

New California Law Expands Peer Review Requirements

On September 9, 2015, Governor Brown signed into law SB 396, expanding peer review requirements on certain ambulatory surgery centers and accredited outpatient settings.

Under current law, before granting or renewing staff privileges for any physician, psychologist, podiatrist, or dentist, Business & Professions Code Section 805.5 requires certain health facilities, health care service plans, and medical staffs to query the relevant licensing board for reports submitted under Business & Professions Code Section 805 about the licensee who is seeking or renewing privileges. SB 396 amends Business & Professions Code Section 805.5 to extend that requirement to any facility certified to participate in the federal Medicare Program as an ambulatory surgical center and to any outpatient setting accredited pursuant to Section 1248.1 of the Health & Safety Code.

SB 396 also adds to the accreditation requirements of outpatient settings. It amends Health & Safety Code Section 1248.15 to require peer review at least every two years of any licensee who performs procedures in an accredited outpatient setting. Similar to Section 805(a)(1)(A), SB 396 defines peer review as "a process in which the basic qualifications, staff privileges, employment, medical outcomes, or professional conduct of a licensee is reviewed to make recommendations for quality improvement and education, if necessary." This biennial peer review requirement applies even to outpatient settings with only one licensee. SB 396 specifies that the peer review must be performed by licensees who are qualified by education and experience to perform the same types of, or similar, procedures.

Peer review findings must be reported to the governing body of an outpatient setting. The governing body must then determine if the licensee is still professionally qualified and appropriately credentialed for the performance of privileges granted.

SB 396 requires the accrediting agency to review an outpatient setting's peer review process to ensure it meets the peer review requirement. SB 396 also amends Section 1248.35 of the Health and Safety Code to specify that inspections of an outpatient setting by its accrediting agency may be unannounced after the initial inspection. The accrediting agency is required to notify the



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outpatient setting that the inspection will occur within 60 days before making an unannounced routine inspection.

SB 396 will take effect on January 1, 2016.

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