

Certificate of Need NH/HLTCU Workgroup

Summary of April 8, 2014 Meeting

I.	Call to order
	Chair, Karen Messick, called the meeting to order at 9:30 am. See separate attendance sheet for participants. The summary of the March 27, 2014 meeting of the Workgroup was reviewed by the Workgroup participants and approved.
II.	Summary of discussion and decision items for the next workgroup meeting
	<ul style="list-style-type: none">• 10(6) regarding percentage of applicant cash and 10 (11) regarding audited financial statements, Perry Smith, Financial Specialist, MDCH CON Program, gave a brief overview of acceptable examples of audited financial statements and who can submit and/or provide audited financial statements. It was stated that a subsidiary or parent company can provide audited statements.• It was the consensus of the workgroup to add to the definition of “applicant’s cash” within Section 2(c) to read as follows: “Applicant’s cash” means the total unrestricted cash, designated funds, and restricted funds reported by the applicant as the source of funds in the application. If the project includes leased costs, then applicant cash includes the contribution designated for the project from the landlord.• Section 10(11), regarding audited financial statements, the workgroup recommended removing this criteria from the comparative review process, and instead stated that audited financial statements are already required on the checklist on form 1118.• Section 10(12) regarding five points for new constructions, the workgroup recommended leaving this section as is within the standards.• Section 10(15) regarding technological innovations, Ms. Pat Anderson, HCAM, presented on behalf of the second subgroup on Technological Innovations criteria and came up with 5 technology features:<ol style="list-style-type: none">1. Wireless nurse call/paging system including wireless devices carried by direct care staff.2. Wireless internet with resident access to related equipment/device in entire facility.3. An integrated electronic medical records system with point –of-service access capability (including wireless devices) for all disciplines including pharmacy, physician, nursing, and therapy services.4. Facility design beyond the minimum standards by X% for the provision of therapy services.

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	5. Full facility natural gas backup generator if natural gas available, or other full facility generator.
III.	Other Items
	<ul style="list-style-type: none">• Section 7 (new Section 8) the consensus of the group was elimination of the relocation criteria restricting Nursing Home facilities to move no more than 50% of their licensed beds to another Nursing Home facility to make it consistent with hospital long-term-care units in new 8(1)(a).• Additionally, the workgroup recommended rewording item new 8(1)(b)-(f) for clarity and adding (g) that states “relocated beds” does not increase the number of rooms with 3 or more bed wards in the receiving facility.• In new section 7(3) (c) the consensus of the workgroup was to eliminate the replacement of beds within a new design model language to be only within the Planning Area; however, the department is reviewing the implications of eliminating this language.• Section 10(4) Wendy Middleton & Cean Eppelheimer made a few changes to form CON 217-B, and had handouts available for the workgroup.• Ms. Nagel gave a brief update on the department’s recommendation and the attorney general’s opinion on the deletion of lines 693-696 within 10(2) (a) (i) (ii). It was decided to reinstate the language and to assign different point values for each item at the next workgroup meeting.
IV.	Follow Up & Adjournment
	<ul style="list-style-type: none">• The department will review and respond to Dave Stobb’s proposed replacement language.• The department will update the Standards and post them on line as soon as possible.• Decide comparative review points for each subsection within Section 10.• Add or comment on technical edits.

Prepared and respectfully submitted by Natalie Kellogg, MDCH

1 MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

2
3 **CERTIFICATE OF NEED (CON) REVIEW STANDARDS**
4 **FOR NURSING HOME AND HOSPITAL LONG-TERM-CARE UNIT (HLTCU) BEDS**
5

6 (By authority conferred on the CON Commission by Section 22215 of Act No. 368 of the Public Acts of
7 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being
8 sections 333.22215, 24.207, and 24.208 of the Michigan Compiled Laws.)
9

10 **Section 1. Applicability**

11
12 Sec. 1. (1) These standards are requirements for approval ~~and delivery of nursing homes and~~
13 ~~HLTCU services~~ under Part 222 of the Code THAT INVOLVE A) BEGINNING OPERATION OF A NEW
14 NURSING HOME/HLTCU, (B) REPLACING BEDS IN A NURSING HOME/HLTCU OR PHYSICALLY
15 RELOCATING NURSING HOME/HLTCU BEDS FROM ONE LICENSED SITE TO ANOTHER
16 GEOGRAPHIC LOCATION, (C) INCREASING LICENSED BEDS IN A NURSING HOME/HLTCU –A
17 ~~nursing home~~ licensed under Part 217 and a HLTCU defined in Section 20106(6), OR (D) ACQUIRING A
18 NURSING HOME/HLTCU. PURSUANT TO THE CODE, A NURSING HOME/HLTCU are IS A covered
19 health ~~facilities facility for purposes of Part 222 of the Code~~. The Department shall use these standards in
20 applying Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan Compiled Laws and
21 Section 22225(2)(c) of the Code, being Section 333.22225(2)(c) of the Michigan Compiled Laws.
22

23 (2) AN INCREASE IN LICENSED NURSING HOME/HLTCU BEDS IS A CHANGE IN BED
24 CAPACITY FOR PURPOSES OF PART 222 OF THE CODE.
25

26 (3) THE PHYSICAL RELOCATION OF NURSING HOME/HLTCU BEDS FROM A LICENSED SITE
27 TO ANOTHER GEOGRAPHIC LOCATION IS A CHANGE IN BED CAPACITY FOR PURPOSES OF
28 PART 222 OF THE CODE.
29

30 **Section 2. Definitions**

31
32 Sec. 2. (1) As used in these standards:

33 (a) "Acquisition of an existing nursing home/HLTCU" means the issuance of a new nursing
34 home/HLTCU license as the result of the acquisition (including purchase, lease, donation, or other
35 comparable arrangement) of an existing licensed and operating nursing home/HLTCU and which does not
36 involve a change in bed capacity of that health facility.

37 (b) "ADC adjustment factor" means the factor by which the average daily census (ADC), derived
38 during the bed need methodology calculation set forth in Section 3(2)(d) for each planning area, is divided.
39 For planning areas with an ADC of less than 100, the ADC adjustment factor is 0.90 and for planning
40 areas with an ADC of 100 or more, the ADC adjustment factor is 0.95.

41 (c) "Applicant's cash" means the total unrestricted cash, designated funds, and restricted funds
42 reported by the applicant as the source of funds in the application. IF THE PROJECT INCLUDES SPACE
43 LEASE COSTS, THE APPLICANT'S CASH INCLUDES THE CONTRIBUTION DESIGNATED FOR THE
44 PROJECT FROM THE LANDLORD.

45 (d) "Base year" means 1987 or the most recent year for which verifiable data collected as part of
46 the Michigan Department of Community Health Annual Survey of Long-Term-Care Facilities or other
47 comparable MDCH survey instrument are available.

48 (e) "Certificate of Need Commission" or "Commission" means the commission created pursuant to
49 Section 22211 of the Code, being Section 333.22211 of the Michigan Compiled Laws.

50 (f) "Code" means Act No. 368 of the Public Acts of 1978, as amended, being Section 333.1101 et
51 seq. of the Michigan Compiled Laws.

52 (g) "Common ownership or control" means a nursing home, regardless of the state in which it is
53 located, that is owned by, is under common control of, or has a common parent as the applicant nursing
54 home pursuant to the definition of common ownership or control utilized by the Department's Bureau of
55 Health Systems.

56 (h) "Comparative group" means the applications which have been grouped for the same type of
57 project in the same planning area or statewide special pool group and which are being reviewed
58 comparatively in accordance with the CON rules.

59 (i) "Converted space" means existing space in a health facility that is not currently licensed as part
60 of the nursing home/HLTCU and is proposed to be licensed as nursing home or HLTCU space. An
61 example is proposing to license home for the aged space as nursing home space.

62 (j) "Department" means the Michigan Department of Community Health (MDCH).

63 (k) "Department inventory of beds" means the current list, for each planning area maintained on a
64 continuing basis by the Department: (i) licensed nursing home beds and (ii) nursing home beds approved
65 by a valid CON issued under Part 222 of the Code which are not yet licensed. It does not include (a)
66 nursing home beds approved from the statewide pool and (b) short-term nursing care program beds
67 approved pursuant to Section 22210 of the Code, being Section 333.22210 of the Michigan Compiled
68 Laws.

69 (l) "Existing nursing home beds" means, for a specific planning area, the total of all nursing home
70 beds located within the planning area including: (i) licensed nursing home beds, (ii) nursing home beds
71 approved by a valid CON issued under Part 222 of the Code which are not yet licensed, (iii) proposed
72 nursing home beds under appeal from a final Department decision made under Part 222 or pending a
73 hearing from a proposed decision issued under Part 222 of the Code, and (iv) proposed nursing home
74 beds that are part of a completed application under Part 222 of the Code which is pending final
75 Department decision. (a) Nursing home beds approved from the statewide pool are excluded; and (b)
76 short-term nursing care program beds approved pursuant to Section 22210 of the Code, being Section
77 333.22210 of the Michigan Compiled Laws, are excluded.

78 (m) "Health service area" or "HSA" means the geographic area established for a health systems
79 agency pursuant to former Section 1511 of the Public Health Service Act and set forth in Section 14.

80 (n) "Hospital long-term-care unit" or "HLTCU" means a nursing care facility, owned and operated by
81 and as part of a hospital, that provides organized nursing care and medical treatment to seven (7) or more
82 unrelated individuals suffering or recovering from illness, injury, or infirmity.

83 (o) "Licensed only facility" means a licensed nursing home that is not certified for Medicare or
84 Medicaid.

85 (p) "Licensed site" means the location of the health facility authorized by license and listed on that
86 licensee's certificate of licensure.

87 (q) "Medicaid" means title XIX of the social security act, chapter 531, 49 Stat. 620, 1396r-6 TO
88 1396G and 1396r-8 to 1396v1396U.

89 ~~(r) "Metropolitan statistical area county" means a county located in a metropolitan statistical area
90 as that term is defined under the "standards for defining metropolitan and micropolitan statistical areas" by
91 the statistical policy office of the office of information and regulatory affairs of the United States office of
92 management and budget, 65 F.R. p. 82238 (December 27, 2000) and as shown in Appendix C.~~

93 ~~(s) "Micropolitan statistical area county" means a county located in a micropolitan statistical area as
94 that term is defined under the "standards for defining metropolitan and micropolitan statistical areas" by
95 the statistical policy office of the office of information and regulatory affairs of the United States office of
96 management and budget, 65 F.R. p. 82238 (December 27, 2000) and as shown in Appendix C.~~

97 (t) "New design model" means a nursing home/HLTCU built in accordance with specified design
98 requirements as identified in the applicable sections.

99 (u) "Nursing home" means a nursing care facility, including a county medical care facility, but
100 excluding a hospital or a facility created by Act No. 152 of the Public Acts of 1885, as amended, being
101 sections 36.1 to 36.12 of the Michigan Compiled Laws, that provides organized nursing care and medical
102 treatment to seven (7) or more unrelated individuals suffering or recovering from illness, injury, or infirmity.
103 This term applies to the licensee only and not the real property owner if different than the licensee.

104 (vt) "Nursing home bed" means a bed in a health facility licensed under Part 217 of the Code or a
105 licensed bed in a hospital long-term-care unit. The term does not include short-term nursing care program
106 beds approved pursuant to Section 22210 of the Code being Section 333.22210 of the Michigan Compiled
107 Laws or beds in health facilities listed in Section 22205(2) of the Code, being Section 333.22205(2) of the
108 Michigan Compiled Laws.

109 (wu) "Occupancy rate" means the percentage which expresses the ratio of the actual number of
110 patient days of care provided divided by the total number of patient days. Total patient days is calculated
111 by summing the number of licensed and/or CON approved but not yet licensed beds and multiplying these
112 beds by the number of days that they were licensed and/or CON approved but not yet licensed. This shall
113 include nursing home beds approved from the statewide pool. Occupancy rates shall be calculated using
114 verifiable data from either (i) the actual number of patient days of care for 12 continuous months of data
115 from the MDCH Annual Survey of Long-Term-Care Facilities or other comparable MDCH survey
116 instrument or (ii) the actual number of patient days of care for 4 continuous quarters of data as reported to
117 the Department for purposes of compiling the "Staffing/Bed Utilization Ratios Report," whichever is the
118 most recent available data.

