

This Document can be made available
in alternative formats upon request

State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE NO. 1069

February 19, 2007

Authored by Hornstein

The bill was read for the first time and referred to the Committee on Health and Human Services

1.1 A bill for an act
1.2 relating to health care; establishing a regulatory system for hair transplant surgery
1.3 facilities; proposing coding for new law in Minnesota Statutes, chapter 144.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **[144.96] HAIR TRANSPLANT SURGERY FACILITIES.**

1.6 Subdivision 1. **Definitions.** For purposes of this section, the following terms have
1.7 the meanings given them.

1.8 (a) "Hair transplant surgery facility" means a freestanding facility, clinic, or
1.9 physician's office where surgical procedures are performed on an outpatient basis for the
1.10 purpose of restoring hair, including, but not limited to, follicular unit transplantation, large
1.11 or small grafting techniques, flaps, or scalp reductions.

1.12 (b) "Commissioner" means the commissioner of health.

1.13 Subd. 2. **License required.** (a) No person acting severally or jointly with another
1.14 person shall establish, maintain, or operate a hair transplant surgery facility in the state
1.15 without a license issued according to this section.

1.16 (b) A violation of this subdivision is a misdemeanor. The commissioner may seek an
1.17 injunction in the district court against the continuing operation of the unlicensed facility.
1.18 Proceedings for securing an injunction may be brought by the attorney general or by
1.19 the appropriate county attorney.

1.20 (c) This section does not apply to a hospital or outpatient surgical center licensed
1.21 under this chapter.

1.22 Subd. 3. **Application for licensure.** (a) An applicant for a license under this
1.23 section shall submit to the commissioner of health, at least 120 days before the opening

2.1 of the facility, or if the facility is in operation on August 1, 2007, by January 1, 2008,
2.2 the following:

2.3 (1) a completed application on a form provided by the commissioner;

2.4 (2) the name and address of the owners holding at least 50 percent or more of stock;

2.5 (3) appropriate certificates of compliance with all applicable local and state codes;

2.6 (4) a copy of operating policies and procedures pertaining to the nature of the
2.7 services provided;

2.8 (5) a copy of all sanitation, sterilization, and safety procedures established for the
2.9 protection of the patients and employees;

2.10 (6) the names of the licensed or registered health care professionals employed by
2.11 the facility;

2.12 (7) the fee required under subdivision 9; and

2.13 (8) any other information deemed necessary by the commissioner to ensure public
2.14 safety.

2.15 (b) Upon approval, the commissioner shall issue a license. The license is valid for
2.16 one year from the date of issuance and may be renewed upon inspection and approval by
2.17 the commissioner.

2.18 Subd. 4. **Inspection.** Before issuing a new license, the commissioner shall inspect
2.19 each facility at least once a year for a routine inspection. The inspection shall ensure
2.20 that the required sanitation, sterilization, and safety standards are maintained. The
2.21 commissioner shall have the authority to enter the premises of a hair transplant surgery
2.22 facility to make an investigation or inspection as deemed necessary by the commissioner
2.23 in accordance with this section. Refusal to permit an inspection or investigation shall
2.24 constitute valid grounds for licensure denial or revocation.

2.25 Subd. 5. **Transfer and display of license.** A facility license issued under this
2.26 section shall be issued for a specific facility at a specific location and shall not be
2.27 transferrable. A valid license shall be posted on site.

2.28 Subd. 6. **Change of ownership, operation, or location.** (a) When a change of
2.29 ownership, location, or discontinuation of business as a hair transplant surgery facility
2.30 is contemplated, the owner or manager shall notify the commissioner in writing before
2.31 the proposed change.

2.32 (b) Upon a change in ownership or in the operation or control of a licensed facility,
2.33 the license shall immediately become void. The commissioner may extend the expiration
2.34 date of the license allowing for the time that is required for processing a new license
2.35 application.

3.1 Subd. 7. **Personnel and patient protection.** (a) Each facility shall submit to the
3.2 commissioner the name of the owner or manager who is responsible for the management
3.3 and control of the operation and maintenance of the facility.

3.4 (b) If the owner or manager of the facility is not a licensed physician, a licensed
3.5 physician must be designated as the agent of the manager or owner to be responsible
3.6 for the direct supervision of all personnel and services related to hair transplant surgery
3.7 procedures. The name of the designated physician must be submitted to the commissioner.

3.8 (c) Each facility is required to meet the following provisions:

3.9 (1) the facility shall be maintained in a sanitary condition free from hazards; and

3.10 (2) if someone other than a licensed or registered health professional provides
3.11 information regarding:

3.12 (i) the type of procedure to be performed;

3.13 (ii) the anticipated results of the procedure;

3.14 (iii) the medical risks associated with the procedure to be performed; or

3.15 (iv) aftercare treatment following a procedure, the client must be informed that the
3.16 individual is not a licensed or registered health care professional and that a licensed or
3.17 registered health care professional shall be made available before any scheduled procedure
3.18 to answer any questions a client or potential client may have regarding the procedure.

3.19 (d) A client must be provided with verbal and written instructions for aftercare
3.20 upon completion of the procedure.

3.21 (e) The owner or manager of the facility must maintain proper records for each
3.22 client. The records of the procedure must be kept for two years and must be made available
3.23 for inspection by the commissioner upon request. The record must include the following:

3.24 (1) the date of the procedure;

3.25 (2) a copy of the informed consent signed by the client;

3.26 (3) a description of the procedure performed; and

3.27 (4) the name of the physician performing the procedure.

3.28 Subd. 8. **Investigation process and grounds for investigation.** (a) The
3.29 commissioner may initiate an investigation upon receiving a signed complaint or other
3.30 communication that alleges or implies that a facility violated this section or the rules
3.31 adopted under this section.

3.32 (b) The commissioner may refuse to grant or renew, or may suspend or revoke, a
3.33 license and order the discontinuance of all operations of a facility for any of the following
3.34 grounds:

3.35 (1) violating any of the provisions of this section or the rules adopted under this
3.36 section;

- 4.1 (2) permitting, aiding, or abetting the commission of any illegal act in the facility;
4.2 (3) advertising which is false, deceptive, or misleading;
4.3 (4) engaging in unethical conduct or conduct which is likely to deceive, defraud, or
4.4 harm the public, or demonstrates a willful or careless disregard for the health, welfare, or
4.5 safety of a client by the owner or manager of the facility; or
4.6 (5) knowingly providing false or misleading information that is directly related
4.7 to the care of the client.

4.8 (c) Prior to any suspension, revocation, or refusal to renew a license, the facility
4.9 shall be entitled to notice and a hearing as provided by sections 14.57 to 14.69. At
4.10 each hearing, the commissioner shall have the burden of establishing that a violation
4.11 of paragraph (b) has occurred. If a license is revoked, suspended, or not renewed, a
4.12 new application for license may be considered by the commissioner if the conditions
4.13 upon which revocation, suspension, or refusal to renew was based have been corrected
4.14 and evidence of this fact has been satisfactorily furnished. A new license may then be
4.15 granted after proper inspection has been made and all provisions of this section and any
4.16 rules promulgated thereunder have been complied with.

4.17 Subd. 9. **Fees.** (a) The commissioner shall set the initial and renewal license fee for
4.18 hair transplant surgery facilities at \$.....

4.19 (b) Fees collected by the commissioner under this section shall be deposited in
4.20 the state government special revenue fund.

4.21 Subd. 10. **Rules.** The commissioner may promulgate rules necessary to implement
4.22 the provisions of this section.