

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 OF  
55 LICENSING AND REGULATORY AFFAIRS's (LARA), Bureau of Health Systems CARE SERVICES.

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 CON 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 (x) "PROPOSED LICENSED SITE" MEANS THE PHYSICAL LOCATION AND ADDRESS (OR  
128 LEGAL DESCRIPTION OF PROPERTY) OF THE PROPOSED PROJECT OR WITHIN 250 YARDS OF  
129 THE PHYSICAL LOCATION AND ADDRESS (OR LEGAL DESCRIPTION OF PROPERTY) AND WITHIN  
130 THE SAME PLANNING AREA OF THE PROPOSED PROJECT THAT WILL BE AUTHORIZED BY  
131 LICENSE AND WILL BE LISTED ON THAT LICENSEE'S CERTIFICATE OF LICENSURE.

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

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

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

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

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

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

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

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

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

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

157 ~~—(ffcc) "Staffing/Bed Utilization Ratios Report" means the report issued by the Department on a~~  
158 ~~quarterly basis.~~

159 (ggcc) "Use rate" means the number of nursing home and hospital long-term-care unit days of care per  
160 1,000 population during a one-year period.

161  
162 (2) The definitions in Part 222 of the Code shall apply to these standards.

### 163 **Section 3. Determination of needed nursing home bed supply**

164  
165  
166 Sec. 3 (1)(a) The age specific use rates for the planning year shall be the actual statewide age  
167 specific nursing home use rates using data from the base year.

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

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

173  
174 (2) The number of nursing home beds needed in a planning area shall be determined by the  
175 following formula:

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

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

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

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

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

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

### 188 **Section 4. Bed need**

189  
190  
191 Sec. 4. (1) The bed need numbers ~~shown in Appendix B and incorporated as part of these~~  
192 ~~standards~~ shall apply to project applications subject to review under these standards, except where a  
193 specific CON standard states otherwise.

194  
195 (2) The Department shall apply the bed need methodology in Section 3 on a biennial basis.

196  
197 (3) The base year and the planning year that shall be utilized in applying the methodology pursuant  
198 to subsection (2) shall be set according to the most recent data available to the Department.

199  
200 (4) The effective date of the bed need numbers shall be established by the Commission.

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

206  
207 (6) Modifications made by the Commission pursuant to this section shall not require standard  
208 advisory committee action, a public hearing, or submittal of the standard to the Legislature and the  
209 Governor in order to become effective.

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

211  
212  
213 Sec. 5. (1) The base year shall be modified based on data obtained from the Department and  
214 presented to the Commission. The Department shall calculate use rates for each of the age cohorts set  
215 forth in Section 3(1)(b) and biennially present the revised use rates based on 2006 information, or the  
216 most recent base year information available biennially after 2006, to the CON Commission.

217  
218 (2) The Commission shall establish the effective date of the modifications made pursuant to  
219 subsection (1).

220  
221 (3) Modifications made by the Commission pursuant to subsection (1) shall not require standard  
222 advisory committee action, a public hearing, or submittal of the standard to the Legislature and the  
223 Governor in order to become effective.

224 **Section 6. Requirements for approval to increase beds in a planning area**

225  
226  
227 Sec. 6. An applicant proposing to increase the number of nursing home beds in a planning area  
228 must meet the following as applicable:

229  
230 (1) An applicant proposing to increase the number of nursing home beds in a planning area by  
231 beginning operation of a new nursing home/HLTCU or increasing the number of beds to an existing  
232 licensed nursing home/HLTCU shall demonstrate the following:

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

236

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

237  
238 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or  
239 receivership within the last three years, or from the change of ownership date if the facility has come  
240 under common ownership or control within 24 months of the date of the application.

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

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

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

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

256 (vi) ~~Outstanding-DELINQUENT~~ debt obligation to the State of Michigan ~~for-INCLUDING, BUT NOT~~  
257 ~~LIMITED TO,~~ Quality Assurance Assessment Program (QAAP), ~~PREADMISSION SCREENING AND~~  
258 ~~ANNUAL RESIDENT REVIEW (PASARR)-~~or Civil Monetary Penalties (CMP).

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

263 (c) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has  
264 been submitted and approved by the Bureau of Health ~~Systems-CARE SERVICES~~ within ~~LARA,the~~  
265 ~~Department.~~ Code deficiencies include any unresolved deficiencies still outstanding with ~~the~~  
266 ~~DepartmentLARA.~~

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

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

274 (ii) An exception to the number of beds may be approved, if the applicant facility has experienced  
275 an average occupancy rate of 97% for ~~12 quartersTHREE YEARS~~ based on the ~~Department's~~  
276 ~~"Staffing/Bed Utilization Ratios Report."~~~~CON ANNUAL SURVEY.~~ The number of beds that may be  
277 approved in excess of the bed need for each planning area ~~identified in Appendix B~~ is set forth in  
278 subsection (A).

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

293 is less than 20, the number of additional beds that may be approved shall be that number of beds or up to  
294 a maximum of 20 beds.

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

297 (A) The planning area in which the beds will be located shall have a population density of less than  
298 28 individuals per square mile based on the 2000-2010 U.S. Census figures as set forth in Appendix DE.

299 (B) The applicant facility has experienced an average occupancy rate of 92% for the most recent 24  
300 monthsTWO YEARS based on the Department's "Staffing/Bed Utilization Ratios Report."CON ANNUAL  
301 SURVEY.

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

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

309

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

310

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

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

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

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

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

329 (vi) Outstanding-DELINQUENT debt obligation to the State of Michigan INCLUDING, BUT NOT  
330 LIMITED TO, for Quality Assurance Assessment Program (QAAP), PREADMISSION SCREENING AND  
331 ANNUAL RESIDENT REVIEW (PASARR) or Civil Monetary Penalties (CMP).

332 (b) The proposed project results in no more than 100 beds per new design model and meets the  
333 following design standards:

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

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

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

343 (B) electronic nurse call systems shall be required in all facilities;

344 (C) handrails shall be required on both sides of patient corridors; and

345 (D) ceiling heights shall be a minimum of 7 feet 10 inches.

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

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

350 (c) The proposed project shall include at least 80% single occupancy resident rooms with an  
351 adjoining ~~bathroom~~TOILET ROOM CONTAINING A SINK, WATER CLOSET, AND BATHING FACILITY  
352 AND serving no more than two residents in both the central support inpatient facility and any supported  
353 small resident housing units.

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

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

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

### 365 ~~Section 7. Requirements for approval to relocate existing nursing home/HLTCU beds~~

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

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

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

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

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

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

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



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~~— (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 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:~~

<b>Type of Applicant</b>	<b>Reporting Requirement</b>
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) or Civil Monetary Penalties (CMP).~~

~~— (b) The approval of the proposed new nursing home/HLTCU beds shall not result in an increase in the number of nursing home beds in the planning area.~~

~~— (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.~~

**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~~ AND if the applicant demonstrates all of the following REQUIREMENTS ARE MET:

428 (a) At the time of application, the applicant, as identified in the table, shall provide a report  
 429 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its  
 430 nursing homes/HLTCUs:  
 431

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

- 432 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or  
 433 receivership within the last three years, or from the change of ownership date if the facility has come  
 434 under common ownership or control within 24 months of the date of the application.  
 435 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the  
 436 facility has come under common ownership or control within 24 months of the date of the application.  
 437 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement  
 438 initiated by the Department or licensing and certification agency in another state, within the last three  
 439 years, or from the change of ownership date if the facility has come under common ownership or control  
 440 within 24 months of the date of the application.  
 441 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and  
 442 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated  
 443 from the quarter in which the standard survey was completed, in the state in which the nursing  
 444 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all  
 445 licensed only facilities on the last two licensing surveys. However, if the facility has come under common  
 446 ownership or control within 24 months of the date of the application, the first two licensing surveys as of  
 447 the change of ownership date, shall be excluded.  
 448 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid  
 449 Services.  
 450 (vi) ~~Outstanding-DELINQUENT~~ debt obligation to the State of Michigan ~~INCLUDING, BUT NOT~~  
 451 ~~LIMITED TO, for~~ Quality Assurance Assessment Program (QAAP), ~~PREADMISSION SCREENING AND~~  
 452 ~~ANNUAL RESIDENT REVIEW (PASARR)~~ or Civil Monetary Penalties (CMP).  
 453 (b) The proposed project is either to replace the licensed nursing home/HLTCU to a new  
 454 ~~PROPOSED LICENSED~~ site or replace a portion of the licensed beds at the existing licensed site.  
 455 (c) The proposed ~~LICENSED~~ site is within the replacement zone.  
 456 (d) The applicant certifies that the requirements found in the Minimum Design Standards for Health  
 457 Care Facilities of Michigan, referenced in Section 20145 (6) of the Public Health Code, Act 368 of 1978,  
 458 as amended and are published by the Department, will be met when the architectural blueprints are  
 459 submitted for review and approval by the Department.  
 460 (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has  
 461 been submitted and approved by the Bureau of Health ~~Systems-CARE SERVICES~~ within ~~the~~  
 462 ~~Department~~LARA. Code deficiencies include any unresolved deficiencies still outstanding with ~~the~~  
 463 ~~Department~~LARA.  
 464  
 465 (2) An applicant proposing to replace a licensed nursing home/HLTCU outside the replacement  
 466 zone shall demonstrate all of the following:  
 467

