

SESSION OF 2013

SUPPLEMENTAL NOTE ON SENATE BILL NO. 121

As Amended by House Committee on Health
and Human Services

Brief*

SB 121 would amend existing law pertaining to the issuance and renewal of licenses for hospitals and other facilities to combine Osawatomie State Hospital and Rainbow Mental Health Facility under one consolidated license. The bill also would replace the medical care facility accrediting entities listed in two sections of existing law to allow for accreditation by a healthcare accrediting organization approved by the Secretary of Health and Environment.

The bill would require separate establishments, except Osawatomie State Hospital and Rainbow Mental Health Facility, to obtain separate licenses, unless:

- The two separate establishments are located in the same or adjoining counties;
- They provide services as required by KSA 65-431 (licensing requirements and combined operation, certain medical care facilities); and
- They are organized under a single owner or governing board, with a single designated administrator and medical staff.

The bill specifically would provide that Osawatomie State Hospital and Rainbow Mental Health Facility would be issued jointly a single license and a separate license would

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

not be issued for each facility.

The bill also would delete the list of named entities through which medical care facilities may receive accreditation in two sections of existing law and instead would reference accreditation by a healthcare accrediting organization approved by the Secretary of Health and Environment.

Background

The bill was introduced at the request of the Kansas Department for Aging and Disability Services (KDADS). The KDADS representative appeared at the Senate Committee hearing and indicated the bill would increase efficiency in the management of Osawatomie State Hospital and Rainbow Mental Health Facility by combining the facilities into one license. The representative indicated the bill would allow for easier financial management due to maintenance of only one set of records. The representative also indicated this bill is a continuation of previous efforts to consolidate programs for increased efficiencies, and noted in 1998, Osawatomie State Hospital and Rainbow Mental Health Facility were combined under one manager.

There was no opponent or neutral testimony at the Senate Committee hearing.

The Senate Committee amended the bill to recognize DNV Healthcare as an accreditation entity and to update a reference to The Joint Commission. The amendments were requested by a representative of the Kansas Hospital Association.

At the House Committee on Health and Human Services hearing, a KDADS representative testified in favor of the bill. No other proponents provided testimony. There was no opponent or neutral testimony at the House Committee hearing.

The House Committee on Health and Human Services amended the bill to clarify Osawatomie State Hospital and Rainbow Mental Health Facility would be issued one joint license and not a separate license for each of the two facilities, to replace listed accrediting entities for medical care facilities in two statutes with a healthcare accrediting organization approved by the Secretary (Kansas Department of Health and Environment), and to make technical amendments.

The fiscal note on the original bill prepared by the Division of the Budget on the original bill indicates passage of the bill would result in annual savings of \$30,000 due to reduced licensing, survey, and accreditation fees. The estimated savings are reflected in *The FY 2014 Governor's Budget Report*.