LEGISLATIVE RESEARCH UNIT

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HOSPITAL SANCTIONS IN OTHER STATES

asked on your behalf what other states do to enforce hospital licensing standards. In Illinois, if a hospital does not meet licensing standards, the only available sanctions are suspension or revocation of its license.

To answer the question, we searched all states' laws and regulations by computer, and consulted printed indexes to all states' laws. We also contacted The Joint Commission (a non-profit medical accreditation organization); the American Hospital Association; the Illinois Hospital Association; and the Federation of American Hospitals; however, none had any information on this subject. Our findings are described below.

Illinois

Under the Hospital Licensing Act, a permit from the Illinois Department of Public Health (IDPH) is required to establish a hospital, and a license from IDPH is required to operate the hospital. IDPH may issue a license if the applicant and the hospital comply with the Act's requirements. If a hospital that is not yet licensed does not substantially meet the Act's requirements, IDPH may grant a provisional license if the hospital is making changes to become compliant and it is determined that the health and safety of patients will be protected under the provisional license. IDPH must inform the hospital of the changes required and the time period in which they must be made. A provisional license is not authorized if violations occur at a hospital that is already licensed.



IDPH may deny, suspend, or revoke a permit to establish a hospital, or a license to operate a hospital, if it finds that there has been a substantial failure to comply with the Act or related laws. IDPH must first provide notice to the licensee or permittee and an opportunity for a hearing. Its decision is subject to judicial review. Establishing a hospital without a permit, or operating one without a license, is a petty offense; and each day a violation continues after a conviction is a separate offense. A petty offense is punishable by a fine up to \$1,000.

An IDPH regulation says that before any action is taken to deny, suspend, or revoke a permit or license, IDPH must "offer every reasonable assistance and consultation." It says that meetings or discussions between the applicant or licensee and IDPH are encouraged and will not constitute hearings. 11

Other States

Illinois is among 21 states in which the only sanction for violation of hospital licensing standards is license suspension or revocation. The other such states are:

Alabama Arkansas Delaware Hawaii Idaho Iowa Kansas Louisiana Massachusetts Michigan Minnesota Mississippi North Dakota Oklahoma Oregon

Rhode Island South Dakota Vermont Virginia West Virginia

The other 29 states authorize other sanctions as alternatives to license suspension or revocation. In 19 of them, the agency that oversees hospital licensing has the option of modifying a hospital's license, such as by restricting admissions or suspending its provision of specific services. In 13 states, fines can be assessed for license violations. In 12, a temporary or probationary license may be issued to a hospital with violations to allow it to make improvements. In 8 states, hospitals may be required to implement correctional plans after discovery of a violation. In 16

Other options are authorized in only a few states each. Connecticut, Georgia, and Indiana allow censure or reprimand of a hospital for a license violation. In Alaska and New Mexico, Medicaid payments may be denied for services to new patients in a hospital that has violated a licensing standard; New York

authorizes suspension or limitation of all government funds to such a hospital. In Maine, only a trial court may suspend or revoke a hospital's license, on request by the state Department of Human Services. In Montana, revocation of a hospital's license may be reversed only by a court. New Mexico, Utah, and Wyoming allow the state department that oversees hospital licensing to place a department-approved monitor in a hospital that has violated a license standard.

We describe below provisions for hospital sanctions in the 29 states that have options beyond license suspension or revocation. Appendix A to this letter shows the major categories of sanctions authorized by each state.

Alaska

If the state Department of Health and Social Services finds that a violation of licensing standards has occurred, it must notify the hospital and allow it to correct within a reasonable time set by the Department. The hospital must send a plan of correction for the Department's approval. If it does not, the Department may require it to follow a plan from the Department. Once the hospital has made the corrections, it must notify the Department, which may inspect for compliance.

