

---

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

Introduced and read first time: January 16, 2006

Rules suspended

Assigned to: Finance

---

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: February 21, 2006

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Health Care Facilities and Laboratories - Accreditation Organizations and**  
3 **Deeming**

4 FOR the purpose of defining the term "health care facility " for the purpose of certain  
5 licensing, accreditation, and regulatory provisions to include certain hospitals,  
6 health maintenance organizations, freestanding ambulatory care facilities,  
7 assisted living facilities, laboratories, home health agencies, and residential  
8 treatment centers; authorizing the Secretary of Health and Mental Hygiene to  
9 accept all or part of certain reports of certain accreditation organizations as  
10 meeting certain licensure and review requirements and to grant a certain  
11 deemed status to certain health care facilities; requiring certain accreditation  
12 organizations to apply to the Secretary for approval; requiring the Secretary to  
13 take certain actions before allowing an accreditation organization to conduct  
14 inspections or surveys on behalf of the Department of Health and Mental  
15 Hygiene; requiring the Department to establish a certain agreement with the  
16 accreditation organization; requiring disclosure to the public of certain reports  
17 by approved accreditation organizations; authorizing the Department to conduct  
18 certain inspections; authorizing the Department to participate in or observe  
19 certain surveys and inspections; authorizing the Secretary to withdraw approval  
20 from an accreditation organization or deemed status from a health care facility  
21 under certain circumstances; repealing and altering certain provisions of law  
22 relating to accreditation and deemed status of certain health care facilities;  
23 defining certain terms; making a stylistic change; and generally relating to  
24 accreditation and deemed status of certain health care facilities.

25 BY repealing and reenacting, with amendments,

1 Article - Health - General  
2 Section 17-202, 19-308, 19-309(b), 19-319(c), 19-323(a), 19-3B-03(d), 19-404,  
3 19-1204, 19-1207, and 19-1805  
4 Annotated Code of Maryland  
5 (2005 Replacement Volume and 2005 Supplement)

6 BY repealing  
7 Article - Health - General  
8 Section 19-705.1(g)(5)  
9 Annotated Code of Maryland  
10 (2005 Replacement Volume and 2005 Supplement)

11 BY adding to  
12 Article - Health - General  
13 Section 19-2301 and 19-2302 to be under the new subtitle "Subtitle  
14 23. Accreditation of Health Care Facilities"  
15 Annotated Code of Maryland  
16 (2005 Replacement Volume and 2005 Supplement)

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

19 **Article - Health - General**

20 17-202.

21 (a) (1) The Secretary shall adopt regulations that set standards and  
22 requirements for medical laboratories.

23 (2) The regulations shall contain the standards and requirements that  
24 the Secretary considers necessary to assure the citizens of this State that medical  
25 laboratories provide safe and reliable services.

26 (b) To assure compliance with the standards and requirements adopted in  
27 regulations pursuant to this subtitle, the Secretary shall:

28 (1) Conduct an inspection of each medical laboratory for which a license  
29 to operate is sought; and

30 (2) Conduct an inspection periodically of each medical laboratory for  
31 which a license has been issued.

32 [(c) (1) A medical laboratory accredited by an organization approved by the  
33 Secretary shall be deemed to meet the:

34 (i) State's inspection requirements under subsection (b)(2) of this  
35 section; or

1 (ii) State's standards under this subtitle if the Secretary  
2 determines the standards of the accrediting organization equivalent to the State's  
3 requirements.

4 (2) The medical laboratory shall submit the report of the accrediting  
5 organization to the Secretary within 30 days of its receipt.

6 (3) The Secretary may inspect a medical laboratory accredited by an  
7 organization for the purpose of a complaint investigation or to validate findings of the  
8 accrediting organization.]

