

SENATE BILL 2237

By Tracy

AN ACT to amend Tennessee Code Annotated, Title 68,
relative to certificate of need requirements for
nursing home facilities that have voluntarily
reduced licensed beds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 68, Chapter 11, Part 16, is amended by adding a new, appropriately designated section as follows:

(a) As used in this section, "reserved nursing home bed right" is the right to implement a nursing home bed without a certificate of need under the conditions set forth in this section.

(b) A licensed nursing home bed may be converted to a reserved nursing home bed right upon the following conditions being met:

(1) The licensed nursing home bed has been removed from the license of the nursing home facility by voluntary action of the facility to reduce the facility's number of beds; and

(2) The nursing home facility at which the bed was formerly operated, within sixty (60) days of the bed having been removed from the facility's license:

(A) Provides written notice to the agency of the facility's intent to convert the bed to a reserved nursing home bed right; and

(B) Pays the filing fee required by subsection (c).

(c)

(1) Written notice by a nursing home facility to the agency of the facility's intent to convert a formerly licensed bed to a reserved nursing home bed right shall be accompanied by a filing fee in the amount equal to the minimum filing

fee for a certificate of need application. The filing fee required by this subdivision (c)(1) shall be required with respect to each notice submitted to the agency regardless of the number of beds to be converted to reserve nursing home bed rights.

(2) The agency shall acknowledge in writing receipt of the notice and filing fee, and shall maintain a record of reserved nursing home bed rights authorized under this section.

(d) A reserved nursing home bed right shall continue until the reserved nursing home bed right:

(1) Is implemented as a licensed nursing home bed;

(2) Is voluntarily relinquished by the nursing home facility that obtained the reserved nursing home bed right; or

(3) Is terminated under subsection (f).

(e)

(1) A nursing home facility may implement one (1) or more of its reserved nursing home bed rights as a licensed nursing home bed without a certificate of need if:

(A) The bed to be implemented has been unlicensed for more than twelve (12) months; and

(B) The facility has experienced average occupancy of at least ninety percent (90%) during twelve (12) consecutive months.

(2) In order to implement a licensed nursing home bed on the basis of a reserved nursing home bed right, the nursing home facility shall provide written notice to the agency of the facility's intent to do so at least sixty (60) days in advance of requesting addition of the bed to the facility's license, such notice to include declaration under oath of compliance with subdivision (e)(1). The agency shall acknowledge in writing receipt of the notice required by this subdivision (e)(2).

(f) A reserved nursing home bed right shall be null and void upon occurrence of any of the following:

(1) Misrepresentation by a nursing home facility that has obtained a reserved nursing home bed right of any material fact to the agency;

(2) Attempt to transfer the reserved nursing home bed right to another person;

(3) A change in ownership of the nursing home facility that obtained the reserved nursing home bed right; or

(4) Suspension or termination of the license of the nursing home facility that obtained the reserved nursing home bed right designation.

(g) A licensed nursing home bed implemented on the basis of a reserved nursing home bed right shall be subject to the same licensing standards and fees as applicable to any other licensed nursing home bed.

(h) Nothing in this section shall eliminate the requirement for a certificate of need for a facility modification required under § 68-11-1607(a)(2).

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.