Whether or not the hospital achieves compliance as described above, the Department may take any of the following actions:

- (1) sending a warning notice;
- (2) requiring the hospital to submit a plan of correction;
- (3) modifying the term or scope of the hospital's license;
- (4) reducing the number of patients the hospital can serve;
- (5) temporarily suspending the hospital's operations;
- (6) temporarily barring the hospital from serving new patients;
- (7) denying Medicaid payments for services to new patients;
- (8) taking temporary or permanent management of the hospital, or seeking appointment of a court-ordered receiver for it;
- (9) placing the hospital in the statewide registry of disciplinary actions against licensed entities;

- (10) imposing a fine authorized by law;
- (11) non-renewing or revoking the hospital's license; or
- (12) requiring closure either immediately or at some time.

The Department may assess a fine up to \$2,500 for each day of a continuing violation, or \$25,000 for a single violation.

If the Department concludes that a hospital's violation presents an immediate danger to patient health, safety, or welfare, it can immediately revoke or suspend its license. 18

Arizona

If the state Department of Health Services reasonably believes that a hospital is violating licensing requirements and endangering the public health, it may order an immediate restriction of admissions; selective transfer of patients out of the hospital; reduction of capacity; or termination of specific services, procedures, practices, or facilities. These sanctions may be rescinded, in whole or in part, if violations are corrected. The Department may also suspend or revoke a hospital's license in whole or in part. 19

California

The Department of Health Services must notify a hospital of any deficiencies, and work with it to make a corrective plan allowing a reasonable time to correct them. The Department may revoke or suspend the hospital's license if deficiencies are not corrected. 20

Colorado

The Department of Public Health and Environment may deny a license renewal application or revoke an existing license. If it does so, it may grant a provisional license for up to 90 days to allow time to comply with the requirements for a regular license. A second provisional license may also be issued. No provisional licenses beyond a second one may be issued that year. 21

Connecticut

After a hearing, the Department of Public Health may take any of the following actions against a hospital for substantial failure to comply with license requirements:

- (1) censure the hospital;
- (2) issue a letter of reprimand to it;
- (3) place it on probation and require it to report regularly to the Department on the matters that were the basis of the probation;
- (4) restrict its acquisition of other facilities for a time set by the Department;
- (5) issue an order compelling compliance with laws or Department regulations; or
- (6) revoke or suspend its license.²²

Florida

The state Agency for Health Care Administration may deny, modify, suspend, or revoke (1) a hospital license; (2) a part of the license that is limited to separate premises; or (3) license authority limited to a facility, building, or portion, or a service, in described premises.²³

Georgia

The state Department of Human Resources, after a hearing, may impose any of the following sanctions on a hospital that fails to comply with licensing requirements:

- (1) issue a public reprimand;
- (2) limit or restrict the license, including restricting some or all services or admissions for a specific time;
- (3) prohibit any licensee from allowing a person to be involved in the management or control of the hospital who was involved in the management or control of an entity that had its license or application revoked or denied in the last year;
- (4) impose a fine up to \$1,000 per day of violation (limited to a total of \$25,000); or
- (5) suspend or revoke the license.²⁴

Indiana

The State Health Commissioner may impose any of the following sanctions on a hospital for violating licensing laws:

- (1) issue a letter of correction;
- (2) issue a probationary license;
- (3) inspect the hospital again;
- (4) deny license renewal, or revoke its license; or
- (5) impose a civil penalty up to \$10,000.²⁵

Kentucky

The Cabinet for Health and Family Services may deny, revoke, modify, or suspend a hospital's license. A regulation by the Cabinet says a hospital must submit a written plan for correction to the Cabinet within 10 days after notification of a violation. The Cabinet may accept the plan; not accept the plan and require an amended plan; or may deny, suspend, or revoke the hospital's license. 27

Maine

If the state Department of Human Services finds that a hospital does not meet a license requirement, it may:

- (1) issue a temporary license for up to 90 days while corrections specified by the Department are to be made by the hospital, or
- (2) issue a conditional license setting forth conditions to be met by the hospital.

