

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H3/24/05

A Bill

HOUSE BILL 2414

5 By: Representatives S. Prater, Bond
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7

For An Act To Be Entitled

9 AN ACT TO LIMIT THE TRANSFERABILITY OF PERMITS OF
10 APPROVAL FOR LONG-TERM CARE FACILITIES; TO PLACE
11 A MORATORIUM ON NEW RESIDENTIAL CARE FACILITIES;
12 TO PLACE A MORATORIUM ON NEW OR ADDITIONAL
13 RESIDENTIAL CARE FACILITY BEDS; AND FOR OTHER
14 PURPOSES.

Subtitle

16 AN ACT TO LIMIT THE NUMBER AND
17 TRANSFERABILITY OF PERMITS OF APPROVAL
18 FOR LONG-TERM CARE FACILITIES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 20-8-106(a) and (b), concerning transfer of
25 permits of approval by the Health Services Permit Agency, are amended to read
26 as follows:

27 20-8-106. Health Services Program - Permits generally.

28 (a)(1)(A) From March 8, 1989, until June 1, 1989, there shall be no
29 new home health care agencies or nursing homes, with the exception of
30 intermediate care facilities for the mentally retarded with fifteen (15) or
31 fewer beds and with the exception of nursing home applications under review
32 by the Health Services Permit Agency on June 2, 1987, and except for nursing
33 homes with thirty-five (35) beds or fewer attached to or a part of hospitals
34 located in cities or towns where no nursing home exists, provided applicants
35 for such nursing homes must obtain a permit of approval from the proper
36 authority pursuant to the provisions of this subchapter, nor shall there be



1 any additional beds licensed for existing nursing homes or intermediate care
2 facilities in this state.

3 (B) The Health Services Permit Commission may remove any
4 or all of the moratoria anytime after June 1, 1988, provided the commission
5 has duly adopted and promulgated standards for the review of the health
6 facility for which the moratorium is removed.

7 (C) Nursing home applications under review by the agency
8 on June 2, 1987, shall be considered under § 20-8-101 et seq. under updated
9 standards on a county-by-county basis.

10 (2) No permit of approval shall be required by the agency or the
11 commission for any applicant to qualify for a Class "B" license, as provided
12 for in § 20-10-801 et seq., to operate a home health care services agency, if
13 the agency was serving patients on or before June 30, 1988, and if the agency
14 serves the residents of the county where the principal office is located.

15 (3) Nursing home applications under review by the agency on June
16 2, 1987, shall be considered under the provisions of § 20-8-101 et seq. under
17 updated standards on a county-by-county basis.

18 (4)(A) Beginning July 1, 2005, the agency may not accept
19 applications for permits of approval for the construction of new residential
20 care facilities.

21 (B) Applications for replacement of residential care
22 facilities may not be accepted and processed after July 1, 2005.

23 (C) However, applications for replacement of residential
24 care facilities shall be accepted for residential care facilities of sixteen
25 (16) beds or fewer, but only if the number of beds required for replacement
26 is less than or equal to the number of beds for which the residential care
27 facility was licensed before the application for replacement.

28 (b)(1)(A) The alteration or renovation of a health facility
29 having an associated capital expenditure of less than five hundred thousand
30 dollars (\$500,000) for nursing homes and not resulting in additional bed
31 capacity shall not require a permit of approval.

32 (B) however ~~However~~, the agency shall not allow hospital
33 acute care beds to be converted to or allow their license classification to
34 be changed to long-term care beds without going through the permit of
35 approval process.

36 ~~However, permits, legal title, and right of ownership may be~~

~~transferred to another entity with the approval of the commission.~~

(2)(A) Permits, legal title, and right of ownership may be transferred with the approval of the Health Services Permit Commission 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.

(3) The application for the permit of approval shall include, but need not be limited to, such information as is necessary to determine:

~~(1)(A)~~ Whether the proposed project is needed or projected as being necessary to meet the needs of the locale or area in terms of the health care required for the population or geographic region;

~~(2)(B)~~ Whether the proposed project can be adequately staffed and operated when completed;

~~(3)(C)~~ Whether the proposed project is economically feasible; and

~~(4)(D)~~ Whether the project will foster cost containment through improved efficiency and productivity.

SECTION 2. Arkansas Code § 20-8-107, concerning expansion of health care facilities or services, is amended to add an additional subsection to read as follows:

(d) Beginning July 1, 2005, the Health Services Permit Agency may not accept applications or requests for permits of approval to add new beds or to expand existing bed capacity of residential care facilities.

/s/ S. Prater, et al