9 [(d)] (C) (1) In addition to the regulations adopted under subsection (a) of  
10 this section, the Secretary shall adopt regulations establishing specific standards for  
11 medical laboratories engaged in cytology, including regulations that:

12 (i) Limit the number of slides an individual may examine;

13 (ii) Require that the examination of cytology slides be performed in  
14 a medical laboratory that has a license issued by the Secretary;

15 (iii) Prohibit payment to cytotechnologists for the examination of  
16 cytology specimens or slides on a piecework basis;

17 (iv) Require cytology laboratories to review no less than 10 percent  
18 of all negative gynecological slides;

19 (v) Require that the cytology review be performed by an individual  
20 who qualifies as a supervisory cytotechnologist or a pathologist;

21 (vi) Require the individual who directs the laboratory to establish  
22 and administer an ongoing quality assurance program using standards acceptable to  
23 the Secretary;

24 (vii) Require cytology laboratories to reject unsatisfactorily prepared  
25 specimens, make appropriate comments regarding the quality of the specimen, and  
26 maintain records on unsatisfactorily prepared specimens for 5 years subject to review  
27 by the Department;

28 (viii) Require cytology laboratories to maintain and store for 5 years  
29 from the date of examination any slide that was examined;

30 (ix) Require all cytology reports to be retained for at least 10 years;

31 (x) Prohibit any person from sending cytology specimens to a  
32 laboratory, including out-of-state laboratories, not licensed by the Department;

33 (xi) Require all individuals who examine gynecological slides  
34 acquired from persons in this State to demonstrate satisfactory performance in an  
35 approved cytology proficiency testing program; and

1 (xii) Establish any additional standards the Secretary considers  
2 necessary to assure that medical laboratories engaged in cytology provide safe and  
3 reliable services.

4 (2) The requirements of paragraph (1) of this subsection are in addition  
5 to any other relevant provision of this subtitle or relevant regulation adopted in  
6 accordance with any other provision of this subtitle governing medical laboratories.

7 [(e)] (D) (1) To assure compliance with standards adopted under subsection  
8 [(d)] (C) of this section, the Secretary shall adopt regulations to establish and conduct  
9 a cytology proficiency testing program for all cytology personnel that examine  
10 gynecological cytology specimens.

11 (2) All cytology proficiency tests under the State cytology proficiency  
12 testing program shall be conducted by an employee of the Department of Health and  
13 Mental Hygiene who shall:

14 (i) Hand carry all testing materials to the testing site; and

15 (ii) Directly supervise the on-site proficiency testing.

16 (3) A medical laboratory shall pay the Department a fee established by  
17 the Secretary to cover the cost of the laboratory's State cytology proficiency testing  
18 program under this section.

19 (4) The Secretary shall adopt regulations for the cytology proficiency  
20 testing program that:

21 (i) Define satisfactory cytology proficiency testing performance;  
22 and

23 (ii) Set standards and requirements that a cytology proficiency  
24 testing program must meet before it can be designated an approved program.

25 (5) The Secretary may accept the testing results of an approved cytology  
26 proficiency testing program as meeting the cytology proficiency testing requirement  
27 of this subtitle.

28 19-308.

29 (a) The Secretary shall adopt reasonable rules and regulations that set  
30 standards of services for related institutions, nonaccredited hospitals, and  
31 nonaccredited residential treatment centers in the following areas:

32 (1) The care of patients;

33 (2) The medical supervision of patients;

34 (3) The physical environment;

35 (4) Disease control;

1 (5) Sanitation;

2 (6) Safety; and

3 (7) Dietary matters.

4 (b) (1) To assure compliance with the standards adopted under this subtitle,  
5 the Secretary shall have an inspection made:

6 (i) Of each related institution, each ACCREDITED HOSPITAL OR  
7 nonaccredited hospital, and each ACCREDITED RESIDENTIAL TREATMENT CENTER  
8 OR nonaccredited residential treatment center for which a license is sought; and

9 (ii) Periodically of each related institution, each ACCREDITED  
10 HOSPITAL OR nonaccredited hospital, and each ACCREDITED RESIDENTIAL  
11 TREATMENT CENTER OR nonaccredited residential treatment center for which a  
12 license has been issued.

