

HCS HB 1123 -- LICENSURE AND INSPECTION OF HOSPITALS

SPONSOR: Sater (Frederick)

COMMITTEE ACTION: Voted "do pass" by the Committee on Health Care Policy by a vote of 8 to 1.

This substitute changes the laws regarding the licensure and inspection of hospitals. In its main provisions, the substitute:

(1) Requires the Department of Health and Senior Services to review and revise its regulations governing hospital licensure and enforcement to promote efficiency and eliminate duplicate regulations and inspections by state and federal agencies;

(2) Requires regulations adopted by the department to include, but not be limited to, the following:

(a) Requiring each citation or finding of a regulatory deficiency refer to the specific written and publicly available standard and associated written interpretive guidance that are the basis of the citation or finding;

(b) Ensuring, subject to appropriations, that department hospital licensure regulatory standards are consistent with and do not contradict the federal Centers for Medicare and Medicaid Services' (CMS) Conditions of Participation for hospitals and associated interpretive guidance;

(c) Establishing and publishing a process and standards to determine if a complaint warrants an onsite investigation and complaint reporting requirements;

(d) Limiting a complaint investigation performed by the department to the specific regulatory standard or standards raised by the complaint unless there is an immediate safety threat;

(e) Requiring the department to designate, subject to appropriations, sufficient resources for annual hospital licensure inspections to facilitate hospital improvements;

(f) Ensuring that hospitals and their personnel have the opportunity to participate at least annually in training sessions provided to state licensure surveyors and that surveyors assigned to inspect hospitals receive training to the fullest extent possible; and

(g) Establishing specific time lines identical, to the extent practicable, to those for the federal hospital certification and

enforcement system in CMS's State Operations Manual for state hospital officials to respond to a hospital regarding the status and outcome of pending investigations and regulatory action and questions about interpretations of regulations; and

(3) Requires the department to accept hospital inspection reports from CMS-approved organizations in lieu of the department's annual inspection, limits a good cause inspection to the scope of a department investigation of a complaint, and requires the department to accept licensed hospital inspection reports from CMS-approved organizations for licensure purposes if the inspection was conducted within three years, instead of the current within one year, of the most recent accreditation license renewal for the hospital.

Currently, the department must inspect each licensed hospital annually and additionally as it deems necessary for good cause shown.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill will improve the regulation and licensure procedures used to evaluate our state's hospitals. The quality and care that our hospitals provide is important and the processes used to assess quality are important. Currently, a hospital must be accredited by The Joint Commission in order to be reimbursed for any Medicaid or Medicare services in addition to meeting state inspection requirements in order to be licensed in the state. The separate processes are costly and time consuming and often duplicative. The bill will standardize the practices in state law with what is required by the commission in meeting federal regulations in order to obtain accreditation instead of having to comply with both sets. The bill creates efficiency and saves money by allowing the state to accept an accredited agency's certification for a hospital for up to three years. The resources the hospitals are paying for the dual accreditation could be used for health care services. The accrediting bodies that do the hospital inspections are all authorized by the commission. Currently, the state doesn't have the ability to do a full hospital inspection and investigation during one inquiry setting. The bill allows the department to accept the outcome of the commission's inspection and accreditation process.

Testifying for the bill were Representative Frederick; and Missouri Hospital Association.

OPPOSERS: There was no opposition voiced to the committee.