

Notice

Ambulatory Surgical Facilities Change of Ownership and License

The Department of Health (the Department) is providing this notice regarding ambulatory surgical facilities' (ASF) regulatory requirements for a change in ownership (CHOW) in order to ensure that all ASFs understand and comply with CHOW requirements.

The ASF must notify the Department prior to any CHOW, as outlined in 28 Pa.Code § 51.4.

Change in ownership; change in management:

- (a) A health care facility shall notify the Department in writing at least 30 days prior to transfer involving 5% or more of the stock or equity of the health care facility.
- (b) A health care facility shall notify the Department in writing at least 30 days prior to a change in ownership or a change in the form of ownership or name of the facility. A change in ownership shall mean any transfer of the controlling interest in a health care facility.

The Department must be notified prior to the CHOW so that the appropriate steps can be taken to ensure licensure is seamless.

Facility licenses are not transferable without written approval of the Department. If a licensed ASF has a CHOW that, according to the Department regulations, results in a new entity, the ASF license will not transfer to the new entity. Unless the Department approves the CHOW, the facility must cease all surgical procedures, and the facility owners must complete an entirely new ASF application packet. Additionally, the owners must submit plans to the Division of Safety Inspection for plan review, which will include a requirement to meet the current Federal Guidelines Institute guidelines, and pass a Life Safety and Health Occupancy survey in order to receive a valid license.

The Healthcare Facilities Act

Section 807. Application for license

- (a) Submission to department. – Any person desiring to secure a license to maintain and operate a health care facility shall submit an application therefor to the department upon forms prepared and furnished by it, containing such information as the department considers necessary to determine that the health care provider and the health care facility meet the requirements of licensure under the provisions of this act and the rules and regulations relating to licensure. Application for renewal of a license shall be made upon forms prepared and furnished by the department in accordance with the rules and regulations of the department.

Section 809. Term and content of license.

- (a) Contents.--All licenses issued by the department under this chapter shall:
 - (3) not be transferable except upon prior written approval of the department.

Section 811. Reasons for revocation or nonrenewal of license

The department may refuse to renew a license or may suspend or revoke or limit a license for all or any portion of a health care facility, or for any particular service offered by a facility, or may suspend admissions for any of the following reasons:

- . . . (5) Fraud or deceit in obtaining or attempting to obtain a license.
- (6) Lending, borrowing or using the license of another, or in any way knowingly aiding or abetting the improper granting of a license.

The License Application Form requires the applicant to list the name and address of all persons or entities having any ownership of 5 percent or more in the surgery center. This includes both direct and indirect ownership. Additionally, the Department requires the applicant to provide the name and address of the trustees and board members on the form. Entities that do not have trustees or board members must include the name and address of the person or persons who have the power to make decisions concerning the surgery center. The applicant must also include a diagram illustrating the surgery center's ownership structure. In addition, it is important to list in the License Application Form all names and addresses of all of the other health care facilities in which the owner of this surgery center or the corporate members of this surgery center have a financial interest. Other health care facilities include those that the Department oversees according to the Health Care Facilities Act, such as a hospital, ambulatory surgical facility, long-term nursing care facility, hospice or any other facility identified in the Act.

FAILURE TO FOLLOW THESE AND ALL DIRECTIONS ON THE LICENSE APPLICATION FORM WILL RESULT IN THE RETURN OF THE FORM FOR COMPLETION OR THE DEPARTMENT'S DENIAL OF THE LICENSE.