



## Ohio Revised Code

### Section 3702.593 Certificate of need for long-term care facility beds; Replacement or relocation to county with fewer long-term care beds than needed.

Effective: September 10, 2012

Legislation: House Bill 487 - 129th General Assembly

---

(A) At the times specified in this section, the director of health shall accept, for review under section 3702.52 of the Revised Code, certificate of need applications for any of the following purposes if the proposed increase in beds is attributable solely to relocation of existing beds from an existing long-term care facility in a county with excess beds to a long-term care facility in a county in which there are fewer long-term care beds than the county's bed need:

(1) Approval of beds in a new long-term care facility or an increase of beds in an existing long-term care facility if the beds are proposed to be licensed as nursing home beds under Chapter 3721. of the Revised Code;

(2) Approval of beds in a new county home or new county nursing home, or an increase of beds in an existing county home or existing county nursing home if the beds are proposed to be certified as skilled nursing facility beds under the medicare program, Title XVIII of the "Social Security Act," 49 Stat. 286 (1965), 42 U.S.C. 1395, as amended, or nursing facility beds under the medicaid program, Title XIX of the "Social Security Act," 49 Stat. 286 (1965), 42 U.S.C. 1396, as amended;

(3) An increase of hospital beds registered pursuant to section 3701.07 of the Revised Code as long-term care beds.

(B) For the purpose of implementing this section, the director shall do all of the following:

(1) Not later than April 1, 2012, and every four years thereafter, determine the long-term care bed supply for each county, which shall consist of all of the following:

(a) Nursing home beds licensed under Chapter 3721. of the Revised Code;



(b) Beds certified as skilled nursing facility beds under the medicare program or nursing facility beds under the medicaid program;

(c) Beds in any portion of a hospital that are properly registered under section 3701.07 of the Revised Code as skilled nursing beds, long-term care beds, or special skilled nursing beds;

(d) Beds in a county home or county nursing home that are certified under section 5155.38 of the Revised Code as having been in operation on July 1, 1993, and are eligible for licensure as nursing home beds;

(e) Beds described in division (O)(5) of section 3702.51 of the Revised Code.

(2) Determine the long-term care bed occupancy rate for the state at the time the determination is made;

(3) For each county, determine the county's bed need by identifying the number of long-term care beds that would be needed in the county in order for the statewide occupancy rate for a projected population aged sixty-five and older to be ninety per cent.

In determining each county's bed need, the director shall use the formula developed in rules adopted under section 3702.57 of the Revised Code. A determination shall be made every four years. After each determination is made, the director shall publish the county's bed need on the web site maintained by the department of health.

(C) The director's consideration of a certificate of need that would increase the number of beds in a county shall be consistent with the county's bed need determined under division (B) of this section except as follows:

(1) If a county's occupancy rate is less than eighty-five per cent, the county shall be considered to have no need for additional beds.

(2) Even if a county is determined not to need any additional long-term care beds, the director may approve an increase in beds equal to up to ten per cent of the county's bed supply if the county's



occupancy rate is greater than ninety per cent.

(D)(1) The review period for the first review process shall begin July 1, 2010, and end June 30, 2012. The next review period shall begin July 1, 2012, and end June 30, 2016. Thereafter, the review period for each comparative review process shall begin on the first day of July following the end of the previous review period and shall be four years.

(2) Certificate of need applications shall be accepted during the first month of the review period and reviewed through the thirtieth day of April of the following year.

(3) Except for the first review period after October 16, 2009, each review period may consist of two phases. The first phase of the review period shall be the period during which the director accepts and reviews certificate of need applications as provided in division (D)(2) of this section. If the director determines that there will be acceptance and review of additional certificate of need applications, the second phase of the review period shall begin on the first day of July of the third year of the review period. The second phase shall be limited to acceptance and review of applications for redistribution of beds made available pursuant to division (I) of this section. During the period between the first and second phases of the review period, the director shall act in accordance with division (I) of this section.

(E) The director shall consider certificate of need applications in accordance with all of the following:

(1) The number of beds approved for a county shall include only beds available for relocation from another county and shall not exceed the bed need of the receiving county;

(2) The director shall consider the existence of community resources serving persons who are age sixty-five or older or disabled that are demonstrably effective in providing alternatives to long-term care facility placement.

