

ASSEMBLY BILL

No. 2522

Introduced by Assembly Member Williams

February 24, 2012

An act to amend Section 1204 of the Health and Safety Code, relating to health and care facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2522, as introduced, Williams. Health and care facilities: primary care and specialty clinics.

Existing law, with certain exceptions, provides for the licensure and regulation of health facilities and clinics, including primary care and specialty clinics, by the State Department of Public Health. Existing law requires primary care and specialty clinics to meet certain criteria in order to be eligible for licensure.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1204 of the Health and Safety Code is
- 2 amended to read:
- 3 1204. Clinics eligible for licensure pursuant to this chapter are
- 4 primary care clinics and specialty clinics.
- 5 (a) (1) Only the following defined classes of primary care
- 6 clinics shall be eligible for licensure:

1 (A) A “community clinic” means a clinic operated by a
2 tax-exempt nonprofit corporation that is supported and maintained
3 in whole or in part by donations, bequests, gifts, grants, government
4 funds or contributions, that may be in the form of money, goods,
5 or services. In a community clinic, ~~any charges~~ *a charge* to the
6 patient shall be based on the patient’s ability to pay, utilizing a
7 sliding fee scale. ~~No~~ A corporation other than a nonprofit
8 corporation, exempt from federal income taxation under paragraph
9 (3) of subsection (c) of Section 501 of the Internal Revenue Code
10 of 1954 as amended, or a statutory successor thereof, shall *not*
11 operate a community clinic; provided, that the licensee of any
12 community clinic so licensed on the effective date of this section
13 shall not be required to obtain tax-exempt status under either
14 federal or state law in order to be eligible for, or as a condition of,
15 renewal of its license. ~~No~~ A natural person ~~or persons~~ shall *not*
16 operate a community clinic.

17 (B) A “free clinic” means a clinic operated by a tax-exempt,
18 nonprofit corporation supported in whole or in part by voluntary
19 donations, bequests, gifts, grants, government funds or
20 contributions, that may be in the form of money, goods, or services.
21 In a free clinic there shall be no charges directly to the patient for
22 services rendered or for drugs, medicines, appliances, or
23 apparatuses furnished. ~~No~~ A corporation other than a nonprofit
24 corporation exempt from federal income taxation under paragraph
25 (3) of subsection (c) of Section 501 of the Internal Revenue Code
26 of 1954 as amended, or a statutory successor thereof, shall *not*
27 operate a free clinic; provided, that the licensee of any free clinic
28 so licensed on the effective date of this section shall not be required
29 to obtain tax-exempt status under either federal or state law in
30 order to be eligible for, or as a condition of, renewal of its license.
31 ~~No~~ A natural person ~~or persons~~ shall *not* operate a free clinic.

32 (2) Nothing in this subdivision shall prohibit a community
33 clinic or a free clinic from providing services to patients whose
34 services are reimbursed by third-party payers, or from entering
35 into managed care contracts for services provided to private or
36 public health plan subscribers, as long as the clinic meets the
37 requirements identified in subparagraphs (A) and (B). For purposes
38 of this subdivision, ~~any payments~~ *a payment* made to a community
39 clinic by a third-party payer, including, but not limited to, a health

1 care service plan, shall not constitute a charge to the patient. This
2 paragraph is a clarification of existing law.

3 (b) The following types of specialty clinics shall be eligible for
4 licensure as specialty clinics pursuant to this chapter:

5 (1) A “surgical clinic” means a clinic that is not part of a
6 hospital and that provides ambulatory surgical care for patients
7 who remain less than 24 hours *at the facility*. A surgical clinic does
8 not include any place or establishment owned or leased and
9 operated as a clinic or office by one or more physicians or dentists
10 in individual or group practice, regardless of the name used
11 publicly to identify the place or establishment, provided, however,
12 that physicians or dentists may, at their option, apply for licensure.

13 (2) A “chronic dialysis clinic” means a clinic that provides less
14 than 24-hour care for the treatment of patients with end-stage renal
15 disease, including renal dialysis services.

16 (3) A “rehabilitation clinic” means a clinic that, in addition to
17 providing medical services directly, also provides physical
18 rehabilitation services for patients who remain less than 24 hours.
19 Rehabilitation clinics shall provide at least two of the following
20 rehabilitation services: physical therapy, occupational therapy,
21 social, speech pathology, and audiology services. A rehabilitation
22 clinic does not include the offices of a private physician in
23 individual or group practice.

24 (4) An “alternative birth center” means a clinic that is not part
25 of a hospital and that provides comprehensive perinatal services
26 and delivery care to pregnant women who remain less than 24
27 hours at the facility.