468 (a) At the time of application, the applicant, as identified in the table, shall provide a report  
 469 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its  
 470 nursing homes/HLTCUs:  
 471

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

- 472 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or  
 473 receivership within the last three years, or from the change of ownership date if the facility has come  
 474 under common ownership or control within 24 months of the date of the application.  
 475  
 476 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the  
 477 facility has come under common ownership or control within 24 months of the date of the application.  
 478  
 479 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement  
 480 initiated by the Department or licensing and certification agency in another state, within the last three  
 481 years, or from the change of ownership date if the facility has come under common ownership or control  
 482 within 24 months of the date of the application.  
 483  
 484 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and  
 485 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated  
 486 from the quarter in which the standard survey was completed, in the state in which the nursing  
 487 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all  
 488 licensed only facilities on the last two licensing surveys. However, if the facility has come under common  
 489 ownership or control within 24 months of the date of the application, the first two licensing surveys as of  
 490 the change of ownership date, shall be excluded.  
 491  
 492 (v) Currently listed as a special focus nursing home by the Center for Medicare and Medicaid  
 493 Services.  
 494  
 495 (vi) ~~Outstanding-DELINQUENT~~ debt obligation to the State of Michigan **INCLUDING, BUT NOT**  
 496 **LIMITED TO, for** Quality Assurance Assessment Program (QAAP), **PREADMISSION SCREENING AND**  
 497 **ANNUAL RESIDENT REVIEW (PASARR)** or Civil Monetary Penalties (CMP).  
 498  
 499 (b) The total number of existing nursing home beds in that planning area is equal to or less than the  
 500 needed nursing home bed supply ~~set forth in Appendix B.~~  
 501  
 502 (c) The number of beds to be replaced is equal to or less than the number of currently licensed  
 503 beds at the nursing home/HLTCU at which the beds proposed for replacement are currently located.  
 504  
 505 (d) The applicant certifies that the requirements found in the Minimum Design Standards for Health  
 506 Care Facilities of Michigan, referenced in Section 20145 (6) of the Public Health Code, Act 368 of 1978,  
 507 as amended and are published by the Department, will be met when the architectural blueprints are  
 508 submitted for review and approval by the Department.  
 509  
 510 (e) A Plan of Correction for cited state or federal code deficiencies at the health facility, if any, has  
 511 been submitted and approved by the Bureau of Health ~~Systems-CARE SERVICES~~ within ~~the~~  
 512 ~~Department~~**LARA**. Code deficiencies include any unresolved deficiencies still outstanding with ~~the~~  
 513 ~~Department~~**LARA**.  
 514  
 515 (3) An applicant proposing to replace beds with a new design model shall not be required to be in  
 516 compliance with the needed nursing home bed supply ~~set forth in Appendix B AND~~ ~~if the applicant~~  
 517 ~~demonstrates~~ all of the following **REQUIREMENTS ARE MET**:

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

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

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

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

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

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

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

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

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

528 (b) The proposed project shall include at least 80% single occupancy resident rooms with an  
529 adjoining ~~bathroom~~**TOILET ROOM CONTAINING A SINK, WATER CLOSET, AND BATHING FACILITY**  
530 **AND** serving no more than two residents in both the central support inpatient facility and any supported  
531 small resident housing units. If the proposed project is for replacement/renovation of an existing facility  
532 and utilizes only a portion of its currently licensed beds, the remaining rooms at the existing facility shall  
533 not exceed double occupancy.

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

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

539 (ii) The applicant shall provide a signed affidavit or resolution from its governing body or authorized  
540 agent stating that the proposed licensed site will continue to provide service to the same market, and

541 (iii) The current patients of the facility/beds being replaced shall be admitted to the replacement  
542 beds when the replacement beds are licensed, to the extent that those patients desire to transfer to the  
543 replacement facility/beds.

544 (d) An approved project may involve replacement of a portion of the beds of an existing facility at a  
545 geographic location within the replacement zone that is not physically connected to the current licensed  
546 site. If a portion of the beds are replaced at a location that is not the current licensed site, a separate  
547 license shall be issued to the facility at the new location.

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

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

553  
554  
555 ~~Sec. 8. (1) An applicant proposing to relocate existing nursing home/HLTCU beds shall not be~~  
556 ~~required to be in compliance with the needed nursing home bed supply if~~**AND the applicant demonstrates**  
557 **all of the following REQUIREMENTS ARE MET:**

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

561 (ba) THERE SHALL NOT BE ANY OWNERSHIP RELATIONSHIP REQUIREMENTS BETWEEN  
 562 the nursing home/HLTCU from which the beds are being relocated and the nursing home/HLTCU  
 563 receiving the beds shall not require any ownership relationship.  
 564 (eb) THE RELOCATED BEDS SHALL BE PLACEDThe nursing home/HLTCU from which the beds  
 565 are being relocated and the nursing home/HLTCU receiving the beds must be located in the same  
 566 planning area.  
 567 (d) The nursing home/HLTCU from which the beds are being relocated has not relocated any beds  
 568 within the last seven (7) years.  
 569 (ec) The relocated beds shall be licensed to the receiving nursing home/HLTCU and will be counted  
 570 in the inventory for the applicable planning area.  
 571 (fd) At the time of transfer to the receiving facility, patients in beds to be relocated must be given the  
 572 choice of remaining in another bed in the nursing home/HLTCU from which the beds are being transferred  
 573 or to the receiving nursing home/HLTCU. Patients shall not be involuntary discharged to create a vacant  
 574 bed.  
 575 (e) RELOCATION OF BEDS SHALL NOT INCREASE THE ROOMS WITH THREE (3) OR MORE  
 576 BED WARDS IN THE RECEIVING FACILITY.

577  
 578 (2) An applicant proposing to add new nursing home/HLTCU beds, as the receiving existing nursing  
 579 home/HLTCU under subsection (1), shall not be required to be in compliance with the needed nursing  
 580 home bed supply, if AND the applicant demonstrates all of the following REQUIREMENTS ARE MET:  
 581 (a) At the time of application, the applicant, as identified in the table, shall provide a report  
 582 demonstrating that it does not meet any of the following conditions in 14%, but not more than five, of its  
 583 nursing homes/HLTCUs:

<u>Type of Applicant</u>	<u>Reporting Requirement</u>
<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 homes/HLTCUs</u>	<u>All Michigan and out of state nursing homes/HLTCUs under common ownership or control</u>

585  
 586 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or  
 587 receivership within the last three years, or from the change of ownership date if the facility has come  
 588 under common ownership or control within 24 months of the date of the application.  
 589 (ii) A filing for bankruptcy within the last three years, or from the change of ownership date if the  
 590 facility has come under common ownership or control within 24 months of the date of the application.  
 591 (iii) Termination of a Medical Assistance Provider Enrollment and Trading Partner Agreement  
 592 initiated by the Department or licensing and certification agency in another state, within the last three  
 593 years, or from the change of ownership date if the facility has come under common ownership or control  
 594 within 24 months of the date of the application.  
 595 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and  
 596 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated  
 597 from the quarter in which the standard survey was completed, in the state in which the nursing  
 598 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all  
 599 licensed only facilities on the last two licensing surveys. However, if the facility has come under common  
 600 ownership or control within 24 months of the date of the application, the first two licensing surveys as of  
 601 the change of ownership date, shall be excluded.

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

604 (vi) Outstanding DELINQUENT debt obligation to the State of Michigan INCLUDING, BUT NOT  
605 LIMITED TO, for Quality Assurance Assessment Program (QAAP), PREADMISSION SCREENING AND  
606 ANNUAL RESIDENT REVIEW (PASARR) or Civil Monetary Penalties (CMP).

607 (b) The approval of the proposed new nursing home/HLTCU beds shall not result in an increase in  
608 the number of nursing home beds in the planning area.

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

613  
614 **Section 9. Requirements for approval to acquire an existing nursing home/HLTCU or renew the**  
615 **lease of an existing nursing home/HLTCU**

616  
617 Sec. 9. An applicant proposing to acquire an existing nursing home/HLTCU or renew the lease of an  
618 existing nursing home/HLTCU must meet the following as applicable:

619  
620 (1) An applicant proposing to acquire an existing nursing home/HLTCU shall not be required to be  
621 in compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ for the planning area in  
622 which the nursing home or HLTCU is located ~~if AND the applicant demonstrates~~ all of the following  
623 **REQUIREMENTS ARE MET:**

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

627

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

628  
629 (i) A state enforcement action resulting in a license revocation, reduced license capacity, or  
630 receivership within the last three years, or from the change of ownership date if the facility has come  
631 under common ownership or control within 24 months of the date of the application.