(3) The director shall approve relocation of beds from a county only if, after the relocation, the number of beds remaining in the county will exceed the county's bed need by at least one hundred beds;



(4) The director shall approve relocation of beds from a long-term care facility only if, after the relocation, the number of beds in the facility's service area is at least equal to the state bed need rate. For purposes of this division, a facility's service area shall be either of the following:

(a) The census tract in which the facility is located, if the facility is located in an area designated by the United States secretary of health and human services as a health professional shortage area under the "Public Health Service Act," 88 Stat. 682 (1944), 42 U.S.C. 254(e), as amended;

(b) The area that is within a fifteen-mile radius of the facility's location, if the facility is not located in a health professional shortage area.

(F) Applications made under this section are subject to comparative review if two or more applications are submitted during the same review period and any of the following applies:

(1) The applications propose to relocate beds from the same county and the number of beds for which certificates of need are being requested totals more than the number of beds available in the county from which the beds are to be relocated.

(2) The applications propose to relocate beds to the same county and the number of beds for which certificates of need are being requested totals more than the number of beds needed in the county to which the beds are to be relocated.

(3) The applications propose to relocate beds from the same service area and the number of beds left in the service area from which the beds are being relocated would be less than the state bed need rate determined by the director.

(G) In determining which applicants should receive preference in the comparative review process, the director shall consider all of the following as weighted priorities:

(1) Whether the beds will be part of a continuing care retirement community;

(2) Whether the beds will serve an underserved population, such as low-income individuals,



individuals with disabilities, or individuals who are members of racial or ethnic minority groups;

(3) Whether the project in which the beds will be included will provide alternatives to institutional care, such as adult day-care, home health care, respite or hospice care, mobile meals, residential care, independent living, or congregate living services;

(4) Whether the long-term care facility's owner or operator will participate in medicaid waiver programs for alternatives to institutional care;

(5) Whether the project in which the beds will be included will reduce alternatives to institutional care by converting residential care beds or other alternative care beds to long-term care beds;

(6) Whether the facility in which the beds will be placed has positive resident and family satisfaction surveys;

(7) Whether the facility in which the beds will be placed has fewer than fifty long-term care beds;

(8) Whether the long-term care facility in which the beds will be placed is located within the service area of a hospital and is designed to accept patients for rehabilitation after an in-patient hospital stay;

(9) Whether the long-term care facility in which the beds will be placed is or proposes to become a nurse aide training and testing site;

(10) The rating, under the centers for medicare and medicaid services' five star nursing home quality rating system, of the long-term care facility in which the beds will be placed.

(H) A person who has submitted an application under this section that is not subject to comparative review may revise the site of the proposed project pursuant to section 3702.522 of the Revised Code.

(I) When a certificate of need application is approved during the initial phase of a four-year review period, in addition to the actions required by division (D) of section 3702.52 of the Revised Code,



the long-term care facility from which the beds were relocated shall reduce the number of beds operated in the facility by a number of beds equal to at least ten per cent of the number of beds relocated. If these beds are in a home licensed under Chapter 3721. of the Revised Code, the long-term care facility shall have the beds removed from the license. If the beds are in a facility that is certified as a skilled nursing facility or nursing facility under Title XVIII or XIX of the "Social Security Act," the facility shall surrender the certification of these beds. If the beds are registered as skilled nursing beds or long-term care beds under section 3701.07 of the Revised Code, the long-term care facility shall surrender the registration for these beds. This reduction shall be made not later than the completion date of the project for which the beds were relocated.

(J)(1) Once approval of certificate of need applications in the first phase of a four-year review period is complete, the director shall make a new determination of the bed need for each county by reducing the county's bed need by the number of beds approved for relocation to the county. The new bed-need determination shall be made not later than the first day of April of the third year of the review period.

(2) The director may publish on the department's web site the remaining bed need for counties that will be considered for redistribution of beds that, in accordance with division (I) of this section, have ceased or will cease to be operated. The director shall base the determination of whether to include a county on all of the following:

- (a) The statewide number of beds that, in accordance with division (I) of this section, have ceased or will cease to be operated;
- (b) The county's remaining bed need;
- (c) The county's bed occupancy rate.

(K) If the director publishes the remaining bed need for a county under division (J)(2) of this section, the director may, beginning on the first day of the second phase of the review period, accept certificate of need applications for redistribution to long-term care facilities in that county of beds that have ceased or will cease operation in accordance with division (I) of this section. The total number of beds approved for redistribution in the second phase of a review period shall not



exceed the number that have ceased or will cease operation in accordance with division (I) of this section. Beds that are not approved for redistribution during the second phase of a review period shall not be available for redistribution at any future time.