

1 **SKILLED NURSING FACILITY AMENDMENTS**

2 2016 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Brian E. Shiozawa**

5 House Sponsor: Michael S. Kennedy

6 Cosponsor: Curtis S. Bramble

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8 **LONG TITLE**

9 **General Description:**

10 This bill permits a small health care facility to operate a skilled nursing facility for an  
11 ambulatory surgical center under certain circumstances.

12 **Highlighted Provisions:**

13 This bill:

14 ▶ **Ŝ→ [permits] creates a pilot program for ←Ŝ** a small health care facility located  
14a on the same campus as an ambulatory  
15 surgical center to operate up to 16 skilled nursing beds for patients of the  
16 ambulatory surgical center;

17 ▶ limits the number of days for which a patient may stay at the small health care  
18 facility; and

19 ▶ limits the number of small health care facilities operating as a skilled nursing  
20 facility for an ambulatory surgical center to one facility.

21 **Money Appropriated in this Bill:**

22 None

23 **Other Special Clauses:**

24 None

25 **Utah Code Sections Affected:**

26 AMENDS:



27 **26-21-23**, as last amended by Laws of Utah 2013, Chapter 60

28

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

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

31 **26-21-23. Licensing of non-Medicaid nursing care facility beds.**

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

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

35 (i) skilled nursing homes;

36 (ii) intermediate care facilities; or

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

39 (b) ~~does~~ do not mean:

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

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

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

43 (iv) a small health care facility other than a skilled nursing home with 16 beds or  
44 less[-]; or

45 (v) a small health care facility with four to 16 beds that:

46 (A) functions as a skilled nursing facility;

47 (B) is located on the same campus as an ambulatory surgical facility ~~as defined by the~~  
48 department by administrative rule adopted in accordance with Title 63G, Chapter 3, Utah

49 Administrative Rulemaking Act ~~as defined by the~~ ;

50 (C) allows patients to stay at the small health care facility for no more than 10 days;

51 ~~and~~ ~~as defined by the~~ ;

52 (D) is the only small health care facility with four to 16 beds that functions as a skilled

53 nursing facility on the campus of the ambulatory surgical facility ~~as defined by the~~ ;

53a (E) is located in a county of the second class that has at least 1,800 square miles within

53b the county; and

53c (F) establishes a pilot program to improve patient outcomes and lower costs ~~as defined by the~~ .

54 (2) Except as provided in Subsection (5), a new nursing care facility shall be approved  
55 for a health facility license only if the applicant proves to the division that:

56 (a) the facility will be Medicaid certified under the provisions of Section **26-18-503**;

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

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

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

61 (iii) the non-Medicare inpatient revenue sources identified in this Subsection (2)(c)(iii)  
62 will constitute at least 51% of the revenues as demonstrated through an independently certified  
63 feasibility study submitted and paid for by the facility and provided to the division.

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

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

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

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

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

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**