

1 Cabinet for Health and Family Services

2 Office of Health Policy

3 (New administrative regulation)

4 900 KAR 6:110. Certificate of Need notification of the addition or establishment of a
5 health service, or notification of the reduction or termination of a health service, or
6 reduction of bed capacity, or notice of intent to acquire a health facility or health
7 service.

8 RELATES TO: KRS 216B.061216B.065, 216B.066, 216B.990

9 STATUTORY AUTHORITY: KRS 194A.030, 194A.050, 216B.040(2)(a)1.

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 216B.040(2)(a)1 requires the
11 Cabinet for Health and Family Services to administer Kentucky's Certificate of Need
12 Program and to promulgate administrative regulations as necessary for the program.
13 This administrative regulation establishes the notification requirements by facilities of
14 the addition or establishment of a health service, and the notification requirements by
15 facilities of the reduction or termination of a health service or bed capacity, and the
16 notification requirements by facilities of the intent to acquire a health facility for health
17 service.

18 Section 1. Definitions. (1) "Cabinet" is defined by KRS 216B.015(5).

19 (2) "Days" means calendar days, unless otherwise specified.

20 Section 2. Notification of the Addition or Establishment of a Health Service. (1)

21 Health facilities shall notify the cabinet by submitting a completed OHP - Form 10A, as

1 incorporated by reference in 900 KAR 6:055, that a service or equipment has been
2 added within ten (10) days of the addition if the facility:

3 (a) Makes an addition to an existing health service (including adding ICF/MR respite
4 beds) for which there is review criteria in the State Health Plan, but for which a
5 certificate of need is not required; or

6 (b) Adds equipment for which there is a review criteria in the State Health Plan, but
7 for which a certificate of need is not required.

8 Section 3. Notification of the Reduction or Termination of a Health Service or Bed
9 Capacity. (1) Health facilities shall notify the cabinet by submitting a completed OHP -
10 Form 10B, as incorporated by reference in 900 KAR 6:055, of the reduction or
11 termination of a health service, or reduction of bed capacity within thirty (30) days prior
12 to the reduction or termination.

13 Section 4. Notification of the intent to acquire a health facility or health service. (1)
14 A health facility shall notify the cabinet by submitting a completed OHP – Form 9, Notice
15 of Intent to Acquire a Health Facility or Health Service, as incorporated by reference in
16 900 KAR 6:050, of the acquisition of a health facility or health service at least thirty (30)
17 days prior to the acquisition.

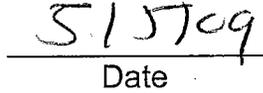
900 KAR 6:110

This is to certify that the Executive Director of the Office of Health Policy has reviewed and recommended this administrative regulation prior to its adoption, as required by KRS 156.070(4)

APPROVED:



Carrie Banahan
Executive Director
Office of Health Policy

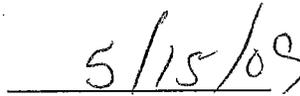


Date

APPROVED:



Janie Miller
Secretary
Cabinet for Health and Family Services



Date

900 KAR 6:110

A public hearing on this administrative regulation shall, if requested, be held on July 21, 2009, at 9:00 a.m. in the Public Health Auditorium located on the First Floor, 275 East Main Street, Frankfort, Kentucky 40621. Individuals interested in attending this hearing shall notify this agency in writing by July 14, 2009, five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until close of business July 31, 2009. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Jill Brown, Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40621, (502) 564-7905, Fax: (502) 564-7573

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 900 KAR 6:110

Contact Person: Carrie Banahan or Shane O'Donley, 564-9592

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the notification requirements by facilities of the addition or establishment of a health service, and the notification requirements by facilities of the reduction or termination of a health service or reduction of bed capacity, or notice of intent to acquire a health facility or health service. Due to the large size of that administrative regulation, LRC staff requested that it be separated into several smaller regulations. Therefore, this new administrative regulation was drafted to include information specific to the notification requirements by facilities of the addition or establishment of a health service, and the notification requirements by facilities of the reduction or termination of a health service or reduce bed capacity, or notice of intent to acquire a health facility or health service. This regulation creates no substantive change to current policies

(b) The necessity of this administrative regulation: This administrative regulation is necessary to comply with the content of the authorizing statute, KRS 216B.061216B.065, 216B.066, 216B.990.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of KRS 216B.061216B.065, 216B.066, 216B.990 by establishing the notification requirements by facilities of the addition or establishment of a health service, and the notification requirements by facilities of the reduction or termination of a health service or reduce bed capacity, or notice of intent to acquire a health facility or health service.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of KRS 216B.061216B.065, 216B.066, 216B.990 by establishing notification requirements by facilities of the addition or establishment of a health service, and the notification requirements by facilities of the reduction or termination of a health service or reduce bed capacity, or notice of intent to acquire a health facility or health service.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new administrative regulation.

(b) The necessity of the amendment to this administrative regulation: This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statutes: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes. This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation affects an entity wishing to add or establish a health service, and an entity wishing to reduce or terminate a health service or reduce bed capacity, or wishing to acquire a health facility or health service. Approximately 100 entities file a certificate of need application each year.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: As the requirements by facilities of the addition or establishment of a health service, and the requirements by facilities of the reduction or termination of a health service or reduction of bed capacity, and notice of intent to acquire a health facility or health service are currently established and operational, no new action will be required of regulated entities to comply with this regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): As the requirements by facilities of the addition or establishment of a health service, and the requirements by facilities of the reduction or termination of a health service or bed capacity, and notice of intent to acquire a health facility or health service for the certificate of need program set forth in the administrative regulation are currently established and operational, no cost will be incurred by regulated entities to comply with this regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation will provide potential health care providers with a mechanism to establish health care facilities and services in compliance with KRS 216B.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: No additional costs will be incurred to implement this administrative regulation as entities already adhere to the requirements by facilities of the addition or establishment of a health service, and the requirements by facilities of the reduction or termination of a health service or bed capacity, and notice of intent to acquire a health facility or health service for the certificate of need program.

(b) On a continuing basis: No additional costs will be incurred to implement this administrative regulation on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The source of funding to be used for the implementation and enforcement of this administrative regulation will be from Office of Health Policy's existing budget. As stated above, the requirements by facilities of the addition or establishment of a health service, and the requirements by facilities of the reduction or termination of a health service or bed capacity, and notice of intent to acquire a health facility or health service for the certificate of need program are already

used as part of our normal operations so no additional funding will be required.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new or by the change if it is an amendment: No increase in fees or funding will be necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish or increase any fees.

(9) TIERING: Is tiering applied? (explain why or why not) Tiering is not applicable as compliance with this administrative regulation applies equally to all individuals or entities regulated by it.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No. 900 KAR 6:110

Contact Person: Carrie Banahan or
Shane O'Donley

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)?

Yes X No _____

If yes, complete questions 2-4.

2. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? This administrative regulation affects the Office of Health Policy within the Cabinet for Health and Family Services.

3. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 216B.061216B.065, 216B.066, 216B.990..

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate any revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate any revenue.

(c) How much will it cost to administer this program for the first year? No additional costs will be incurred to implement this administrative regulation.

(d) How much will it cost to administer this program for subsequent years? No additional costs will be incurred to implement this administrative regulation on a continuing basis.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Expenditures (+/-): Other Explanation: