

Representative Michael S. Kennedy proposes the following substitute bill:

SKILLED NURSING FACILITY AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brian E. Shiozawa

House Sponsor: Michael S. Kennedy

Cosponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill permits a small health care facility to operate a skilled nursing facility under certain circumstances.

Highlighted Provisions:

This bill:

- ▶ creates a pilot program for a small health care facility to operate up to 16 skilled nursing facility beds without obtaining Medicaid bed certification;
- ▶ describes the purposes of the pilot program;
- ▶ requires the facility that participates in the pilot program to report health outcomes to the Legislature's Health and Human Services Interim Committee; and
- ▶ establishes requirements for a facility to participate in the pilot program.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:



25 AMENDS:

26 [26-21-23](#), as last amended by Laws of Utah 2013, Chapter 60

27 ENACTS:

28 [26-21-28](#), Utah Code Annotated 1953

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

31 Section 1. Section **26-21-23** is amended to read:

32 **26-21-23. Licensing of non-Medicaid nursing care facility beds.**

33 (1) Notwithstanding the provisions of Section [26-21-2](#), for purposes of this section
34 "nursing care facility" and "small health care facility":

35 (a) mean the following facilities licensed by the department under this chapter:

36 (i) skilled nursing homes;

37 (ii) intermediate care facilities; or

38 (iii) small health care facilities with four to 16 beds functioning as a skilled nursing
39 home; and

40 (b) does not mean:

41 (i) an intermediate care facility for the mentally retarded;

42 (ii) a critical access hospital that meets the criteria of 42 U.S.C. 1395i-4(c)(2) (1998);

43 (iii) a small health care facility that is hospital based; or

44 (iv) a small health care facility other than a skilled nursing home with 16 beds or less.

45 (2) Except as provided in Subsection (5) and Section [26-21-28](#), a new nursing care
46 facility shall be approved for a health facility license only if the applicant proves to the division
47 that:

48 (a) the facility will be Medicaid certified under the provisions of Section [26-18-503](#);

49 (b) the facility will have at least 100 beds; or

50 (c) (i) the facility's projected Medicare inpatient revenues do not exceed 49% of the
51 facility's revenues;

52 (ii) the facility has identified projected non-Medicare inpatient revenue sources; and

53 (iii) the non-Medicare inpatient revenue sources identified in this Subsection (2)(c)(iii)

54 will constitute at least 51% of the revenues as demonstrated through an independently certified

55 feasibility study submitted and paid for by the facility and provided to the division.

56 (3) The division may not approve the addition of licensed beds in an existing nursing
57 care facility unless the nursing care facility satisfies the criteria established in Subsection (2).

58 (4) The department may make rules to administer and enforce this part in accordance
59 with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

60 (5) The provisions of Subsection (2) do not apply to a nursing care facility that has:

61 (a) filed an application with the department and paid all applicable fees to the
62 department on or before February 28, 2007; and

63 (b) submitted to the department the working drawings, as defined by the department by
64 administrative rule, on or before July 1, 2008.

65 Section 2. Section **26-21-28** is enacted to read:

66 **26-21-28. Pilot program for managed care model with a skilled nursing facility**
67 **and an ambulatory surgical center.**

68 (1) Notwithstanding the requirement for Medicaid certification under Chapter 18, Part
69 5, Long-Term Care Facility-Medicaid Certification, and Section [26-21-23](#), a small health care
70 facility with four to 16 beds, functioning as a skilled nursing facility, may be approved for
71 licensing by the department as a pilot program in accordance with this section, and without
72 obtaining Medicaid certification for the beds in the facility.

73 (2) (a) The department shall establish one pilot program with a facility that meets the
74 qualifications under Subsection (3). The purpose of the pilot program is to study the impact of
75 an integrated managed care model on cost and quality of care involving pre and post surgical
76 services offered by a small health care facility operating as a skilled nursing facility.

77 (b) The small health care facility that is operating as a skilled nursing facility and is
78 participating in the pilot program, shall, on or before November 30, 2020, issue a report to the
79 Legislative Health and Human Services Interim Committee on patient outcomes and cost of
80 care associated with the pilot program.

81 (3) A small health care facility with four to 16 beds that functions as a skilled nursing
82 facility may apply for a license under the pilot program if the facility will:

83 (a) be located in:

84 (i) a county of the second class that has at least 1,800 square miles within the county;

85 and

86 (ii) a city of the fifth class; and

87

(b) limit a patient's stay in the facility to no more than 10 days.