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

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

638 (iv) A number of citations at Level D or above, excluding life safety code citations, on the scope and  
639 severity grid on two consecutive standard surveys that exceeds twice the statewide average, calculated  
640 from the quarter in which the standard survey was completed, in the state in which the nursing  
641 home/HLTCU is located. For licensed only facilities, a number of citations at two times the average of all  
642 licensed only facilities on the last two licensing surveys. However, if the facility has come under common

643 ownership or control within 24 months of the date of the application, the first two licensing surveys as of  
644 the change of ownership date, shall be excluded.

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

647 (vi) ~~Outstanding DELINQUENT~~ debt obligation to the state of Michigan **INCLUDING, BUT NOT**  
648 **LIMITED TO, for** quality assurance assessment program (QAAP), **PREADMISSION SCREENING AND**  
649 **ANNUAL RESIDENT REVIEW (PASARR)** OR civil monetary penalties (CMP).

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

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

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

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

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

661  
662 (2) An applicant proposing to acquire an existing nursing home/HLTCU approved pursuant to the  
663 new design model shall demonstrate the following:

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

667

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

668

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

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

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

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

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

687 (vi) ~~Outstanding-DELINQUENT~~ debt obligation to the State of Michigan ~~INCLUDING, BUT NOT~~  
688 ~~LIMITED TO, for~~ Quality Assurance Assessment Program (QAAP), ~~PREADMISSION SCREENING AND~~  
689 ~~ANNUAL RESIDENT REVIEW (PASARR)~~ or Civil Monetary Penalties (CMP).

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

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

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

700  
701 (3) An applicant proposing to renew the lease for an existing nursing home/HLTCU shall not be  
702 required to be in compliance with the needed nursing home bed supply ~~set forth in Appendix B~~ for the  
703 planning area in which the nursing home/HLTCU is located, ~~if-AND the applicant demonstrates~~ all of the  
704 following ~~REQUIREMENTS ARE MET~~:

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

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

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

711

## 712 Section 10. Review standards for comparative review

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

717

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

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

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

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

726

Percentage of Medicaid Patient Days (calculated using total patient days for all existing and proposed beds at the facility)	Points Awarded	
	<del>Current</del> <del>EXISTING</del>	Proposed
<del>20-50</del> – <del>59</del> <del>69</del> %	<del>64</del>	3
<del>60-70</del> – 100%	<del>108</del>	<del>57</del>

727

728 (b) A qualifying project will be awarded 10 points ~~as follows~~:



729 ~~\_\_\_\_\_ (i) For an existing nursing home/HLTCU, nine (9) points if 100%, six (6) points if 75%, and four (4)~~  
730 ~~points if 50% of the licensed nursing home beds are Medicaid certified for the most recent 12 months of~~  
731 ~~operations.~~

732 ~~\_\_\_\_\_ (ii) For a new nursing home/HLTCU, seven (7) points if 100%, four (4) points if 75%, and two (2)~~  
733 ~~points if 50% of the proposed beds will be Medicaid certified by the second 12 months of operation~~  
734 ~~following project completion.~~  
735 ~~IF ALL BEDS IN THE PROPOSED PROJECT WILL BE DUALY CERTIFIED~~  
736 ~~FOR BOTH MEDICARE AND MEDICAID SERVICES BY THE SECOND 12 MONTHS OF OPERATION.~~

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

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

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

751 ~~(a) is currently a special focus nursing home/HLTCU as identified by the Centers for Medicare and~~  
752 ~~Medicaid Services (CMS):~~

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

754 ~~(c) has had more than eight (8) substandard quality of care citations; immediate harm citations,~~  
755 ~~and/or immediate jeopardy citations in the three (3) most recent standard survey cycles (includes~~  
756 ~~intervening abbreviated surveys, standard surveys, and revisits);~~

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

759 ~~(e) has had a state enforcement action resulting in a reduction in license capacity or a ban on~~  
760 ~~admissions within the last three (3) years; or~~

761 ~~(f) has any outstanding-DELINQUENT debt obligation to the state of Michigan INCLUDING, BUT~~  
762 ~~NOT LIMITED TO, for quality assurance assessment program (QAAP), civil monetary penalties (CMP),~~  
763 ~~Medicaid level of care determination (LOCD), or preadmission screening and annual resident review~~  
764 ~~(PASARR).~~

765 ~~(5) A qualifying project will be awarded 40-THREE (3) points if the applicant provides~~  
766 ~~documentation that it participates or five (5) points if it proposes to participate in a culture change model,~~  
767 ~~which contains person centered care, ongoing staff training, and measurements of outcomes. An~~  
768 ~~additional five (5) points will be awarded if the culture change model, either currently used or proposed, is~~  
769 ~~a model approved by the Department.~~

770 ~~(6) A qualifying project will be awarded points based on the proposed percentage of the "Applicant's~~  
771 ~~cash" to be applied toward funding the total proposed project cost as follows:~~

<del>Percentage "Applicant's Cash"</del>	<del>Points</del> <del>Awarded</del>
<del>Over 20%</del>	<del>5</del>
<del>10 – 20%</del>	<del>3</del>

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

~~(8)~~ A qualifying project will be awarded ~~five~~ FOUR (54) points if the ENTIRE existing ~~or~~ AND proposed nursing home/HLTCU is fully equipped with air conditioning. FULLY EQUIPPED WITH AIR CONDITIONING MEANS MEETING THE DESIGN TEMPERATURES IN TABLE 6B OF THE MINIMUM DESIGN STANDARDS FOR HEALTH CARE FACILITIES IN MICHIGAN AND CAPABLE OF MAINTAINING A TEMPERATURE OF 71 – 81 DEGREES FOR THE RESIDENT UNIT CORRIDORS.

~~(97)~~ A qualifying project will be awarded SIX (6) OR FOUR (4) points based on ~~the proposed project as follows~~ ONLY ONE OF THE FOLLOWING:

- (a) SIX (6) POINTS IF THE PROPOSED PROJECT HAS 100% private rooms with DEDICATED TOILET ROOM CONTAINING A sink, WATER CLOSET, and shower BATHING FACILITY OR
- (b) FOUR (4) POINTS IF THE PROPOSED PROJECT HAS 80% private rooms with dedicated TOILET ROOM CONTAINING A SINK, WATER CLOSET and shower BATHING FACILITY.

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

~~(108)~~ A qualifying project will be awarded 10 points if it results in a nursing home/HLTCU with 150 or fewer beds IN TOTAL.

~~(11)~~ A qualifying project will be awarded ~~five (5)~~ points if the applicant provides its audited financial statements.

~~(129)~~ A qualifying project will be awarded five (5) points if the proposed beds will be housed in new construction.

~~(1310)~~ A qualifying project will be awarded 10 points if the ENTIRE existing AND PROPOSED nursing home/HLTCU AND ITS PROPOSED PROJECT eliminates all of its 3- and 4-bed wards WILL HAVE NO MORE THAN DOUBLE OCCUPANCY ROOMS AT COMPLETION OF THE PROJECT.

~~(1411)~~ A qualifying project will be awarded ~~5-TWO (2)~~ points if the existing or proposed nursing home/HLTCU is on or readily accessible to an existing or proposed public transportation route.

~~(1512)~~ A qualifying project will be awarded ~~no more than four (4)~~ points for technological innovation as follows:

Technology Feature <u>INNOVATIONS</u>	Points Awarded
<u>THE PROPOSED PROJECT WILL HAVE wireless nurse call/paging system including wireless devices carried by</u>	<u>1</u>

<del>direct care staff</del> Electronic health record and computer point-of-service entry capability (including wireless tablets)	
WIRELESS INTERNET WITH RESIDENT ACCESS TO RELATED EQUIPMENT/DEVICE IN ENTIRE FACILITYWireless nurse call/paging system including wireless devices carried by direct care staff	1
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 AT THE ENTIRE EXISTING AND PROPOSED NURSING HOME/HLTCUWireless internet in total existing and proposed facility	<del>4</del>
Computer stations or internet cafes for resident use	4
THE PROPOSED PROJECT WILL HAVE A BACKUP GENERATOR SUPPORTING ALL FUNCTIONS WITH AN ON-SITE OR PIPED-IN FUEL SUPPLY AND BE CAPABLE OF PROVIDING AT LEAST 48 HOURS OF SERVICE AT FULL LOAD	4