13 [(2) An accredited hospital and an accredited residential treatment center  
14 shall be subject to inspections under this subtitle by the Department to:

15 (i) Investigate a complaint in accordance with § 19-309 of this  
16 part;

17 (ii) Review compliance with a written progress report or other  
18 documentation of corrective action in response to a focused survey submitted by the  
19 hospital or residential treatment center to the Joint Commission on Accreditation of  
20 Healthcare Organizations in response to a Type I finding that the hospital or  
21 residential treatment center is only in partial compliance with the patient care  
22 standards established by the Joint Commission on Accreditation of Healthcare  
23 Organizations; or

24 (iii) Monitor corrective action, in accordance with § 19-360 of this  
25 subtitle, for any serious or life-threatening patient care deficiency identified by the  
26 Joint Commission on Accreditation of Healthcare Organizations, Centers for  
27 Medicare and Medicaid Services, or the Department.

28 (3) In addition to other provisions of this subsection, an accredited  
29 hospital shall be subject to inspections under this subtitle by the Department for  
30 reviewing compliance with licensure requirements for risk management, utilization  
31 review, and physician credentialing under § 19-319 of this subtitle.

32 (4) When conducting an inspection of an accredited hospital or  
33 accredited residential treatment center, the Department shall use the current  
34 applicable standards of the Joint Commission on Accreditation of Healthcare  
35 Organizations.]

36 [(5)] (2) At least 2 inspections a year of each related institution shall be  
37 unannounced.

1            [(6)]    (3)    The part of a building that contains part of a hospital,  
2 residential treatment center, or related institution and any outbuilding are  
3 considered part of the facility and are subject to inspection to determine occupancy  
4 status for licensing purposes.

5            [(7)]    (4)    Subject to § 2-1246 of the State Government Article, during  
6 each regular session of the General Assembly, the Department shall submit to the  
7 General Assembly a report on the inspections.

8            [(8)]    (5)    (i)    An employee of the Department may not inform a hospital,  
9 residential treatment center, or related institution of any proposed inspection activity,  
10 unless the chief of the employee's division directs the employee to do so.

11                            (ii)    An employee who violates any provision of this paragraph is  
12 guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$1,000 or  
13 imprisonment not exceeding 1 year or both.

14    [(c)]    (1)    An accredited hospital or accredited residential treatment center  
15 shall submit the survey findings of the Joint Commission on Accreditation of  
16 Healthcare Organizations within 30 days of receipt by the hospital or the residential  
17 treatment center to the Department.

18            (2)    Except as provided in paragraph (5) of this subsection, an accredited  
19 hospital's or accredited residential treatment center's official accreditation report and  
20 any summary of the report, written progress reports, or plans of correction which are  
21 submitted to the Secretary are confidential and are not discoverable or admissible as  
22 evidence in any civil action.

23            (3)    The Secretary shall refer any request for public inspection of a survey  
24 report made by the Joint Commission on Accreditation of Healthcare Organizations  
25 for an accredited hospital or accredited residential treatment center directly to the  
26 hospital or residential treatment center.

27            (4)    Upon the written request of any person, within 15 working days, the  
28 accredited hospital or accredited residential treatment center shall make available for  
29 public inspection the most recent accreditation letter and any Type I  
30 recommendations if the Joint Commission on Accreditation of Healthcare  
31 Organizations has made a final decision on any appeal by the hospital or residential  
32 treatment center of the Type I recommendations.

33            (5)    If information is released in accordance with paragraph (4) of this  
34 subsection, that information is no longer confidential, but is not discoverable or  
35 admissible in any civil action.

36            (6)    An accreditation report, including any summary of the report and  
37 any information contained in the report, disclosed by a hospital or residential  
38 treatment center, the Joint Commission on the Accreditation of Healthcare  
39 Organizations, or the Department is not admissible or discoverable in any civil action.