A hospital's failure to meet any required conditions immediately voids its temporary or conditional license. A new application for a regular license may be considered by the Department if the conditions are met. The Department may amend, modify, or refuse to renew a license, or ask a court to suspend or revoke a license.²⁸

Maryland

If conditions at a hospital are found to be detrimental to patient health, safety, or welfare, but are not serious or lifethreatening, the Department of Health and Mental Hygiene must allow the hospital 30 days to address the deficiencies. If corrections cannot be made within 30 days, the Department may

accept a plan of correction from the hospital based on evidence that corrective action has been undertaken. 29

If a serious or life-threatening condition exists, the Department may order the hospital to take immediate corrective action. If it fails to take immediate action, the Secretary may revoke or restrict its license; impose a civil penalty of up to \$10,000 per instance or per day; impose a plan of correction; or impose appropriate operating conditions.³⁰

The Department may revoke a hospital's license for not meeting licensing requirements. 31

Missouri

After a hospital is notified of a deficiency in meeting licensing standards, it must create and implement a plan of correction. The plan must be approved by the state Department of Health and Senior Services, and must include the specific type of corrective actions to be taken and the projected time to complete them. If the plan, as implemented, does not correct the deficiency, the Department may either direct the hospital to develop and implement another plan, or impose its own plan. If the deficiency continues after implementation of a second plan, the Department may restrict new inpatient or outpatient services that are affected by the deficiency. If the deficiency continues after such restrictions, it may suspend the hospital's operations in all or part of the service(s) affected by the deficiency. If the deficiency continues after suspension of operations, the Department may deny, suspend, or revoke the hospital's license.

If a deficiency presents an immediate and serious threat to patient health and safety, the Department may restrict access to the service(s) affected by the deficiency until the hospital has developed and implemented an approved corrective plan.³²

The Department may also suspend or revoke a hospital's license for substantial failure to comply with license requirements. 33

Montana

The state Department of Public Health and Human Services may suspend or revoke a hospital license. Revocation may last up to 2 years and may be reversed only by a court. The Department may also:

(1) reduce a license to provisional status if a hospital fails to comply with licensing standards; 36

- (2) assess a civil penalty up to \$1,000 per day per violation; 37 or
- (3) serve a written order for a hospital to take necessary corrective action, including ceasing new admissions, relocating residents, or ceasing the violation within a reasonable time stated in the order. 38

Nebraska

The state Department of Health and Human Services, Division of Public Health may impose any of the following sanctions on a hospital:

- (1) a fine up to \$10,000 per violation;
- (2) a prohibition on admissions or readmissions, a limitation on enrollment, or a prohibition or limitation on providing care or treatment;
- (3) up to 2 years' probation, during which the facility or service may operate under terms and conditions in the order of probation;
- (4) up to 3 years' suspension, during which the facility or service may not operate; or
- (5) revocation of the license. (A former licensee may not reapply for at least 2 years after a revocation takes effect.)³⁹

The following sanctions may be used if failure to comply fully with licensing standards does not pose harm to patients:

- (1) issuing a provisional license; or
- (2) requesting a statement of compliance within 10 working days. 40

Nevada

The state Department of Health and Human Services' Health Division may deny, suspend, or revoke a hospital's license for license violations. The Division may issue a provisional license if a hospital is in the process of complying or agrees to comply with license standards within a reasonable time. New Hampshire

The state Department of Health and Human Services may deny, reclassify, suspend, or revoke a hospital's license. It may also fine a hospital up to \$2,000 per violation.

New Jersey

If a hospital violates license requirements, the state Department of Health may suspend or revoke its license, order closure of a service or unit within the hospital, impose a fine up to \$5,000, 45 prohibit admissions, and/or order removal of patients from the facility. 46

New Mexico

The Department of Health may deny, revoke, or suspend a hospital license for license violations, or issue a temporary license for up to 120 days. No more than two consecutive temporary licenses may be issued to a licensee. The Department may also impose a fine up to \$5,000 per day and the following intermediate sanctions:

- (1) a directed plan of correction;
- (2) facility monitors;
- (3) denial of Medicaid payments for new admissions;
- (4) temporary management or receivership; and
- (5) restricted admissions. 49

New York

The state Commissioner of Health may revoke, suspend, limit, or annul hospital operating certificates for license violations. The Commissioner may also temporarily suspend or limit a hospital's operating certificate by:

