

## Chapter 41

**(Senate Bill 596)**

AN ACT concerning

**Health Care Facilities – Surveys, Inspections, and External Reviews**

FOR the purpose of requiring the Department of Health and Mental Hygiene to survey freestanding ambulatory care facilities in accordance with certain regulations, with a certain exception; requiring the Department to survey each freestanding birthing center at a certain frequency; requiring the Department to inspect the operations of each home health agency at a certain frequency; repealing a provision of law authorizing a certain professional standards review organization to conduct an external review of health maintenance organizations; exempting certain accredited health maintenance organizations from a certain external review; altering the frequency at which the Department must make a site visit and conduct a survey of each licensed nursing home; repealing an exception to the licensed nursing home site visit and survey requirements; ~~providing for the termination of this Act;~~ and generally relating to surveys, inspections, and external reviews of health care facilities.

BY repealing and reenacting, with amendments,

Article – Health – General

Section 19–3B–03, 19–407, 19–705.1(f), and 19–1408

Annotated Code of Maryland

(2009 Replacement Volume and 2014 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
That the Laws of Maryland read as follows:

**Article – Health – General**

19–3B–03.

(a) (1) After consultation with representatives of payors, health care practitioners, and ambulatory care facilities, the Secretary shall by regulation establish:

(i) Procedures to implement the provisions of this subtitle; and

(ii) Standards to ensure quality of care and patient safety that shall include:

1. Procedures for credentialing and practitioner performance evaluation;

2. Qualifications of health care practitioners and support personnel;
3. Procedures to be followed in the event of an emergency, including a requirement that in the event of an emergency the patient be transported to the nearest appropriate emergency care facility;
4. Procedures for quality control of any biomedical equipment;
5. Procedures for postoperative recovery;
6. Procedures for discharge; and
7. Any other procedures that the Secretary considers necessary for quality of care and patient safety.

(2) The procedures for practitioner performance evaluation required under paragraph (1)(ii)1 of this subsection shall include a review of care provided to patients at the freestanding ambulatory care facility by members of the medical staff.

(3) The review of care shall:

(i) Be undertaken for cases chosen at random and for cases with unexpected adverse outcomes;

(ii) Be based on objective review standards;

(iii) Include a review of the appropriateness of the plan of care for the patient, particularly any medical procedures performed on the patient, in relation to the patient's condition; and

(iv) Except as provided in paragraph (4) of this subsection, be conducted by at least two members of the medical staff who:

1. As appropriate, are of the same specialty as the member of the medical staff under review; and

2. Have been trained in the freestanding ambulatory care facility's policies and procedures regarding practitioner performance evaluation.

(4) A review of the care provided by a member of the medical staff who is a solo practitioner shall be conducted by an external reviewer.

(5) A freestanding ambulatory care facility shall take into account the results of the practitioner performance evaluation process for a member of the medical staff in the reappointment process.

(b) If appropriate certification by Medicare is available, obtaining the certification shall be a condition of licensure for:

- (1) An ambulatory surgical facility; and
- (2) A kidney dialysis center.

(c) Each freestanding ambulatory care facility shall provide assurances satisfactory to the Secretary that the freestanding ambulatory care facility does not discriminate against patients, including discrimination based on ability to pay for nonelective procedures.

(d) The Secretary may delegate to the Kidney Disease Commission the Secretary's authority under § 19-3B-07 of this subtitle to inspect kidney dialysis centers.

**(E) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, THE DEPARTMENT SHALL SURVEY FREESTANDING AMBULATORY CARE FACILITIES IN ACCORDANCE WITH FEDERAL REGULATIONS.**

**(2) THE DEPARTMENT SHALL SURVEY EACH FREESTANDING BIRTHING CENTER AT LEAST ONCE PER CALENDAR YEAR.**

19-407.

The Department shall:

(1) Inspect the operations of each home health agency **AT LEAST EVERY 3 YEARS** to determine whether it is meeting the requirements of this subtitle and the rules and regulations adopted under it; and

(2) Issue, deny, suspend, or revoke a home health agency license in accordance with the rules and regulations adopted under this subtitle.

19-705.1.

(f) (1) Except as provided in paragraph (5) of this subsection, the Department shall conduct an annual external review of the quality of the health services of the health maintenance organization in a manner that the Department considers to be appropriate.

(2) The external review shall be conducted by:

of persons who:

(i) A panel of physicians and other health professionals that consists

1. Have been approved by the Department;

2. Have substantial experience in the delivery of health care in a health maintenance organization setting, but who are not members of the health maintenance organization staff or performing professional services for the health maintenance organization; and

3. Reside outside the area serviced by the health maintenance organization; **OR**

(ii) The Department[; or

(iii) A federally approved professional standards review organization].

(3) The final decision on the type of external review that is to be employed rests solely with the Secretary.

(4) The external review shall consist of a review and evaluation of:

(i) An internal peer review system and reports;

(ii) The program plan of the health maintenance organization to determine if it is adequate and being followed;

(iii) The professional standards and practices of the health maintenance organization in every area of services provided;

(iv) The grievances relating specifically to the delivery of medical care, including their final disposition;

(v) The physical facilities and equipment; and

(vi) A statistically representative sample of member records.

**(5) A HEALTH MAINTENANCE ORGANIZATION ACCREDITED BY AN ACCREDITATION ORGANIZATION APPROVED BY THE SECRETARY IN ACCORDANCE WITH § 19-2302 OF THIS TITLE SHALL BE EXEMPT FROM THE EXTERNAL REVIEW.**

19-1408.

(a) The Department shall make a site visit and conduct a full survey of each licensed nursing home at least [two times] ONCE per calendar year.

(b) [The Department may waive the requirements of subsection (a) of this section for a nursing home that, in the two most recent surveys of the nursing home conducted after October 1, 2000, has had no deficiencies that have the potential for minimum harm or greater.

(c)] All surveys shall be unannounced.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2015. ~~It shall remain effective for a period of 5 years and, at the end of September 30, 2020, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.~~

**Approved by the Governor, April 14, 2015.**