1 (7) If an accredited hospital or accredited residential treatment center  
2 willfully fails to comply with the provisions of this subsection, the Secretary may  
3 impose a penalty not to exceed \$1,000 a day for each day the violation continues.]

4 19-309.

5 (b) (1) To resolve expeditiously a complaint that alleges the existence of any  
6 nonlife-threatening deficiency, the Department may refer the complaint directly to  
7 the hospital or residential treatment center.

8 (2) If appropriate, issues relating to the practice of medicine or the  
9 licensure or conduct of a health professional shall be referred to the hospital or the  
10 residential treatment center and may be referred to the appropriate licensure board  
11 for resolution.

12 (3) If the Department determines that the hospital or residential  
13 treatment center has not satisfactorily addressed the referred complaint or where the  
14 complaint alleges the existence of a life-threatening deficiency, the Department shall  
15 conduct an independent investigation. [When conducting its independent  
16 investigation, the Department shall use:

17 (i) For an accredited hospital or accredited residential treatment  
18 center, the current applicable standards of review of the Joint Commission on  
19 Accreditation of Healthcare Organizations;

20 (ii) For a nonaccredited hospital or nonaccredited residential  
21 treatment center, the standards adopted by the Secretary under this subtitle;

22 (iii) For an accredited or nonaccredited hospital that is a facility as  
23 defined under § 19-319.2 of this subtitle, the requirements of §§ 10-701 through  
24 10-709 of this article; and

25 (iv) For an accredited or nonaccredited residential treatment center,  
26 the requirements of §§ 10-701 through 10-709 of this article.]

27 19-319.

28 (c) (1) The applicant shall have a certificate of need, as required under  
29 Subtitle 1 of this title, for the hospital, residential treatment center, or related  
30 institution to be operated.

31 (2) The hospital, residential treatment center, or related institution to be  
32 operated shall[:

33 (i) Be an accredited hospital or accredited residential treatment  
34 center; or

35 (ii) Meet] MEET the requirements that the Secretary adopts under  
36 this subtitle and Subtitle 12 of this title.

1 19-323.

2 (a) (1) Except as provided under [paragraphs (2) and (3)] PARAGRAPH (2) of  
3 this subsection, a license for a related institution, AN ACCREDITED HOSPITAL, or a  
4 nonaccredited hospital expires on the first anniversary of its effective date, unless the  
5 license is renewed for a 1-year term as provided in this section.

6 [(2) A license for an accredited hospital expires when the certificate of  
7 accreditation expires.

8 (3)] (2) A license for a nursing facility and an assisted living program as  
9 defined under Subtitle 18 of this title shall be for a 2-year term.

10 19-3B-03.

11 (d) [(1) A freestanding ambulatory care facility accredited by an organization  
12 approved by the Secretary shall be deemed to meet State licensing requirements.

13 (2) (i) The freestanding ambulatory care facility shall submit the  
14 report of the accreditation organization to the Secretary within 30 days of its receipt.

15 (ii) All reports submitted under this paragraph shall be available  
16 for public inspection.

17 (3) The Secretary may:

18 (i) Inspect a freestanding ambulatory care facility for the purpose  
19 of a complaint investigation;

20 (ii) Inspect a freestanding ambulatory care facility to follow up on a  
21 serious problem identified in an accreditation report; and

22 (iii) Annually conduct a survey to validate the findings of  
23 accreditation reports.

24 (4)] The Secretary may delegate to the Kidney Disease Commission the  
25 Secretary's authority under [paragraph (3) of this subsection] § 19-3B-07 OF THIS  
26 SUBTITLE to inspect kidney dialysis centers.

27 19-404.

28 (a) The Department shall adopt rules and regulations that set standards for  
29 the care, treatment, health, safety, welfare, and comfort of patients of home health  
30 agencies.