- (1) prohibiting or limiting the admission of new patients;
- (2) removing some or all patients; or
- (3) suspending or limiting the payment of any government funds to the hospital. 51

North Carolina

The state Department of Health and Human Services may deny, suspend, revoke, annul, withdraw, recall, cancel, or amend a hospital license. ⁵² It may also suspend admission of new patients to specific areas of a hospital, or suspend specified hospital services. ⁵³

Ohio

If a license violation occurs, the state Director of Health may:

- (1) provide an opportunity for the hospital to correct the violation within a set time;
- (2) revoke, suspend, or non-renew the license;
- (3) prohibit the hospital from providing stated types of services;
- (4) impose a civil penalty of \$1,000 to \$250,000; or
- (5) impose an additional civil penalty of \$500 to \$10,000 per day the hospital fails to correct the violation. 54

Pennsylvania

The state Department of Health may suspend, revoke, or limit a license for all or any part of a hospital, or for any service offered by the hospital. The Department may also suspend admissions to a hospital that does not comply with licensing standards. ⁵⁵

South Carolina

The Department of Health and Environmental Control may deny, suspend, or revoke a hospital license, or assess a fine of \$100 to \$5,000 per violation per day against a hospital that violates licensing standards. 57

Tennessee

The state Board for Licensing Health Care Facilities may suspend or revoke a hospital's license, or put the hospital on probation, for violating licensing standards. The Board may also suggest conditions to be met to avoid license suspension or revocation. A hospital put on probation must send the Board a plan of correction and report with updates on steps taken to correct a violation. Texas

The state Department of Health may suspend or revoke a hospital license. If a license violation does not endanger public health and safety, the Department may put a hospital on probation for at least 30 days. While on probation, the hospital must report corrections of noncompliance to the Department for approval. 62

After the hospital is notified of a violation and given time to correct it, the Department may ask the state Attorney General or a district or county attorney to file a lawsuit for violation of licensure laws or rules. It may petition a court for a temporary restraining order to stop a continuing violation that creates an immediate threat to patients. The court may impose a fine up to \$1,000 per day per violation and/or issue an injunction. The Commissioner may also assess a fine up to \$1,000 per day per violation. G4

Utah

The state Department of Health may discipline a hospital for license violations by:

- (1) serving a written statement of violation requiring corrective action, with time limits for correcting each violation;
- (2) denying or revoking a license;
- (3) restricting or prohibiting new admissions;
- (4) placing a Department representative as a monitor in the hospital until corrective action is completed, and charging the hospital for the cost of doing so;
- (5) assessing a fine up to \$5,000; or
- (6) ordering the hospital to stop operations. 65

Washington

The state Department of Health may deny, suspend, revoke, or modify a hospital license. The Department may also issue a provisional license allowing a hospital to continue operating despite noncompliance. The despite noncompliance of the state of the s

Wisconsin

The state Department of Health and Family Services may suspend or revoke a hospital's certificate of approval. ⁶⁸ It may also suspend new admissions to all or part of a hospital if patient health or safety is in danger. The Department must notify the hospital of the reasons for the suspension, and allow an opportunity for a hearing. ⁶⁹

Wyoming

The state Department of Health may grant a provisional license to a hospital that fails to comply with license requirements if operation of the hospital will not endanger the health, safety, and welfare of patients. The Department may also put conditions on a license; install a monitor or manager at the hospital's expense; suspend admissions; or deny, suspend, or revoke a license. If the Department decides to suspend admissions, it must first give the hospital an opportunity to correct any violations.

We hope this information is helpful. Please let us know if you need anything further.

