{deleted text} shows text that was in SB0199 but was deleted in SB0199S01.

inserted text shows text that was not in SB0199 but was inserted into SB0199S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Michael S. Kennedy proposes the following substitute bill:

#### SKILLED NURSING FACILITY AMENDMENTS

2016 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Brian E. Shiozawa

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House Sponsor: -	)	IVIIC	Hac	L D.	. г	Zeillieu	Įγ
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Cosponsor: Curtis S. Bramble

#### LONG TITLE

#### **General Description:**

This bill permits a small health care facility to operate a skilled nursing facility <del>{for an ambulatory surgical center }</del> under certain circumstances.

#### **Highlighted Provisions:**

This bill:

- \* {permits} creates a pilot program for a small health care facility{ located on the same campus as an ambulatory surgical center} to operate up to 16 skilled nursing {beds for patients of the ambulatory surgical center;
- ▶ limits the number of days for which a patient may stay at the small health care facility; and

- limits the number of small health care facilities operating as a skilled nursing
  facility for an ambulatory surgical center to one facility} facility beds without
  obtaining Medicaid bed certification;
- <u>describes the purposes of the pilot program;</u>
- 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:**

AMENDS:

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

#### **ENACTS:**

**26-21-28**, Utah Code Annotated 1953

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

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

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

- (1) Notwithstanding the provisions of Section 26-21-2, for purposes of this section "nursing care facility" and "small health care facility":
  - (a) mean the following facilities licensed by the department under this chapter:
  - (i) skilled nursing homes;
  - (ii) intermediate care facilities; or
- (iii) small health care facilities with four to 16 beds functioning as a skilled nursing home; and
  - (b)  $\{\{\}\}\$  does $\{\{\}\}\$  not mean:
  - (i) an intermediate care facility for the mentally retarded;
  - (ii) a critical access hospital that meets the criteria of 42 U.S.C. 1395i-4(c)(2) (1998);
  - (iii) a small health care facility that is hospital based; \therefore\text{\text{f}} or \text{\text{}}

- (iv) a small health care facility other than a skilled nursing home with 16 beds or less {[.]; or
  - (v) a small health care facility with four to 16 beds that:
  - (A) functions as a skilled nursing facility;
- (B) is located on the same campus as an ambulatory surgical facility, as defined by the department by administrative rule adopted in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;
- (C) allows patients to stay at the small health care facility for no more than 10 days; and
- (D) is the only small health care facility with four to 16 beds that functions as a skilled nursing facility on the campus of the ambulatory surgical facility.

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- (2) Except as provided in Subsection (5) and Section 26-21-28, a new nursing care facility shall be approved for a health facility license only if the applicant proves to the division that:
  - (a) the facility will be Medicaid certified under the provisions of Section 26-18-503;
  - (b) the facility will have at least 100 beds; or
- (c) (i) the facility's projected Medicare inpatient revenues do not exceed 49% of the facility's revenues;
  - (ii) the facility has identified projected non-Medicare inpatient revenue sources; and
- (iii) the non-Medicare inpatient revenue sources identified in this Subsection (2)(c)(iii) will constitute at least 51% of the revenues as demonstrated through an independently certified feasibility study submitted and paid for by the facility and provided to the division.
- (3) The division may not approve the addition of licensed beds in an existing nursing care facility unless the nursing care facility satisfies the criteria established in Subsection (2).
- (4) The department may make rules to administer and enforce this part in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.
  - (5) The provisions of Subsection (2) do not apply to a nursing care facility that has:
- (a) filed an application with the department and paid all applicable fees to the department on or before February 28, 2007; and
  - (b) submitted to the department the working drawings, as defined by the department by

administrative rule, on or before July 1, 2008.

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#### **Legislative Review Note**

Office of Legislative Research and General Counsel}

enacted to read:

Section 2. Section 26-21-28 is

# <u>26-21-28. Pilot program for managed care model with a skilled nursing facility</u> and an ambulatory surgical center.

- (1) Notwithstanding the requirement for Medicaid certification under Chapter 18, Part 5, Long-Term Care Facility-Medicaid Certification, and Section 26-21-23, a small health care facility with four to 16 beds, functioning as a skilled nursing facility, may be approved for licensing by the department as a pilot program in accordance with this section, and without obtaining Medicaid certification for the beds in the facility.
- (2) (a) The department shall establish one pilot program with a facility that meets the qualifications under Subsection (3). The purpose of the pilot program is to study the impact of an integrated managed care model on cost and quality of care involving pre and post surgical services offered by a small health care facility operating as a skilled nursing facility.
- (b) The small health care facility that is operating as a skilled nursing facility and is participating in the pilot program, shall, on or before November 30, 2020, issue a report to the Legislative Health and Human Services Interim Committee on patient outcomes and cost of care associated with the pilot program.
- (3) A small health care facility with four to 16 beds that functions as a skilled nursing facility may apply for a license under the pilot program if the facility will:
  - (a) be located in:
- (i) a county of the second class that has at least 1,800 square miles within the county; and
  - (ii) a city of the fifth class; and
  - (b) limit a patient's stay in the facility to no more than 10 days.