

AN ACT

ENTITLED, An Act to prohibit the expansion of the number of certain licensed hospital beds.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 34-12-1.1 be amended by adding thereto NEW SUBDIVISIONS to read as follows:

"General hospital," a hospital that provides at least medical, surgical, obstetrical, and emergency services;

"Specialized hospital," a hospital that provides only one service or a combination of services but does not provide all of the services required to qualify as a general hospital.

Section 2. That subdivision (4) of § 34-12-1.1 be amended to read as follows:

(4) "Health care facility," any institution; sanitarium; maternity home; ambulatory surgery center; chemical dependency treatment facility; hospital, including general hospital, specialized hospital, and rural primary care hospital; nursing facility; assisted living center; place; building; or agency in which any accommodation is maintained, furnished, or offered for the hospitalization, nursing care, or supervised care of the sick or injured;

Section 3. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as follows:

Each hospital licensed pursuant to this chapter and to rules promulgated under this chapter may operate no more than the number of beds for which the hospital is licensed and which are in existence on the effective date of this Act. After the effective date of this Act, except as provided in section 4 of this Act, the Department of Health may only issue a new hospital license if the hospital complies with all of the requirements of this chapter and the rules promulgated under this chapter for licensure as a general hospital or a rural primary care hospital.

Section 4. That chapter 34-12 be amended by adding thereto a NEW SECTION to read as follows:

Nothing in this Act or this chapter and the rules promulgated under this chapter prohibits the following licensure:

- (1) Conversion of a general hospital which has been licensed as a general hospital for at least five years, or which was licensed as a general hospital for at least five years immediately prior to closure, to a specialized hospital with no more licensed beds than those licensed as general beds as of the date of conversion or closure;
- (2) Licensure of a specialized hospital in a community in which a rural primary hospital was closed. Such specialized hospital may not be licensed for more beds than those licensed immediately prior to when the closed hospital was licensed as a rural primary care hospital;
- (3) A specialized hospital which serves as a replacement for an existing specialized hospital for one or more of the following reasons:
  - (a) To eliminate or prevent imminent safety hazards as defined by federal, state, or local fire, building, or life safety codes or regulations;
  - (b) To comply with state licensure standards;
  - (c) To comply with accreditation or certification standards which shall be met to receive reimbursement under Title XVIII or XIX of the Social Security Act as amended to December 31, 1996;
  - (d) To respond to an emergency situation created by a natural disaster such as tornado, flood, fire, or explosions;
  - (e) To improve physical conditions which are related to operational or functional deficiencies; or
- (4) A new specialized hospital for which plans were approved for construction by the Department of Health prior to March 1, 1997.

Section 5. Sections 3 and 4 of this Act are repealed on June 30, 1999.

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I certify that the attached Act  
originated in the

HOUSE as Bill No. 1233

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1233

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,

19\_\_ at \_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 19\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_, 19\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State