
By: **Chairman, Health and Government Operations Committee (By
Request - Departmental - Health and Mental Hygiene)**

Introduced and read first time: February 11, 2004

Assigned to: Health and Government Operations

A BILL ENTITLED

1 AN ACT concerning

2 **Health - Freestanding Facility Utilizing Major Medical Equipment - Repeal**
3 **of Licensing Requirements**

4 FOR the purpose of excluding a freestanding facility utilizing major medical
5 equipment from Department of Health and Mental Hygiene licensing
6 requirements; repealing the definitions of certain terms; and generally relating
7 to the licensing of a facility utilizing major medical equipment.

8 BY repealing and reenacting, with amendments,
9 Article - Health - General
10 Section 19-3B-01
11 Annotated Code of Maryland
12 (2000 Replacement Volume and 2003 Supplement)

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

15 **Article - Health - General**

16 19-3B-01.

17 (a) In this subtitle the following words have the meanings indicated.

18 (b) "Freestanding ambulatory care facility" means:

- 19 (1) An ambulatory surgical facility;
- 20 (2) A freestanding endoscopy facility;
- 21 (3) [A freestanding facility utilizing major medical equipment;
- 22 (4)] A kidney dialysis center; or
- 23 [(5)] (4) A freestanding birthing center.

1 (c) (1) "Ambulatory surgical facility" means any center, service, office
2 facility, or other entity that:

3 (i) Operates primarily for the purpose of providing surgical
4 services to patients requiring a period of postoperative observation but not requiring
5 overnight hospitalization; and

6 (ii) Seeks reimbursement from payors as an ambulatory surgery
7 center.

8 (2) "Ambulatory surgical facility" does not include:

9 (i) The office of one or more health care practitioners seeking only
10 professional reimbursement for the provisions of medical services, unless:

11 1. The office operates under contract or other agreement
12 with a payor as an ambulatory surgical facility regardless of whether it is paid a
13 technical or facility fee; or

14 2. The office is designated to receive ambulatory surgical
15 referrals in accordance with utilization review or other policies adopted by a payor;

16 (ii) Any facility or service owned or operated by a hospital and
17 regulated under Subtitle 2 of this title;

18 (iii) The office of a health care practitioner with not more than one
19 operating room if:

20 1. The office does not receive a technical or facility fee; and

21 2. The operating room is used exclusively by the health care
22 practitioner for patients of the health care practitioner;

23 (iv) The office of a group of health care practitioners with not more
24 than one operating room if:

25 1. The office does not receive a technical or facility fee; and

26 2. The operating room is used exclusively by members of the
27 group practice for patients of the group practice; or

28 (v) An office owned or operated by one or more dentists licensed
29 under the Health Occupations Article.

30 (d) (1) "Freestanding endoscopy facility" means a facility:

31 (i) For the testing, diagnosis, or treatment of a medical disorder in
32 conjunction with the use of microscopic, endoscopic, or laparoscopic equipment that is
33 inserted in a naturally occurring orifice of the body; and

1 (ii) That seeks reimbursement as a freestanding endoscopy facility
2 from payors or Medicare.

3 (2) "Freestanding endoscopy facility" does not include:

4 (i) The office of one or more health care practitioners unless:

5 1. The office operates under a contract or other agreement
6 with a payor as a freestanding endoscopy facility regardless of whether it is paid a
7 technical or facility fee; or

8 2. The office is designated to receive endoscopic referrals in
9 accordance with utilization review or other policies adopted by a payor; or

10 (ii) Any facility or service operated by a hospital and regulated
11 under Subtitle 2 of this title.

12 [(e) (1) "Freestanding facility operating major medical equipment" means a
13 facility using major medical equipment.

14 (2) "Freestanding facility operating major medical equipment" does not
15 include any facility or service owned or operated by a hospital and regulated under
16 Subtitle 2 of this title.

17 [(f)] (E) (1) "Freestanding birthing center" means a facility that provides
18 nurse midwife services under Title 8, Subtitle 6 of the Health Occupations Article.

19 (2) "Freestanding birthing center" does not include:

20 (i) A hospital regulated under Subtitle 2 of this title; or

21 (ii) The private residence of the mother.

22 [(g)] (F) "Health care practitioner" means a person who is licensed, certified,
23 or otherwise authorized under the Health Occupations Article to provide medical
24 services in the ordinary course of business or practice of a profession.

25 [(h)] (G) (1) "Kidney dialysis center" means a facility that provides
26 hemodialysis or chronic peritoneal dialysis.

27 (2) "Kidney dialysis center" does not include any facility or service owned
28 or operated by a hospital and regulated under Subtitle 2 of this title.

29 [(i)] (H) "Payor" means:

30 (1) A health insurer, nonprofit health service plan, or health
31 maintenance organization that holds a certificate of authority to offer health
32 insurance policies or contracts in the State in accordance with this article or the
33 Insurance Article;

1 (2) A third party administrator or any other entity under contract with a
2 Maryland business to administer health benefits; or

3 (3) A self-insured group.

4 [(j)] (I) "License" means a license issued by the Secretary under this subtitle.

5 [(k)] "Major medical equipment" means:

6 (1) Cardiac catheterization equipment;

7 (2) A computer tomography (CT) scanner;

8 (3) A lithotripter;

9 (4) Radiation therapy equipment, including a linear accelerator; or

10 (5) A magnetic resonance imager (MRI).

11 [(l)] (J) "Surgical services" means any invasive procedure whether
12 therapeutic or diagnostic involving the use of:

13 (1) Any cutting instrument;

14 (2) Microscopic, endoscopic, arthroscopic, or laparoscopic equipment; or

15 (3) A laser for the removal or repair of an organ or other tissue.

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
17 effect October 1, 2004.