

**2017 -- S 0577 SUBSTITUTE A AS AMENDED**

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LC001691/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

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

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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) "Affiliate" means a legal entity that is in control of, is controlled by or is in common  
6 control with another legal entity.

7           ~~(2)~~ (2) "Alzheimer's dementia special-care unit or program" means a distinct living  
8 environment within a nursing facility that has been physically adapted to accommodate the  
9 particular needs and behaviors of those with dementia. The unit provides increased staffing;  
10 therapeutic activities designed specifically for those with dementia; and trains its staff on an  
11 ongoing basis on the effective management of the physical and behavioral problems of those with  
12 dementia. The residents of the unit/program have had a standard, medical-diagnostic evaluation  
13 and have been determined to have a diagnosis of Alzheimer's dementia or another dementia.

14           ~~(3)~~ (3) (i) "Change in operator" means a transfer by the governing body or operator of a  
15 health-care facility to any other person (excluding delegations of authority to the medical or  
16 administrative staff of the facility) of the governing body's authority to:

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

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

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

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

2 (ii) This definition is not applicable to circumstances wherein the governing body of a  
3 health-care facility retains the immediate authority and jurisdiction over the activities enumerated  
4 in subdivisions ~~(2)(i)(A)–(2)(i)(D)~~ (3)(i)(A)–(3)(i)(D).

5 ~~(3)~~ (4) "Change in owner" means:

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

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

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

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

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

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

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

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

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

25 ~~(5)~~ (6) "Director" means the director of the Rhode Island state department of health.

26 ~~(6)~~ (7) "Freestanding, emergency-care facility" means an establishment, place, or facility  
27 that may be a public or private organization, structurally distinct and separate from a hospital;  
28 staffed, equipped, and operated to provide prompt, emergency medical care. For the purposes of  
29 this chapter, "emergency medical care" means services provided for a medical condition or  
30 behavioral-health condition that is manifested by symptoms of sufficient severity that, in the  
31 absence of immediate medical attention, could result in harm to the person or others; serious  
32 impairment to bodily functions; serious dysfunction of any bodily organ or part; or development  
33 or continuance of severe pain.

34 ~~(7)~~ (8) "Health-care facility" means any institutional health-service provider, facility, or

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

1 certified by the Commission for Accreditation of Christian Science Nursing  
2 Organizations/Facilities, Inc. shall not be considered health-care facilities for purposes of this  
3 chapter.

4 ~~(8)~~ (9) "Homemaker", or however else called, means a trained, non-professional worker  
5 who performs related housekeeping services in the home for the sick, disabled, dependent, or  
6 infirm, and as further defined by regulation; the director shall establish criteria for training.

7 ~~(9)~~ (10) "Hospital" means a person or governmental entity licensed in accordance with  
8 this chapter to establish, maintain, and operate a hospital.

9 ~~(10)~~ (11) "Licensing agency" means the Rhode Island state department of health.

10 ~~(11)~~ (12) "Medical services" means any professional services and supplies rendered by,  
11 or under the direction of, persons duly licensed under the laws of this state to practice medicine,  
12 surgery, or podiatry that may be specified by any medical service plan. Medical service shall not  
13 be construed to include hospital services.

14 ~~(12)~~ (13) "Mobile, health-screening vehicle" means a mobile vehicle, van, or trailer that  
15 delivers primary and preventive health-care screening services, and:

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

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

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

21 ~~(13)~~ (14) "Non-English speaker" means a person who cannot speak or understand, or has  
22 difficulty in speaking or understanding, the English language, because he/she uses only, or  
23 primarily, a spoken language other than English, and/or a person who uses a sign language and  
24 requires the use of a sign-language interpreter to facilitate communication.

25 ~~(14)~~ (15) "Person" means any individual, trust or estate, partnership, corporation,  
26 (including associations, joint stock companies, and insurance companies) state, or political  
27 subdivision or instrumentality of a state.

28 ~~(15)~~ (16) "Physician ambulatory-surgery center" means an office, or portion of an office,  
29 that is utilized for the purpose of furnishing surgical services to the owner and/or operator's own  
30 patients on an ambulatory basis, and shall include both single-practice, physician ambulatory-  
31 surgery centers and multi-practice, physician ambulatory-surgery centers. A "single-practice,  
32 physician ambulatory-surgery center" is a physician ambulatory center owned and/or operated by  
33 a physician-controlled professional service corporation as defined in chapter 5.1 of title 7 (the  
34 "professional service corporation law"), or a physician-controlled limited liability company (as

1 defined in chapter 16 of title 7 (the "limited liability company act")) in which no physician is an  
2 officer, shareholder, director, or employee of any other corporation engaged in the practice of the  
3 same profession, or a private physician's office (whether owned and/or operated by an individual  
4 practitioner, alone or as a member of a partnership, professional service corporation, limited  
5 liability company, organization, or association). A "multi-practice, physician ambulatory-surgery  
6 center" is a physician ambulatory-surgery center owned and/or operated by a physician-controlled  
7 professional service corporation (as defined in the professional service corporation law) or a  
8 physician-controlled limited, liability company (as defined in the limited liability company act) in  
9 which a physician is also an officer, shareholder, director, or employee of another corporation  
10 engaged in the practice of the same profession, or a group of physicians' offices (whether owned  
11 and/or operated by an individual practitioner, alone or as a member of a partnership, professional  
12 service corporation, limited liability company, organization, or association).

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

33 ~~(17)~~ (18) "Qualified interpreter" means a person who, through experience and/or training,  
34 is able to translate a particular foreign language into English, with the exception of sign-language

1 interpreters who must be licensed in accordance with chapter 71 of title 5.

2 ~~(18)~~ (19) "Qualified, sign-language interpreter" means one who has been licensed in  
3 accordance with the provisions of chapter 71 of title 5.

4 ~~(19)~~ (20) "School-based health center" means a facility located in an elementary or  
5 secondary school that delivers primary and preventive health-care services to students on site.

6 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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