813  
814 ~~(4613)~~ A QUALIFYING PROJECT WILL BE AWARDED THREE (3) POINTS IF THE PROPOSED  
815 PROJECT INCLUDES BARIATRIC ROOMS AS FOLLOWS: PROJECT USING 0 – 49 BEDS WILL  
816 RESULT IN AT LEAST ONE (1) BARIATRIC ROOM OR PROJECT USING 50 OR MORE BEDS WILL  
817 RESULT IN AT LEAST TWO (2) BARIATRIC ROOMS. BARIATRIC ROOM MEANS THE CREATION OF  
818 PATIENT ROOM(S) INCLUDED AS PART OF THE CON PROJECT, AND IDENTIFIED ON THE  
819 ARCHITECTURAL SCHEMATICS, THAT ARE DESIGNED TO ACCOMMODATE THE NEEDS OF  
820 BARIATRIC PATIENTS WEIGHING OVER 400 POUNDS. THE BARIATRIC PATIENT ROOMS SHALL  
821 HAVE A LARGER ROOM AND BATHROOM ENTRANCE WIDTH TO ACCOMMODATE OVER-SIZED  
822 EQUIPMENT, AND SHALL INCLUDE A MINIMUM OF A BARIATRIC BED, BARIATRIC TOILET,  
823 BARIATRIC WHEELCHAIR, AND A DEVICE TO ASSIST RESIDENT MOVEMENT (SUCH AS A  
824 PORTABLE OR BUILD IN LIFT). IF AN IN-ROOM SHOWER IS NOT INCLUDED IN THE BARIATRIC  
825 PATIENT ROOM, THE MAIN/CENTRAL SHOWER ROOM THAT IS LOCATED ON THE SAME FLOOR  
826 AS THE BARIATRIC PATIENT ROOM(S) SHALL INCLUDE AT LEAST ONE (1) SHOWER STALL THAT  
827 HAS AN OPENING WIDTH AND DEPTH THAT IS LARGER THAN MINIMUM MI CODE  
828 REQUIREMENTS.

829  
830 (14) Submission of conflicting information in this section may result in a lower point award. If an  
831 application contains conflicting information which could result in a different point value being awarded in  
832 this section, the Department will award points based on the lower point value that could be awarded from  
833 the conflicting information. For example, if submitted information would result in 6 points being awarded,  
834 but other conflicting information would result in 12 points being awarded, then 6 points will be awarded. If  
835 the conflicting information does not affect the point value, the Department will award points accordingly.  
836 For example, if submitted information would result in 12 points being awarded and other conflicting  
837 information would also result in 12 points being awarded, then 12 points will be awarded.

838  
839 ~~(4715)~~ The Department shall approve those qualifying projects which, when taken together, do not  
840 exceed the need as defined in Section 22225(1) of the Code, being Section 333.22225(1) of the Michigan  
841 Compiled Laws, and which have the highest number of points when the results of subsections (2) through  
842 ~~(4512)~~ are totaled. If two or more qualifying projects are determined to have an identical number of points,  
843 then the Department shall approve those qualifying projects which, when taken together, do not exceed

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

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

847  
848  
849 Sec. 11. ~~(1)~~ An applicant shall agree that, if approved, the ~~project~~ NURSING HOME/HLTCU  
850 SERVICES shall be delivered in compliance with the following terms of ~~CON~~ approval:

851  
852 ~~(a1)~~ Compliance with these standards, including the requirements of Section 10. IF AN APPLICANT  
853 IS AWARDED BEDS PURSUANT TO SECTION 10 AND REPRESENTATIONS MADE IN THAT  
854 SECTION, THE DEPARTMENT SHALL MONITOR COMPLIANCE WITH THOSE STATEMENTS AND  
855 REPRESENTATIONS AND SHALL DETERMINE ACTIONS FOR NON-COMPLIANCE.

856  
857 ~~(b2)~~ COMPLIANCE WITH THE FOLLOWING APPLICABLE QUALITY ASSURANCE STANDARDS:

858  
859 (a) Compliance with Section 22230 of the Code shall be based on the nursing home's/HLTCU's  
860 actual Medicaid participation within the time periods specified in these standards. Compliance with  
861 Section 10(2)(a) of these standards shall be determined by comparing the nursing home's/HLTCU's actual  
862 patient days reimbursed by Medicaid, as a percentage of the total patient days, with the applicable  
863 schedule set forth in Section 10(2)(a) for which the applicant had been awarded points in the comparative  
864 review process. If any of the following occurs, an applicant shall be required to be in compliance with the  
865 range in the schedule immediately below the range for which points had been awarded in Section  
866 10(2)(a), instead of the range of points for which points had been awarded in the comparative review in  
867 order to be found in compliance with Section 22230 of the Code: (i) the average percentage of Medicaid  
868 recipients in all nursing homes/HLTCUs in the planning area decreased by at least 10 percent between  
869 the second 12 months of operation after project completion and the most recent 12-month period for  
870 which data are available, (ii) the actual rate of increase in the Medicaid program per diem reimbursement  
871 to the applicant nursing home/HLTCU is less than the annual inflation index for nursing homes/HLTCUs  
872 as defined in any current approved Michigan State Plan submitted under Title XIX of the Social Security  
873 Act which contains an annual inflation index, or (iii) the actual percentage of the nursing home's/HLTCU's  
874 patient days reimbursed by Medicaid (calculated using total patient days for all existing and proposed  
875 nursing home beds at the facility) exceeds the statewide average plus 10 percent of the patient days  
876 reimbursed by Medicaid for the most recent year for which data are available from the Michigan  
877 Department of Community Health [subsection (iii) is applicable only to Section 10(2)(a)]. In evaluating  
878 subsection (ii), the Department shall rely on both the annual inflation index and the actual rate increases in  
879 per diem reimbursement to the applicant nursing home/HLTCU and/or all nursing homes/HLTCUs in the  
880 HSA.

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

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

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

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

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

892  
893 (3) COMPLIANCE WITH THE FOLLOWING ACCESS TO CARE REQUIREMENTS:

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

897 (i) NOT DENY SERVICES TO ANY INDIVIDUAL BASED ON PAYOR SOURCE.

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

900 (iii) PROVIDE SERVICES TO ANY INDIVIDUAL BASED ON CLINICAL INDICATIONS OF NEED  
901 FOR THE SERVICES.

902  
903 (4) COMPLIANCE WITH THE FOLLOWING MONITORING AND REPORTING REQUIREMENTS:  
904

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

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

915  
916 ~~(25)~~ (25) An applicant shall agree that, if approved, and material discrepancies are later determined  
917 within the reporting of the ownership and citation history of the applicant facility and all nursing homes  
918 under common ownership and control that would have resulted in a denial of the application, shall  
919 surrender the CON. This does not preclude an applicant from reapplying with corrected information at a  
920 later date.

921  
922 ~~(36)~~ (36) The agreements and assurances required by this section shall be in the form of a certification  
923 agreed to by the applicant or its authorized agent.

## 924 **Section 12. Department inventory of beds**

925  
926  
927 Sec. 12. The Department shall maintain a listing of the Department Inventory of Beds for each  
928 planning area.

## 929 **Section 13. Wayne County planning areas**

930  
931  
932 Sec. 13. (1) For purposes of these standards the cities and/or townships in Wayne County are  
933 assigned to the planning areas as follows:

### 934 Planning Area 84/Northwest Wayne

935  
936  
937 Canton Township, Dearborn, Dearborn Heights, Garden City, Inkster, Livonia, Northville (part), Northville  
938 Township, Plymouth, Plymouth Township, Redford Township, Wayne, Westland

941 Planning area 85/Southwest Wayne

942  
943 Allen Park, Belleville, Brownstown Township, Ecorse, Flat Rock, Gibraltar, Grosse Ile Township, Huron  
944 Township, Lincoln Park, Melvindale, River Rouge, Riverview, Rockwood, Romulus, Southgate, Sumpter  
945 Township, Taylor, Trenton, Van Buren Township, Woodhaven, Wyandotte

946  
947 Planning area 86/Detroit

948  
949 Detroit, Grosse Pointe, Grosse Pointe Township, Grosse Pointe Farms, Grosse Pointe Park, Grosse  
950 Pointe Woods, Hamtramck, Harper Woods, Highland Park

951  
952 **Section 14. Health Service Areas**

953  
954 ~~Sec. 14. Counties assigned to each of the HSAs are as follows:~~

955

956 HSA	957 COUNTIES		
958 1	Livingston	Monroe	St. Clair
959	Macomb	Oakland	Washtenaw
960	Wayne		
961			
962 2	Clinton	Hillsdale	Jackson
963	Eaton	Ingham	Lenawee
964			
965 3	Barry	Calhoun	St. Joseph
966	Berrien	Cass	Van Buren
967	Branch	Kalamazoo	
968			
969 4	Allegan	Mason	Newaygo
970	Ionia	Mecosta	Oceana
971	Kent	Montcalm	Osceola
972	Lake	Muskegon	Ottawa
973			
974 5	Genesee	Lapeer	Shiawassee
975			
976 6	Arenac	Huron	Roscommon
977	Bay	Iosco	Saginaw
978	Clare	Isabella	Sanilac
979	Gladwin	Midland	Tuscola
980	Gratiot	Ogemaw	
981			
982 7	Alcona	Crawford	Missaukee
983	Alpena	Emmet	Montmorency
984	Antrim	Gd Traverse	Oscoda
985	Benzie	Kalkaska	Otsego
986	Charlevoix	Leelanau	Presque Isle
987	Cheboygan	Manistee	Wexford
988			
989 8	Alger	Gogetic	Mackinac
990	Baraga	Houghton	Marquette
991	Chippewa	Iron	Menominee

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~~Delta~~ ~~Keweenaw~~ ~~Ontonagon~~  
~~Dickinson~~ ~~Luce~~ ~~Schoolcraft~~

**Section 15. Effect on prior CON review standards, comparative reviews**

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

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

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

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

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



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1064 **CON REVIEW STANDARDS**  
1065 **FOR NURSING HOME AND HOSPITAL LONG-TERM-CARE UNIT BEDS**  
1066

1067 The use rate per 1000 population for each age cohort, for purposes of these standards, effective ~~March~~  
1068 AUGUST 14, 2014, and until otherwise changed by the Commission, is as follows.