119 (xv) "Planning area" means the geographic boundaries of each county in Michigan with the
120 exception of: (i) Houghton and Keweenaw counties, which are combined to form one planning area and
121 (ii) Wayne County which is divided into three planning areas. Section 12 identifies the three planning
122 areas in Wayne County and the specific geographic area included in each.

123 (yw) "Planning year" means 1990 or the year in the future, at least three (3) years but no more than
124 seven (7) years, ~~established by the CON Commission~~ for which nursing home bed needs are developed.
125 The planning year shall be a year for which official population projections, from the Department of
126 Management and Budget or U.S. Census, data are available.

127 (zx) "Qualifying project" means each application in a comparative group which has been reviewed
128 individually and has been determined by the Department to have satisfied all of the requirements of
129 Section 22225 of the Code, being Section 333.22225 of the Michigan Compiled Laws and all other
130 applicable requirements for approval in the Code and these standards.

131 (aay) "Relocation of existing nursing home/HLTCU beds" means a change in the location of existing
132 nursing home/HLTCU beds from the licensed site to a different licensed site within the planning area.

133 (bbz) "Renewal of lease" means execution of a lease between the licensee and a real property owner
134 in which the total lease costs exceed the capital expenditure threshold.

135 (eaa) "Replacement bed" means a change in the location of the licensed nursing home/HLTCU, the
136 replacement of a portion of the licensed beds at the same licensed site, or the replacement of a portion of
137 the licensed beds pursuant to the new model design. The nursing home/HLTCU beds will be in new
138 physical plant space being developed in new construction or in newly acquired space (purchase, lease,
139 donation, etc.) within the replacement zone.

140 (ddb) "Replacement zone" means a proposed licensed site that is,

141 (i) for a rural or micropolitan statistical area county, within the same planning area as the existing
142 licensed site.

143 (ii) for a county that is not a rural or micropolitan statistical area county,

144 (A) within the same planning area as the existing licensed site and

145 (B) within a three-mile radius of the existing licensed site.

146 ~~(ee) "Rural county" means a county not located in a metropolitan statistical area or micropolitan
147 statistical areas as those terms are defined under the "standards for defining metropolitan and
148 micropolitan statistical areas" by the statistical policy office of the office of information regulatory affairs of
149 the United States office of management and budget, 65 F.R. p. 82238 (December 27, 2000) and as
150 shown in Appendix C.~~

151 (fcc) "Staffing/Bed Utilization Ratios Report" means the report issued by the Department on a
152 quarterly basis.

153 (gdd) "Use rate" means the number of nursing home and hospital long-term-care unit days of care per
154 1,000 population during a one-year period.

155

156 (2) The definitions in Part 222 of the Code shall apply to these standards.
157

158 **Section 3. Determination of needed nursing home bed supply** 159

160 Sec. 3 (1)(a) The age specific use rates for the planning year shall be the actual statewide age
161 specific nursing home use rates using data from the base year.

162 (b) The age cohorts for each planning area shall be: (i) age 0 - 64 years, (ii) age 65 - 74 years, (iii)
163 age 75 - 84 years, and (iv) age 85 and older.

164 (c) Until the base year is changed by the Commission in accord with Section 4(3) and Section 5,
165 the use rates for the base year for each corresponding age cohort, established in accord with subsection
166 (1)(b), are set forth in Appendix AB.
167

168 (2) The number of nursing home beds needed in a planning area shall be determined by the
169 following formula:

170 (a) Determine the population for the planning year for each separate planning area in the age
171 cohorts established in subsection (1)(b).

172 (b) Multiply each population age cohort by the corresponding use rate established in Appendix AB.
173

174 (c) Sum the patient days resulting from the calculations performed in subsection (b). The resultant
174 figure is the total patient days.

175 (d) Divide the total patient days obtained in subsection (c) by 365 (or 366 for leap years) to obtain
176 the projected average daily census (ADC).

177 (e) The following shall be known as the ADC adjustment factor. (i) If the ADC determined in
178 subsection (d) is less than 100, divide the ADC by 0.90. (ii) If the ADC determined in subsection (d) is 100
179 or greater, divide the ADC by 0.95.

180 (f) The number determined in subsection (e) represents the number of nursing home beds needed
181 in a planning area for the planning year.
182

183 **Section 4. Bed need** 184

185 Sec. 4. (1) The bed need numbers ~~shown in Appendix B and incorporated as part of these~~
186 ~~standards~~ shall apply to project applications subject to review under these standards, except where a
187 specific CON standard states otherwise.
188

189 (2) The Department shall apply the bed need methodology in Section 3 on a biennial basis.
190

191 (3) The base year and the planning year that shall be utilized in applying the methodology pursuant
192 to subsection (2) shall be set according to the most recent data available to the Department.
193

194 (4) The effective date of the bed need numbers shall be established by the Commission.
195

196 (5) New bed need numbers established by subsections (2) and (3) shall supersede ~~the PREVIOUS~~
197 ~~bed need numbers shown in Appendix B and shall be included as an amended appendix to these~~
198 ~~standards~~ POSTED ON THE STATE OF MICHIGAN CON WEB SITE AS PART OF THE NURSING
199 HOME/HLTCU BED INVENTORY.
200

201 (6) Modifications made by the Commission pursuant to this section shall not require standard
202 advisory committee action, a public hearing, or submittal of the standard to the Legislature and the
203 Governor in order to become effective.
204

205 **Section 5. Modification of the age specific use rates by changing the base year** 206

207 Sec. 5. (1) The base year shall be modified based on data obtained from the Department and
208 presented to the Commission. The Department shall calculate use rates for each of the age cohorts set
209 forth in Section 3(1)(b) and biennially present the revised use rates based on 2006 information, or the
210 most recent base year information available biennially after 2006, to the CON Commission.

211
212 (2) The Commission shall establish the effective date of the modifications made pursuant to
213 subsection (1).

214
215 (3) Modifications made by the Commission pursuant to subsection (1) shall not require standard
216 advisory committee action, a public hearing, or submittal of the standard to the Legislature and the
217 Governor in order to become effective.

218
219 **Section 6. Requirements for approval to increase beds in a planning area**
220

221 Sec. 6. An applicant proposing to increase the number of nursing home beds in a planning area
222 must meet the following as applicable:
223

224 (1) An applicant proposing to increase the number of nursing home beds in a planning area by
225 beginning operation of a new nursing home/HLTCU or increasing the number of beds to an existing
226 licensed nursing home/HLTCU shall demonstrate the following:

227 (a) At the time of application, the applicant, as identified in the table, shall provide a report
228 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its
229 nursing homes/HLTCUs:
230

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

231
232 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or
233 receivership within the last three years, or from the change of ownership date if the facility has come
234 under common ownership or control within 24 months of the date of the application.

235 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the
236 facility has come under common ownership or control within 24 months of the date of the application.

237 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement
238 initiated by the Department or licensing and certification agency in another state, within the last three
239 years, or from the change of ownership date if the facility has come under common ownership or control
240 within 24 months of the date of the application.

241 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and
242 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated
243 from the quarter in which the standard survey was completed, in the state in which the nursing
244 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all
245 licensed only facilities on the last two licensing surveys. However, if the facility has come under common
246 ownership or control within 24 months of the date of the application, the first two licensing surveys as of
247 the change of ownership date, shall be excluded.

248 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid
249 services.

250 (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment
251 | Program (QAAP), PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) or Civil
252 Monetary Penalties (CMP).

253 (b) The applicant certifies that the requirements found in the Minimum Design Standards for Health
254 Care Facilities of Michigan, referenced in Section 20145 (6) of the Public Health Code, Act 368 of 1978,
255 as amended and are published by the Department, will be met when the architectural blueprints are
256 submitted for review and approval by the Department.

257 (c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
258 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
259 include any unresolved deficiencies still outstanding with the Department.

260 (d) The proposed increase, if approved, will not result in the total number of existing nursing home
261 | beds in that planning area exceeding the needed nursing home bed supply ~~set forth in Appendix B~~, unless
262 one of the following is met:

263 (i) An applicant may request and be approved for up to a maximum of 20 beds if, when the total
264 | number of "existing nursing home beds" is subtracted from the bed need for the planning area ~~set forth in~~
265 | ~~Appendix B~~, the difference is equal to or more than 1 and equal to or less than 20. This subsection is not
266 applicable to projects seeking approval for beds from the statewide pool of beds.

267 (ii) An exception to the number of beds may be approved, if the applicant facility has experienced
268 an average occupancy rate of 97% for 12 quarters based on the Department's "Staffing/Bed Utilization
269 Ratios Report." The number of beds that may be approved in excess of the bed need for each planning
270 | area ~~identified in Appendix B~~ is set forth in subsection (A).

271 (A) The number of beds that may be approved pursuant to this subsection shall be the number of
272 beds necessary to reduce the occupancy rate for the planning area in which the additional beds are
273 | proposed to the ADC adjustment factor for that planning area as shown in Appendix ~~BC~~. The number of
274 beds shall be calculated by (1) dividing the actual number of patient days of care provided during the most
275 recent 12-month period for which verifiable data are available to the Department provided by all nursing
276 home (including HLTCU) beds in the planning area, including patient days of care provided in beds
277 approved from the statewide pool of beds and dividing that result by 365 (or 366 for leap years); (2)
278 dividing the result of step (1) by the ADC adjustment factor for the planning area in which the beds are
279 proposed to be added; (3) rounding the result of step (2) up to the next whole number; and (4) subtracting
280 the total number of beds in the planning area including beds approved from the statewide pool of beds
281 from the result of step (3). If the number of beds necessary to reduce the planning area occupancy rate to
282 the ADC adjustment factor for that planning area is equal to or more than 20, the number of beds that may
283 be approved pursuant to this subsection shall be up to that number of beds. If the number of beds
284 necessary to reduce the planning area occupancy rate to the ADC adjustment factor for that planning area
285 is less than 20, the number of additional beds that may be approved shall be that number of beds or up to
286 a maximum of 20 beds.

287 (iii) An applicant may request and be approved for up to a maximum of 20 beds if the following
288 requirements are met:

289 (A) The planning area in which the beds will be located shall have a population density of less than
290 | 28 individuals per square mile based on the 2000-2010 U.S. Census figures as set forth in Appendix ~~DE~~.

291 (B) The applicant facility has experienced an average occupancy rate of 92% for the most recent 24
292 months based on the Department's "Staffing/Bed Utilization Ratios Report."

293
294 (2) An applicant proposing to increase the number of nursing home beds in a planning area by
295 beginning operation of a new nursing home/HLTCU or increasing the number of beds to an existing
296 licensed nursing home/HLTCU pursuant to the new design model shall demonstrate the following:

297 (a) At the time of application, the applicant, as identified in the table, shall provide a report
298 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its
299 nursing homes/HLTCUs:

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Type of Applicant	Reporting Requirement
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Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

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- (i) A state enforcement action resulting in a license revocation, reduced license capacity, or receivership within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.
 - (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.
 - (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement initiated by the Department or licensing and certification agency in another state, within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.
 - (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated from the quarter in which the standard survey was completed, in the state in which the nursing home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all licensed only facilities on the last two licensing surveys. However, if the facility has come under common ownership or control within 24 months of the date of the application, the first two licensing surveys as of the change of ownership date, shall be excluded.
 - (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid Services.
 - (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment Program (QAAP), **PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR)** or Civil Monetary Penalties (CMP).
- (b) The proposed project results in no more than 100 beds per new design model and meets the following design standards:
- (i) For inpatient facilities that are not limited to group resident housing of 10 beds or less, the construction standards shall be those applicable to nursing homes in the document entitled Minimum Design Standards for Health Care Facilities in Michigan and incorporated by reference in Section 20145(6) of the Public Health Code, being Section 333.20145(6) of the Michigan Compiled Laws or any future versions.
 - (ii) For small resident housing units of 10 beds or less that are supported by a central support inpatient facility, the construction standards shall be those applicable to hospice residences providing an inpatient level of care, except that:
 - (A) at least 100% of all resident sleeping rooms shall meet barrier free requirements;
 - (B) electronic nurse call systems shall be required in all facilities;
 - (C) handrails shall be required on both sides of patient corridors; and
 - (D) ceiling heights shall be a minimum of 7 feet 10 inches.
 - (iii) The proposed project shall comply with applicable life safety code requirements and shall be fully sprinkled and air conditioned.
 - (iv) The Department may waive construction requirements for new design model projects if authorized by law.
 - (c) The proposed project shall include at least 80% single occupancy resident rooms with an adjoining bathroom serving no more than two residents in both the central support inpatient facility and any supported small resident housing units.

