

Letter of Approval Application Form

Section I. APPLICANT IDENTIFICATION AND CERTIFICATION

1.1 Identification of Legal Applicant: Identify the applicant as defined in NAC439A.240.

Applicant Name

Address

City

State

Zip

1.2 Project Title

1.3 Description of Legal Applicant

a. Type of Organization

b. If a corporation, indicate where and when incorporated:

Where:

When:

c. Identify Principals having 25% or more ownership:

Name:	Percentage Owned:	Name:	Percentage Owned:
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d. If a corporation, attach a list of the chairman, directors and officers. If a partnership, attach a list of general and limited partners, if any.

1.4 Contact Person: Identify the individual designated as the contact person who will receive all notices and communications pertaining to this application.

Name

Phone

Cell

Title

Fax

Organization (if different from applicant)

Address:

City

State

Zip

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Certification and Signature: This section should be completed and signed by the person who is authorized to commit the applicant to the project and to the expenditure of funds.

In accordance with [NRS 439A.100](#) and the accompanying regulations, I hereby certify that this application is complete and correct to the best of my knowledge and belief. I understand that the applicant for a letter of approval has the burden of proof to satisfy all applicable criteria for review. I also understand that this application and all information submitted is public information and will be made available for public review and inspection.

Signed:

Title:

Date

Submit the original and four (4) copies along with a check for \$9,500 payable to the Department of Health and Human Services for the application fee to:

**Primary Care Office
4126 Technology Way, Suite 100
Carson City, NV 89706**

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Section II. PROJECT DESCRIPTION

2.1 Project Summary: Provide a one page description of the proposed project.

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2.2 Project Capitol Expenditure Estimates:

Total: _____ New square footage only: _____

2.3 Project Location:

- a. Address:

- b. Attach documentation of ownership, lease or option to purchase.

- c. Attach a location map which includes street names and a facility plot plan/schematics.

2.4 Project Schedule: Complete the following schedule for the proposed project.

Step	Target Date
Use Permit	
Building Permit	
Groundbreaking/Construction begins	
Construction ends	
Entire Project completed	
Licensing & Certification Services begin	

2.5 Project Organization and Planning:

- a. Attach an organization chart(s) showing lines of managerial and fiscal responsibility for all individuals and entities involved in this project. Show the proposed project's place in its parent organization, if appropriate.

- b. Describe the process by which this project was developed.

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Section III. NEED FOR THE PROJECT TO BE UNDERTAKEN

Pursuant to NAC 439A.605, the applicant must demonstrate that the population to be served has a need for the project to be undertaken based upon:

3.1

- a. Identify the proposed service area. Usually, the primary service area is the county in which the facility will be located.

- b. Identify the total population for the proposed service area and estimate the number of persons who will have a need for the proposed project. Use a population projection for the year which is five years from the year that the application is filed. Population projections from the State Demographer are available from the Bureau of Health Planning and Statistics. If other estimates are used, cite the source of such information and show the method used to derive the estimates.

- 3.2** Existing Providers of Similar Services: Provide information regarding existing providers of services similar to those proposed in this application. Explain the assumption that existing providers will not be able to meet the projected needs of the target population.

Section IV. FINANCIAL FEASIBILITY

4.1 Capital Expenditures:

	<u>Total Project</u>	<u>Portion @ New</u> <u>Square Footage</u>
1. Land acquisition		
2. Architectural & engineering cost		
3. Site development		
4. Construction expenditure		
5. Fixed equipment (not construction expense)		
6. Major medical equipment		
7. Other equipment and furnishings		
8. 10% Contingency		
9. Other (specify)		
10. Total project cost		

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4.2 Proposed Funding of Project:

Funds available as of application filing date:
 (Show evidence that such funds are available)

4.3 Long-Term Financing:

a. Loan principal: _____ Interest rate: _____

Term : _____ (years)

b. Identify the anticipated source(s) of long term financing.

c. Check anticipated debt instrument:

Mortgage

Bonds

Other: (Specify)

d. Will the proposed long term loan refinance the construction loan? Yes No

4.4 a. Provide information regarding the construction financing. Note that "financing" includes all project capital expenditures regardless of funding source.

Construction Financing:

<u>Funding</u>	<u>Amount</u>	<u>Percent of Total</u>
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From applicant's funds:

Amount to be financed:

Total capital expenditures:

b. Source of construction loan:

Principal Balance:

Interest:

Total:

Term:

c. Provide information about existing short and long-term loans not related to the proposed project that are held by the applicant.

<u>Lender</u>	<u>Interest</u> <u>Rate</u>	<u>Term</u>	<u>Annual</u> <u>Payment</u>	<u>Remaining</u> <u>Principal</u>
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- 4.5** [NAC 439A.625](#) requires the applicant demonstrate that it will be able to operate in a manner which is financially feasible as a result of the proposed project without unnecessarily increasing the cost to the user or payer for health service provided by the applicant.