31 (b) The rules and regulations shall provide for the licensing of home health  
32 agencies and annual license renewal, and shall establish standards that require as a  
33 minimum, that all home health agencies:



1 (1) Within 10 days of acceptance of a patient for skilled care, make and  
2 record all reasonable efforts to contact a physician to obtain the signed order required  
3 under [paragraph (2)] ITEM (2) OF THIS SUBSECTION;

4 (2) That accept patients for skilled care do so only on the signed order of  
5 a physician obtained within 28 days after acceptance;

6 (3) Adopt procedures for the administration of drugs and biologicals;

7 (4) Maintain clinical records on all patients accepted for skilled care;

8 (5) Establish patient care policies and personnel policies;

9 (6) Have services available at least 8 hours a day, 5 days a week, and  
10 available on an emergency basis 24 hours a day, 7 days a week;

11 (7) Make service available to an individual in need within 24 hours of a  
12 referral when stipulated by a physician's order;

13 (8) Have a designated supervisor of patient care who is a full-time  
14 employee of the agency and is available at all times during operating hours and  
15 additionally as needed; and

16 (9) Have as the administrator of the agency a person who has at least 1  
17 year of supervisory experience in hospital management, home health management, or  
18 public health program management and who is:

19 (i) A licensed physician;

20 (ii) A registered nurse; or

21 (iii) A college graduate with a bachelor's degree in a health-related  
22 field.

23 (c) The rules and regulations may include provisions that:

24 (1) Deal with the establishment of home health agencies;

25 (2) Require each home health agency to have its policies established by a  
26 professional group that includes at least:

27 (i) 1 physician;

28 (ii) 1 registered nurse;

29 (iii) 1 representative of another offered service; and

30 (iv) 1 public member;

31 (3) Govern the services provided by the home health agencies;

1 (4) Require keeping clinical records of each patient, including the plan of  
2 treatment to be provided;

3 (5) Govern supervision of the services, as appropriate, by:

4 (i) A physician;

5 (ii) A registered nurse; or

6 (iii) Another health professional who is qualified sufficiently by  
7 advanced training to supervise the same kind of services in a hospital; and

8 (6) Require submission of an annual report which includes service  
9 utilization statistics.

10 [(d) (1) A home health agency accredited by an organization approved by the  
11 Secretary shall be deemed to meet State licensing regulations.

12 (2) (i) The home health agency shall submit the report of the  
13 accreditation organization to the Secretary within 30 days of its receipt.

14 (ii) All reports submitted under this paragraph shall be available  
15 for public inspection.

16 (3) The Secretary may:

17 (i) Inspect the home health agency for the purpose of a complaint  
18 investigation;

19 (ii) Inspect the home health agency to follow up on a serious  
20 problem identified in an accreditation organization's report; and

21 (iii) Annually, conduct a survey of up to 5 percent of all home health  
22 agencies in the State to validate the findings of an accreditation organization's  
23 report.]

24 [(e) (D) The provisions of this section do not waive the requirement for a  
25 home health agency to obtain a certificate of need.

26 19-705.1.

27 (g) [(5) (i) The Secretary may accept all or part of a report of an approved  
28 accrediting organization as meeting the external review requirements under this  
29 subtitle.

30 (ii) Except as provided in subparagraph (iii) of this paragraph, a  
31 report of an approved accrediting organization used by the Department as meeting  
32 the external review requirements under this subtitle shall be made available to the  
33 public on request.

1 (iii) The Department may not disclose and shall treat as  
2 confidential all confidential commercial and financial information contained in a  
3 report of an approved accrediting organization in accordance with § 10-617(d) of the  
4 State Government Article.

5 (iv) The Department may inspect a facility of a health maintenance  
6 organization to:

- 7 1. Determine compliance with any quality requirement  
8 established under this subtitle;
- 9 2. Follow up on a serious problem identified by an approved  
10 accrediting organization; or
- 11 3. Investigate a complaint.]

12 19-1204.