344 (d) The proposed increase, if approved, will not result in the total number of existing nursing home
345 beds in that planning area exceeding the needed nursing home bed supply ~~set forth in Appendix B~~, unless
346 the following is met:

347 (i) An approved project involves replacement of a portion of the beds of an existing facility at a
348 geographic location within the replacement zone that is not physically connected to the current licensed
349 site. If a portion of the beds are replaced at a location that is not the current licensed site, a separate
350 license shall be issued to the facility at the new location.

351 (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
352 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
353 include any unresolved deficiencies still outstanding with the Department.

354
355 **Section 7. Requirements for approval to relocate existing nursing home/HLTCU beds**

356
357 ~~Sec. 7. (1) An applicant proposing to relocate existing nursing home/HLTCU beds shall not be required~~
358 ~~to be in compliance with the needed nursing home bed supply set forth in Appendix B, if the applicant~~
359 ~~demonstrates all of the following:~~

360 ~~— (a) An existing nursing home may relocate no more than 50% of its beds to another existing~~
361 ~~nursing home, and an existing HLTCU may relocate all or a portion of its beds to another existing nursing~~
362 ~~home/HLTCU.~~

363 ~~— (b) The nursing home/HLTCU from which the beds are being relocated and the nursing~~
364 ~~home/HLTCU receiving the beds shall not require any ownership relationship.~~

365 ~~— (c) The nursing home/HLTCU from which the beds are being relocated and the nursing~~
366 ~~home/HLTCU receiving the beds must be located in the same planning area.~~

367 ~~— (d) The nursing home/HLTCU from which the beds are being relocated has not relocated any beds~~
368 ~~within the last seven (7) years.~~

369 ~~— (e) The relocated beds shall be licensed to the receiving nursing home/HLTCU and will be counted~~
370 ~~in the inventory for the applicable planning area.~~

371 ~~— (f) At the time of transfer to the receiving facility, patients in beds to be relocated must be given the~~
372 ~~choice of remaining in another bed in the nursing home/HLTCU from which the beds are being transferred~~
373 ~~or to the receiving nursing home/HLTCU. Patients shall not be involuntary discharged to create a vacant~~
374 ~~bed.~~

375
376 ~~— (2) An applicant proposing to add new nursing home/HLTCU beds, as the receiving existing nursing~~
377 ~~home/HLTCU under subsection (1), shall not be required to be in compliance with the needed nursing~~
378 ~~home bed supply set forth in Appendix B, if the applicant demonstrates all of the following:~~

379 ~~— (a) At the time of application, the applicant, as identified in the table, shall provide a report~~
380 ~~demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its~~
381 ~~nursing homes/HLTCUs:~~

382

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

383
384 ~~— (i) A state enforcement action resulting in a license revocation, reduced license capacity, or~~
385 ~~receivership within the last three years, or from the change of ownership date if the facility has come~~
386 ~~under common ownership or control within 24 months of the date of the application.~~

- ~~387 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the~~
- ~~388 facility has come under common ownership or control within 24 months of the date of the application.~~
- ~~389 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement~~
- ~~390 initiated by the Department or licensing and certification agency in another state, within the last three~~
- ~~391 years, or from the change of ownership date if the facility has come under common ownership or control~~
- ~~392 within 24 months of the date of the application.~~
- ~~393 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and~~
- ~~394 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated~~
- ~~395 from the quarter in which the standard survey was completed, in the state in which the nursing~~
- ~~396 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all~~
- ~~397 licensed only facilities on the last two licensing surveys. However, if the facility has come under common~~
- ~~398 ownership or control within 24 months of the date of the application, the first two licensing surveys as of~~
- ~~399 the change of ownership date, shall be excluded.~~
- ~~400 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid~~
- ~~401 Services.~~
- ~~402 (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment~~
- ~~403 Program (QAAP) or Civil Monetary Penalties (CMP).~~
- ~~404 (b) The approval of the proposed new nursing home/HLTCU beds shall not result in an increase in~~
- ~~405 the number of nursing home beds in the planning area.~~
- ~~406 (c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has~~
- ~~407 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies~~
- ~~408 include any unresolved deficiencies still outstanding with the Department.~~

Section 87. Requirements for approval to replace beds

Sec. 87. An applicant proposing to replace beds must meet the following as applicable.

(1) An applicant proposing to replace beds within the replacement zone shall not be required to be in compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ if the applicant demonstrates all of the following:

(a) At the time of application, the applicant, as identified in the table, shall provide a report demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its nursing homes/HLTCUs:

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUS and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

(i) A state enforcement action resulting in a license revocation, reduced license capacity, or receivership within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

(ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

(iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement initiated by the Department or licensing and certification agency in another state, within the last three

429 years, or from the change of ownership date if the facility has come under common ownership or control
430 within 24 months of the date of the application.

431 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and
432 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated
433 from the quarter in which the standard survey was completed, in the state in which the nursing
434 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all
435 licensed only facilities on the last two licensing surveys. However, if the facility has come under common
436 ownership or control within 24 months of the date of the application, the first two licensing surveys as of
437 the change of ownership date, shall be excluded.

438 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid
439 Services.

440 (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment
441 Program (QAAP), PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) or Civil
442 Monetary Penalties (CMP).

443 (b) The proposed project is either to replace the licensed nursing home/HLTCU to a new site or
444 replace a portion of the licensed beds at the existing licensed site.

445 (c) The proposed site is within the replacement zone.

446 (d) The applicant certifies that the requirements found in the Minimum Design Standards for Health
447 Care Facilities of Michigan, referenced in Section 20145 (6) of the Public Health Code, Act 368 of 1978,
448 as amended and are published by the Department, will be met when the architectural blueprints are
449 submitted for review and approval by the Department.

450 (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
451 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
452 include any unresolved deficiencies still outstanding with the Department.

453
454 (2) An applicant proposing to replace a licensed nursing home/HLTCU outside the replacement
455 zone shall demonstrate all of the following:

456 (a) At the time of application, the applicant, as identified in the table, shall provide a report
457 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its
458 nursing homes/HLTCUs:

459

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

460
461 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or
462 receivership within the last three years, or from the change of ownership date if the facility has come
463 under common ownership or control within 24 months of the date of the application.

464 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the
465 facility has come under common ownership or control within 24 months of the date of the application.

466 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement
467 initiated by the Department or licensing and certification agency in another state, within the last three
468 years, or from the change of ownership date if the facility has come under common ownership or control
469 within 24 months of the date of the application.

470 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and
471 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated

472 from the quarter in which the standard survey was completed, in the state in which the nursing
473 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all
474 licensed only facilities on the last two licensing surveys. However, if the facility has come under common
475 ownership or control within 24 months of the date of the application, the first two licensing surveys as of
476 the change of ownership date, shall be excluded.

477 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid
478 Services.

479 (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment
480 Program (QAAP), PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) or Civil
481 Monetary Penalties (CMP).

482 (b) The total number of existing nursing home beds in that planning area is equal to or less than the
483 needed nursing home bed supply ~~set forth in Appendix B.~~

484 (c) The number of beds to be replaced is equal to or less than the number of currently licensed
485 beds at the nursing home/HLTCU at which the beds proposed for replacement are currently located.

486 (d) The applicant certifies that the requirements found in the Minimum Design Standards for Health
487 Care Facilities of Michigan, referenced in Section 20145 (6) of the Public Health Code, Act 368 of 1978,
488 as amended and are published by the Department, will be met when the architectural blueprints are
489 submitted for review and approval by the Department.

490 (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
491 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
492 include any unresolved deficiencies still outstanding with the Department.

493
494 (3) An applicant proposing to replace beds with a new design model shall not be required to be in
495 compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ if the applicant
496 demonstrates all of the following:

497 (a) The proposed project results in no more than 100 beds per new design model and meets the
498 following design standards:

499 (i) For inpatient facilities that are not limited to group resident housing of 10 beds or less, the
500 construction standards shall be those applicable to nursing homes in the document entitled Minimum
501 Design Standards for Health Care Facilities in Michigan and incorporated by reference in Section 20145(6)
502 of the Public Health Code, being Section 333.20145(6) of the Michigan Compiled Laws or any future
503 versions.

504 (ii) For small resident housing units of 10 beds or less that are supported by a central support
505 inpatient facility, the construction standards shall be those applicable to hospice residences providing an
506 inpatient level of care, except that:

507 (a) at least 100% of all resident sleeping rooms shall meet barrier free requirements;

508 (b) electronic nurse call systems shall be required in all facilities;

509 (c) handrails shall be required on both sides of patient corridors; and

510 (d) ceiling heights shall be a minimum of 7 feet 10 inches.

511 (iii) The proposed project shall comply with applicable life safety code requirements and shall be
512 fully sprinkled and air conditioned.

513 (iv) The Department may waive construction requirements for new design model projects if
514 authorized by law.

515 (b) The proposed project shall include at least 80% single occupancy resident rooms with an
516 adjoining bathroom serving no more than two residents in both the central support inpatient facility and
517 any supported small resident housing units. If the proposed project is for replacement/renovation of an
518 existing facility and utilizes only a portion of its currently licensed beds, the remaining rooms at the existing
519 facility shall not exceed double occupancy.

520 (c) The proposed project shall be within the replacement zone unless the applicant demonstrates
521 all of the following:

522 (i) The proposed site for the replacement beds is in the same planning area, and not within a three
523 mile radius of a licensed nursing home that has been newly constructed, or replaced (including approved
524 projects) within five calendar years prior to the date of the application,

- 525 | (ii) The applicant shall provide a signed affidavit or resolution from its governing body or authorized
- 526 | agent stating that the proposed licensed site will continue to provide service to the same market, and
- 527 | (iii) The current patients of the facility/beds being replaced shall be admitted to the replacement
- 528 | beds when the replacement beds are licensed, to the extent that those patients desire to transfer to the
- 529 | replacement facility/beds.
- 530 | (d) An approved project may involve replacement of a portion of the beds of an existing facility at a
- 531 | geographic location within the replacement zone that is not physically connected to the current licensed
- 532 | site. If a portion of the beds are replaced at a location that is not the current licensed site, a separate
- 533 | license shall be issued to the facility at the new location.
- 534 | (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
- 535 | been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
- 536 | include any unresolved deficiencies still outstanding with the Department.

Section 8. Requirements for approval to relocate existing nursing home/HLTCU beds

Sec. 8. (1) An applicant proposing to relocate existing nursing home/HLTCU beds shall not be required to be in compliance with the needed nursing home bed supply if ~~the applicant demonstrates all of the following~~ REQUIREMENTS ARE MET:

- 543 | ~~(a) An existing nursing home may relocate no more than 50% of its beds to another existing~~
- 544 | ~~nursing home, and an existing HLTCU may relocate all or a portion of its beds to another existing nursing~~
- 545 | ~~home/HLTCU.~~
- 546 | (ba) THERE SHALL NOT BE ANY OWNERSHIP RELATIONSHIP REQUIREMENTS BETWEEN
- 547 | the nursing home/HLTCU from which the beds are being relocated and the nursing home/HLTCU
- 548 | receiving the beds shall not require any ownership relationship.
- 549 | (eb) THE RELOCATED BEDS SHALL BE PLACED~~The nursing home/HLTCU from which the beds~~
- 550 | are being relocated and the nursing home/HLTCU receiving the beds must be located in the same
- 551 | planning area.
- 552 | (ec) The nursing home/HLTCU from which the beds are being relocated has not relocated any beds
- 553 | within the last seven (7) years.
- 554 | (ed) The relocated beds shall be licensed to the receiving nursing home/HLTCU and will be counted
- 555 | in the inventory for the applicable planning area.
- 556 | (fe) At the time of transfer to the receiving facility, patients in beds to be relocated must be given the
- 557 | choice of remaining in another bed in the nursing home/HLTCU from which the beds are being transferred
- 558 | or to the receiving nursing home/HLTCU. Patients shall not be involuntary discharged to create a vacant
- 559 | bed.
- 560 | (f) RELOCATION OF BEDS DOES NOT INCREASE THE ROOMS WITH THREE (3) OR MORE
- 561 | BED WARDS IN THE RECEIVING FACILITY.

