

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 HOUSE BILL 2843

By: Joyner

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5
6 AS INTRODUCED

7 An Act relating to public health and safety; amending
8 63 O.S. 2001, Section 1-880.6, which relates to the
9 Psychiatric and Chemical Dependency Facility
10 Certificate of Need Act; modifying entities which are
11 exempt from the act; providing an effective date; and
12 declaring an emergency.

13 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

14 SECTION 1. AMENDATORY 63 O.S. 2001, Section 1-880.6, is
15 amended to read as follows:

16 Section 1-880.6 A. Every entity desiring to establish a new
17 psychiatric or chemical dependency service or to acquire, lease or
18 expand an existing service, whether through construction or
19 conversion of facilities, shall make application to the State
20 Department of Health for a certificate of need in such form and
21 accompanied by such information, including a complete list of
22 stockholders, partners, and owners, and any other information, as
23 the Board shall prescribe.

24 B. The provisions of the Psychiatric and Chemical Dependency
Facility Certificate of Need Act shall not apply to:

1 1. Any psychiatric or chemical dependency facility or unit or
2 any hospital as defined by Section ~~1-710~~ 1-701 of this title with
3 psychiatric or chemical dependency beds or services initially
4 licensed by the State Department of Health under any name or
5 ownership on or before June 1, 2010; or

6 2. Any psychiatric or chemical dependency facility or unit or
7 any hospital as defined by Section 1-701 of this title licensed by
8 the State Department of Health on or before December 31, 1990, which
9 has+

10 ~~1. Construction cost overruns or capital expenditures for~~
11 ~~completion of originally approved beds or completion of previously~~
12 ~~constructed and shelled space arising out of and based only upon the~~
13 ~~original certificate of need issued by the Commissioner for said~~
14 ~~construction, when such construction costs or capital expenditures~~
15 ~~do not or will not increase the approved number of beds, allow~~
16 ~~conversion of bed use shall not be deemed new construction or~~
17 ~~increase pricing structure for treatment or services; or~~

18 ~~2. Negotiated~~ negotiated a contract with an agency of this
19 state, the federal government or a Native American nation duly
20 recognized by the federal government that specifies the number of
21 beds and their uses. A hospital or psychiatric or chemical
22 dependency unit provided for by this paragraph ~~2 of this subsection~~
23 shall be exempt from the certificate of need required by the
24 Psychiatric and Chemical Dependency Facility Certificate of Need Act

1 for the purposes specified in the contract. This exemption shall
2 not apply to Medicare or Medicaid contracts or contracts for
3 inpatient services for children or adolescents; or

4 3. Any psychiatric or chemical dependency facility or unit with
5 beds or services that is operated by or certified to provide
6 psychiatric or chemical dependency services by the Department of
7 Mental Health and Substance Abuse Services.

8 C. The State Commissioner of Health is authorized to grant a
9 certificate of need if the entity applying for the certificate has
10 filed a notice on a form prescribed by the State Department of
11 Health which shall include, but not be limited to:

12 1. The name and location of the entity;

13 2. The name and address of each person having an ownership
14 interest in the entity;

15 3. The nature of the acquisition, expansion, addition or
16 conversion, whether by sale, lease or other arrangement;

17 4. The parties to the sale, lease or other arrangement;

18 5. The size of the acquisition, expansion, addition or
19 conversion;

20 6. The approximate cost of the acquisition, expansion, addition
21 or conversion; and

22 7. The projected date of completion.

23 D. The State Commissioner of Health shall be notified, on a
24 form prescribed by the State Department of Health, of the following:

1 1. Any decrease in the number of beds of a hospital, facility
2 or hospital unit; and

3 2. Any change in the designation for a continuum of care in
4 psychiatric or chemical dependency treatment.

5 E. Psychiatric and chemical dependency service for which a
6 certificate of need is required shall include:

7 1. Any capital investment or lease of Five Hundred Thousand
8 Dollars (\$500,000.00) or more, including predevelopment activities
9 such as arrangements and commitments for financing, architectural
10 designs, plans, working drawings, specifications and site
11 acquisition; provided, that this dollar limit shall not apply to a
12 change in bed capacity;

13 2. Acquisition of a facility by purchase, lease, donation or
14 through transfer of stock or corporate merger. If the Department
15 finds that a proposed acquisition is consistent with the criteria
16 and standards for review of such projects, then the Department shall
17 issue a certificate of need. If the Department finds that the
18 proposed acquisition is not consistent with the criteria, the
19 project will be referred to the State Commissioner of Health for
20 final determination. The Department's determination to approve the
21 proposed acquisition or to refer it to the State Commissioner of
22 Health shall be made no later than fifteen (15) days following the
23 day the application is determined to be complete and review ready,
24 or the proposed acquisition shall be automatically approved.

1 Proposed acquisitions shall be reviewed against standards adopted by
2 the Department which relate only to the acquirer's capability to
3 operate a facility; or

4 3. Inpatient psychiatric and chemical dependency services for
5 persons under eighteen (18) years of age offered or provided by a
6 hospital or other health care facility, including but not limited to
7 any conversion of existing beds, any increase in bed capacity and
8 any new beds for the purpose of offering or providing said services,
9 regardless of any capital or other costs of the project.

10 a. The State Board of Health shall provide by rule for
11 the temporary emergency use of beds ordinarily used
12 for adult patients as psychiatric or chemical
13 dependency beds for children or adolescents.

14 b. Any application to establish or operate inpatient
15 psychiatric or drug or alcohol treatment services for
16 persons under eighteen (18) years of age shall include
17 the establishment, operation and maintenance of a
18 community-based service program or a day treatment
19 program, as those terms are defined by Section 1101 of
20 Title 10 of the Oklahoma Statutes, as an integral part
21 of the total project.

22 F. Promptly upon receipt of any such application, the
23 Department shall examine and transmit the application to reviewers
24 it may select to determine whether the application is complete.

1 Once the Department has determined that the application is complete,
2 it shall notify affected parties and other reviewing bodies and
3 cause a thorough investigation to be made of the need for and
4 appropriateness of such expanded psychiatric or chemical dependency
5 service. The investigation made pursuant to an application for a
6 certificate of need shall include the following:

7 1. The adequacy of psychiatric and chemical dependency services
8 in relation to an optimal target ratio of psychiatric or chemical
9 dependency beds to the population;

10 2. The availability of services which may serve as alternatives
11 or substitutes;

12 3. The adequacy of financial resources for the new or expanded
13 services and for the continued operation thereof;

14 4. The availability of sufficient manpower to properly staff
15 and operate the proposed new or expanded service; and

16 5. Any other matter which the Department deems appropriate.

17 G. Each application for a certificate of need applied for
18 pursuant to the provisions of this section except for those
19 applications filed by state agencies shall be accompanied by an
20 application fee in an amount established by the Department.

21 SECTION 2. This act shall become effective June 1, 2010.

22 SECTION 3. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby
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1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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