

SECOND REGULAR SESSION  
[TRULY AGREED TO AND FINALLY PASSED]  
HOUSE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 963

89TH GENERAL ASSEMBLY

1998

L3974.02T

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## AN ACT

To repeal sections 197.305 and 197.313, RSMo Supp. 1997, relating to care facility licensure, and to enact in lieu thereof two new sections relating to the same subject.

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Sections 197.305 and 197.313, RSMo Supp. 1997, are repealed and two new sections enacted in lieu thereof, to be known as sections 197.305 and 197.313, to read as follows:

197.305. As used in sections 197.300 to 197.366, the following terms mean:

(1) "Affected persons", the person proposing the development of a new health care service, the public to be served, the health systems agency and health care facilities within the service area in which the proposed new health care service is to be developed;

(2) "Agency", the state health planning and development agency of the Missouri department of health;

(3) "Capital expenditure", an expenditure by or on behalf of a health care facility which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance;

(4) "Certificate of need", a written certificate issued by the committee setting forth the committee's affirmative finding that a proposed project sufficiently satisfies the criteria prescribed for such projects by sections 197.300 to 197.366;

(5) "Continuing care retirement community", a continuing care retirement community provides at the same site or location independent housing, long-term health care and other services to older persons not related by blood or marriage to the owner or operator of the

**EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

continuing care retirement community under an agreement effective for the life of the person or a specified period of time in excess of one year which guarantees or provides priority access to on-site health related long-term care services when needed;

(6) "Develop", to undertake those activities which on their completion will result in the offering of a new institutional health service or the incurring of a financial obligation in relation to the offering of such a service;

(7) "Expenditure minimum" shall mean:

(a) For beds in existing or proposed health care facilities licensed pursuant to chapter 198, RSMo, and long-term care beds in a hospital as described in subdivision (3) of subsection 1 of section 198.012, RSMo, six hundred thousand dollars in the case of capital expenditures, or four hundred thousand dollars in the case of major medical equipment, provided, however, that prior to December 31, 1999, the expenditure minimum for beds in such a facility and long-term care beds in a hospital described in section 198.012, RSMo, shall be zero, subject to the provisions of subsection 7 of section 197.318;

(b) For beds or equipment in a long-term care hospital meeting the requirements described in 42 C.F.R., section 412.23(e), the expenditure minimum shall be zero; and

(c) For health care facilities, new institutional health services or beds not described in paragraph (a) or (b) of this subdivision one million dollars in the case of capital expenditures, excluding major medical equipment, and one million dollars in the case of medical equipment;

(8) "Health care facilities", hospitals, health maintenance organizations, tuberculosis hospitals, psychiatric hospitals, **[professional nursing facilities, practical nursing facilities] intermediate care facilities, skilled nursing facilities**, residential care facilities I and II, kidney disease treatment centers, including free standing hemodialysis units, **[any entity delivering health services whether licensed or unlicensed,] diagnostic imaging centers, radiation therapy centers and** ambulatory surgical facilities, but excluding the private offices of physicians, dentists and other practitioners of the healing arts, and Christian Science sanatoriums, also known as Christian Science Nursing facilities listed and certified by the Commission for Accreditation of Christian Science Nursing Organization/Facilities, Inc., and facilities of not for profit corporations in existence on October 1, 1980, subject either to the provisions and regulations of section 302 of the Labor-Management Relations Act, 29 U.S.C. 186 or the Labor-Management Reporting and Disclosure Act, 29 U.S.C. 401-538, and any residential care facility I or residential care facility II operated by a religious organization qualified pursuant to section 501(c)(3) of the federal Internal Revenue Code, as amended, which does not require the expenditure of public funds for purchase or operation, with a total licensed bed capacity of one hundred beds or fewer;

(9) "Health service area", a geographic region appropriate for the effective planning and development of health services, determined on the basis of factors including population and the

availability of resources, consisting of a population of not less than five hundred thousand or more than three million;

(10) "Health systems agency", a regional health planning agency established pursuant to PL 93-641 and, after December 31, 1981, in accordance with section 1512(b)(1)(B) thereof;

(11) "Major medical equipment", medical equipment used for the provision of medical and other health services;

(12) "New institutional health service":

(a) The development of a new health care facility costing in excess of the applicable expenditure minimum;

(b) The acquisition, including acquisition by lease, of any health care facility, or major medical equipment costing in excess of the expenditure minimum;

(c) Any capital expenditure by or on behalf of a health care facility in excess of the expenditure minimum;

(d) Predevelopment activities as defined in subdivision (15) hereof costing in excess of one hundred fifty thousand dollars;

(e) Any change in licensed bed capacity of a health care facility which increases the total number of beds by more than ten or more than ten percent of total bed capacity, whichever is less, over a two-year period;

(f) Health services, excluding home health services, which are offered in a health care facility and which were not offered on a regular basis in such health care facility within the twelve-month period prior to the time such services would be offered;

(g) A reallocation by an existing health care facility of licensed beds among major types of service or reallocation of licensed beds from one physical facility or site to another by more than ten beds or more than ten percent of total licensed bed capacity, whichever is less, over a two-year period;

(13) "Nonsubstantive projects", projects which do not involve the addition, replacement, modernization or conversion of beds or the provision of a new health service but which include a capital expenditure which exceeds the expenditure minimum and are due to an act of God or a normal consequence of maintaining health care services, facility or equipment;

(14) "Person", any individual, trust, estate, partnership, corporation, including associations and joint stock companies, state or political subdivision or instrumentality thereof, including a municipal corporation;

(15) "Predevelopment activities", expenditures for architectural designs, plans, working drawings and specifications, and any arrangement or commitment made for financing; but excluding submission of an application for a certificate of need.

197.313. A continuing care retirement community, skilled nursing facility or residential care facility I or II may increase its licensed bed capacity by the lesser of ten beds or ten percent

only once during the two-year period beginning on July 12, 1996, and ending on July 11, 1998. A facility's increase in beds pursuant to this section shall only be within the same licensure category. **Any health care facility which has received a nonapplicability certificate of need letter by July 11, 1998, shall be allowed until December 31, 1998, to complete and license the beds allowed by this exception.**

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