(2) An applicant proposing to add new nursing home/HLTCU beds, as the receiving existing nursing home/HLTCU under subsection (1), shall not be required to be in compliance with the needed nursing home bed supply; if ~~the applicant demonstrates all of the following~~ REQUIREMENTS ARE MET:

- 566 | (a) At the time of application, the applicant, as identified in the table, shall provide a report
- 567 | demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its
- 568 | nursing homes/HLTCUs:

Type of Applicant	Reporting Requirement
<u>Applicant with only Michigan nursing homes/HLTCUs</u>	<u>All Michigan nursing homes/HLTCUs under common ownership or control</u>
<u>Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs</u>	<u>All Michigan nursing homes/HLTCUs under common ownership or control</u>
<u>Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing</u>	<u>All Michigan and out of state nursing homes/HLTCUs under common ownership or</u>

homes/HLTCUs	control
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- 570
- 571 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or
572 receivership within the last three years, or from the change of ownership date if the facility has come
573 under common ownership or control within 24 months of the date of the application.
- 574 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the
575 facility has come under common ownership or control within 24 months of the date of the application.
- 576 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement
577 initiated by the Department or licensing and certification agency in another state, within the last three
578 years, or from the change of ownership date if the facility has come under common ownership or control
579 within 24 months of the date of the application.
- 580 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and
581 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated
582 from the quarter in which the standard survey was completed, in the state in which the nursing
583 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all
584 licensed only facilities on the last two licensing surveys. However, if the facility has come under common
585 ownership or control within 24 months of the date of the application, the first two licensing surveys as of
586 the change of ownership date, shall be excluded.
- 587 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid
588 Services.
- 589 (vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment
590 Program (QAAP), PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) or Civil
591 Monetary Penalties (CMP).
- 592 (b) The approval of the proposed new nursing home/HLTCU beds shall not result in an increase in
593 the number of nursing home beds in the planning area.
- 594 (c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has
595 been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies
596 include any unresolved deficiencies still outstanding with the Department.

597

598

599 **Section 9. Requirements for approval to acquire an existing nursing home/HLTCU or renew the**
600 **lease of an existing nursing home/HLTCU**

601

602 Sec. 9. An applicant proposing to acquire an existing nursing home/HLTCU or renew the lease of an
603 existing nursing home/HLTCU must meet the following as applicable:

- 604
- 605 (1) An applicant proposing to acquire an existing nursing home/HLTCU shall not be required to be
606 in compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ for the planning area in
607 which the nursing home or HLTCU is located if the applicant demonstrates all of the following:
- 608 (a) At the time of application, the applicant, as identified in the table, shall provide a report
609 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its
610 nursing homes/HLTCUs:

611

612

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

613

614

(i) A state enforcement action resulting in a license revocation, reduced license capacity, or receivership within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

616

617

(ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

618

619

(iii) termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement initiated by the Department or licensing and certification agency in another state, within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

622

623

(iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated from the quarter in which the standard survey was completed, in the state in which the nursing home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all licensed only facilities on the last two licensing surveys. However, if the facility has come under common ownership or control within 24 months of the date of the application, the first two licensing surveys as of the change of ownership date, shall be excluded.

628

629

630

(v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid Services.

631

632

(vi) Outstanding debt obligation to the state of Michigan for quality assurance assessment program (QAAP), PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR) OR civil monetary penalties (CMP).

633

634

635

(b) The acquisition will not result in a change in bed capacity.

636

(c) The licensed site does not change as a result of the acquisition.

637

(d) The project is limited solely to the acquisition of a nursing home/HLTCU with a valid license.

638

(e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies include any unresolved deficiencies still outstanding with the Department, and

639

640

(f) The applicant shall participate in a quality improvement program, approved by the Department, for five years and provide an annual report to the Michigan State Long-Term-Care Ombudsman, Bureau of Health Systems, and shall post the annual report in the facility if the facility being acquired has met any of conditions in subsections (a)(i), (ii), (iii), (iv), (v), or (vi).

641

642

643

644

(2) An applicant proposing to acquire an existing nursing home/HLTCU approved pursuant to the new design model shall demonstrate the following:

645

646

(a) At the time of application, the applicant, as identified in the table, shall provide a report demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its nursing homes/HLTCUs:

647

648

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650

651

Type of Applicant	Reporting Requirement
Applicant with only Michigan nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with 10 or more Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan nursing homes/HLTCUs under common ownership or control
Applicant with fewer than 10 Michigan nursing homes/HLTCUs and out of state nursing homes/HLTCUs	All Michigan and out of state nursing homes/HLTCUs under common ownership or control

653

654

(i) A state enforcement action resulting in a license revocation, reduced license capacity, or receivership within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

656

657

(ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

658

659

(iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement initiated by the Department or licensing and certification agency in another state, within the last three years, or from the change of ownership date if the facility has come under common ownership or control within 24 months of the date of the application.

662

663

(iv) A number of citations at level D or above, excluding life safety code citations, on the scope and severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated from the quarter in which the standard survey was completed, in the state in which the nursing home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all licensed only facilities on the last two licensing surveys. However, if the facility has come under common ownership or control within 24 months of the date of the application, the first two licensing surveys as of the change of ownership date, shall be excluded.

668

669

(v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid Services.

671

672

(vi) Outstanding debt obligation to the State of Michigan for Quality Assurance Assessment Program (QAAP), **PREADMISSION SCREENING AND ANNUAL RESIDENT REVIEW (PASARR)** or Civil Monetary Penalties (CMP).

673

674

(b) An applicant will continue to operate the existing nursing home/HLTCU pursuant to the new design model requirements.

676

677

(c) The applicant shall participate in a quality improvement program, approved by the Department, for five years and provide an annual report to the Michigan State Long-Term-Care Ombudsman, Bureau of Health Systems, and shall post the annual report in the facility if the facility being acquired has met any of conditions in subsections (a)(i), (ii), (iii), (iv), (v), or (vi).

678

679

(d) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies include any unresolved deficiencies still outstanding with the Department.

682

683

684

685

(3) An applicant proposing to renew the lease for an existing nursing home/HLTCU shall not be required to be in compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ for the planning area in which the nursing home/HLTCU is located, if the applicant demonstrates all of the following:

686

687

(a) The lease renewal will not result in a change in bed capacity.

689

(b) The licensed site does not change as a result of the lease renewal.

690

(c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has been submitted and approved by the Bureau of Health Systems within the Department. Code deficiencies include any unresolved deficiencies still outstanding with the Department.

692

693

694

695

696 **Section 10. Review standards for comparative review**

697
698 Sec. 10. (1) Any application subject to comparative review, under Section 22229 of the Code, being
699 Section 333.22229 of the Michigan Compiled Laws, or under these standards, shall be grouped and
700 reviewed comparatively with other applications in accordance with the CON rules.

701
702 (2) The degree to which each application in a comparative group meets the criterion set forth in
703 Section 22230 of the Code, being Section 333.22230 of the Michigan Compiled Laws, shall be determined
704 based on the sum of points awarded under subsections (a) and (b).

705 (a) A qualifying project will be awarded points as follows:

706 (i) For an existing nursing home/HLTCU, the current percentage of patient days of care
707 reimbursed by Medicaid for the most recent 12 months of operation.

708 (ii) For a new nursing home/HLTCU, the proposed percentage of patient days of care to be
709 reimbursed by Medicaid in the second 12 months of operation following project completion.

710

Percentage of Medicaid Patient Days (calculated using total patient days for all existing and proposed beds at the facility)	Points Awarded	
	Current	Proposed
20 – 59%	6	3
60 – 100%	10	5

711

712 (b) A qualifying project will be awarded points as follows:

713 (i) For an existing nursing home/HLTCU, nine (9) points if 100%, six (6) points if 75%, and four (4)
714 points if 50% of the licensed nursing home beds are Medicaid certified for the most recent 12 months of
715 operations. (INSERT POINTS) IF ALL LICENSED BEDS IN THE FACILITY ARE DUALY CERTIFIED
716 FOR BOTH MEDICARE AND MEDICAID SERVICES FOR THE MOST RECENT 12 MONTHS OF
717 OPERATION.

718 (ii) For a new nursing home/HLTCU, seven (7) points if 100%, four (4) points if 75%, and two (2)
719 points if 50% of the proposed beds will be Medicaid certified by the second 12 months of operation
720 following project completion (INSERT POINTS) IF ALL BEDS IN THE PROPOSED PROJECT ARE WILL
721 BE DUALY CERTIFIED FOR BOTH MEDICARE AND MEDICAID SERVICES BY THE SECOND 12
722 MONTHS OF OPERATION.

723

724 (3) A qualifying project will be awarded points based on the most recent 12 months of participation
725 level in the Medicare program for an existing nursing home/HLTCU and the proposed participation level
726 for a new nursing home/HLTCU.

727

Participation Level	Points Awarded
Medicare certification of at least one (1) bed but less than 100%	1
Medicare certification of 100% of all existing and proposed beds	3

736

737 ~~(4)~~ A qualifying project will have 15 points deducted if the applicant has any of the following at the
738 time the application is submitted:

739 ~~(a)~~ is currently a special focus nursing home/HLTCU as identified by the Centers for Medicare and
740 Medicaid Services (CMS);

741 ~~(b)~~ has been a special focus nursing home/HLTCU within the last three (3) years;

742 (eb) has had more than eight (8) substandard quality of care citations; immediate harm citations,
743 and/or immediate jeopardy citations in the three (3) most recent standard survey cycles (includes
744 intervening abbreviated surveys, standard surveys, and revisits);

745 (ec) has had an involuntary termination or voluntary termination at the threat of a medical assistance
746 provider enrollment and trading partner agreement within the last three (3) years;

747 (ed) has had a state enforcement action resulting in a reduction in license capacity or a ban on
748 admissions within the last three (3) years; or

749 (fe) has any outstanding debt obligation to the state of Michigan for quality assurance assessment
750 program (QAAP), civil monetary penalties (CMP), Medicaid level of care determination (LOCD), or
751 preadmission screening and annual resident review (PASARR).

752
753 (54) A qualifying project will be awarded ~~40-FIVE (5)~~ points if the applicant provides documentation
754 that it participates or ~~five (5) points~~ if it proposes to participate in a culture change model, which contains
755 person centered care, ongoing staff training, and measurements of outcomes. An additional ~~five-THREE~~
756 (53) points will be awarded if the culture change model, either currently used or proposed, is a model
757 approved by the Department.

758
759 (65) A qualifying project will be awarded points based on the proposed percentage of the "Applicant's
760 cash" to be applied toward funding the total proposed project cost as follows:
761

Percentage "Applicant's Cash"	Points Awarded
Over 20%	5
10 – 20%	3
5 – 9%	2

762
763 (76) A qualifying project will be awarded five (5) points if the existing or proposed nursing
764 home/HLTCU is fully equipped with sprinklers.

765
766 ~~(8)~~ A qualifying project will be awarded five (5) points if the ENTIRE existing or proposed nursing
767 home/HLTCU is fully equipped with air conditioning AS DEFINED IN THE MINIMUM DESIGN
768 STANDARDS FOR HEALTH CARE FACILITIES IN MICHIGAN AND INCORPORATED BY REFERENCE
769 IN SECTION 20145(6) OF THE PUBLIC HEALTH CODE, BEING SECTION 333.20145(6) OF THE
770 MICHIGAN COMPILED LAWS OR ANY FUTURE VERSIONS.

771
772 (97) A qualifying project will be awarded points based on the proposed project as follows:
773

Facility Design	Points Awarded
100% private rooms with adjoining-DEDICATED sink, toilet, and shower	10
100 80% private rooms with dedicated sink and shared adjoining toilet, sink and shower	5
80% private rooms with dedicated sink, shared adjoining toilet and sink, and central showers with adjoining space for drying and dressing in visual privacy	3

774
775 (108) A qualifying project will be awarded 10 points if it results in a nursing home/HLTCU with 150 or
776 fewer beds.
777

778 | ~~(41)~~ A qualifying project will be awarded five (5) points if the applicant provides its audited financial
779 | statements.

780 |
781 | (429) A qualifying project will be awarded five (5) points if the proposed beds will be housed in new
782 | construction.

783 |
784 | (4310) A qualifying project will be awarded 10 points if the existing nursing home/HLTCU eliminates all
785 | of its 3- and 4-OR MORE bed wards.

786 |
787 | (4411) A qualifying project will be awarded 5 points if the existing or proposed nursing home/HLTCU is
788 | on or readily accessible to an existing or proposed public transportation route.

