

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 1076

98TH GENERAL ASSEMBLY

Reported from the Committee on Veterans' Affairs and Health, April 21, 2016, with recommendation that the Senate Committee Substitute do pass.

6515S.04C

ADRIANE D. CROUSE, Secretary.

AN ACT

To amend chapter 197, RSMo, by adding thereto two new sections relating to certificates of need for long-term care facilities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 197, RSMo, is amended by adding thereto two new sections, to be known as sections 197.321 and 197.322, to read as follows:

197.321. 1. For the purposes of this section, the following terms shall mean:

- (1) "Affiliated", under common control or ownership;**
- (2) "Campus", a contiguous parcel or parcels of land used for a common purpose;**
- (3) "Committee", the Missouri health facilities review committee;**
- (4) "Department", the department of health and senior services;**
- (5) "Facility", as defined in subdivision (11) of section 198.006.**

2. Notwithstanding any provision of sections 197.300 to 197.367 to the contrary, there is hereby imposed a moratorium on the issuance of certificates of need by the committee for additional beds in any facility on or after August 28, 2016, until December 31, 2019. No additional beds in such facilities shall be licensed by the department, except for those additional beds approved by the committee under this section or pursuant to a certificate of need issued by the committee prior to August 28, 2016, subject to the limitations of subsection 4 of this section.

3. The moratorium shall not apply to:

- (1) Bed additions, expansions, transfers, relocations, or replacements as described in paragraphs (e) and (g) of subdivision (9)**

21 of section 197.305 and section 197.318;

22 (2) Renovation, repair, or replacement of existing facilities and
23 beds located on a single campus, which does not result in an increase
24 in the number of beds licensed to the facility prior to the renovation,
25 repair, or replacement; and

26 (3) Reallocation of licensed beds among licensed facilities with
27 common ownership and common or affiliated operators located on the
28 same campus, provided that the total number of licensed beds on the
29 campus does not increase.

30 4. For the duration of the moratorium imposed under this
31 section, except for cost increases and extensions pursuant to
32 subsections 7 and 9 of section 197.315, the committee shall not amend,
33 modify, reissue, transfer, or grant a site change or change of owner or
34 operator for a certificate of need issued prior to August 28, 2016.

197.322. 1. There is hereby created within the department of
2 social services the "Missouri Task Force on Certificate of Need". The
3 task force shall be composed of the following eleven members:

4 (1) Two members of the senate from different political parties
5 and who are not members of the Missouri health facilities review
6 committee, appointed by the president pro tempore of the senate;

7 (2) Two members of the house of representatives from different
8 political parties and who are not members of the Missouri health
9 facilities review committee, appointed by the speaker of the house of
10 representatives;

11 (3) The director of the department of health and senior services,
12 or the director's designee;

13 (4) The director of the department of social services, or the
14 director's designee;

15 (5) One representative of an organization of operators of long-
16 term care facilities organized primarily as for-profit entities;

17 (6) One representative of an organization of operators of long-
18 term care facilities organized primarily as nonprofit or benevolent
19 entities;

20 (7) One representative of an organization of operators of assisted
21 living facilities and residential care facilities;

22 (8) One member who has expertise in lending to the long-term
23 care industry; and

24 **(9) One member who is a certified public accountant with**
25 **expertise in reimbursement systems and in providing financial cost**
26 **reporting and related services to providers of long-term care services.**
27 **Members of the task force, other than the legislative members and**
28 **department directors, shall be appointed by the governor with the**
29 **advice and consent of the senate no later than December 31, 2016.**

30 **2. A majority of the task force membership shall constitute a**
31 **quorum and shall elect a chair and vice-chair of the task force.**

32 **3. A majority vote of a quorum of the task force is required for**
33 **any action.**

34 **4. The director of the department of social services, or his or her**
35 **designee, shall convene the initial meeting of the task force no later**
36 **than March 1, 2017. The task force shall meet at least every other**
37 **month. Meetings may be held by telephone or video conference at the**
38 **discretion of the chair.**

39 **5. Members shall serve on the task force without compensation**
40 **but may, subject to appropriations, be reimbursed for actual and**
41 **necessary expenses incurred in the performance of their official duties**
42 **as members of the task force. Subject to appropriations, the task force**
43 **may engage the services of a consulting firm with expertise in**
44 **consulting for providers of long-term care regarding quality and**
45 **efficiency of care. No consulting firm that has a direct or indirect**
46 **financial relationship with a member of the task force or his or her**
47 **family members shall be engaged by the task force.**

48 **6. The goal of the task force is to develop a comprehensive**
49 **proposal to reform Missouri's certificate of need law, sections 197.300**
50 **to 198.367, as applied to long-term care facilities.**

51 **7. No later than December 31, 2019, the task force shall:**

52 **(1) Review practices in other states regarding certificates of**
53 **need for long-term care facilities and consider how certificates of need**
54 **support or detract from quality of care, cost containment, reasonable**
55 **access, consumer choice, average occupancy, and public accountability;**

56 **(2) Review the current occupancy, utilization of long-term care**
57 **beds, and staffing in the state as compared to other states, and evaluate**
58 **the impact of certificate of need laws on such occupancy, utilization,**
59 **and staffing;**

60 **(3) Evaluate the relationship between the certificate of need laws**

61 and MO HealthNet reimbursement rates on the long-term care
62 marketplace;

63 (4) Develop appropriate factors to determine need for new or
64 additional long-term care beds if necessary to support the findings and
65 recommendations of the task force; and

66 (5) Propose to the appropriate public and private organizations
67 goals, objectives, strategies, and tactics designed to end or improve the
68 certificate of need process.

69 8. On or before December 31, 2019, the task force shall submit a
70 report on its findings to the governor and general assembly. The report
71 shall include any dissenting opinions in addition to any majority
72 opinions.

73 9. The task force shall expire on January 1, 2020, or upon
74 submission of a report as provided for under subsection 8 of this
75 section, whichever is earlier.

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Bill

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