

Certificate of Need NRS 439A.100

General Summary (See NRS 439A.100 for detailed information)

- ● In a county whose population is less than 100,000, *or in an incorporated city or unincorporated town whose population is less than 25,000 that is located in a county whose population is 100,000 or more*, no person may undertake any proposed expenditure for new construction by or on behalf of a health facility in excess of \$2,000,000, without first applying for and obtaining the **written approval of the Director of the Department of Health and Human Services.**

NRS 439A.015

- Defines a **health facility** as a facility in or through which health services are provided.
 - ▶ Examples: includes but not limited to hospitals, ambulatory surgery centers, and skilled nursing facilities
 - ▶ Exclusions: office of a practitioner used solely to provide routine services to patients, unless new construction or expansion, renovation or design of an existing office will be at a cost that exceeds \$2,000,000 (NAC 439A.255)

Pursuant to NRS 439A.100

In reviewing an application for approval, the Director shall:

- (a) Comparatively assess applications for similar projects affecting the same geographic area; and
- (b) Base his or her decision on criteria established by the Director by regulation. The criteria must include:
 - (1) The need for and the appropriateness of the project in the area to be served;
 - (2) The financial feasibility of the project;
 - (3) The effect of the project on the cost of health care; and (see following slide)

Pursuant to NRS 439A.100 (cont)

- ▶ The extent to which the project is consistent with NRS 439A.020 and priorities set in NRS. 439A.081, ***including without limitation:***
 - ***(I) The impact of the project on other health care facilities;***
 - ***(II) The need for any equipment that the project proposes to add, the manner in which such equipment will improve the quality of health care and any protocols provided in the project for avoiding repetitive testing;***
 - ***(III) The impact of the project on disparate health outcomes for different populations in the area that will be served by the project;***
 - ***(IV) The manner in which the project will expand, promote or enhance the capacity to provide primary health care in the area that will be served by the project;***
 - ***(V) 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;***
 - ***(VI) Any plan by the applicant for controlling the spread of infectious diseases; and***
 - ***(VII) 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.***

NRS 439A.020 (Purpose of Chapter)

- Promote equal access to quality health care at a reasonable cost;
- Promote an adequate supply and distribution of health resources;
- Promote uniform, effective methods of delivering health care;
- Promote the adequate distribution of health care facilities and man power;
- Encourage participation in health planning by members of several health professions, and the general public;
- Utilize the viewpoint of the general public for making decisions;
- Encourage public education regarding health care;
- Promote a program of technical assistance to contain the cost of health care.

NRS 439A.081

- The Department shall perform the function of health planning according to the following priorities:
 - ▶ Providing for the effective use of methods for controlling increase in the cost of health care
 - ▶ Providing for the adequate supply and distribution of health resources
 - ▶ Providing for equal access to health care of good quality at a reasonable cost
 - ▶ Providing education to the public regarding personal health and use of health services

