

SECTION III. SCOPE OF REVIEW

The Agency (under the direction of the Commission or appropriate Court) will issue, deny or withdraw Permits of Approval. Using the Commission's rules and procedures, the Agency may exempt appropriate projects from review. Each recommendation of the Agency must be based on the completed application and its relationship to adopted standards and criteria. Each review decision of the Commission must be consistent with adopted standards, criteria and the record of the review.

A. PROJECTS REQUIRING PERMIT OF APPROVAL REVIEW INCLUDE BUT ARE NOT LIMITED TO:

1. Nursing Home Construction

All proposals for conversion of services or alteration or renovation or construction having an associated capital expenditure of ~~\$500,000~~ \$1,000,000 or more.

2. Additional Beds

Unless exempted by the Act or by the Commission, all health facilities seeking to add new Long Term Care (LTC) beds or otherwise expand LTC bed capacity shall apply for a Permit of Approval.

3. Home Health Services

Unless exempted by the Act or by the Commission, all health facilities seeking to add home health services or expands existing home health service areas shall apply for a Permit of Approval. This includes changes in license designation.

4. Hospice

Unless exempted by statute or by the Commission, all hospices or hospice programs shall apply for a Permit of Approval.

5. Cost Overrun

Any increase in cost in an approved project or cost of renovation or construction or alteration of a health facility is deemed a cost overrun and must be documented and filed with the agency.

(During the course of review, the reasonableness of the proposed capital expenditure will be evaluated. A reasonable contingency cost in anticipation of a possible increase in cost due to inflation or other unforeseen factors will be allowed as part of the proposed capital expenditure).

B. PROJECTS REQUIRING APPROVAL BY THE COMMISSION:

1. Movement of Existing LTC beds ---

Any movement of LTC beds from one site to another site within the service area must be approved by the Commission. The applicant should submit the request in writing to the Agency. Any proposed movement of beds is subject to the time limitations in Section VI.A and the reporting requirements of Section VI.B of the Commission's Procedures. Failure to comply with these requirements will result in the withdrawal of permission to move the beds.

2. Movement of Site Location of Permit of Approval ---

Any movement of a site location for a project approved by the Commission for an existing Permit of Approval is subject to review. The applicant shall submit a request to the Agency in writing, detailing all information required in the original application regarding a site, the reasons for relocating the site from the original application approved, any additional costs associated with the relocation, and the time remaining for completion under various rules and regulations of the Commission regarding implementation of a Permit of Approval. The Commission, at its next regularly scheduled meeting, must approve the relocation before site location change is made. The relocation shall not extend the deadline for implementation of a Permit of Approval.

3. Transfer of Permit of Approval, legal title, or right of ownership –

A permit of approval may only be transferred if the entity presently holding the permit, legal title, or right of ownership has tangible assets of at least two thousand five hundred dollars (\$2,500) that will be transferred with the permit, legal title or right of ownership, and then only with the approval of the Commission. The applicant must provide proof of tangible assets. Any person requesting approval to receive a Permit of Approval via transfer from an existing permit holder must submit an application for a permit of approval to the Agency in accordance with Section V – Procedures for Review. A permit of approval may not be transferred to a county other than the county where the current permit of approval

is located unless authorized in the applicable methodology.

C. PROJECTS EXEMPT FROM PERMIT OF APPROVAL PROCESS:

1. Capital Expenditures less than adopted thresholds

Projects proposed for the construction, expansion, or alteration by or on the behalf of a nursing home, which have an associated capital expenditure of less than ~~\$500,000~~ \$1,000,000 and do not add LTC beds or home health services.

2. Hospitals Licensed in Arkansas are not subject to review except when a hospital seeks to add long-term care beds or convert acute beds to long-term beds or add or expand home health services.

3. Conversion of Services or New Services

A conversion of services offered in an existing health facility or alteration or renovation of an existing health facility having an associated capital expenditure of less than ~~\$500,000~~ \$1,000,000 for nursing homes and not resulting in additional bed capacity.

4. Acquisition of a Health Facility

The obligation of a capital expenditure to acquire an existing health care facility shall not require a Permit of Approval. Such an exemption applies to an acquisition by purchase, lease, donation or transfer of ownership.

5. Religious Facilities

Any facility which is conducted by and for those who rely exclusively upon treatment by prayer alone for healing in accordance with the tenets or practices of any recognized religious denomination.

6. Outpatient Surgery Centers

7. Imaging Centers

8. Free Standing Radiation Therapy Centers