13 [(a)] A comprehensive rehabilitation facility shall[:

14 (1) Provide only rehabilitation programs that have been accredited by  
15 and meet the standards of the Commission on Accreditation of Rehabilitation  
16 Facilities;

17 (2) Authorize the Commission on Accreditation of Rehabilitation  
18 Facilities to release to the Secretary any information obtained by the Commission on  
19 Accreditation of Rehabilitation Facilities during:

20 (i) The accreditation process; and

21 (ii) Any inspection; and

22 (3) Meet any other standard that the Secretary may adopt by regulation.

23 (b) To allow a comprehensive rehabilitation facility to achieve accreditation by  
24 the Commission on Accreditation of Rehabilitation Facilities as required by  
25 subsection (a) of this section for any rehabilitation program that the facility provides,  
26 the Secretary may waive the accreditation requirement for the facility for no more  
27 than 2 years from:

28 (1) July 1, 1986; or

29 (2) The date on which the facility begins operation] MEET ANY  
30 STANDARD THAT THE SECRETARY ADOPTS BY REGULATION.

31 19-1207.

32 (a) A person may not hold himself out as providing a complete array of  
33 rehabilitation services unless the person provides comprehensive physical  
34 rehabilitation services.

1 (b) A health care facility may not provide or hold itself out as providing any  
2 specialized rehabilitation program unless[:

3 (1) The program has been accredited by the Commission on  
4 Accreditation of Rehabilitation Facilities to provide the particular specialized  
5 rehabilitation program; or

6 (2) The facility is applying for accreditation from the Commission on  
7 Accreditation of Rehabilitation Facilities under § 19-1204(b) of this subtitle to  
8 provide the particular specialized rehabilitation program] THE FACILITY IS  
9 LICENSED BY THE DEPARTMENT.

10 (c) A person may not provide comprehensive physical rehabilitation services  
11 unless the person meets the requirements of this subtitle.

12 19-1805.

13 (a) The Department shall:

14 (1) Define different levels of assisted living according to the level of care  
15 provided;

16 (2) Require all assisted living programs to be licensed to operate  
17 according to the level of the program;

18 (3) Develop a waiver process for authorizing an assisted living program  
19 to continue to care for an individual whose medical or functional condition has  
20 changed since admission to the program to an extent that the level of care required by  
21 the individual exceeds the level of care for which the program is licensed;

22 (4) Promote affordable and accessible assisted living programs  
23 throughout the State;

24 (5) Establish and enforce quality standards for assisted living programs;

25 (6) Require periodic inspections of assisted living program facilities,  
26 including at least an annual unannounced on-site inspection;

27 (7) Establish requirements for the qualifications or training or both of  
28 assisted living program employees;

29 (8) Establish a "resident bill of rights" for residents of assisted living  
30 program facilities; and

31 (9) Define which, if any, assisted living programs may be exempt from  
32 the requirements of § 19-311 of this title.

33 [(b) (1) (i) The Secretary may accept all or part of a report of an approved  
34 accrediting organization as meeting the State licensing requirements for renewal of a  
35 license to operate an assisted living facility program.

1 (ii) The Secretary may not accept all or part of a report of an  
2 approved accrediting organization as meeting the State licensing requirements for an  
3 initial license to operate an assisted living facility program.

4 (2) (i) The assisted living facility program shall submit the report of  
5 an accrediting organization to the Secretary within 30 days of the receipt of the report  
6 by the assisted living facility program.

7 (ii) The report of an accrediting organization used by the  
8 Department as meeting the State licensing requirements for renewal of a license to  
9 operate an assisted living facility program shall be made available to the public on  
10 request.

11 (3) The Secretary may inspect an assisted living facility program to:

12 (i) Investigate a complaint;

13 (ii) Follow up on a serious problem identified by an approved  
14 accrediting organization; or

15 (iii) Validate findings of an approved accrediting organization.]

16 [(c)] (B) (1) The Department, in consultation with representatives of the  
17 affected industry and advocates for residents of the facilities and with the approval of  
18 the Department of Aging and the Department of Human Resources, shall adopt  
19 regulations to implement this subtitle.

