



[HF 2584](#) – Ambulatory Surgical Center, Certification or Accreditation (LSB5832HZ)
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Fiscal Note Version – New

Description

[House File 2584](#) creates a new Iowa Code chapter to provide for the licensing and regulation of ambulatory surgical centers and designates the Department of Inspections and Appeals (DIA) to administer the chapter. The fee for an application for initial license of an ambulatory surgical center is \$50, and the fee for an annual license renewal is \$500. License fees will be considered repayment receipts and will be used by the DIA for administration. The Bill provides authority to the DIA to deny, suspend, or revoke licenses. The DIA is directed to adopt rules relating to the standards, issuance, renewal, denial, suspension, and revocation of a license to establish, operate, and maintain an ambulatory surgical center.

The Bill requires the DIA to perform inspections of ambulatory surgical centers on a schedule that is of the same frequency required for inspections of Medicare-certified ambulatory surgical centers and to recognize, in lieu of its own inspection, the comparable inspection or inspection findings of a Medicare conditions for coverage survey completed by the DIA or an accrediting organization authorized by the Centers for Medicare and Medicaid Services. Additionally, the Bill requires the Department of Public Safety to perform a criminal history check and the Department of Human Services must perform child and dependent adult abuse record checks prior to employment of a person in an ambulatory surgical center.

Final findings of an ambulatory surgical center's compliance must be made available to the public. The Bill provides for injunctive relief and judicial review. The Department of Public Health is also directed to adopt rules requiring ambulatory surgical centers to report data that is consistent with the data required to be reported to the Centers for Medicare and Medicaid Services.

Any person establishing, operating, or maintaining any ambulatory surgical center without a license commits a serious misdemeanor under the Bill. Each day of continuing violation after conviction is considered a separate offense. Additionally, any person required to inform an ambulatory surgical center of a conviction or entry of an abuse record and who fails to do so within the required period commits a serious misdemeanor.

Background

A serious misdemeanor is punishable by confinement for no more than one year and fine of at least \$430 but not more than \$2,560.

Assumptions

- The following will not change over the projection period: charge, conviction, and sentencing patterns and trends, prisoner length of stay (LOS), revocation rates, plea bargaining, and other criminal justice system policies and practices.
- A lag effect of six months is assumed from the effective date of this Bill to the date of first entry of affected offenders into the correctional system.
- Marginal costs for county jails cannot be estimated due to a lack of data. For purposes of this analysis, the marginal cost for county jails is assumed to be \$50 per day.

- The fee for an initial license of an ambulatory surgical center is to be sufficient to cover the costs of performing the inspection. The fee for an annual license renewal is \$500.
- The costs for performing an initial inspection and renewal activity for one facility include preparation, travel, on-site, and write-up time for the surveyors; inspection review and approval time by the program coordinator; and time for support in issuing the inspection results. These costs will be incurred for one new non-Medicare-certified ambulatory surgical center.
- There are currently 28 Medicare-certified providers in the State.
- The number of non-Medicare-certified ambulatory surgical centers in the State is unknown.

Correctional Impact

The correctional impact of HF 2584 cannot be determined. The Bill establishes a new Iowa Code chapter, and a correctional impact cannot be assessed. **Table 1** shows estimates for sentencing to State prison, parole, probation, or Community-Based Corrections (CBC) residential facilities; LOS under those supervisions; and supervision marginal costs per day for all convictions of serious misdemeanors. Refer to the Legislative Services Agency (LSA) memo addressed to the General Assembly, [Cost Estimates Used for Correctional Impact Statements](#), dated January 18, 2022, for information related to the correctional system.

Table 1 — Sentencing Estimates and LOS

Conviction Offense Class	Percent Ordered to State Prison	FY 21 Avg LOS in Prison (All Releases)	FY 21 Marginal Cost Per Day Prison	Percent Ordered to Probation	Avg LOS on Probation	FY 21 Avg Cost Per Day on Probation	Percent Sentenced to CBC Residential Facility	FY 21 Marginal Cost CBC Per Day	Percent Ordered to County Jail	Marginal Cost Per Day Jail	Avg LOS on Parole	FY 21 Marginal Cost Per Day Parole
Serious Misdemeanor	1.8%	6.5	\$23.33	56.0%	14.5	\$7.01	0.9%	\$17.78	69.0%	\$50.00	18.1	\$7.01

Minority Impact

House File 2584 establishes a new Iowa Code chapter, and a minority impact cannot be estimated. Refer to the LSA memo addressed to the General Assembly, [Minority Impact Statement](#), dated January 18, 2022, for information related to minorities in the criminal justice system.

Fiscal Impact

The fiscal impact of House File 2584 to the correctional system cannot be determined, as the Bill establishes a new criminal offense, and the resulting cost to the justice system cannot be determined. The average State cost per offense for a serious misdemeanor ranges from \$410 to \$7,000. The cost estimates include operating costs incurred by the Judicial Branch, the State Public Defender, and the Department of Corrections for one conviction. The cost would be incurred across multiple fiscal years for prison and parole supervision.

For current Medicare-certified providers, there will be \$14,000 in annual renewal revenue. For each non-Medicare-certified ambulatory surgical center, there will be an additional \$500 in renewal revenue annually. The cost for performing an initial inspection and renewal activity for one non-Medicare-certified ambulatory surgical center is approximately \$4,600. Therefore, total annual revenue will cover renewal costs if there are up to three non-Medicare-certified ambulatory surgical centers. However, due to the unknown number of non-Medicare-certified centers in the State, the overall fiscal impact to the DIA of licensing fees and regulation of ambulatory surgical centers cannot be determined at this time.

Sources

Criminal and Juvenile Justice Planning Division, Department of Human Rights
Department of Inspections and Appeals
Department of Public Safety
Department of Public Health
Department of Human Services

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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