Sincerely,

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Notes

- 1. We searched all states' laws and regulations for "hospital__" or "health care facilit__" within 15 words of "licens__" or "permit__" within 15 words of "fail__" or
 "sanction__" or "disciplin__" or "revo__" or "deny" or
 "denial" or "suspend " or "probation".
- We searched under the heading "Hospital," subheading "Licensing and Permits."
- 3. 210 ILCS 85/4.
- 4. 210 ILCS 85/6(b), first paragraph.
- 5. 210 ILCS 85/6(b), second paragraph.
- 6. Telephone conversation with Bill Bell, Deputy Director of Healthcare Regulation, Illinois Department of Public Health, Oct. 2, 2008.
- 7. 210 ILCS 85/7.
- 8. 210 ILCS 85/13.
- 9. 210 ILCS 85/14.
- 10. 730 ILCS 5/5-9-1(a)(4).
- 11. 77 Ill. Adm. Code subsec. 250.140(c)(1).
- 12. Ala. Code, subsec. 22-21-25(b); Ark. Stat., sec. 20-9-215; Del. Code, tit. 16, sec. 1006; Haw. Adm. Code, subsec. 11-93-3(j); Idaho Code, sec. 39-1306; and Idaho Adm. Code, subsec. 16.03.14.150, subd. 4.a; Iowa Code, sec. 135B.6; Kans. Stat., sec. 65-430; La. Rev. Stat., sec. 40:2110; Mass. Gen. Laws, ch. 111, sec. 51; and Mass. Regs. Code tit. 105, sec. 130.132; Mich. Adm. Code r. 330.1250; Minn.

- Stat., sec. 144.55, subd. 6; Miss. Code, sec. 41-9-15; N.D. Cent. Code, sec. 23-16-06; Okla. Stat., tit. 63, sec. 1-706; Ore. Rev. Stat., sec. 441.030; R.I. Gen. Laws, sec. 23-17-8; S.D. Cod. Laws, sec. 34-12-19; Vt. Stat., tit. 18, sec. 1906; Va. Code, sec. 35-1-73; and W. Va. Code, sec. 16-5B-6.
- 13. Those states are Alaska, Arizona, Florida, Georgia, Kentucky, Maine, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, New York, North Carolina, Ohio, Pennsylvania, Utah, Wisconsin, and Wyoming.
- 14. Those states are Alaska, Georgia, Indiana, Maryland, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, Ohio, South Carolina, Texas, and Utah.
- 15. Those states are Colorado, Connecticut, Indiana, Maine, Montana, Nebraska, Nevada, New Mexico, Tennessee, Texas, Washington, and Wyoming.
- 16. Those states are Alaska, California, Kentucky, Maryland, Missouri, New Mexico, Tennessee, and Texas.
- 17. Alaska Stat., sec. 47.32.140.
- 18. Alaska Stat., sec. 47.32.130.
- 19. Ariz. Rev. Stat., sec. 36-427.
- 20. Cal. Code Regs. tit. 22, subsec. 70101(e).
- 21. Colo. Rev. Stat., sec. 25-3-103.
- 22. Conn. Gen. Stat., sec. 19a-494.
- 23. Fla. Stat., subsec. 395.003(7).
- 24. Ga. Code, sec. 31-2-6.
- 25. Ind. Code, sec. 16-21-3-1.
- 26. Ky. Rev. Stat., sec. 216B.105.
- 27. 902 Ky. Adm. Regs. 20:008, subd. 2(5).
- 28. Me. Rev. Stat., tit. 22, sec. 1817.
- 29. Md. Health-Gen. Code, subsec. 19-360(b).
- 30. Md. Health-Gen. Code, subsecs. 19-360(c) and (d).
- 31. Md. Health-Gen. Code, subsec. 19-327(a)(2).
- 32. Mo. Rev. Stat., sec. 197.293.
- 33. Mo. Rev. Stat., sec. 197.070.
- 34. Mont. Code, subsec. 50-5-207(1).
- 35. Mont. Code, subsec. 50-5-207(4).
- 36. Mont. Code, subsec. 50-5-207(2).
- 37. Mont. Code, subsec. 50-5-112(1).
- 38. Mont. Code, subsec. 50-5-114(1).
- 39. Neb. Rev. Stat., sec. 71-437.
- 40. Neb. Rev. Stat., sec. 71-437.
- 41. Nev. Rev. Stat., sec. 449.160.
- 42. Nev. Rev. Stat., sec. 449.091.
- 43. N.H. Rev. Stat., sec. 151:7.
- 44. N.H. Rev. Stat., sec. 151:16-a.
- 45. N.J. Stat., sec. 26:2H-14.
- 46. N.J. Adm. Code, tit. 8, secs. 43G-2.6 and 43G-2.9.