- 1069  
1070 (i) Age 0 - 64: ~~208-200~~ days of care  
1071  
1072 (ii) Age 65 - 74: ~~2,791-2,638~~ days of care  
1073  
1074 (iii) Age 75 - 84: ~~10,047~~9379 days of care  
1075  
1076 (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	415	0.9590
Alger	65	0.90
Allegan	500	0.95
Alpena	487	0.95
Antrim	468	0.95
Arenac	400	0.9590
Baraga	58	0.90
Barry	275	0.95
Bay	603	0.95
Benzie	424	0.95
Berrien	884	0.95
Branch	224	0.95
Calhoun	675	0.95
Cass	273	0.95
Charlevoix	459	0.95
Cheboygan	488	0.95
Chippewa	202	0.95
Clare	485	0.95
Clinton	319	0.95
Crawford	95	0.90
Delta	245	0.95
Dickinson	490	0.95
Eaton	494	0.95
Emmet	204	0.95
Genesee	4,880	0.95
Gladwin	484	0.95
Gogebic	437	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
Ingham	1,048	0.95
Ionia	260	0.95
Iosco	204	0.95
Iron	120	0.9590
Isabella	245	0.95
Jackson	777	0.95
Kalamazoo	1,077	0.95
Kalkaska	95	0.90
Kent	2,451	0.95
Lake	88	0.90
Lapeer	375	0.95
Leelanau	159	0.95
Lenawee	524	0.95
Livingston	710	0.95
Luce	36	0.90
Mackinac	78	0.90
Macomb	4,255	0.95
Manistee	169	0.95
Marquette	338	0.95
Mason	186	0.95
Mecosta	220	0.95
Menominee	167	0.95
Midland	411	0.95
Missaukee	92	0.90
Monroe	686	0.95
Montcalm	291	0.95
Montmorency	101	0.9590
Muskegon	843	0.95
Newaygo	241	0.95
Oakland	5,630	0.95
Oceana	152	0.95
Ogemaw	134	0.95
Ontonagon	59	0.90
Osceola	127	0.95
Oscoda	72	0.90
Otsego	132	0.95
Ottawa	1,145	0.95

**APPENDIX B - continued**

		<b>Bed</b>	<b>ADC</b>
	<b>Planning Area</b>	<b>Need</b>	<b>Adjustment</b>
			<b>Factor</b>
1181			
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1186			
1187			
1188	Presque Isle	424	0.95
1189			
1190	Roscommon	227	0.95
1191			
1192	Saginaw	4,038	0.95
1193	St. Clair	811	0.95
1194	St. Joseph	290	0.95
1195	Sanilac	250	0.95
1196	Schoolcraft	61	0.90
1197	Shiawassee	336	0.95
1198			
1199	Tuscola	287	0.95
1200			
1201	Van Buren	365	0.95
1202			
1203	Washtenaw	4,268	0.95
1204	Wexford	470	0.95
1205	NW Wayne	2,305	0.95
1206	SW Wayne	4,542	0.95
1207			
1208	Detroit	4,140	0.95
1209			
1210	<b>Statewide Total</b>	<b>46,995</b>	
1211			

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

Rural Michigan counties are as follows:

Alcona	<del>Hillsdale</del>	Oceana
Alger	Huron	Ogemaw
Antrim	Iosco	Ontonagon
Arenac	Iron	Osceola
Baraga	Lake	Oscoda
Charlevoix	Luce	Otsego
Cheboygan	Mackinac	Presque Isle
Clare	Manistee	Roscommon
Crawford	<del>Mason</del>	Sanilac
Emmet	<del>Montcalm</del>	Schoolcraft
Gladwin	Montmorency	Tuscola
Gogebic	<u>NEWAYGO</u>	

Micropolitan statistical area Michigan counties are as follows:

Allegan	<u>HILLSDALE</u>	<u>MASON</u>
Alpena	Houghton	Mecosta
Benzie	<u>IONIA</u>	Menominee
Branch	Isabella	<del>Midland</del>
Chippewa	Kalkaska	Missaukee
Delta	Keweenaw	St. Joseph
Dickinson	Leelanau	Shiawassee
Grand Traverse	Lenawee	Wexford
Gratiot	Marquette	

Metropolitan statistical area Michigan counties are as follows:

Barry	<del>onia</del>	<u>MONTCALM</u> <u>Newaygo</u>
Bay	Jackson	Muskegon
Berrien	Kalamazoo	Oakland
Calhoun	Kent	Ottawa
Cass	Lapeer	Saginaw
Clinton	Livingston	St. Clair
Eaton	Macomb	Van Buren
Genesee	<u>MIDLAND</u>	Washtenaw
Ingham	Monroe	Wayne

Source:

65-75 F.R., p. 82238-37245 (December 27, 2000)  
JUNE 28, 2010  
 Statistical Policy Office  
 Office of Information and Regulatory Affairs  
 United States Office of Management and Budget

**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.

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

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

1298 MICHIGAN DEPARTMENT OF COMMUNITY HEALTH

1299  
1300 CON REVIEW STANDARDS  
1301 FOR NURSING HOME AND HOSPITAL LONG-TERM CARE UNIT BEDS  
1302 --ADDENDUM FOR SPECIAL POPULATION GROUPS  
1303

1304 (By authority conferred on the CON Commission by Section 22215 of Act No. 368 of the Public Acts of  
1305 1978, as amended, and sections 7 and 8 of Act No. 306 of the Public Acts of 1969, as amended, being  
1306 sections 333.22215, 24.207 and 24.208 of the Michigan Compiled Laws.)  
1307

1308 **Section 1. Applicability; definitions**  
1309

1310 Sec. 1. (1) This addendum supplements the CON Review Standards for Nursing Home and  
1311 Hospital Long-term Care Unit Beds and shall be used for determining the need for projects established to  
1312 better meet the needs of special population groups within the long-term care and nursing home  
1313 populations.  
1314

1315 (2) Except as provided in sections 2, 3, 4, 5, 6, 7, and 8 of this addendum, these standards  
1316 supplement, and do not supersede, the requirements and terms of approval required by the CON Review  
1317 Standards for Nursing Home and Hospital Long-term Care Unit Beds.  
1318

1319 (3) The definitions which apply to the CON Review Standards for Nursing Home and Hospital Long-  
1320 term Care Unit Beds shall apply to these standards.  
1321

1322 (4) For purposes of this addendum, the following terms are defined:

1323 (a) "Behavioral patient" means an individual that exhibits a history of chronic behavior management  
1324 problems such as aggressive behavior that puts self or others at risk for harm, or an altered state of  
1325 consciousness, including paranoia, delusions, and acute confusion.

1326 (b) "Hospice" means a health care program licensed under Part 214 of the Code, being Section  
1327 333.21401 et seq.

1328 (c) "Infection control program," means a program that will reduce the risk of the introduction of  
1329 communicable diseases into a ventilator-dependent unit, provide an active and ongoing surveillance  
1330 program to detect the presence of communicable diseases in a ventilator-dependent unit, and respond to  
1331 the presence of communicable diseases within a ventilator-dependent unit so as to minimize the spread of  
1332 a communicable disease.

1333 (d) "Licensed hospital" means either a hospital licensed under Part 215 of the Code; or  
1334 a psychiatric hospital or unit licensed pursuant to Act 258 of the Public Acts of 1974, as amended, being  
1335 sections 330.1001 to 330.2106 of the Michigan Compiled Laws.

1336 (e) "Private residence", means a setting other than a licensed hospital; or a nursing home including  
1337 a nursing home or part of a nursing home approved pursuant to Section 6.

1338 (f) "Traumatic brain injury (TBI)/spinal cord injury (SCI) patient" means an individual with TBI or  
1339 SCI that is acquired or due to a traumatic insult to the brain and its related parts that is not of a  
1340 degenerative or congenital nature. These impairments may be either temporary or permanent and cause  
1341 partial or total functional disability or psychosocial adjustment.