Explain how the proposed facility is expected to become financially self-supporting within 3 years after completion or, if the new construction is an addition to an existing facility, that the financial viability of the existing facility will not be adversely affected by the proposed project.

- 4.6** Provide a response to each of the following criteria related to financial feasibility.
- a. The ability of the applicant to obtain any required financing for the proposed project;

 - b. The extent to which the proposed financing may adversely affect the financial viability of the applicant's facility because of its effect on the long-term and short-term debt of the applicant;

 - c. The availability and degree of commitment to the applicant of the financial resources required to operate the proposed project until the project or the applicant's facility becomes financially self-supporting;

 - d. The relationship between the applicant's estimated costs of operation, proposed charges and estimated revenues;

 - e. The level at which the affected health services of the applicant must be used for the applicant to break even financially and the likelihood that those levels will be achieved;

 - f. Whether the applicant's projected costs of operation and charges are reasonable in relationship to each other and to the health services provided by the applicant.

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- g. Whether the projected revenues to be received by the applicant are likely to be from governmental programs if the applicant will be eligible for reimbursement from those programs.

<u>Source</u>	<u>Percentage</u>	<u>Source</u>	<u>Percentage</u>
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4.7 Ability to Support Operations:

- a. Identify the source and amount of funds committed to the applicant which may be required to operate the proposed project or the applicant's facility until such time as the project becomes financially self-supporting.

<u>Source</u>	<u>Amount</u>
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- b. If an existing facility, provide copies of financial statements for the three preceding fiscal years including statements of revenues/expenses and balance sheets.
- c. For a new facility, provide pro-forma revenue/expense statement for each of the first three full years of operation of the proposed project.

4.8 Bed Information: Beds (specify by type)

Existing number of licensed beds:

Number added by new construction:

Conversion from other use:

Number to be removed:

Projected number of licensed beds:

4.9 Line Drawings: Attach scale drawings of all new construction and/or remodeling.

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- 5.3 Demonstrate that the proposed project will not have an unnecessary adverse effect on the costs of health services to the user or payer.

Section VI. APPROPRIATENESS

6.1 Location:

- a. Describe the location of the proposed project including the time for travel and distance to other facilities for required transfers of patients or transfers in the event of an emergency.

- b. Describe the distance and the time for travel required for the population to be served to reach the applicant's facility and other facilities providing similar services.

- c. Describe the nature of and requirements for zoning for the area surrounding the proposed location of the project.

6.2 **Effect on existing costs and quality of care: Explain the extent to which:**

- a. The proposed project is likely to stimulate competition which will result in a reduction in costs for the user or payer.

- b. The proposed project is likely to increase costs to the user or payer through reductions in market shares for services if those reductions would increase costs per unit of service.

- c. The proposed project contains innovations or improvements in the delivery or financing of health services which will significantly reduce the cost of health care to the user or payer or enhance the quality of care.

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- 6.3** Reduction, Elimination or Relocation of Health Services or Facility: If the proposed project involves the reduction, elimination or relocation of an existing health facility or service, how will the needs of the population currently being served continue to be met?
- 6.4** Consistency with Existing System: Explain whether the proposed project is consistent with the existing system of health care, based upon:
- a. The effect of the proposed project on the availability and the cost of existing health services in the area of required personnel.
 - b. The extent to which the applicant will have adequate arrangements for referrals to and from other health facilities in the area which provide for avoidance of unnecessary duplication of effort, comprehensive and continuous care of patients, and communication and cooperation between related facilities or services.
- 6.5** Applicant History: Describe the quality of care provided by the applicant for any existing health facility or service owned or operated by the applicant based upon:
- a. Whether the applicant has had any adverse action taken against it with regard to a license or certificate held by the applicant and the results of that action.
 - b. The extent to which the applicant has previously provided similar health services.
 - c. Any additional evidence in the record regarding the applicant's quality of care.
- 6.6** Accessibility: Explain the extent to which equal access by all persons in the area to the applicant's facility or service will be provided, based upon:
- a. Whether any segment of the population in the area will be denied access to health services similar to those proposed by the applicant as a result of the proposed project.
 - b. The extent to which the applicant will provide uncompensated care, exclusive to bad debt, and the effect of the proposed project on the cost to local and state governments and other facilities for providing care to indigents.

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- e. Any plan by the applicant to collect and analyze data concerning the effect of the project on health care quality and patient outcomes in the area served by the project;

- f. Any plan by the applicant for controlling the spread of infectious diseases; and

- g. The manner in which the applicant will coordinate with and support existing health facilities and practitioners, including, without limitation, mental health facilities, programs for the treatment and prevention of substance abuse and providers of nursing services.

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Note: [NAC 439A.595](#) states that the applicant for a letter of approval has the burden of proof to satisfy all applicable criteria for review contained in [NAC 439A.637](#), inclusive.