shall not apply to  
15 organized, ambulatory-care facilities owned and operated by professional service corporations as  
16 defined in chapter 5.1 of title 7, as amended (the "professional service corporation law"), or to a  
17 ~~private~~ practitioner's (physician, dentist, or other health-care provider) office or group of ~~the~~  
18 practitioners' offices (whether owned and/or operated by [a hospital or an affiliate of a hospital or](#)  
19 an individual practitioner, alone or as a member of a partnership, professional service corporation,  
20 organization, or association). Individual categories of health-care facilities shall be defined in  
21 rules and regulations promulgated by the licensing agency with the advice of the health services  
22 council. Rules and regulations concerning hospice care shall be promulgated with regard to the  
23 "Standards of a Hospice Program of Care", promulgated by the National Hospice Organization.  
24 Any provider of hospice care who provides hospice care without charge shall be exempt from the  
25 licensing provisions of this chapter but shall meet the "Standards of a Hospice Program of Care."  
26 Facilities licensed by the department of behavioral healthcare, developmental disabilities, and  
27 hospitals and the department of human services, and clinical laboratories licensed in accordance  
28 with chapter 16.2 of this title, as well as Christian Science institutions (also known as Christian  
29 Science Nursing Facilities) listed and certified by the Commission for Accreditation of Christian  
30 Science Nursing Organizations/Facilities, Inc. shall not be considered health-care facilities for  
31 purposes of this chapter.

32 (8) "Homemaker", or however else called, means a trained, non-professional worker who  
33 performs related housekeeping services in the home for the sick, disabled, dependent, or infirm,  
34 and as further defined by regulation; the director shall establish criteria for training.

1 (9) "Hospital" means a person or governmental entity licensed in accordance with this  
2 chapter to establish, maintain, and operate a hospital.

3 (10) "Licensing agency" means the Rhode Island state department of health.

4 (11) "Medical services" means any professional services and supplies rendered by, or  
5 under the direction of, persons duly licensed under the laws of this state to practice medicine,  
6 surgery, or podiatry that may be specified by any medical service plan. Medical service shall not  
7 be construed to include hospital services.

8 (12) "Mobile, health-screening vehicle" means a mobile vehicle, van, or trailer that  
9 delivers primary and preventive health-care screening services, and:

10 (i) Does not maintain active contracts or arrangements with any health insurer subject to  
11 regulation under chapters 20 or 42 of title 27;

12 (ii) Does not maintain active contracts or arrangements with another licensed health care  
13 facility as that term is defined within this section; and

14 (iii) Does not provide medical services free of charge.

15 (13) "Non-English speaker" means a person who cannot speak or understand, or has  
16 difficulty in speaking or understanding, the English language, because he/she uses only, or  
17 primarily, a spoken language other than English, and/or a person who uses a sign language and  
18 requires the use of a sign-language interpreter to facilitate communication.

19 (14) "Person" means any individual, trust or estate, partnership, corporation, (including  
20 associations, joint stock companies, and insurance companies) state, or political subdivision or  
21 instrumentality of a state.

22 (15) "Physician ambulatory-surgery center" means an office, or portion of an office, that  
23 is utilized for the purpose of furnishing surgical services to the owner and/or operator's own  
24 patients on an ambulatory basis, and shall include both single-practice, physician ambulatory-  
25 surgery centers and multi-practice, physician ambulatory-surgery centers. A "single-practice,  
26 physician ambulatory-surgery center" is a physician ambulatory center owned and/or operated by  
27 a physician-controlled professional service corporation as defined in chapter 5.1 of title 7 (the  
28 "professional service corporation law"), or a physician-controlled limited liability company (as  
29 defined in chapter 16 of title 7 (the "limited liability company act")) in which no physician is an  
30 officer, shareholder, director, or employee of any other corporation engaged in the practice of the  
31 same profession, or a private physician's office (whether owned and/or operated by an individual  
32 practitioner, alone or as a member of a partnership, professional service corporation, limited  
33 liability company, organization, or association). A "multi-practice, physician ambulatory-surgery  
34 center" is a physician ambulatory-surgery center owned and/or operated by a physician-controlled

1 professional service corporation (as defined in the professional service corporation law) or a  
2 physician-controlled limited, liability company (as defined in the limited liability company act) in  
3 which a physician is also an officer, shareholder, director, or employee of another corporation  
4 engaged in the practice of the same profession, or a group of physicians' offices (whether owned  
5 and/or operated by an individual practitioner, alone or as a member of a partnership, professional  
6 service corporation, limited liability company, organization, or association).

7 (16) "Podiatry ambulatory-surgery center" means an office or portion of an office that is  
8 utilized for the purpose of furnishing surgical services to the owner and/or operator's own patients  
9 on an ambulatory basis, and shall include both single-practice, podiatry ambulatory-surgery  
10 centers and multi-practice podiatry ambulatory-surgery centers. A "single-practice podiatry  
11 ambulatory-surgery center" is a podiatry ambulatory center owned and/or operated by a  
12 podiatrist-controlled professional service corporation (as defined in chapter 5.1 of title 7 (the  
13 "professional service corporation law")), or a podiatrist-controlled limited liability company (as  
14 defined in chapter 16 of title 7 (the "limited liability company act")) in which no podiatrist is an  
15 officer, shareholder, director, or employee of any other corporation engaged in the practice of  
16 the same profession, or a private podiatrist's office (whether owned and/or operated by an  
17 individual practitioner, alone or as a member of a partnership, professional service corporation,  
18 limited liability company, organization, or association). A "multi-practice, podiatry ambulatory-  
19 surgery center" is a podiatry ambulatory-surgery center owned and/or operated by a podiatry-  
20 controlled professional service corporation (as defined in the professional service corporation  
21 law) or a podiatry-controlled, limited liability company (as defined in the limited liability  
22 company act) in which a podiatrist is also an officer, shareholder, director, or employee of  
23 another corporation engaged in the practice of the same profession, or a group of podiatrists'  
24 offices (whether owned and/or operated by a an individual practitioner, alone or as a member of a  
25 partnership, professional service corporation, limited liability company, organization, or  
26 association).

27 (17) "Qualified interpreter" means a person who, through experience and/or training, is  
28 able to translate a particular foreign language into English, with the exception of sign-language  
29 interpreters who must be licensed in accordance with chapter 71 of title 5.

30 (18) "Qualified, sign-language interpreter" means one who has been licensed in  
31 accordance with the provisions of chapter 71 of title 5.

32 (19) "School-based health center" means a facility located in an elementary or secondary  
33 school that delivers primary and preventive health-care services to students on site.

34 SECTION 2. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO HEALTH CARE FACILITIES - LICENSING

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1           This act would amend the definition of health care facility to allow a hospital or an  
2 affiliate of a hospital to own and operate ambulatory-care facilities.

3           This act would take effect upon passage.

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