1342 (g) "Ventilator-dependent patient," means an individual who requires mechanical ventilatory  
1343 assistance.  
1344

1345 **Section 2. Requirements for approval -- applicants proposing to increase nursing home beds --**  
1346 **special use exceptions**  
1347

1348 Sec. 2. A project to increase nursing home beds in a planning area which, if approved, would  
1349 otherwise cause the total number of nursing home beds in that planning area to exceed the needed  
1350 nursing home bed supply or cause an increase in an existing excess as determined under the applicable



1351 CON Review Standards for Nursing Home and Hospital Long-term Care Unit Beds, may nevertheless be  
1352 approved pursuant to this addendum.

1353  
1354 **Section 3. Statewide pool for the needs of special population groups within the long-term care**  
1355 **and nursing home populations**

1356  
1357 Sec. 3. (1) A statewide pool of additional nursing home beds of 1,958 beds needed in the state is  
1358 established to better meet the needs of special population groups within the long-term care and nursing  
1359 home populations. Beds in the pool shall be allocated as follows:

1360 (a) These categories shall be allocated 1,109 beds and distributed as follows and shall be  
1361 reduced/redistributed in accordance with subsection (c):

- 1362 (i) TBI/SCI beds will be allocated 400 beds.
- 1363 (ii) Behavioral beds will be allocated 400 beds.
- 1364 (iii) Hospice beds will be allocated 130 beds.
- 1365 (iv) Ventilator-dependent beds will be allocated 179 beds.

1366 (b) The following historical categories have been allocated 849 beds. Additional beds shall not be  
1367 allocated to these categories. If the beds within any of these categories are delicensed, the beds shall be  
1368 eliminated and not be returned to the statewide pool for special population groups.

- 1369 (i) Alzheimer's disease has 384 beds.
- 1370 (ii) Health care needs for skilled nursing care has 173 beds.
- 1371 (iii) Religious has 292 beds.

1372 (c) The number of beds set aside from the total statewide pool established for categories in  
1373 subsection (1)(a) for a special population group shall be reduced if there has been no CON activity for that  
1374 special population group during at least 6 consecutive application periods.

1375 (i) The number of beds in a special population group shall be reduced to the total number of beds  
1376 for which a valid CON has been issued for that special population group.

1377 (ii) The number of beds reduced from a special population group pursuant to this subsection shall  
1378 revert to the total statewide pool established for categories in subsection (1)(a).

1379 (iii) The Department shall notify the Commission of the date when action to reduce the number of  
1380 beds set aside for a special population group has become effective and shall identify the number of beds  
1381 that reverted to the total statewide pool established for categories in subsection (1)(a).

1382 (iv) For purposes of this subsection, "application period" means the period of time from one  
1383 designated application date to the next subsequent designated application date.

1384 (v) For purposes of this subsection, "CON activity" means one or more of the following:

1385 (A) CON applications for beds for a special population group have been submitted to the  
1386 Department for which either a proposed or final decision has not yet been issued by the Department.

1387 (B) Administrative hearings or appeals to court of decisions issued on CON applications for beds for  
1388 a special population group are pending resolution.

1389 (C) An approved CON for beds for each special population group has expired for lack of appropriate  
1390 action by an applicant to implement an approved CON.

1391 (d) By setting aside these beds from the total statewide pool, the Commission's action applies only  
1392 to applicants seeking approval of nursing home beds pursuant to sections 4, 5, 6, and 7. It does not  
1393 preclude the care of these patients in units of hospitals, hospital long-term care units, nursing homes, or  
1394 other health care settings in compliance with applicable statutory or certification requirements.

1395  
1396 (2) Increases in nursing home beds approved under this addendum for special population groups  
1397 shall not cause planning areas currently showing an unmet bed need to have that need reduced or  
1398 planning areas showing a current surplus of beds to have that surplus increased.

1400 **Section 4. Requirements for approval for beds from the statewide pool for special population**  
1401 **groups allocated to TBI/SCI patients**

1402

1403 Sec. 4. The CON Commission determines there is a need for beds for applications designed to  
1404 determine the efficiency and effectiveness of specialized programs for the care and treatment of TBI/SCI  
1405 patients as compared to serving these needs in general nursing home unit(s).  
1406

1407 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an  
1408 existing nursing home/HLTCU under this section shall demonstrate with credible documentation to the  
1409 satisfaction of the Department each of the following:

1410 (a) The beds will be operated as part of a specialized program exclusively for TBI/SCI patients. At  
1411 the time an application is submitted, the applicant shall demonstrate that it operates:

1412 (i) A continuum of outpatient treatment, rehabilitative care, and support services for TBI/SCI  
1413 patients; and

1414 (ii) A transitional living program or contracts with an organization that operates a transitional living  
1415 program and rehabilitative care for TBI/SCI patients.

1416 (b) The applicant shall submit evidence of accreditation of its existing outpatient and/or residential  
1417 programs by the Commission on Accreditation of Rehabilitation Facilities (CARF) or another nationally-  
1418 recognized accreditation organization for rehabilitative care and services.

1419 (c) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another  
1420 nationally-recognized accreditation organization for the nursing home beds proposed under this  
1421 subsection.

1422 (d) A floor plan for the proposed physical plant space to house the nursing home beds allocated  
1423 under this subsection that provides for:

1424 (i) Individual units consisting of 20 beds or less per unit, not to be more than 40 beds per facility.

1425 (ii) Day/dining area within, or immediately adjacent to, the unit(s), which is solely for the use of  
1426 TBI/SCI patients.

1427 (iii) Direct access to a secure outdoor or indoor area at the facility appropriate for supervised  
1428 activity.

1429 (e) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1430 TBI/SCI patients of various ages.

1431 (2) Beds approved under this subsection shall not be converted to general nursing home use  
1432 without a CON for nursing home and hospital long-term care unit beds under the CON review standards  
1433 for nursing home and hospital long-term care unit beds and shall not be offered to individuals other than  
1434 TBI/SCI patients.  
1435  
1436

1437 **Section 5. Requirements for approval for beds from the statewide pool for special population**  
1438 **groups allocated to behavioral patients**  
1439

1440 Sec. 5. The CON Commission determines there is a need for beds for applications designed to  
1441 determine the efficiency and effectiveness of specialized programs for the care and treatment of  
1442 behavioral patients as compared to serving these needs in general nursing home unit(s).

1443 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an  
1444 existing nursing home/HLTCU under this section shall demonstrate with credible documentation to the  
1445 satisfaction of the Department each of the following:

1446 (a) Individual units shall consist of 20 beds or less per unit.

1447 (b) The facility shall not be awarded more than 40 beds.

1448 (c) The proposed unit shall have direct access to a secure outdoor or indoor area for supervised  
1449 activity.

1450 (d) The unit shall have within the unit or immediately adjacent to it a day/dining area which is solely  
1451 for the use of the behavioral patients.

1452 (e) The physical environment of the unit shall be designed to minimize noise and light reflections to  
1453 promote visual and spatial orientation.

1454 (f) Staff will be specially trained in treatment of behavioral patients.  
1455

1456 (2) Beds approved under this subsection shall not be converted to general nursing home use  
1457 without a CON for nursing home and hospital long-term care unit beds under the CON Review Standards  
1458 for Nursing Home and Hospital Long-term Care Unit Beds.

1459  
1460 (3) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1461 Medicaid.

1462  
1463 **Section 6. Requirements for approval for beds from the statewide pool for special population**  
1464 **groups allocated to hospice patients**

1465 Sec. 6. The CON Commission determines there is a need for beds for patients requiring both  
1466 hospice and long-term nursing care services within the long-term care and nursing home populations.

1467  
1468 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an  
1469 existing nursing home/HLTCU under this section shall demonstrate, with credible documentation to the  
1470 satisfaction of the Department, each of the following:

1471 (a) An applicant shall be a hospice certified by Medicare pursuant to the Code of Federal  
1472 Regulations, Title 42, Chapter IV, Subpart B (Medicare programs), Part 418 and shall have been a  
1473 Medicare certified hospice for at least 24 continuous months prior to the date an application is submitted  
1474 to the Department.

1475 (b) An applicant shall demonstrate that, during the most recent 12-month period prior to the date an  
1476 application is submitted to the Department for which verifiable data are available to the Department, at  
1477 least 64% of the total number of hospice days of care provided to all of the clients of the applicant hospice  
1478 were provided in a private residence.

1479 (c) An application shall propose 30 beds or less.

1480 (d) An applicant for beds from the special statewide pool of beds shall not be approved if any  
1481 application for beds in that same planning area has been approved from the special statewide pool of  
1482 beds allocated for hospice.

1483  
1484 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1485 Medicaid.

1486  
1487 **Section 7. Requirements for approval for beds from the statewide pool for special population**  
1488 **groups allocated to ventilator-dependent patients**

1489 Sec. 7. The CON Commission determines there is a need for beds for ventilator-dependent patients  
1490 within the long-term care and nursing home populations

1491 (1) An applicant proposing to begin operation of a new nursing home/HLTCU or add beds to an  
1492 existing nursing home/HLTCU under this section shall demonstrate, with credible documentation to the  
1493 satisfaction of the Department, each of the following:

1494 (a) An applicant proposes a program for caring for ventilator-dependent patients in licensed nursing  
1495 home beds.