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47. N. M. Stat., subsecs. 24-1-5(D) and (H).
48. N. M. Stat., subsec. 24-1-5.2(A)(2).
49. N. M. Stat., subsec. 24-1-5.2(A)(1).
50. N. Y. Pub. Health Law, subd. 2806(1).
51. N. Y. Pub. Health Law, subd. 2806(2).
52. N.C. Gen. Stat., subsec. 131E-78(a).
53. N.C. Gen. Stat., subsec. 131E-78(b1).
54. Ohio Rev. Stat., subsec. 3702.32(D).
55. Pa. Stat., tit. 35, sec. 448.811.
56. S.C. Code, subsec. 44-7-320(A)(1).
57. S.C. Code, subsec. 44-7-320(C).
58. Tenn. Code, subsec. 68-11-207(a).
59. Tenn. Code, subsec. 68-11-207(d).
60. Tenn. Code, subsec. 68-11-207(e).
61. Tex. Health & Safety Code, subsec. 241.053(a).
62. Tex. Health & Safety Code, subsec. 241.053(f).
63. Tex. Health & Safety Code, secs. 241.054 and 241.055.
64. Tex. Health & Safety Code, subsec. 241.059(a).
65. Utah Code, sec. 26-21-11.
66. Wash. Rev. Code, sec. 70.41.130.
67. Wash. Rev. Code, sec. 70.41.110.
68. Wis. Stat., sec. 50.35.
69. Wis. Stat., subd. 50.39(5).
70. Wyo. Stat., subsec. 35-2-904(f).
71. Wyo. Stat., subsec. 35-2-905(a).
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72. Wyo. Stat., subsec. 35-2-905(c).

Appendix A: States' Major Types of Sanctions for Hospital Licensing Noncompliance

State	License suspension or revocation	License restrictions	Temporary or pro- bationary license	Fine	Plan for correction
Alabama	. 🗖	-	-	-	-
Alaska			. -		
Arizona			-	-	-
Arkansas		-		-	-
California		-	-	-	
Colorado		-		-	-
Connecticu	t 🚨	-		-	-
Delaware		-	-	-	- .
Florida			-	-	-
Georgia			-		44
Hawaii		-	-	-	-
Idaho		-	_ .	- 7	-
Illinois		<u>.</u> .	-	-	-
Indiana		-			-
Iowa		-	-	-	-
Kansas		-	-	-	-
Kentucky			-	-	
Louisiana			-		-
Maine			u .	-	-
Maryland			-		
Massachus	etts 🔲	÷		-	. -
Michigan		-	-	-	-
Minnesota		-	-	- '	-
Mississippi		-		-	-
Missouri			-	-	
Montana					-
Nebraska					-

Appendix A: States' Major Types of Sanctions for Hospital Licensing Noncompliance (cont'd)

State	License suspension or revocation	License restrictions	Temporary or pro- bationary license	Fine	Plan for correction			
Nevada		-		<u>.</u>	-			
New Hamp	shire 🗖				- -			
New Jersey			· -		-			
New Mexic	co 🗆							
New York			-	-	-			
North Caro	lina 🗆		-	-	-			
North Dako	ota 🔲		- -	~	-			
Ohio			-		- -			
Oklahoma		-	-		~			
Oregon		-	, -	-	-			
Pennsylvan	ia 🗆		-	-	-			
Rhode Islan	nd 📮	-	-	-	-			
South Caro	lina 🗖		-		-			
South Dake	ota 📮	-	-	-	-			
Tennessee		-		-				
Texas		-						
Utah			-		-			
Vermont		-	-	.	-			
Virginia		-	- .	-	· - ·			
Washingto	n 🗆			 .	-			
West Virgi	nia 🔲	- -	·	~	-			
Wisconsin			-	- .	•••			
Wyoming		_ 🗖		-	-			
Totals	50	19	12	13	8			
Courses: Statutes aited in accompanying letter								

Sources: Statutes cited in accompanying letter.