

State of Arkansas

76th General Assembly

First Extraordinary Session, 1987

HOUSE BILL

1034

By: Representatives Landers, Wimberly, Willems, Tullis and Rice

"AN ACT TO AMEND SECTION 6 OF ACT 593 OF 1987 TO REQUIRE A PERMIT OF APPROVAL PRIOR TO THE CONSTRUCTION, EXPANSION, OR ALTERATION OF ANY HEALTH CARE FACILITY LICENSED OR TO BE LICENSED AS A PSYCHIATRIC HOSPITAL; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 6 of Act 593 of 1987 is hereby amended to read as follows:

"Section 6. (A) The Health Services Agency, at the direction of the Health Services Commission, shall implement a health services program in this State to determine the conditions required for the construction, expansion or alteration of any health facility, except nursing homes, having an associated capital expenditure in excess of two million dollars (\$2,000,000), and any nursing home having an associated capital expenditure in excess of five hundred thousand dollars (\$500,000) or such greater amount as the Commission may establish through rules and regulations, and prior to the said construction, expansion or alteration, a permit of approval shall be obtained from the Health Services Agency. No permit shall be required, however, to construct a hospital in any municipality which has no hospital and where the municipality is located in a county with a population of 200,000 or more people. No permit shall be required for the construction, expansion or alteration of a post acute head injury retaining and residential care facility. A conversion of services or the addition of new services offered in an existing health facility shall not require a permit of approval provided that the requirements of Act 414 of 1961, as amended, the Hospital and Health Facilities Licensure Act, have been met and a copy of the conversion plan or a statement setting forth the new services to be added is filed with the Agency, provided it shall not allow one classification of licensure to another classification of licensure

and licenses are not transferable from one entity to another. The acquisition of medical equipment and services incidental thereto shall not require a permit of approval. The application for the permit of approval shall be submitted to the Agency on the forms provided for that purpose.

(B) Notwithstanding the provisions of Section 6(A), a permit of approval shall be required prior to the construction, expansion or alteration of any health care facility licensed or to be licensed as a psychiatric hospital, having an associated capital expenditure in excess of two million dollars (\$2,000,000).

(C) The Agency, after the endorsement of the Commission, shall issue a permit of approval if it finds that the proposed project meets the criteria for approval as set by the Commission. If the Agency denies the application, then the criteria that the proposed project failed to meet shall be set forth in the notice to the applicant of the denial.

(D) Any applicant seeking review of the agency denial of a permit of approval shall file a written appeal for hearing before the Commission on the form provided with the Commission within thirty (30) days of the date of the notice of denial.

(E) Appeals to the Commission shall be conducted in accordance with the Administrative Procedure Act, Act 434 of 1967, as amended, except that any appeal from a final decision of the Commission shall be de novo to the Circuit Court of Pulaski County, Arkansas."

SECTION 2. Emergency. It is hereby found and determined by the General Assembly that there is an immediate and urgent need to affect revisions in the health planning system in the State, and specifically in clarifying that psychiatric hospitals are specialty hospitals, that not all members of the population need services rendered by these specialty hospitals, and that it is necessary to provide for a permit of approval prior to the construction, expansion or alteration in excess of two million dollars (\$2,000,000) of this specialty hospital, that health planning has a direct impact on the public health, welfare and safety, that this Act is necessary to eliminate confusion; that an emergency is hereby declared to exist, and this Act is declared to be necessary for the preservation of the public peace, health and safety, and shall become effective from and after its passage and approval.