20 (2) The regulations adopted under paragraph (1) of this subsection shall:

21 (i) Provide for the licensing of assisted living programs and the  
22 renewal of licenses;

23 (ii) Require the Secretary to charge fees in a manner that will  
24 produce funds not to exceed the actual direct and indirect costs to the Department for  
25 inspecting assisted living program facilities and maintaining the licensure program  
26 for assisted living programs under this subtitle;

27 (iii) Require the Department, during a survey or other inspection of  
28 an assisted living program, to review the number of waivers granted to the program  
29 under subsection (a)(3) of this section and determine whether a change in the  
30 program's licensure status is warranted; and

31 (iv) Require an assisted living program facility to post in a  
32 conspicuous place visible to actual and potential residents of the facility and other  
33 interested parties:

34 1. A. Its statement of deficiencies for the most recent  
35 survey;

1 B. Any subsequent complaint investigations conducted by  
2 federal, State, or local surveyors; and

3 C. Any plans of correction in effect with respect to the survey  
4 or complaint investigation; or

5 2. A notice of the location, within the facility, of the items  
6 listed in item 1 of this item.

7 SUBTITLE 23. ACCREDITATION OF HEALTH CARE FACILITIES.

8 19-2301.

9 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS  
10 INDICATED.

11 (B) "ACCREDITATION ORGANIZATION" MEANS A PRIVATE ENTITY THAT  
12 CONDUCTS INSPECTIONS AND SURVEYS OF HEALTH CARE FACILITIES BASED ON  
13 NATIONALLY RECOGNIZED AND DEVELOPED STANDARDS.

14 (C) "DEEMED STATUS" MEANS A STATUS UNDER WHICH A HEALTH CARE  
15 FACILITY MAY BE EXEMPT FROM ROUTINE SURVEYS CONDUCTED BY THE  
16 DEPARTMENT.

17 (D) "HEALTH CARE FACILITY" MEANS:

18 (1) A HOSPITAL AS DEFINED IN § 19-301(B) OF THIS TITLE;

19 (2) A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN § 19-701(G)  
20 OF THIS TITLE;

21 (3) A FREESTANDING AMBULATORY CARE FACILITY AS DEFINED IN §  
22 19-3B-01 OF THIS TITLE;

23 (4) AN ASSISTED LIVING FACILITY AS DEFINED IN § 19-1801 OF THIS  
24 TITLE;

25 (5) A LABORATORY AS DEFINED IN § 17-201 OF THIS ARTICLE;

26 (6) A HOME HEALTH AGENCY AS DEFINED IN § 19-401 OF THIS TITLE;

27 (7) A RESIDENTIAL TREATMENT CENTER AS DEFINED IN § 19-301 OF  
28 THIS TITLE; AND

29 (8) A COMPREHENSIVE REHABILITATION FACILITY AS DEFINED IN §  
30 19-1201 OF THIS TITLE.

31 19-2302.

32 (A) ~~ACCREDITATION ORGANIZATIONS~~ AN ACCREDITATION ORGANIZATION  
33 SHALL APPLY TO THE SECRETARY FOR APPROVAL.

1 (B) PRIOR TO APPROVAL OF AN ACCREDITATION ORGANIZATION, THE  
2 SECRETARY SHALL:

3 (1) DETERMINE THAT THE STANDARDS OF THE ACCREDITATION  
4 ORGANIZATION ARE EQUAL TO OR MORE STRINGENT THAN EXISTING STATE  
5 REQUIREMENTS;

6 (2) EVALUATE THE SURVEY OR INSPECTION PROCESS OF THE  
7 ACCREDITATION ORGANIZATION TO ENSURE THE INTEGRITY OF THE SURVEY OR  
8 INSPECTION PROCESS; AND

9 (3) ENTER INTO A FORMAL WRITTEN AGREEMENT WITH THE  
10 ACCREDITATION ORGANIZATION THAT INCLUDES REQUIREMENTS FOR:

11 (I) NOTICE OF ALL SURVEYS AND INSPECTIONS;

12 (II) SHARING OF COMPLAINTS AND OTHER RELEVANT  
13 INFORMATION;

14 (III) PARTICIPATION OF THE DEPARTMENT IN ACCREDITATION  
15 ORGANIZATION ACTIVITIES; AND

16 (IV) ANY OTHER PROVISION NECESSARY TO ENSURE THE  
17 INTEGRITY OF THE ACCREDITATION AND LICENSURE PROCESS.