789 |
790 | (4512) A qualifying project will be awarded no more than ~~four (4)~~ (INSERT POINTS) points for
791 | technological innovation as follows:
792 |

Technology Feature	Points Awarded
WIRELESS NURSE CALL/PAGING SYSTEM INCLUDING WIRELESS DEVICES CARRIED BY DIRECT CARE STAFF Electronic health record and computer point-of-service entry capability (including wireless tablets)	4
WIRELESS INTERNET WITH RESIDENT ACCESS TO RELATED EQUIPMENT/DEVICE IN ENTIRE FACILITY Wireless nurse call/paging system including wireless devices carried by direct care staff	4
AN INTEGRATED ELECTRONIC MEDICAL RECORDS SYSTEM WITH POINT-OF-SERVICE ACCESS CAPABILITY (INCLUDING WIRELESS DEVICES) FOR ALL DISCIPLINES INCLUDING PHARMACY, PHYSICIAN, NURSING, AND THERAPY SERVICES Wireless internet in total existing and proposed facility	4
FACILITY DESIGN BEYOND THE MINIMUM STANDARDS BY [INSERT PERCENTAGE]% FOR THE PROVISION OF THERAPY SERVICES Computer stations or internet cafes for resident use	4
FULL FACILITY NATURAL GAS BACKUP GENERATOR IF NATURAL GAS AVAILABLE, OR OTHER FULL FACILITY GENERATOR	

793 |
794 | (4613) Submission of conflicting information in this section may result in a lower point award. If an
795 | application contains conflicting information which could result in a different point value being awarded in
796 | this section, the Department will award points based on the lower point value that could be awarded from
797 | the conflicting information. For example, if submitted information would result in 6 points being awarded,
798 | but other conflicting information would result in 12 points being awarded, then 6 points will be awarded. If
799 | the conflicting information does not affect the point value, the Department will award points accordingly.
800 | For example, if submitted information would result in 12 points being awarded and other conflicting
801 | information would also result in 12 points being awarded, then 12 points will be awarded.
802 |

803 | (4714) The Department shall approve those qualifying projects which, when taken together, do not
804 | exceed the need as defined in Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan
805 | Compiled Laws, and which have the highest number of points when the results of subsections (2) through
806 | (4512) are totaled. If two or more qualifying projects are determined to have an identical number of points,
807 | then the Department shall approve those qualifying projects which, when taken together, do not exceed

808 the need, as defined in Section 22225(1), in the order in which the applications were received by the
809 Department, based on the date and time stamp on the application when the application is filed.

810

811 **Section 11. Project delivery requirements --AND terms of approval for all applicants**

812

813 Sec. 11. ~~(1)~~ An applicant shall agree that, if approved, the project-NURSING HOME/HLTCU
814 SERVICES shall be delivered in compliance with the following terms of ~~CON~~ approval:

815

816 (a1) Compliance with these standards, including the requirements of Section 10.

817

818 (b2) COMPLIANCE WITH THE FOLLOWING APPLICABLE QUALITY ASSURANCE STANDARDS:

819

820 (a) Compliance with Section 22230 of the Code shall be based on the nursing home's/HLTCU's
821 actual Medicaid participation within the time periods specified in these standards. Compliance with
822 Section 10(2)(a) of these standards shall be determined by comparing the nursing home's/HLTCU's actual
823 patient days reimbursed by Medicaid, as a percentage of the total patient days, with the applicable
824 schedule set forth in Section 10(2)(a) for which the applicant had been awarded points in the comparative
825 review process. If any of the following occurs, an applicant shall be required to be in compliance with the
826 range in the schedule immediately below the range for which points had been awarded in Section
827 10(2)(a), instead of the range of points for which points had been awarded in the comparative review in
828 order to be found in compliance with Section 22230 of the Code: (i) the average percentage of Medicaid
829 recipients in all nursing homes/HLTCUs in the planning area decreased by at least 10 percent between
830 the second 12 months of operation after project completion and the most recent 12-month period for
831 which data are available, (ii) the actual rate of increase in the Medicaid program per diem reimbursement
832 to the applicant nursing home/HLTCU is less than the annual inflation index for nursing homes/HLTCUs
833 as defined in any current approved Michigan State Plan submitted under Title XIX of the Social Security
834 Act which contains an annual inflation index, or (iii) the actual percentage of the nursing home's/HLTCU's
835 patient days reimbursed by Medicaid (calculated using total patient days for all existing and proposed
836 nursing home beds at the facility) exceeds the statewide average plus 10 percent of the patient days
837 reimbursed by Medicaid for the most recent year for which data are available from the Michigan
838 Department of Community Health [subsection (iii) is applicable only to Section 10(2)(a)]. In evaluating
839 subsection (ii), the Department shall rely on both the annual inflation index and the actual rate increases in
840 per diem reimbursement to the applicant nursing home/HLTCU and/or all nursing homes/HLTCUs in the
841 HSA.

842

843 (eb) For projects involving the acquisition of a nursing home/HLTCU, the applicant shall agree to
844 maintain the nursing home's/HLTCU's level of Medicaid participation (patient days and new admissions)
845 for the time periods specified in these standards, within the ranges set forth in Section 10(2)(a) for which
846 the seller or other previous owner/lessee had been awarded points in a comparative review.

846

847 ~~(d) Compliance with applicable operating standards.~~

847

848 ~~(e) Compliance with the following quality assurance standards:~~

848

849 (ic) For projects involving replacement of an existing nursing home/HLTCU, the current patients of
849 the facility/beds being replaced shall be admitted to the replacement beds when the replacement beds are
850 licensed, to the extent that those patients desire to transfer to the replacement facility/beds.

850

851 (id) The applicant will assure compliance with Section 20201 of the Code, being Section 333.20201
852 of the Michigan Compiled Laws.

852

853

854

855

856

857

858

859

(3) COMPLIANCE WITH THE FOLLOWING ACCESS TO CARE REQUIREMENTS:

(a) THE APPLICANT, TO ASSURE APPROPRIATE UTILIZATION BY ALL SEGMENTS OF THE MICHIGAN POPULATION, SHALL:

(i) NOT DENY SERVICES TO ANY INDIVIDUAL BASED ON ABILITY TO PAY OR SOURCE OF PAYMENT.

860 | (ii) MAINTAIN INFORMATION BY SOURCE OF PAYMENT TO INDICATE THE VOLUME OF
861 | CARE FROM EACH PAYOR AND NON-PAYOR SOURCE PROVIDED ANNUALLY.

862 | (iii) PROVIDE SERVICES TO ANY INDIVIDUAL BASED ON CLINICAL INDICATIONS OF NEED
863 | FOR THE SERVICES.

864 |
865 | (4) COMPLIANCE WITH THE FOLLOWING MONITORING AND REPORTING REQUIREMENTS:
866 |

867 | ~~(iii)~~ (iii) The applicant shall participate in a data collection network established and administered by the
868 | Department or its designee. The data may include, but is not limited to, annual budget and cost
869 | information; operating schedules; and demographic, diagnostic, morbidity, and mortality information, as
870 | well as the volume of care provided to patients from all payor sources. The applicant shall provide the
871 | required data on an individual basis for each licensed site, in a format established by the Department, and
872 | in a mutually agreed upon media. The Department may elect to verify the data through on-site review of
873 | appropriate records.

874 | (iv) The applicant shall provide the Department with a TIMELY notice ~~stating the date the beds are~~
875 | ~~placed in operation and such notice shall be submitted to the Department~~ OF THE PROPOSED
876 | PROJECT IMPLEMENTATION consistent with applicable statute and promulgated rules.
877 |

878 | ~~(25)~~ (25) An applicant shall agree that, if approved, and material discrepancies are later determined
879 | within the reporting of the ownership and citation history of the applicant facility and all nursing homes
880 | under common ownership and control that would have resulted in a denial of the application, shall
881 | surrender the CON. This does not preclude an applicant from reapplying with corrected information at a
882 | later date.
883 |

884 | ~~(36)~~ (36) The agreements and assurances required by this section shall be in the form of a certification
885 | agreed to by the applicant or its authorized agent.
886 |

887 | **Section 12. Department inventory of beds**
888 |

889 | Sec. 12. The Department shall maintain a listing of the Department Inventory of Beds for each
890 | planning area.
891 |

892 | **Section 13. Wayne County planning areas**
893 |

894 | Sec. 13. (1) For purposes of these standards the cities and/or townships in Wayne County are
895 | assigned to the planning areas as follows:
896 |

897 | Planning Area 84/Northwest Wayne
898 |

899 | Canton Township, Dearborn, Dearborn Heights, Garden City, Inkster, Livonia, Northville (part), Northville
900 | Township, Plymouth, Plymouth Township, Redford Township, Wayne, Westland
901 |
902 |

903 Planning area 85/Southwest Wayne

904
905 Allen Park, Belleville, Brownstown Township, Ecorse, Flat Rock, Gibraltar, Grosse Ile Township, Huron
906 Township, Lincoln Park, Melvindale, River Rouge, Riverview, Rockwood, Romulus, Southgate, Sumpter
907 Township, Taylor, Trenton, Van Buren Township, Woodhaven, Wyandotte

908
909 Planning area 86/Detroit

910
911 Detroit, Grosse Pointe, Grosse Pointe Township, Grosse Pointe Farms, Grosse Pointe Park, Grosse
912 Pointe Woods, Hamtramck, Harper Woods, Highland Park

913
914 **Section 14. Health Service Areas**

915
916 ~~Sec. 14. Counties assigned to each of the HSAs are as follows:~~

HSA	COUNTIES		
1	Livingston	Monroe	St. Clair
	Macomb	Oakland	Washtenaw
	Wayne		
2	Clinton	Hillsdale	Jackson
	Eaton	Ingham	Lenawee
3	Barry	Calhoun	St. Joseph
	Berrien	Cass	Van Buren
	Branch	Kalamazoo	
4	Allegan	Mason	Newaygo
	Ionia	Mecosta	Oceana
	Kent	Montcalm	Osceola
	Lake	Muskegon	Ottawa
5	Genesee	Lapeer	Shiawassee
6	Arenac	Huron	Roscommon
	Bay	Iosco	Saginaw
	Clare	Isabella	Sanilac
	Gladwin	Midland	Tuscola
	Gratiot	Ogemaw	
7	Alcona	Crawford	Missaukee
	Alpena	Emmet	Montmorency
	Antrim	Gd Traverse	Oscoda
	Benzie	Kalkaska	Otsego
	Charlevoix	Leelanau	Presque Isle
	Cheboygan	Manistee	Wexford
8	Alger	Gogebic	Mackinac
	Baraga	Houghton	Marquette
	Chippewa	Iron	Menominee
	Delta	Keweenaw	Ontonagon

955 |
956 |
957 | **Section 15. Effect on prior CON review standards, comparative reviews**
958 |

959 | Sec. 15. (1) These CON review standards supersede and replace the CON Standards for Nursing
960 | Home and Hospital Long-Term-Care Unit (HLTCU) Beds approved by the CON Commission on ~~April 30,~~
961 | ~~2008~~DECEMBER 15, 2010 and effective on ~~June 20, 2008~~MARCH 11, 2011.
962 |

963 | (2) Projects reviewed under these standards involving a change in bed capacity shall be subject to
964 | comparative review except as follows:

- 965 | (a) replacement of an existing nursing home/HLTCU being replaced in a rural county;
966 | (b) replacement of an existing nursing home/HLTCU in a micropolitan or metropolitan statistical
967 | area county that is within two miles of the existing nursing home/HLTCU;
968 | (c) relocation of existing nursing home/HLTCU beds; or
969 | (d) an increase in beds pursuant to Section 6(1)(d)(ii) or (iii).
970 |

971 | (3) Projects reviewed under these standards that relate solely to the acquisition of an existing
972 | nursing home/HLTCU or the renewal of a lease shall not be subject to comparative review.
973 |
974 |

Counties assigned to each of the HSAs are as follows:

HSA	COUNTIES		
1	Livingston	Monroe	St. Clair
	Macomb	Oakland	Washtenaw
	Wayne		
2	Clinton	Hillsdale	Jackson
	Eaton	Ingham	Lenawee
3	Barry	Calhoun	St. Joseph
	Berrien	Cass	Van Buren
	Branch	Kalamazoo	
4	Allegan	Mason	Newaygo
	Ionia	Mecosta	Oceana
	Kent	Montcalm	Osceola
	Lake	Muskegon	Ottawa
5	Genesee	Lapeer	Shiawassee
6	Arenac	Huron	Roscommon
	Bay	Iosco	Saginaw
	Clare	Isabella	Sanilac
	Gladwin	Midland	Tuscola
	Gratiot	Ogemaw	
7	Alcona	Crawford	Missaukee
	Alpena	Emmet	Montmorency
	Antrim	Gd Traverse	Oscoda
	Benzie	Kalkaska	Otsego
	Charlevoix	Leelanau	Presque Isle
	Cheboygan	Manistee	Wexford
8	Alger	Gogebic	Mackinac
	Baraga	Houghton	Marquette
	Chippewa	Iron	Menominee
	Delta	Keweenaw	Ontonagon
	Dickinson	Luce	Schoolcraft

**CON REVIEW STANDARDS
FOR NURSING HOME AND HOSPITAL LONG-TERM-CARE UNIT BEDS**

1024 |
1025 |
1026 |
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1029 |
1030 |
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1036 |
1037 |
1038 |

The use rate per 1000 population for each age cohort, for purposes of these standards, effective ~~March~~
AUGUST 14, 2014~~2013~~, and until otherwise changed by the Commission, is as follows.