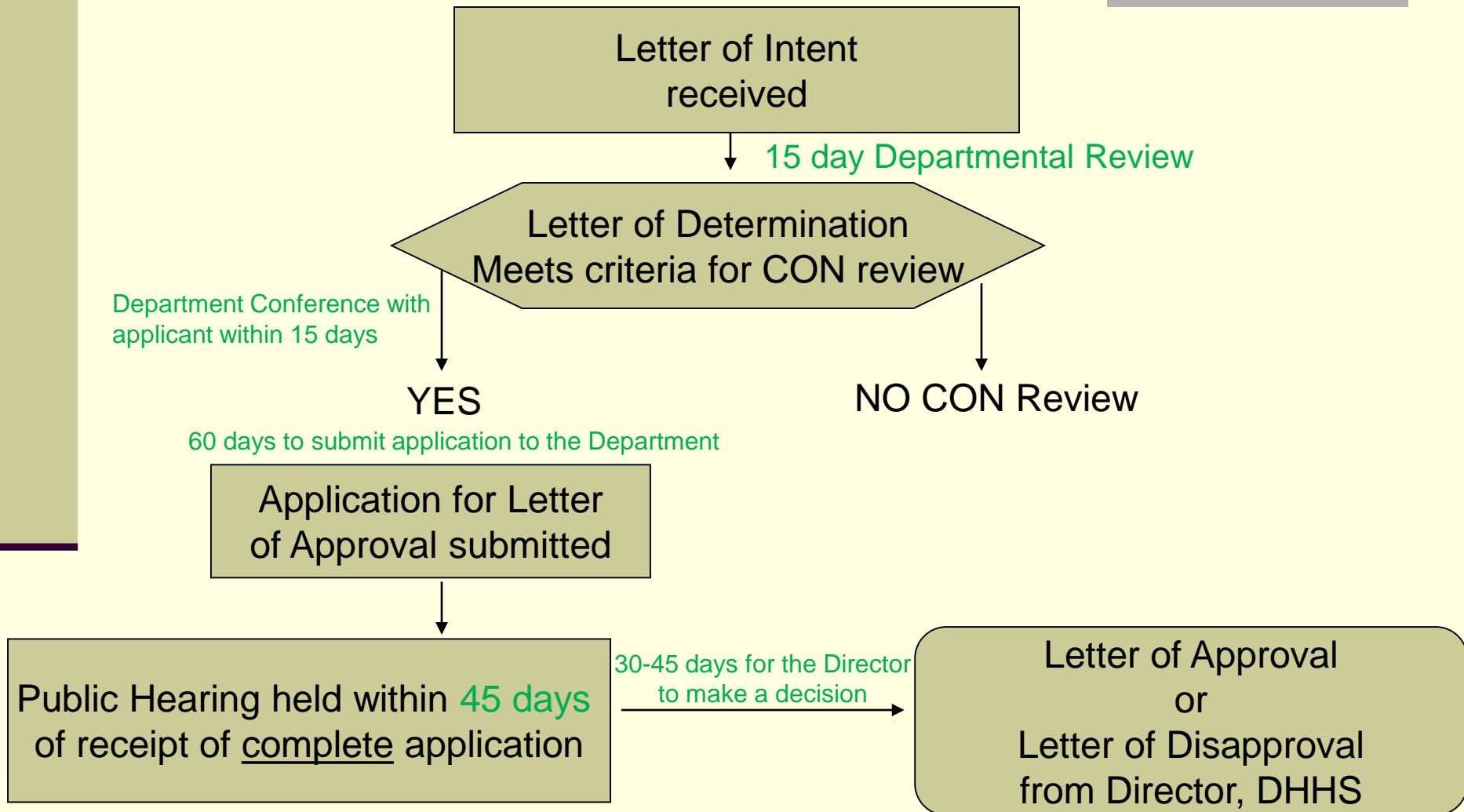
Certificate of Need History

- Enacted by the Nevada State Legislature during the 1971 session.
- Became effective in August 1972.
- Amended in 1991 to exempt Counties with populations of 100,000 or more.
- Amended in 1995 to include only construction of new health facilities involving capital expenditures over \$2 million.
- Amended in 2003, to exclude construction of hospitals in unincorporated towns from CON review, if:
 - ▶ The population of the town is more than 24,000,
 - ▶ No other hospital exists in the town,
 - ▶ The town is at least a 45-minute drive from the nearest trauma center,
 - ▶ No other hospital has been approved for construction.
- Amended in 2015, to include ***incorporated city or unincorporated town whose population is less than 25,000 that is located in a county whose population is 100,000 or more.***

2015 Legislative Update

- ***Application fees are not refundable and must be deposited in the State Treasury and accounted for separately in the State General Fund. Any interest and income earned on the money in the account, after deducting any applicable charges, must be credited to the account. Any money remaining in the account at the end of a fiscal year does not revert to the State General Fund and the balance in the account must be carried forward to the next fiscal year. Any money remaining in the account that is not committed for expenditure after 2 fiscal years following the date on which the money is paid as a fee reverts to the State General Fund.***

CON Process



CON Process

Pursuant to Chapter NAC 439A

- Letter of Intent, NAC 439A.305 to NAC 439A.315
 - ▶ Any person who intends to initiate a project that may be subject to CON review shall submit a Letter of Intent to the Department of Health and Human Services before incurring a capital expenditure for the project.
 - ▶ A determination is made whether the project meets the criteria, pursuant to NRS 439A.100, for a full CON review. The applicant will be notified of the decision by mail.

Letter of Approval Application Form

- CON review requirements, NAC 439A.345 to NAC 439A.445
 - ▶ An original and three copies of a completed application are submitted to the Department.
 - ▶ A cashier's check for \$9,500 must be submitted with the application.
 - ▶ The application fee was established in 1984, and has never been adjusted.
 - ▶ The application review period begins the day the application is received by the Department.
 - ▶ Within 45 days of application receipt, the Department will provide a public hearing.

