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Emily B Caudill
REGULATIONS COMPILER

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Office of Inspector General

3 (Amendment)

4 900 KAR 6:020. Certificate of need application fee schedule.

5 RELATES TO: KRS 216B.040(3)(c)

6 STATUTORY AUTHORITY: KRS 216B.040(3)(c)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 216B.040(3)(c) authorizes the
8 Cabinet for Health and Family Services to establish, by administrative regulation,
9 reasonable application fees for certificates of need. This administrative regulation
10 establishes the fee schedule for certificate of need applications.

11 Section 1. (1) A certificate of need application that is~~[applications which are]~~
12 submitted by an existing licensed healthcare facility or service that has met the
13 emergency circumstances provision as provided in 900 KAR 6:080 and has received
14 notice from the Office of Inspector General~~[Health Policy]~~ that an emergency exists~~[,]~~ shall
15 be assessed an application fee of \$100.

16 (2) A certificate of need application~~[applications]~~ not proposing a capital expenditure
17 or proposing a capital expenditure of up to \$200,000 shall be assessed an application fee
18 of \$1,000.

19 (3) A certificate of need application that proposes~~[applications which propose]~~ a
20 capital expenditure greater than \$200,000 up to \$5,000,000 shall be assessed an
21 application fee of five-tenths (.5) percent of the capital expenditure~~[and shall be]~~

1 computed to the nearest dollar.

2 (4) A certificate of need application that proposes~~[applications which propose]~~ a
3 capital expenditure greater than \$5,000,000 shall be assessed an application fee of
4 \$25,000.

5 ~~[(5) Certificate of need applications which propose to expand their existing diagnostic~~
6 ~~cardiac catheterization service to also provide primary (i.e. emergency) Percutaneous~~
7 ~~Coronary Intervention (PCI) services on a two (2) year trial basis or to provide~~
8 ~~comprehensive (diagnostic and therapeutic) cardiac catheterization services on a two (2)~~
9 ~~year trial basis shall be assessed an additional application fee of \$10,000.]~~

10 Section 2. (1) The application fee~~[fees]~~ shall be submitted with the application.

11 (2) An application~~[Applications]~~ shall not be deemed complete until the application
12 fee has been paid.

13 (3) An~~[Except as provided in subsection (4) of this section,]~~ application fee~~[fees]~~ shall
14 be refunded only if notice of withdrawal of the application is received by the cabinet within
15 five (5) working days of the date the application is received by the Cabinet for Health and
16 Family Services.

17 ~~[(4) Application fees submitted pursuant to Section 1(5) of this administrative~~
18 ~~regulation shall be refunded if:~~

19 ~~(a) The certificate of need application is denied; and~~

20 ~~(b) All administrative remedies provided for in KRS 216B.085 are exhausted.]~~

August 7, 2018
Date

Molly Nicol Lewis
Molly Nicol Lewis,
Deputy Inspector General
Cabinet for Health and Family Services

APPROVED:

9-6-18
Date

Adam M. Meier
Adam M. Meier, Secretary
Cabinet for Health and Family Services

PUBLIC HEARING AND PUBLIC COMMENT PERIOD:

A public hearing on this administrative regulation shall, if requested, be held on October 22, 2018, at 9:00 a.m. in Suites A & B, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing shall notify this agency in writing by October 15, 2018, 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. This 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 be heard at the public hearing, you may submit written comments on this proposed administrative regulation until October 31, 2018. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person. Pursuant to KRS 13A.280(8), copies of the statement of consideration and, if applicable, the amended after comments version of the administrative regulation shall be made available upon request.

CONTACT PERSON: Laura Begin, Legislative and Regulatory Analyst, Office of Legislative and Regulatory Affairs, 275 East Main Street 5 W-A, Frankfort, KY 40621; Phone: 502-564-6746; Fax: 502-564-7091; CHFSregs@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation: 900 KAR 6:020

Agency Contact Persons: Molly Lewis, (502) 564-9592, ext. 3150, molly.lewis@ky.gov;
or Laura Begin, (502) 564-6746, CHFSregs@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the fee schedule for certificate of need applications.

(b) The necessity of this administrative regulation: This administrative regulation is necessary because KRS 216B.040(3)(c) authorizes the cabinet to establish, by administrative regulation, reasonable application fees for certificates of need.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation establishes a fee schedule of reasonable fees for certificate of need applications.

(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 the statutes by establishing the fees authorized by KRS 216B.040(3)(c).

(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 administrative regulation deletes language related to filing fees for the cardiac catheterization pilot program and makes other changes to comply with the drafting requirements of KRS 13A.222.

(b) The necessity of the amendment to this administrative regulation: The cardiac catheterization program was deleted from the 2017-2019 State Health Plan and the program requirement administrative regulation, 900 KAR 6:120, was repealed effective June 1, 2018.

(c) How the amendment conforms to the content of the authorizing statutes: 900 KAR 5:020 establishes the State Health Plan, which includes review criteria for the establishment and expansion of specific health services and is a critical element of the certificate of need process for which the cabinet is given responsibility in KRS Chapter 216B. The 2017-2019 State Health Plan does not include review criteria for a cardiac catheterization pilot program included in prior plans and effectively terminated the program through which hospitals without on-site open heart surgery obtained limited certificate of need authority to perform angioplasty services. Because the program has been terminated, program requirements were no longer necessary and 900 KAR 6:120 was repealed, effective June 1, 2018. This amended administrative regulation revises the certificate of need filing fee schedule to delete fee requirements for applications proposing to participate in the now terminated pilot program.

(d) How the amendment will assist in the effective administration of the statutes: This administrative regulation assists in the effective administration of the statutes by removing the fee requirements for the cardiac catheterization pilot program because that program has been terminated.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This administrative regulation revision should not impact any entities as the related program has been terminated.

(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: There are not any actions that regulated entities will have to take to comply with this administrative regulation as the related program has been terminated.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are not any costs to complying with this amended administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This administrative regulation revision should not impact any entities as the related program has been terminated.

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

(a) Initially: There are no costs to implementing this administrative regulation either initially or on a continuing basis.

(b) On a continuing basis: There are no costs to implementing this administrative regulation either initially or on a continuing basis.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: Sources of funding to be used for the implementation and enforcement of 900 KAR Chapter 6 are state funds of general and agency appropriations and fees collected by the Office of Inspector General.

(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: An increase in fees or funding is not necessary to implement this administrative regulation revision.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This amended administrative regulation does not establish any fees or directly or indirectly increase any fees. This amended administrative regulation deletes the \$10,000 application fee for applications for the now terminated pilot program for cardiac catheterizations.

(9) TIERING: Is tiering applied? Tiering is applied in Section 1, which establishes different fees based on the type of application submitted. Tiering is not applied in Section 2, which establishes general application requirements that are the same for all applicants.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation: 900 KAR 6:020

Agency Contact Persons: Molly Lewis, (502) 564-9592, ext. 3150, molly.lewis@ky.gov;
or Laura Begin, (502) 564-6746, CHFSregs@ky.gov.

(1) 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?
Cabinet for Health and Family Services, Office of Inspector General

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 216B.040

(3) 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? None.

(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? None.

(c) How much will it cost to administer this program for the first year? Nothing.

(d) How much will it cost to administer this program for subsequent years? Nothing.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

