

AMENDED IN SENATE AUGUST 1, 2016
AMENDED IN ASSEMBLY MARCH 17, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2747

Introduced by Assembly Member Hadley

February 19, 2016

An act to add Section 1221.20 to the Health and Safety Code, relating to specialty clinics.

LEGISLATIVE COUNSEL'S DIGEST

AB 2747, as amended, Hadley. Chronic dialysis clinics.

Existing law provides for the licensure and regulation of clinics by the State Department of Public Health. Existing law provides that certain types of specialty clinics, including chronic dialysis clinics, as defined, are eligible for licensure.

This bill would require the department, within 90 days after receiving an initial and complete chronic dialysis clinic application, to complete the application ~~paperwork, to conduct a licensure survey, if necessary, and in certain circumstances, to conduct an unannounced certification survey in accordance with a specified timeline, as provided.~~ *paperwork and conduct a licensure survey, if necessary. The bill would require, for certain applicants, that the department conduct an unannounced certification survey within 60 days after the department receives approval from the federal Centers for Medicare and Medicaid Services to conduct the certification survey.* The bill would require the department to forward the results of the certification survey to the federal Centers for Medicare and Medicaid Services, as specified.

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

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

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) New dialysis facilities in California are being required to
4 wait nine months or longer to be licensed by the State Department
5 of Public Health and to receive Medicare certification surveys after
6 they are otherwise ready to serve patients.

7 (2) The prevalence of dialysis in California is increasing faster
8 than the national average due to the high incidence of diabetes and
9 hypertension, the two major causes of End Stage Renal Disease
10 (ESRD). The growth in the ESRD patient population is causing a
11 burden for patients and families, forcing patients to dialyze on
12 shifts and travel to dialysis centers that are not convenient for a
13 patient who is suffering from a chronic disease.

14 (3) Prior to a new dialysis center being surveyed, the dialysis
15 center invests significant financial resources to develop a new
16 facility. In addition to the construction cost, the dialysis center
17 must be equipped with ~~state-of-the-art~~ *state-of-the-art* equipment
18 to provide quality care. It also must receive a certificate of
19 occupancy, ensuring that the dialysis center is constructed to meet
20 all local, state, and federal regulations.

21 (4) Additionally, a dialysis center must be staffed prior to
22 requesting a survey, which means that the center is bearing the
23 cost of staff for nine months or more before it can serve patients.

24 (5) It would require less than one full-time equivalent staff
25 member to eliminate the current backlog of approximately twenty
26 new dialysis centers that are waiting to receive state licensure and
27 a Medicare certification survey. The same is true for providing
28 timely surveys of new dialysis centers on an annual basis.

29 (b) It is the intent of the Legislature in enacting this act to require
30 expeditious licensure and Medicare certification surveys for new
31 dialysis clinics in California.

32 SEC. 2. Section 1221.20 is added to the Health and Safety
33 Code, immediately following Section 1221.19, to read:

34 1221.20. (a) Within 90 calendar days after the department
35 receives an initial and complete chronic dialysis clinic application,

1 the department shall complete the application paperwork and
2 conduct a licensure survey, if necessary, to inspect the clinic and
3 evaluate the clinic's compliance with state licensure requirements.
4 The department shall forward its recommendation, if necessary,
5 and all other information, to the federal Centers for Medicare and
6 Medicaid Services within the same 90 calendar days.

7 (b) (1) For an applicant seeking to receive reimbursement under
8 the Medicare or Medi-Cal programs, the department shall ~~complete~~
9 ~~the initial application paperwork and~~ conduct an unannounced
10 certification survey, if necessary, ~~within 90 days after the~~
11 ~~department's receipt of a letter from the chronic dialysis clinic~~
12 ~~notifying the department of its readiness for the certification survey.~~
13 *60 days after the department receives approval from the federal*
14 *Centers for Medicare and Medicaid Services to conduct the*
15 *certification survey.*

16 (2) No later than 30 calendar days after the certification survey,
17 the department shall forward the results of its licensure and
18 certification surveys and all other information necessary for
19 certification to the federal Centers for Medicare and Medicaid
20 Services.