1496 (b) An application proposes no more than 40 beds that will be licensed as nursing home beds.

1497 (c) The proposed unit will serve only ventilator-dependent patients.

1498  
1499 (2) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1500 Medicaid.

1501  
1502 **Section 8. Acquisition of nursing home/HLTCU beds approved pursuant to this addendum**

1503 Sec. 8. (1) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool  
1504 for special population groups allocated to religious shall meet the following:  
1505  
1506  
1507  
1508

1509 (a) The applicant is a part of, closely affiliated with, controlled, sanctioned or supported by a  
1510 recognized religious organization, denomination or federation as evidenced by documentation of its  
1511 federal tax exempt status as a religious corporation, fund, or foundation under section 501(c)(3) of the  
1512 United States Internal Revenue Code.

1513 (b) The applicant's patient population includes a majority of members of the religious organization  
1514 or denomination represented by the sponsoring organization.

1515 (c) The applicant's existing services and/or operations are tailored to meet certain special needs of  
1516 a specific religion, denomination or order, including unique dietary requirements, or other unique religious  
1517 needs regarding ceremony, ritual, and organization which cannot be satisfactorily met in a secular setting.

1518 (d) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1519 Medicaid.

1520

1521 (2) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for  
1522 special population groups allocated to TBI/SCI shall meet the following:

1523 (a) The beds will be operated as part of a specialized program exclusively for TBI/SCI patients. At  
1524 the time an application is submitted, the applicant shall demonstrate that it operates:

1525 (i) a continuum of outpatient treatment, rehabilitative care, and support services for TBI/SCI  
1526 patients; and

1527 (ii) a transitional living program or contracts with an organization that operates a transitional living  
1528 program and rehabilitative care for TBI/SCI patients.

1529 (b) The applicant shall submit evidence of accreditation of its existing outpatient and/or residential  
1530 programs by the Commission on Accreditation of Rehabilitation Facilities (CARF) or another nationally-  
1531 recognized accreditation organization for rehabilitative care and services.

1532 (c) Within 24-months of accepting its first patient, the applicant shall obtain CARF or another  
1533 nationally-recognized accreditation organization for the nursing home beds proposed under this  
1534 subsection.

1535 (d) A floor plan for the proposed physical plant space to house the nursing home beds allocated  
1536 under this subsection that provides for:

1537 (i) Individual units consisting of 20 beds or less per unit, not to be more than 40 beds per facility.

1538 (ii) Day/dining area within, or immediately adjacent to, the unit(s), which is solely for the use of  
1539 TBI/SCI patients.

1540 (iii) Direct access to a secure outdoor or indoor area at the facility appropriate for supervised  
1541 activity.

1542 (e) The applicant proposes programs to promote a culture within the facility that is appropriate for  
1543 TBI/SCI patients of various ages.

1544

1545 (3) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for  
1546 special population groups allocated to Alzheimer's disease shall meet the following:

1547 (a) The beds are part of a specialized program for Alzheimer's disease which will admit and treat  
1548 only patients which require long-term nursing care and have been appropriately classified as a patient on  
1549 the Global Deterioration Scale (GDS) for age-associated cognitive decline and Alzheimer's disease as a  
1550 level 4 (when accompanied by continuous nursing needs), 5, or 6.

1551 (b) The specialized program will participate in the state registry for Alzheimer's disease.

1552 (c) The specialized program shall be attached or geographically adjacent to a licensed nursing  
1553 home and be no larger than 20 beds in size.

1554 (d) The proposed Alzheimer's unit shall have direct access to a secure outdoor or indoor area at  
1555 the health facility, appropriate for unsupervised activity.

1556 (e) The Alzheimer's unit shall have within the unit or immediately adjacent to it a day/dining area  
1557 which is solely for the use of the Alzheimer's unit patients.

1558 (f) The physical environment of the Alzheimer's unit shall be designed to minimize noise and light  
1559 reflections to promote visual and spatial orientation.

1560 (g) Staff will be specially trained in Alzheimer's disease treatment.

1561 (h) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1562 Medicaid.

1563  
1564 (4) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for  
1565 special population groups allocated to behavioral patients shall meet the following:

1566 (a) Individual units shall consist of 20 beds or less per unit.

1567 (b) The facility shall not be awarded more than 40 beds.

1568 (c) The proposed unit shall have direct access to a secure outdoor or indoor area for supervised  
1569 activity.

1570 (d) The unit shall have within the unit or immediately adjacent to it a day/dining area which is solely  
1571 for the use of the behavioral patients.

1572 (e) The physical environment of the unit shall be designed to minimize noise and light reflections to  
1573 promote visual and spatial orientation.

1574 (f) Staff will be specially trained in treatment of behavioral patients.

1575 (g) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1576 Medicaid.

1577  
1578 (5) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for  
1579 special population groups allocated to hospice shall meet the following:

1580 (a) An applicant shall be a hospice certified by Medicare pursuant to the code of Federal  
1581 Regulations, Title 42, Chapter IV, Subpart B (Medicare Programs), Part 418 and shall have been a  
1582 Medicare certified hospice for at least 24 continuous months prior to the date an application is submitted  
1583 to the Department.

1584 (b) An applicant shall demonstrate that, during the most recent 12-month period prior to the date an  
1585 application is submitted to the Department for which verifiable data are available to the Department, at  
1586 least 64% of the total number of hospice days of care provided to all of the clients of the applicant hospice  
1587 were provided in a private residence.

1588 (c) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1589 Medicaid.

1590  
1591 (6) An applicant proposing to acquire nursing home/HLTCU beds from the statewide pool for  
1592 special population groups allocated to ventilator-dependent patients shall meet the following:

1593 (a) An applicant proposes a program for caring for ventilator-dependent patients in licensed nursing  
1594 home beds.

1595 (b) An application proposes no more than 40 beds that will be licensed as nursing home beds.

1596 (c) The proposed unit will serve only ventilator-dependent patients.

1597 (d) All beds approved pursuant to this subsection shall be dually certified for Medicare and  
1598 Medicaid.

1599  
1600 **Section 9. Project delivery requirements -- terms of approval for all applicants seeking approval**  
1601 **under Section 3(1) of this addendum**  
1602

1603 Sec. 9. (1) An applicant shall agree that if approved, the services shall be delivered in compliance  
1604 with the terms of approval required by the CON Review Standards for Nursing Home and Hospital Long-  
1605 term Care Unit Beds.

1606  
1607 (2) An applicant for beds from the statewide pool for special population groups allocated to religious  
1608 shall agree that, if approved, the services provided by the specialized long-term care beds shall be  
1609 delivered in compliance with the following term of CON approval:

1610 (a) The applicant shall document, at the end of the third year following initiation of beds approved  
1611 an annual average occupancy rate of 95 percent or more. If this occupancy rate has not been met, the  
1612 applicant shall delicense a number of beds necessary to result in a 95 percent occupancy based upon its  
1613 average daily census for the third full year of operation.

