
A BILL FOR AN ACT

RELATING TO HEALTH.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that freestanding
2 surgical outpatient facilities (also known as ambulatory
3 surgical centers) have the potential to be the point source from
4 which serious infections may spread absent proper regulation.
5 State survey agencies are responsible for inspecting and
6 assessing ambulatory surgical centers' compliance with medicare
7 health and safety standards.

8 In 2007, one of the largest outbreaks of hepatitis C in the
9 country occurred in Nevada. Investigators found nine linked
10 cases and one hundred six possibly-linked cases of hepatitis C
11 infection arising from two ambulatory surgical centers under the
12 same ownership. Records indicated that at least one of the
13 centers had not undergone a full inspection by state surveyors
14 for seven years. The Southern Nevada Health District found that
15 approximately 63,000 patients were possibly exposed and
16 recommended that those patients receive testing. Costs for the
17 investigation, response, testing, counseling, and long-term
18 treatment were estimated at \$16,000,000 to \$21,000,000. Jury



1 verdicts in favor of the infected plaintiffs reached hundreds of
2 millions of dollars.

3 Following the outbreak, the code of federal regulations
4 addressing ambulatory surgical centers (42 C.F.R. pt. 416) was
5 revised and health and safety standards for ambulatory surgical
6 centers that accept medicaid and medicare were updated by the
7 Centers for Medicare and Medicaid Services. In 2009, American
8 Recovery and Reinvestment Act funds were allocated to inspecting
9 ambulatory surgical centers nationwide using a new control
10 system developed by the Centers for Disease Control and
11 Prevention and the Centers for Medicare and Medicaid Services.
12 Hawaii received \$17,262 of those funds to be used for ambulatory
13 surgical center surveys. However, Title 11, chapter 95, Hawaii
14 Administrative Rules for freestanding surgical outpatient
15 facilities, has not been amended in over fifteen years and may
16 not reflect current federal requirements.

17 The purpose of this Act is to require all freestanding
18 surgical outpatient facilities to follow the revised federal
19 health and safety standards relating to ambulatory surgical
20 centers, or freestanding outpatient surgical facilities.

21 SECTION 2. No later than July 1, 2014, the department of
22 health shall adopt rules pursuant to chapter 91, Hawaii Revised



1 Statutes, for all freestanding surgical outpatient facilities in
 2 Hawaii based upon federal regulations and guidelines from the
 3 Centers for Medicare and Medicaid Services applicable to
 4 ambulatory surgical centers, also known as freestanding surgical
 5 facilities.

6 The rules shall provide for appropriate and adequate
 7 monitoring to ensure infection control and minimize communicable
 8 disease, including the requirement that physicians and employees
 9 report all instances of infection. The rules shall require that
 10 reports of infections and any other information deemed relevant
 11 by the department of health be submitted annually to the Centers
 12 for Disease Control and Prevention.

13 SECTION 3. This Act shall take effect upon its approval.
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INTRODUCED BY:

Maui B. Lee
John M. Nevo
Karen Awana
Paul H. ...

JAN 20 2012



H.B. NO. 2172

Report Title:

Freestanding Surgical Outpatient Facilities; Outpatient;
Ambulatory Surgical Centers; Regulation

Description:

Mandates department of health to adopt federal guidelines for the regulation of all freestanding surgical outpatient facilities.

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