18 (C) (1) WHEN AN APPROVED ACCREDITATION ORGANIZATION HAS ISSUED A  
19 FINAL REPORT FINDING A HEALTH CARE FACILITY TO BE IN SUBSTANTIAL  
20 COMPLIANCE WITH THE ACCREDITATION ORGANIZATION'S STANDARDS, THE  
21 DEPARTMENT SHALL ACCEPT THE REPORT AS EVIDENCE THAT THE HEALTH CARE  
22 FACILITY HAS MET STATE LICENSURE REQUIREMENTS AND SHALL GRANT THE  
23 HEALTH CARE FACILITY DEEMED STATUS.

24 (2) A HEALTH CARE FACILITY THAT FAILS TO ACHIEVE SUBSTANTIAL  
25 COMPLIANCE WITH THE STANDARDS OF AN APPROVED ACCREDITATION  
26 ORGANIZATION MAY BE SUBJECT TO THE PROVISIONS OF § 19-360 OF THIS TITLE.

27 (D) (1) AN APPROVED ACCREDITATION ORGANIZATION SHALL SEND THE  
28 DEPARTMENT ANY PRELIMINARY AND FINAL REPORT OF EACH INSPECTION AND  
29 SURVEY AT THE TIME IT IS SENT TO THE HEALTH CARE FACILITY.

30 (2) A FINAL REPORT OF AN APPROVED ACCREDITATION ORGANIZATION  
31 SHALL BE MADE IMMEDIATELY AVAILABLE TO THE PUBLIC ON REQUEST.

32 (3) A PRELIMINARY OR FINAL REPORT OF AN APPROVED  
33 ACCREDITATION ORGANIZATION IS NOT ADMISSIBLE IN EVIDENCE IN ANY CIVIL  
34 ACTION OR PROCEEDING.

35 (E) THE DEPARTMENT MAY INSPECT AN ACCREDITED HEALTH CARE  
36 FACILITY TO:

- 1 (1) DETERMINE COMPLIANCE WITH ANY QUALITY REQUIREMENT;
- 2 (2) FOLLOW UP ON ANY SERIOUS PROBLEM IDENTIFIED BY AN  
3 APPROVED ACCREDITATION ORGANIZATION;
- 4 (3) INVESTIGATE A COMPLAINT; OR
- 5 ~~(4) PARTICIPATE IN OR OBSERVE A SURVEY OF AN APPROVED~~  
6 ~~ACCREDITATION ORGANIZATION; OR~~
- 7 ~~(5)~~ (4) VALIDATE THE FINDINGS OF AN APPROVED ACCREDITATION  
8 ORGANIZATION.
- 9 (F) THE DEPARTMENT MAY PARTICIPATE IN OR OBSERVE A SURVEY OR  
10 INSPECTION OF A HEALTH CARE FACILITY CONDUCTED BY AN APPROVED  
11 ACCREDITATION ORGANIZATION.
- 12 ~~(F)~~ (G) ON A DETERMINATION BY THE SECRETARY THAT AN APPROVED  
13 ACCREDITATION ORGANIZATION HAS FAILED TO MEET ITS OBLIGATIONS UNDER  
14 THIS SECTION, THE SECRETARY MAY WITHDRAW:
- 15 (1) THE APPROVAL FROM THE ACCREDITATION ORGANIZATION; AND
- 16 (2) THE DEEMED STATUS GIVEN TO A HEALTH CARE FACILITY BY THE  
17 ~~ACCREDITED~~ ACCREDITATION ORGANIZATION.
- 18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take  
19 effect October 1, 2006.