

**NURSING HOME AMENDMENTS**

2008 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Merlynn T. Newbold**

Senate Sponsor: Sheldon L. Killpack

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**LONG TITLE**

**General Description:**

This bill amends the Long-term Care Facility Medicaid Certification part of the Medical Assistance chapter of the Health Code.

**Highlighted Provisions:**

This bill:

- ▶ permits a Medicaid nursing care facility program to transfer or sell a license for a Medicaid bed to another entity;
- ▶ establishes certain requirements that must be met to transfer a license for a Medicaid bed; and
- ▶ reduces the total number of licensed Medicaid beds in the state by applying a conversion factor to the licenses for Medicaid certified beds that are transferred.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**26-18-505**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*



28 Section 1. Section **26-18-505** is enacted to read:

29 **26-18-505. Authorization to sell or transfer Medicaid licensed beds -- Duties of**  
30 **transferer -- Duties of transferee -- Duties of division.**

31 (1) This section provides a method to transfer the license for a Medicaid bed from one  
32 nursing care facility program to another entity that is in addition to the authorization to transfer  
33 under Section 26-18-503.

34 (2) (a) A nursing care facility program may transfer or sell one or more of its licenses  
35 for Medicaid beds in accordance with Subsection (2)(b) if:

36 (i) at the time of the transfer, and with respect to the license for the Medicaid bed that  
37 will be transferred, the nursing care facility program that will transfer the Medicaid license  
38 meets all applicable regulations for Medicaid certification;

39 (ii) 30 days prior to the transfer, the nursing care facility program gives a written  
40 assurance to the director and to the transferee in accordance with Subsection 26-18-503(4); and

41 (iii) 30 days prior to the transfer, the nursing care facility program that will transfer the  
42 license for a Medicaid bed notifies the division in writing of:

43 (A) the number of bed licenses that will be transferred;

44 (B) the date of the transfer; and

45 (C) the identity and location of the entity receiving the transferred licenses.

46 (b) A nursing care facility program may transfer or sell one or more of its licenses for  
47 Medicaid beds to:

48 (i) a nursing care facility program that has the same owner or successor in interest of  
49 the same owner;

50 (ii) a nursing care facility program that has a different owner; or

51 (iii) an entity that intends to establish a nursing care facility program.

52 (3) An entity that receives or purchases a license for a Medicaid bed:

53 (a) may receive a license for a Medicaid bed from more than one nursing care facility  
54 program;

55 (b) within 14 days of seeking Medicaid certification of beds in the nursing care facility  
56 program, give the division notice of the total number of licenses for Medicaid beds that the  
57 entity received and who it received the licenses from;

58 (c) may only seek Medicaid certification for the number of licensed beds in the nursing

59 care facility program equal to the total number of licenses for Medicaid beds received by the  
 60 entity, multiplied by a conversion factor of .7, and rounded down to the lowest integer;

61 (d) does not have to demonstrate need for the Medicaid licensed beds under Subsection  
 62 26-18-503(5);

63 (e) must meet the standards for Medicaid certification other than those in Subsection  
 64 26-18-503(5), including personnel, services, contracts, and licensing of facilities under Chapter  
 65 21, Health Care Facility Licensing and Inspection Act; and

66 (f) must obtain Medicaid certification for the licensed Medicaid beds within ~~H~~→ [two]  
 66a three ←H years  
 67 of the date of transfer as documented under Subsection (2)(a)(iii)(B).

68 (4) The conversion formula required by Subsection (3)(c) shall be calculated:

69 (a) when the nursing care facility program applies to the Department for Medicaid  
 70 certification of the licensed beds; and

71 (b) based on the total number of licenses for Medicaid beds transferred to the nursing  
 72 care facility at the time of the request for Medicaid certification.

73 (5) (a) When the division receives notice of a transfer of a license for a Medicaid bed  
 74 under Subsection (2)(a)(iii)(A), the division shall reduce the number of licenses for Medicaid  
 75 beds at the transferring nursing care facility:

76 (i) equal to the number of licenses transferred; and

77 (ii) effective on the date of the transfer as reported under Subsection (2)(a)(iii)(B).

78 (b) For purposes of Section 26-18-502, the division shall approve Medicaid  
 79 certification for the receiving entity:

80 (i) in accordance with the formula established in Subsection (3)(c); and

81 (ii) if:

82 (A) the nursing care facility seeks Medicaid certification for the transferred licenses  
 83 within the time limit required by Subsection (3)(f); and

84 (B) the nursing care facility program meets other requirements for Medicaid  
 85 certification under Subsection (3)(e).

86 (c) A license for a Medicaid bed may not be approved for Medicaid certification  
 87 without meeting the requirements of Sections 26-18-502 and 26-18-503 if:

88 (i) the license for a Medicaid bed is transferred under this section but the receiving  
 89 entity does not obtain Medicaid certification for the licensed bed within the time required by

90 Subsection (3)(f); or  
91 (ii) the license for a Medicaid bed is transferred under this section but the license is no  
92 longer eligible for Medicaid certification as a result of the conversion factor established in  
93 Subsection (3)(c).

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**Legislative Review Note**  
**as of 2-12-08 2:58 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 445 - Nursing Home Amendments**

**Fiscal Note**

2008 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

This Legislation will allow for new facility owners to become Medicaid long term care service providers. Any new businesses or facilities would receive an increase in revenues. Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals or local governments.

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