- 1614  
1615 (3) An applicant for beds from the statewide pool for special population groups allocated to  
1616 Alzheimer's disease shall agree that if approved:  
1617  
1618 (a) The beds are part of a specialized program for Alzheimer's disease which will admit and treat  
1619 only patients which require long-term nursing care and have been appropriately classified as a patient on  
1620 the Global Deterioration Scale (GDS) for age-associated cognitive decline and Alzheimer's disease as a  
1621 level 4 (when accompanied by continuous nursing needs), 5, or 6.  
1622 (b) The specialized program will participate in the state registry for Alzheimer's disease.  
1623 (c) The specialized program shall be attached or geographically adjacent to a licensed nursing  
1624 home and be no larger than 20 beds in size.  
1625 (d) The proposed Alzheimer's unit shall have direct access to a secure outdoor or indoor area at  
1626 the health facility, appropriate for unsupervised activity.  
1627 (e) The Alzheimer's unit shall have within the unit or immediately adjacent to it a day/dining area  
1628 which is solely for the use of the Alzheimer's unit patients.  
1629 (f) The physical environment of the Alzheimer's unit shall be designed to minimize noise and light  
1630 reflections to promote visual and spatial orientation.  
1631 (g) Staff will be specially trained in Alzheimer's disease treatment.  
1632  
1633 (4) An applicant for beds from the statewide pool for special population groups allocated to hospice  
1634 shall agree that, if approved, all beds approved pursuant to that subsection shall be operated in  
1635 accordance with the following CON terms of approval.  
1636 (a) An applicant shall maintain Medicare certification of the hospice program and shall establish  
1637 and maintain the ability to provide, either directly or through contractual arrangements, hospice services  
1638 as outlined in the Code of Federal Regulations, Title 42, Chapter IV, Subpart B, Part 418, hospice care.  
1639 (b) The proposed project shall be designed to promote a home-like atmosphere that includes  
1640 accommodations for family members to have overnight stays and participate in family meals at the  
1641 applicant facility.  
1642 (c) An applicant shall not refuse to admit a patient solely on the basis that he/she is HIV positive,  
1643 has AIDS or has AIDS related complex.  
1644 (d) An applicant shall make accommodations to serve patients that are HIV positive, have AIDS or  
1645 have AIDS related complex in nursing home beds.  
1646 (e) An applicant shall make accommodations to serve children and adolescents as well as adults in  
1647 nursing home beds.  
1648 (f) Nursing home beds shall only be used to provide services to individuals suffering from a  
1649 disease or condition with a terminal prognosis in accordance with Section 21417 of the Code, being  
1650 Section 333.21417 of the Michigan Compiled Laws.  
1651 (g) An applicant shall agree that the nursing home beds shall not be used to serve individuals not  
1652 meeting the provisions of Section 21417 of the Code, being Section 333.21417 of the Michigan Compiled  
1653 Laws, unless a separate CON is requested and approved pursuant to applicable CON review standards.  
1654 (h) An applicant shall be licensed as a hospice program under Part 214 of the Code, being Section  
1655 333.21401 et seq. of the Michigan Compiled Laws.  
1656 (i) An applicant shall agree that at least 64% of the total number of hospice days of care provided  
1657 by the applicant hospice to all of its clients will be provided in a private residence.  
1658  
1659 (5) An applicant for beds from the statewide pool for special population groups allocated to  
1660 ventilator-dependent patients shall agree that, if approved, all beds approved pursuant to that subsection  
1661 shall be operated in accordance with the following CON terms of approval.  
1662 (a) An applicant shall staff the proposed ventilator-dependent unit with employees that have been  
1663 trained in the care and treatment of ventilator-dependent patients and includes at least the following:  
1664 (i) A medical director with specialized knowledge, training, and skills in the care of ventilator-  
1665 dependent patients.  
1666 (ii) A program director that is a registered nurse.

- 1667 (b) An applicant shall make provisions, either directly or through contractual arrangements, for at  
1668 least the following services:
- 1669 (i) respiratory therapy.
  - 1670 (ii) occupational and physical therapy.
  - 1671 (iii) psychological services.
  - 1672 (iv) family and patient teaching activities.
- 1673 (c) An applicant shall establish and maintain written policies and procedures for each of the  
1674 following:
- 1675 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1676 appropriate for admission to the ventilator-dependent unit. At a minimum, the criteria shall address the  
1677 amount of mechanical ventilatory dependency, the required medical stability, and the need for ancillary  
1678 services.
  - 1679 (ii) The transfer of patients requiring care at other health care facilities.
  - 1680 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment  
1681 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge.
  - 1682 (iv) Patient rights and responsibilities in accordance with Sections 20201 and 20202 of the Code,  
1683 being Sections 333.20201 and 333.20202 of the Michigan Compiled Laws.
  - 1684 (v) The type of ventilatory equipment to be used on the unit and provisions for back-up equipment.
- 1685 (d) An applicant shall establish and maintain an organized infection control program that has written  
1686 policies for each of the following:
- 1687 (i) use of intravenous infusion apparatus, including skin preparation, monitoring skin site, and  
1688 frequency of tube changes.
  - 1689 (ii) placement and care of urinary catheters.
  - 1690 (iii) care and use of thermometers.
  - 1691 (iv) care and use of tracheostomy devices.
  - 1692 (v) employee personal hygiene.
  - 1693 (vi) aseptic technique.
  - 1694 (vii) care and use of respiratory therapy and related equipment.
  - 1695 (viii) isolation techniques and procedures.
- 1696 (e) An applicant shall establish a multi-disciplinary infection control committee that meets on at  
1697 least a monthly basis and includes the director of nursing, the ventilator-dependent unit program director,  
1698 and representatives from administration, dietary, housekeeping, maintenance, and respiratory therapy.  
1699 This subsection does not require a separate committee, if an applicant organization has a standing  
1700 infection control committee and that committee's charge is amended to include a specific focus on the  
1701 ventilator-dependent unit.
- 1702 (f) The proposed ventilator-dependent unit shall have barrier-free access to an outdoor area in the  
1703 immediate vicinity of the unit.
- 1704 (g) An applicant shall agree that the beds will not be used to service individuals that are not  
1705 ventilator-dependent unless a separate CON is requested and approved by the Department pursuant to  
1706 applicable CON review standards.
- 1707 (h) An applicant shall provide data to the Department that evaluates the cost efficiencies that result  
1708 from providing services to ventilator-dependent patients in a hospital.
- 1709
- 1710 (6) An applicant for beds from the statewide pool for special population groups allocated to TBI/SCI  
1711 patients shall agree that if approved:
- 1712 (a) An applicant shall staff the proposed unit for TBI/SCI patients with employees that have been  
1713 trained in the care and treatment of such individuals and includes at least the following:
- 1714 (i) A medical director with specialized knowledge, training, and skills in the care of TBI/SCI  
1715 patients.
  - 1716 (ii) A program director that is a registered nurse.
  - 1717 (iii) Other professional disciplines required for a multi-disciplinary team approach to care.
- 1718 (b) An applicant shall establish and maintain written policies and procedures for each of the  
1719 following:

- 1720 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1721 appropriate for admission to the unit for TBI/SCI patients. At a minimum, the criteria shall address the  
1722 required medical stability and the need for ancillary services, including dialysis services.  
1723 (ii) The transfer of patients requiring care at other health care facilities, including a transfer  
1724 agreement with one or more acute-care hospitals in the region to provide emergency medical treatment to  
1725 any patient who requires such care.  
1726 (iii) Upon admission and periodically thereafter, a comprehensive needs assessment, a treatment  
1727 plan, and a discharge plan that at a minimum addresses the care needs of a patient following discharge,  
1728 including support services to be provided by transitional living programs or other outpatient programs or  
1729 services offered as part of a continuum of care to TBI patients by the applicant.  
1730 (iv) Utilization review, which shall consider the rehabilitation necessity for the service, quality of  
1731 patient care, rates of utilization and other considerations generally accepted as appropriate for review.  
1732 (v) Quality assurance and assessment program to assure that services furnished to TBI/SCI  
1733 patients meet professional recognized standards of health care for providers of such services and that  
1734 such services were reasonable and medically appropriate to the clinical condition of the TBI patient  
1735 receiving such services.  
1736  
1737 (7) An applicant for beds from the statewide pool for special population groups allocated to  
1738 behavioral patients shall agree that if approved:  
1739 (a) An applicant shall staff the proposed unit for behavioral patients with employees that have been  
1740 trained in the care and treatment of such individuals and includes at least the following:  
1741 (i) A medical director with specialized knowledge, training, and skills in the care of behavioral  
1742 patients.  
1743 (ii) A program director that is a registered nurse.  
1744 (iii) Other professional disciplines required for a multi-disciplinary team approach to care.  
1745 (b) An applicant shall establish and maintain written policies and procedures for each of the  
1746 following:  
1747 (i) Patient admission criteria that describe minimum and maximum characteristics for patients  
1748 appropriate for admission to the unit for behavioral patients.  
1749 (ii) The transfer of patients requiring care at other health care facilities, including a transfer  
1750 agreement with one or more acute-care hospitals in the region to provide emergency medical treatment to  
1751 any patient who requires such care.  
1752 (iii) Utilization review, which shall consider the rehabilitation necessity for the service, quality of  
1753 patient care, rates of utilization and other considerations generally accepted as appropriate for review.  
1754 (iv) quality assurance and assessment program to assure that services furnished to behavioral  
1755 patients meet professional recognized standards of health care for providers of such services and that  
1756 such services were reasonable and medically appropriate to the clinical condition of the behavioral patient  
1757 receiving such services.  
1758 (v) Orientation and annual education/competencies for all staff, which shall include care guidelines,  
1759 specialized communication, and patient safety.

1760 | **Section 10. Comparative reviews, effect on prior CON review standards**  
1761

1762  
1763 Sec. 10. (1) Projects proposed under Section 4 shall be considered a distinct category and shall be  
1764 subject to comparative review on a statewide basis.  
1765

1766 (2) Projects proposed under Section 5 shall be considered a distinct category and shall be subject  
1767 to comparative review on a statewide basis.  
1768

1769 (3) Projects proposed under Section 6 shall be considered a distinct category and shall be subject  
1770 to comparative review on a statewide basis.  
1771



1772 (4) Projects proposed under Section 7 shall be considered a distinct category and shall be subject  
1773 to comparative review on a statewide basis.

1774  
1775 (5) These CON review standards supercede and replace the CON Review Standards for Nursing  
1776 Home and Long-term Care Unit Beds--Addendum for Special Population Groups approved by the  
1777 Commission on April 30, 2008 and effective on June 20, 2008.  
1778