- (i) Age 0 - 64: ~~208-200~~ days of care
- (ii) Age 65 - 74: ~~2,791-2,638~~ days of care
- (iii) Age 75 - 84: ~~10,047~~9379 days of care
- (iv) Age 85 +: ~~36,758~~34,009 days of care

**CON REVIEW STANDARDS
FOR NURSING HOME AND HOSPITAL LONG-TERM-CARE UNIT BEDS**

The ~~bed need numbers~~ **ADC ADJUST FACTOR**, for purposes of these standards, effective ~~TBD~~ **AUGUST 1, 2013**, and until otherwise changed by the Commission, are as follows:

Planning Area	Bed Need	ADC Adjustment Factor
Alcona	115	0.9590
Alger	65	0.90
Allegan	500	0.95
Alpena	187	0.95
Antrim	168	0.95
Arenac	100	0.9590
Baraga	58	0.90
Barry	275	0.95
Bay	603	0.95
Benzie	124	0.95
Berrien	884	0.95
Branch	224	0.95
Calhoun	675	0.95
Cass	273	0.95
Charlevoix	159	0.95
Cheboygan	188	0.95
Chippewa	202	0.95
Clare	185	0.95
Clinton	319	0.95
Crawford	95	0.90
Delta	245	0.95
Dickinson	190	0.95
Eaton	491	0.95
Emmet	201	0.95
Genesee	1,880	0.95
Gladwin	184	0.95
Gogebic	137	0.95
Gd. Traverse	455	0.95
Gratiot	209	0.95
Hillsdale	233	0.95
Houghton/Keweenaw	222	0.95
Huron	237	0.95

APPENDIX B-C - continued

	Planning Area	Bed Need	ADC Adjustment Factor
1091			
1092			
1093			
1094			
1095			
1096			
1097			
1098	Ingham	1,048	0.95
1099	Ionia	260	0.95
1100	Iosco	204	0.95
1101	Iron	120	0.9590
1102	Isabella	245	0.95
1103			
1104	Jackson	777	0.95
1105			
1106	Kalamazoo	1,077	0.95
1107	Kalkaska	95	0.90
1108	Kent	2,451	0.95
1109			
1110	Lake	88	0.90
1111	Lapeer	375	0.95
1112	Leelanau	159	0.95
1113	Lenawee	524	0.95
1114	Livingston	710	0.95
1115	Luce	36	0.90
1116			
1117	Mackinac	78	0.90
1118	Macomb	4,255	0.95
1119	Manistee	169	0.95
1120	Marquette	338	0.95
1121	Mason	186	0.95
1122	Mecosta	220	0.95
1123	Menominee	167	0.95
1124	Midland	411	0.95
1125	Missaukee	92	0.90
1126	Monroe	686	0.95
1127	Montcalm	291	0.95
1128	Montmorency	101	0.9590
1129	Muskegon	843	0.95
1130			
1131	Newaygo	241	0.95
1132			
1133	Oakland	5,630	0.95
1134	Oceana	152	0.95
1135	Ogemaw	134	0.95
1136	Ontonagon	59	0.90
1137	Osceola	127	0.95
1138	Oscoda	72	0.90
1139	Otsego	132	0.95
1140	Ottawa	1,145	0.95
1141			
1142			

APPENDIX B - continued

		Bed	ADC
	Planning Area	Need	Adjustment
			Factor
1143			
1144			
1145			
1146			
1147			
1148			
1149			
1150	Presque Isle	124	0.95
1151			
1152	Roscommon	227	0.95
1153			
1154	Saginaw	1,038	0.95
1155	St. Clair	811	0.95
1156	St. Joseph	290	0.95
1157	Sanilac	250	0.95
1158	Schoolcraft	61	0.90
1159	Shiawassee	336	0.95
1160			
1161	Tuscola	287	0.95
1162			
1163	Van Buren	365	0.95
1164			
1165	Washtenaw	1,268	0.95
1166	Wexford	170	0.95
1167	NW Wayne	2,305	0.95
1168	SW Wayne	1,542	0.95
1169			
1170	Detroit	4,140	0.95
1171			
1172	Statewide Total	46,995	
1173			

CON REVIEW STANDARDS
FOR NURSING HOME AND HOSPITAL LONG-TERM-CARE UNIT BEDS

1174 |
 1175 |
 1176 |
 1177 |
 1178 |
 1179 Rural Michigan counties are as follows:

1181	Alcona	Hillsdale	Oceana
1182	Alger	Huron	Ogemaw
1183	Antrim	Iosco	Ontonagon
1184	Arenac	Iron	Osceola
1185	Baraga	Lake	Oscoda
1186	Charlevoix	Luce	Otsego
1187	Cheboygan	Mackinac	Presque Isle
1188	Clare	Manistee	Roscommon
1189	Crawford	Mason	Sanilac
1190	Emmet	Montcalm	Schoolcraft
1191	Gladwin	Montmorency	Tuscola
1192	Gogebic	<u>NEWAYGO</u>	

1193 |
 1194 |
 1195 Micropolitan statistical area Michigan counties are as follows:

1197	Allegan	<u>HILLSDALE</u>	<u>MASON</u>
1198	Alpena	Houghton	Mecosta
1199	Benzie	<u>IONIA</u>	Menominee
1200	Branch	Isabella	Midland
1201	Chippewa	Kalkaska	Missaukee
1202	Delta	Keweenaw	St. Joseph
1203	Dickinson	Leelanau	Shiawassee
1204	Grand Traverse	Lenawee	Wexford
1205	Gratiot	Marquette	

1206 |
 1207 Metropolitan statistical area Michigan counties are as follows:

1209	Barry	onia	MONTCALM <u>Newaygo</u>
1210	Bay	Jackson	Muskegon
1211	Berrien	Kalamazoo	Oakland
1212	Calhoun	Kent	Ottawa
1213	Cass	Lapeer	Saginaw
1214	Clinton	Livingston	St. Clair
1215	Eaton	Macomb	Van Buren
1216	Genesee	<u>MIDLAND</u>	Washtenaw
1217	Ingham	Monroe	Wayne

1218 |
 1219 Source:

1220 |
 1221 | 65-75 F.R., p. 82238-37245 (December 27, 2000) JUNE 28, 2010

1222 | Statistical Policy Office

1223 | Office of Information and Regulatory Affairs

1224 | United States Office of Management and Budget

1225 |

**CON REVIEW STANDARDS
FOR NURSING HOME AND HOSPITAL LONG-TERM CARE UNIT BEDS**

Michigan nursing home planning areas with a population density of less than 28 individuals per square mile based on ~~2000~~ 2010 U.S. Census figures.

Planning Area	Population Density Per Square Mile
Ontonagon	6.05 <u>11</u>
Schoolcraft	7.66 <u>95</u>
Luce	7.87 <u>16</u>
Baraga	9.79 <u>67</u>
Alger <u>IRON</u>	40.79 <u>76</u>
Iron <u>ALGER</u>	41.31 <u>25</u>
Mackinac	41.71 <u>45</u>
Oscoda <u>GOGEBIC</u>	46.71 <u>35</u>
Alcona <u>OSCODA</u>	47.41 <u>12</u>
Gegebic <u>ALCONA</u>	45.81 <u>76</u>
Montmorency	48.81 <u>36</u>
Lake <u>PRESQUE ISLE</u>	20.01 <u>53</u>
Presque-isle <u>LAKE</u>	24.82 <u>11</u>
Menominee <u>CHIPPEWA</u>	24.32 <u>29</u>
Chippewa <u>MENOMINEE</u>	24.72 <u>86</u>
Houghton/Keweenaw	24.72 <u>17</u>
Missaukee <u>CRAWFORD</u>	25.52 <u>00</u>
Crawford <u>MISSAUKEE</u>	25.62 <u>90</u>

Source: Michigan Department of Management and Budget and the U.S. Bureau of the Census

1260 MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

1261
1262 CON REVIEW STANDARDS
1263 FOR NURSING HOME AND HOSPITAL LONG-TERM CARE UNIT BEDS
1264 --ADDENDUM FOR SPECIAL POPULATION GROUPS
1265

1266 (By authority conferred on the CON Commission by Section 22215 of Act No. 368 of the Public Acts of
1267 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being
1268 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)
1269

1270 **Section 1. Applicability; definitions**
1271

1272 Sec. 1. (1) This addendum supplements the CON Review Standards for Nursing Home and
1273 Hospital Long-term Care Unit Beds and shall be used for determining the need for projects established to
1274 better meet the needs of special population groups within the long-term care and nursing home
1275 populations.
1276

1277 (2) Except as provided in sections 2, 3, 4, 5, 6, 7, and 8 of this addendum, these standards
1278 supplement, and do not supersede, the requirements and terms of approval required by the CON Review
1279 Standards for Nursing Home and Hospital Long-term Care Unit Beds.
1280

1281 (3) The definitions which apply to the CON Review Standards for Nursing Home and Hospital Long-
1282 term Care Unit Beds shall apply to these standards.
1283

1284 (4) For purposes of this addendum, the following terms are defined:

1285 (a) "Behavioral patient" means an individual that exhibits a history of chronic behavior management
1286 problems such as aggressive behavior that puts self or others at risk for harm, or an altered state of
1287 consciousness, including paranoia, delusions, and acute confusion.

1288 (b) "Hospice" means a health care program licensed under Part 214 of the Code, being Section
1289 333.21401 et seq.

1290 (c) "Infection control program," means a program that will reduce the risk of the introduction of
1291 communicable diseases into a ventilator-dependent unit, provide an active and ongoing surveillance
1292 program to detect the presence of communicable diseases in a ventilator-dependent unit, and respond to
1293 the presence of communicable diseases within a ventilator-dependent unit so as to minimize the spread of
1294 a communicable disease.

1295 (d) "Licensed hospital" means either a hospital licensed under Part 215 of the Code; or
1296 a psychiatric hospital or unit licensed pursuant to Act 258 of the Public Acts of 1974, as amended, being
1297 sections 330.1001 to 330.2106 of the Michigan Compiled Laws.

1298 (e) "Private residence", means a setting other than a licensed hospital; or a nursing home including
1299 a nursing home or part of a nursing home approved pursuant to Section 6.

1300 (f) "Traumatic brain injury (TBI)/spinal cord injury (SCI) patient" means an individual with TBI or
1301 SCI that is acquired or due to a traumatic insult to the brain and its related parts that is not of a
1302 degenerative or congenital nature. These impairments may be either temporary or permanent and cause
1303 partial or total functional disability or psychosocial adjustment.

1304 (g) "Ventilator-dependent patient," means an individual who requires mechanical ventilatory
1305 assistance.
1306

1307 **Section 2. Requirements for approval -- applicants proposing to increase nursing home beds --**
1308 **special use exceptions**
1309

1310 Sec. 2. A project to increase nursing home beds in a planning area which, if approved, would
1311 otherwise cause the total number of nursing home beds in that planning area to exceed the needed
1312 nursing home bed supply or cause an increase in an existing excess as determined under the applicable

1313 CON Review Standards for Nursing Home and Hospital Long-term Care Unit Beds, may nevertheless be
1314 approved pursuant to this addendum.

1315 **Section 3. Statewide pool for the needs of special population groups within the long-term care**
1316 **and nursing home populations**

1317
1318 Sec. 3. (1) A statewide pool of additional nursing home beds of 1,958 beds needed in the state is
1319 established to better meet the needs of special population groups within the long-term care and nursing
1320 home populations. Beds in the pool shall be allocated as follows:

1321 (a) These categories shall be allocated 1,109 beds and distributed as follows and shall be
1322 reduced/redistributed in accordance with subsection (c):

1323 (i) TBI/SCI beds will be allocated 400 beds.

1324 (ii) Behavioral beds will be allocated 400 beds.

1325 (iii) Hospice beds will be allocated 130 beds.

1326 (iv) Ventilator-dependent beds will be allocated 179 beds.

1327 (b) The following historical categories have been allocated 849 beds. Additional beds shall not be
1328 allocated to these categories. If the beds within any of these categories are delicensed, the beds shall be
1329 eliminated and not be returned to the statewide pool for special population groups.

1330 (i) Alzheimer's disease has 384 beds.

1331 (ii) Health care needs for skilled nursing care has 173 beds.

1332 (iii) Religious has 292 beds.

1333 (c) The number of beds set aside from the total statewide pool established for categories in
1334 subsection (1)(a) for a special population group shall be reduced if there has been no CON activity for that
1335 special population group during at least 6 consecutive application periods.

1336 (i) The number of beds in a special population group shall be reduced to the total number of beds
1337 for which a valid CON has been issued for that special population group.

1338 (ii) The number of beds reduced from a special population group pursuant to this subsection shall
1339 revert to the total statewide pool established for categories in subsection (1)(a).

1340 (iii) The Department shall notify the Commission of the date when action to reduce the number of
1341 beds set aside for a special population group has become effective and shall identify the number of beds
1342 that reverted to the total statewide pool established for categories in subsection (1)(a).

1343 (iv) For purposes of this subsection, "application period" means the period of time from one
1344 designated application date to the next subsequent designated application date.

1345 (v) For purposes of this subsection, "CON activity" means one or more of the following:

1346 (A) CON applications for beds for a special population group have been submitted to the
1347 Department for which either a proposed or final decision has not yet been issued by the Department.

1348 (B) Administrative hearings or appeals to court of decisions issued on CON applications for beds for
1349 a special population group are pending resolution.

1350 (C) An approved CON for beds for each special population group has expired for lack of appropriate
1351 action by an applicant to implement an approved CON.

1352 (d) By setting aside these beds from the total statewide pool, the Commission's action applies only
1353 to applicants seeking approval of nursing home beds pursuant to sections 4, 5, 6, and 7. It does not
1354 preclude the care of these patients in units of hospitals, hospital long-term care units, nursing homes, or
1355 other health care settings in compliance with applicable statutory or certification requirements.

1356
1357 (2) Increases in nursing home beds approved under this addendum for special population groups
1358 shall not cause planning areas currently showing an unmet bed need to have that need reduced or
1359 planning areas showing a current surplus of beds to have that surplus increased.

1360
1361 **Section 4. Requirements for approval for beds from the statewide pool for special population**
1362 **groups allocated to TBI/SCI patients**

1363
1364 Sec. 4. The CON Commission determines there is a need for beds for applications designed to
1365 determine the efficiency and effectiveness of specialized programs for the care and treatment of TBI/SCI
1366 patients as compared to serving these needs in general nursing home unit(s).

- 1367
1368 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an
1369 existing nursing home/HLTCU under this section shall demonstrate with credible documentation to the
1370 satisfaction of the Department each of the following:
1371 (a) The beds will be operated as part of a specialized program exclusively for TBI/SCI patients. At
1372 the time an application is submitted, the applicant shall demonstrate that it operates:
1373 (i) A continuum of outpatient treatment, rehabilitative care, and support services for TBI/SCI
1374 patients; and
1375 (ii) A transitional living program or contracts with an organization that operates a transitional living
1376 program and rehabilitative care for TBI/SCI patients.
1377 (b) The applicant shall submit evidence of accreditation of its existing outpatient and/or residential
1378 programs by the Commission on Accreditation of Rehabilitation Facilities (CARF) or another nationally-
1379 recognized accreditation organization for rehabilitative care and services.
1380 (c) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
1381 nationally-recognized accreditation organization for the nursing home beds proposed under this
1382 subsection.
1383 (d) A floor plan for the proposed physical plant space to house the nursing home beds allocated
1384 under this subsection that provides for:
1385 (i) Individual units consisting of 20 beds or less per unit, not to be more than 40 beds per facility.
1386 (ii) Day/dining area within, or immediately adjacent to, the unit(s), which is solely for the use of
1387 TBI/SCI patients.
1388 (iii) Direct access to a secure outdoor or indoor area at the facility appropriate for supervised
1389 activity.
1390 (e) The applicant proposes programs to promote a culture within the facility that is appropriate for
1391 TBI/SCI patients of various ages.
1392
1393 (2) Beds approved under this subsection shall not be converted to general nursing home use
1394 without a CON for nursing home and hospital long-term care unit beds under the CON review standards
1395 for nursing home and hospital long-term care unit beds and shall not be offered to individuals other than
1396 TBI/SCI patients.
1397

1398 **Section 5. Requirements for approval for beds from the statewide pool for special population**
1399 **groups allocated to behavioral patients**
1400

1401 Sec. 5. The CON Commission determines there is a need for beds for applications designed to
1402 determine the efficiency and effectiveness of specialized programs for the care and treatment of
1403 behavioral patients as compared to serving these needs in general nursing home unit(s).

1404 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an
1405 existing nursing home/HLTCU under this section shall demonstrate with credible documentation to the
1406 satisfaction of the Department each of the following:

- 1407 (a) Individual units shall consist of 20 beds or less per unit.
1408 (b) The facility shall not be awarded more than 40 beds.
1409 (c) The proposed unit shall have direct access to a secure outdoor or indoor area for supervised
1410 activity.
1411 (d) The unit shall have within the unit or immediately adjacent to it a day/dining area which is solely
1412 for the use of the behavioral patients.
1413 (e) The physical environment of the unit shall be designed to minimize noise and light reflections to
1414 promote visual and spatial orientation.
1415 (f) Staff will be specially trained in treatment of behavioral patients.
1416

1417 (2) Beds approved under this subsection shall not be converted to general nursing home use
1418 without a CON for nursing home and hospital long-term care unit beds under the CON Review Standards
1419 for Nursing Home and Hospital Long-term Care Unit Beds.
1420

1421 (3) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1422 Medicaid.

1423 **Section 6. Requirements for approval for beds from the statewide pool for special population**
1424 **groups allocated to hospice patients**

1425
1426 Sec. 6. The CON Commission determines there is a need for beds for patients requiring both
1427 hospice and long-term nursing care services within the long-term care and nursing home populations.
1428

1429 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an
1430 existing nursing home/HLTCU under this section shall demonstrate, with credible documentation to the
1431 satisfaction of the Department, each of the following:

1432 (a) An applicant shall be a hospice certified by Medicare pursuant to the Code of Federal
1433 Regulations, Title 42, Chapter IV, Subpart B (Medicare programs), Part 418 and shall have been a
1434 Medicare certified hospice for at least 24 continuous months prior to the date an application is submitted
1435 to the Department.

1436 (b) An applicant shall demonstrate that, during the most recent 12-month period prior to the date an
1437 application is submitted to the Department for which verifiable data are available to the Department, at
1438 least 64% of the total number of hospice days of care provided to all of the clients of the applicant hospice
1439 were provided in a private residence.

1440 (c) An application shall propose 30 beds or less.

1441 (d) An applicant for beds from the special statewide pool of beds shall not be approved if any
1442 application for beds in that same planning area has been approved from the special statewide pool of
1443 beds allocated for hospice.

1444
1445 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1446 Medicaid.
1447

1448 **Section 7. Requirements for approval for beds from the statewide pool for special population**
1449 **groups allocated to ventilator-dependent patients**

1450
1451 Sec. 7. The CON Commission determines there is a need for beds for ventilator-dependent patients
1452 within the long-term care and nursing home populations
1453

1454 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an
1455 existing nursing home/HLTCU under this section shall demonstrate, with credible documentation to the
1456 satisfaction of the Department, each of the following:

1457 (a) An applicant proposes a program for caring for ventilator-dependent patients in licensed nursing
1458 home beds.

1459 (b) An application proposes no more than 40 beds that will be licensed as nursing home beds.

1460 (c) The proposed unit will serve only ventilator-dependent patients.
1461

1462 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1463 Medicaid.
1464

1465 **Section 8. Acquisition of nursing home/HLTCU beds approved pursuant to this addendum**
1466

1467 Sec. 8. (1) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool
1468 for special population groups allocated to religious shall meet the following:

1469 (a) The applicant is a part of, closely affiliated with, controlled, sanctioned or supported by a
1470 recognized religious organization, denomination or federation as evidenced by documentation of its
1471 federal tax exempt status as a religious corporation, fund, or foundation under section 501(c)(3) of the
1472 United States Internal Revenue Code.

1473 (b) The applicant's patient population includes a majority of members of the religious organization
1474 or denomination represented by the sponsoring organization.

1475 (c) The applicant's existing services and/or operations are tailored to meet certain special needs of
1476 a specific religion, denomination or order, including unique dietary requirements, or other unique religious
1477 needs regarding ceremony, ritual, and organization which cannot be satisfactorily met in a secular setting.

1478 (d) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1479 Medicaid.

1480
1481 (2) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for
1482 special population groups allocated to TBI/SCI shall meet the following:

1483 (a) The beds will be operated as part of a specialized program exclusively for TBI/SCI patients. At
1484 the time an application is submitted, the applicant shall demonstrate that it operates:

1485 (i) a continuum of outpatient treatment, rehabilitative care, and support services for TBI/SCI
1486 patients; and

1487 (ii) a transitional living program or contracts with an organization that operates a transitional living
1488 program and rehabilitative care for TBI/SCI patients.

1489 (b) The applicant shall submit evidence of accreditation of its existing outpatient and/or residential
1490 programs by the Commission on Accreditation of Rehabilitation Facilities (CARF) or another nationally-
1491 recognized accreditation organization for rehabilitative care and services.

1492 (c) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another
1493 nationally-recognized accreditation organization for the nursing home beds proposed under this
1494 subsection.

1495 (d) A floor plan for the proposed physical plant space to house the nursing home beds allocated
1496 under this subsection that provides for:

1497 (i) Individual units consisting of 20 beds or less per unit, not to be more than 40 beds per facility.

1498 (ii) Day/dining area within, or immediately adjacent to, the unit(s), which is solely for the use of
1499 TBI/SCI patients.

1500 (iii) Direct access to a secure outdoor or indoor area at the facility appropriate for supervised
1501 activity.

1502 (e) The applicant proposes programs to promote a culture within the facility that is appropriate for
1503 TBI/SCI patients of various ages.

1504
1505 (3) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for
1506 special population groups allocated to Alzheimer's disease shall meet the following:

1507 (a) The beds are part of a specialized program for Alzheimer's disease which will admit and treat
1508 only patients which require long-term nursing care and have been appropriately classified as a patient on
1509 the Global Deterioration Scale (GDS) for age-associated cognitive decline and Alzheimer's disease as a
1510 level 4 (when accompanied by continuous nursing needs), 5, or 6.

1511 (b) The specialized program will participate in the state registry for Alzheimer's disease.

1512 (c) The specialized program shall be attached or geographically adjacent to a licensed nursing
1513 home and be no larger than 20 beds in size.

1514 (d) The proposed Alzheimer's unit shall have direct access to a secure outdoor or indoor area at
1515 the health facility, appropriate for unsupervised activity.

1516 (e) The Alzheimer's unit shall have within the unit or immediately adjacent to it a day/dining area
1517 which is solely for the use of the Alzheimer's unit patients.

1518 (f) The physical environment of the Alzheimer's unit shall be designed to minimize noise and light
1519 reflections to promote visual and spatial orientation.

1520 (g) Staff will be specially trained in Alzheimer's disease treatment.

1521 (h) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1522 Medicaid.

1523
1524 (4) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for
1525 special population groups allocated to behavioral patients shall meet the following:

1526 (a) Individual units shall consist of 20 beds or less per unit.

1527 (b) The facility shall not be awarded more than 40 beds.

1528 (c) The proposed unit shall have direct access to a secure outdoor or indoor area for supervised
1529 activity.

1530 (d) The unit shall have within the unit or immediately adjacent to it a day/dining area which is solely
1531 for the use of the behavioral patients.

1532 (e) The physical environment of the unit shall be designed to minimize noise and light reflections to
1533 promote visual and spatial orientation.

1534 (f) Staff will be specially trained in treatment of behavioral patients.

1535 (g) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1536 Medicaid.

1537
1538 (5) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for
1539 special population groups allocated to hospice shall meet the following:

1540 (a) An applicant shall be a hospice certified by Medicare pursuant to the code of Federal
1541 Regulations, Title 42, Chapter IV, Subpart B (Medicare Programs), Part 418 and shall have been a
1542 Medicare certified hospice for at least 24 continuous months prior to the date an application is submitted
1543 to the Department.

1544 (b) An applicant shall demonstrate that, during the most recent 12-month period prior to the date an
1545 application is submitted to the Department for which verifiable data are available to the Department, at
1546 least 64% of the total number of hospice days of care provided to all of the clients of the applicant hospice
1547 were provided in a private residence.

1548 (c) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1549 Medicaid.

1550
1551 (6) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for
1552 special population groups allocated to ventilator-dependent patients shall meet the following:

1553 (a) An applicant proposes a program for caring for ventilator-dependent patients in licensed nursing
1554 home beds.

1555 (b) An application proposes no more than 40 beds that will be licensed as nursing home beds.

1556 (c) The proposed unit will serve only ventilator-dependent patients.

1557 (d) All beds approved pursuant to this subsection shall be dually certified for Medicare and
1558 Medicaid.

1559
1560 **Section 9. Project delivery requirements -- terms of approval for all applicants seeking approval**
1561 **under Section 3(1) of this addendum**
1562

1563 Sec. 9. (1) An applicant shall agree that if approved, the services shall be delivered in compliance
1564 with the terms of approval required by the CON Review Standards for Nursing Home and Hospital Long-
1565 term Care Unit Beds.

1566
1567 (2) An applicant for beds from the statewide pool for special population groups allocated to religious
1568 shall agree that, if approved, the services provided by the specialized long-term care beds shall be
1569 delivered in compliance with the following term of CON approval:

1570 (a) The applicant shall document, at the end of the third year following initiation of beds approved
1571 an annual average occupancy rate of 95 percent or more. If this occupancy rate has not been met, the
1572 applicant shall delicense a number of beds necessary to result in a 95 percent occupancy based upon its
1573 average daily census for the third full year of operation.

1574
1575 (3) An applicant for beds from the statewide pool for special population groups allocated to
1576 Alzheimer's disease shall agree that if approved:

1577
1578 (a) The beds are part of a specialized program for Alzheimer's disease which will admit and treat
1579 only patients which require long-term nursing care and have been appropriately classified as a patient on
1580 the Global Deterioration Scale (GDS) for age-associated cognitive decline and Alzheimer's disease as a
1581 level 4 (when accompanied by continuous nursing needs), 5, or 6.

- 1582 (b) The specialized program will participate in the state registry for Alzheimer's disease.
 1583 (c) The specialized program shall be attached or geographically adjacent to a licensed nursing
 1584 home and be no larger than 20 beds in size.
 1585 (d) The proposed Alzheimer's unit shall have direct access to a secure outdoor or indoor area at
 1586 the health facility, appropriate for unsupervised activity.
 1587 (e) The Alzheimer's unit shall have within the unit or immediately adjacent to it a day/dining area
 1588 which is solely for the use of the Alzheimer's unit patients.
 1589 (f) The physical environment of the Alzheimer's unit shall be designed to minimize noise and light
 1590 reflections to promote visual and spatial orientation.
 1591 (g) Staff will be specially trained in Alzheimer's disease treatment.
 1592
 1593 (4) An applicant for beds from the statewide pool for special population groups allocated to hospice
 1594 shall agree that, if approved, all beds approved pursuant to that subsection shall be operated in
 1595 accordance with the following CON terms of approval.
 1596 (a) An applicant shall maintain Medicare certification of the hospice program and shall establish
 1597 and maintain the ability to provide, either directly or through contractual arrangements, hospice services
 1598 as outlined in the Code of Federal Regulations, Title 42, Chapter IV, Subpart B, Part 418, hospice care.
 1599 (b) The proposed project shall be designed to promote a home-like atmosphere that includes
 1600 accommodations for family members to have overnight stays and participate in family meals at the
 1601 applicant facility.
 1602 (c) An applicant shall not refuse to admit a patient solely on the basis that he/she is HIV positive,
 1603 has AIDS or has AIDS related complex.
 1604 (d) An applicant shall make accommodations to serve patients that are HIV positive, have AIDS or
 1605 have AIDS related complex in nursing home beds.
 1606 (e) An applicant shall make accommodations to serve children and adolescents as well as adults in
 1607 nursing home beds.
 1608 (f) Nursing home beds shall only be used to provide services to individuals suffering from a
 1609 disease or condition with a terminal prognosis in accordance with Section 21417 of the Code, being
 1610 Section 333.21417 of the Michigan Compiled Laws.
 1611 (g) An applicant shall agree that the nursing home beds shall not be used to serve individuals not
 1612 meeting the provisions of Section 21417 of the Code, being Section 333.21417 of the Michigan Compiled
 1613 Laws, unless a separate CON is requested and approved pursuant to applicable CON review standards.
 1614 (h) An applicant shall be licensed as a hospice program under Part 214 of the Code, being Section
 1615 333.21401 et seq. of the Michigan Compiled Laws.
 1616 (i) An applicant shall agree that at least 64% of the total number of hospice days of care provided
 1617 by the applicant hospice to all of its clients will be provided in a private residence.
 1618
 1619 (5) An applicant for beds from the statewide pool for special population groups allocated to
 1620 ventilator-dependent patients shall agree that, if approved, all beds approved pursuant to that subsection
 1621 shall be operated in accordance with the following CON terms of approval.
 1622 (a) An applicant shall staff the proposed ventilator-dependent unit with employees that have been
 1623 trained in the care and treatment of ventilator-dependent patients and includes at least the following:
 1624 (i) A medical director with specialized knowledge, training, and skills in the care of ventilator-
 1625 dependent patients.
 1626 (ii) A program director that is a registered nurse.
 1627 (b) An applicant shall make provisions, either directly or through contractual arrangements, for at
 1628 least the following services:
 1629 (i) respiratory therapy.
 1630 (ii) occupational and physical therapy.
 1631 (iii) psychological services.
 1632 (iv) family and patient teaching activities.
 1633 (c) An applicant shall establish and maintain written policies and procedures for each of the
 1634 following:
 1635 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
 1636 appropriate for admission to the ventilator-dependent unit. At a minimum, the criteria shall address the

1637 amount of mechanical ventilatory dependency, the required medical stability, and the need for ancillary
1638 services.

1639 (ii) The transfer of patients requiring care at other health care facilities.

1640 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1641 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.

1642 (iv) Patient rights and responsibilities in accordance with Sections 20201 and 20202 of the Code,
1643 being Sections 333.20201 and 333.20202 of the Michigan Compiled Laws.

1644 (v) The type of ventilatory equipment to be used on the unit and provisions for back-up equipment.

1645 (d) An applicant shall establish and maintain an organized infection control program that has written
1646 policies for each of the following:

1647 (i) use of intravenous infusion apparatus, including skin preparation, monitoring skin site, and
1648 frequency of tube changes.

1649 (ii) placement and care of urinary catheters.

1650 (iii) care and use of thermometers.

1651 (iv) care and use of tracheostomy devices.

1652 (v) employee personal hygiene.

1653 (vi) aseptic technique.

1654 (vii) care and use of respiratory therapy and related equipment.

1655 (viii) isolation techniques and procedures.

1656 (e) An applicant shall establish a multi-disciplinary infection control committee that meets on at
1657 least a monthly basis and includes the director of nursing, the ventilator-dependent unit program director,
1658 and representatives from administration, dietary, housekeeping, maintenance, and respiratory therapy.
1659 This subsection does not require a separate committee, if an applicant organization has a standing
1660 infection control committee and that committee's charge is amended to include a specific focus on the
1661 ventilator-dependent unit.

1662 (f) The proposed ventilator-dependent unit shall have barrier-free access to an outdoor area in the
1663 immediate vicinity of the unit.

1664 (g) An applicant shall agree that the beds will not be used to service individuals that are not
1665 ventilator-dependent unless a separate CON is requested and approved by the Department pursuant to
1666 applicable CON review standards.

1667 (h) An applicant shall provide data to the Department that evaluates the cost efficiencies that result
1668 from providing services to ventilator-dependent patients in a hospital.

1669

1670 (6) An applicant for beds from the statewide pool for special population groups allocated to TBI/SCI
1671 patients shall agree that if approved:

1672 (a) An applicant shall staff the proposed unit for TBI/SCI patients with employees that have been
1673 trained in the care and treatment of such individuals and includes at least the following:

1674 (i) A medical director with specialized knowledge, training, and skills in the care of TBI/SCI
1675 patients.

1676 (ii) A program director that is a registered nurse.

1677 (iii) Other professional disciplines required for a multi-disciplinary team approach to care.

1678 (b) An applicant shall establish and maintain written policies and procedures for each of the
1679 following:

1680 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1681 appropriate for admission to the unit for TBI/SCI patients. At a minimum, the criteria shall address the
1682 required medical stability and the need for ancillary services, including dialysis services.

1683 (ii) The transfer of patients requiring care at other health care facilities, including a transfer
1684 agreement with one or more acute-care hospitals in the region to provide emergency medical treatment to
1685 any patient who requires such care.

1686 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment
1687 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge,
1688 including support services to be provided by transitional living programs or other outpatient programs or
1689 services offered as part of a continuum of care to TBI patients by the applicant.

1690 (iv) Utilization review, which shall consider the rehabilitation necessity for the service, quality of
1691 patient care, rates of utilization and other considerations generally accepted as appropriate for review.

1692 (v) Quality assurance and assessment program to assure that services furnished to TBI/SCI
1693 patients meet professional recognized standards of health care for providers of such services and that
1694 such services were reasonable and medically appropriate to the clinical condition of the TBI patient
1695 receiving such services.

1696
1697 (7) An applicant for beds from the statewide pool for special population groups allocated to
1698 behavioral patients shall agree that if approved:

1699 (a) An applicant shall staff the proposed unit for behavioral patients with employees that have been
1700 trained in the care and treatment of such individuals and includes at least the following:

1701 (i) A medical director with specialized knowledge, training, and skills in the care of behavioral
1702 patients.

1703 (ii) A program director that is a registered nurse.

1704 (iii) Other professional disciplines required for a multi-disciplinary team approach to care.

1705 (b) An applicant shall establish and maintain written policies and procedures for each of the
1706 following:

1707 (i) Patient admission criteria that describe minimum and maximum characteristics for patients
1708 appropriate for admission to the unit for behavioral patients.

1709 (ii) The transfer of patients requiring care at other health care facilities, including a transfer
1710 agreement with one or more acute-care hospitals in the region to provide emergency medical treatment to
1711 any patient who requires such care.

1712 (iii) Utilization review, which shall consider the rehabilitation necessity for the service, quality of
1713 patient care, rates of utilization and other considerations generally accepted as appropriate for review.

1714 (iv) quality assurance and assessment program to assure that services furnished to behavioral
1715 patients meet professional recognized standards of health care for providers of such services and that
1716 such services were reasonable and medically appropriate to the clinical condition of the behavioral patient
1717 receiving such services.

1718 (v) Orientation and annual education/competencies for all staff, which shall include care guidelines,
1719 specialized communication, and patient safety.

1720

1721 **Section 10. Comparative reviews, effect on prior CON review standards**

1722

1723 Sec. 10. (1) Projects proposed under Section 4 shall be considered a distinct category and shall be
1724 subject to comparative review on a statewide basis.

1725

1726 (2) Projects proposed under Section 5 shall be considered a distinct category and shall be subject
1727 to comparative review on a statewide basis.

1728

1729 (3) Projects proposed under Section 6 shall be considered a distinct category and shall be subject
1730 to comparative review on a statewide basis.

1731

1732 (4) Projects proposed under Section 7 shall be considered a distinct category and shall be subject
1733 to comparative review on a statewide basis.

1734

1735 (5) These CON review standards supercede and replace the CON Review Standards for Nursing
1736 Home and Long-term Care Unit Beds--Addendum for Special Population Groups approved by the
1737 Commission on April 30, 2008 and effective on June 20, 2008.

1738