Letter of Approval

- Letter of Approval, NAC 439A.455
 - ▶ Within 30 to 45 days after the public hearing, the Director will issue to each applicant a Letter of Approval or Disapproval, together with the Findings of Fact.
- Reconsideration of decisions, NAC 439A.515
 - ▶ Any applicant who is subject to a letter of disapproval or whose Letter of Approval has been withdrawn may request reconsideration of the decision by the Director.

Additional Approvals

- Further approval from the Director for CON projects is required for:
 - ▶ Extension of the approved timetable, NAC 439A.475
 - ▶ Transfer of interest, NAC 439A.485
 - ▶ Removal or alteration of conditions, NAC 439A.495
 - ▶ Withdrawal of a letter of approval, NAC 439A.505
 - ▶ Reconsideration of decisions, NAC 439A.515

CON Projects SFY 1995-99

| Fiscal Year | Applicant | Project | Estimated Cost | Approved/ Disapproved | Status |
|-------------|----------------------------|---|----------------|-----------------------|---|
| '95-'96 | Virginia Creek SNF | 90 bed skilled nursing facility in Gardnerville, Douglas County | \$2,812,000 | Approved 3/1/96 | Open and operating as Evergreen at Gardnerville |
| '95-'96 | Carson Healthcare | 120 bed skilled nursing facility in Carson City | \$5,066,000 | Approved 4/29/96 | Open and operating as Evergreen at Carson City |
| '96-'97 | Pahrump Healthcare | 120 bed skilled nursing facility in Pahrump, Nye County | \$4,719,000 | Approved 10/2/96 | Open and operating as Evergreen at Pahrump |
| '96-97 | Carson-Tahoe Hospital | 20 bed subacute care/rehab hospital in Carson City | \$5,000,000 | Approved 11/7/96 | Closed 12/05. Relocated service to new hospital |
| '98-'99 | Integrated Health Services | 73 bed skilled nursing facility in Carson City | \$5,000,000 | Withdrawn 9/17/98 | Withdrawn 9/17/98 |
| '98-'99 | RFMS, Inc. dba Elko Manor | 112 bed skilled nursing facility in Elko County | \$4,791,914 | Approved 12/9/98 | Highland Manor of Elko |

CON Projects SFY 1999 - 2002

| Fiscal Year | Applicant | Project | Estimated Cost | Approved/ Disapproved | Status |
|-------------|--|--|----------------|-----------------------|--|
| '99-'00 | Province Healthcare | Replacement of 75 bed Elko General Hospital | \$30,000,000 | Approved* 10/11/99 | Completed 9/01 Northeastern NV Regional Hospital |
| '00-'01 | Pahrump Hospital District comparative review | 40 bed hospital in Pahrump, Nye County | \$26,305,000 | Disapproved 6/8/01 | |
| '00-'01 | Banner Health System comparative review | 40 bed hospital in Pahrump, Nye County | \$26,000,000 | Approved 6/8/01 | Withdrawn 11/8/01 |
| '01-'02 | Douglas County Healthcare | 150 bed skill nursing facility, Minden, Douglas County | \$7,256,000 | Approved 9/7/01 | Has not broken ground to date (3rd progress report 06) |
| '01-'02 | Pahrump Health Facilities comparative review | 25 bed hospital in Pahrump, Nye County | \$10,838,690 | Disapproved 7/17/02 | |
| '01-'02 | Rural Health Management Corporation comparative review | 25 bed hospital in Pahrump, Nye County | \$28,604,638 | Approved 7/17/02 | Opened 4/2006 |
| '01-'02 | North Las Vegas | HUD 242 Feasibility study required by HUD regulation | \$144 million | Approved 10/22/03 | Has not broken ground to date |

CON Projects SFY2002 - 2007

| Fiscal Year | Applicant | Project | Estimated Cost | Approved/ Disapproved | Status |
|--------------------|--|---|-----------------------|------------------------------|-------------------------------|
| 02-03 | Banner Health System | 2900 square feet MRI suite addition to Churchill Community Hospital | \$2,778,886 | Approved 3/7/03 | Completed 6/04 |
| 02-03 | Carson-Tahoe Hospital | 119 bed replacement facility for Carson-Tahoe Hospital | \$132,000,000 | Approved 3/25/2003 | Completed 12/3/05 |
| 02-03 | Carson-Ambulatory Surgery Center | Replacement facility for Carson Ambulatory Center | \$21,400,000 | Approved 4/7/03 | Completed 3/14/05 |
| 02-03 | RFMS, Inc | 102 bed skilled nursing facility, Fallon Nevada | \$5,726,655 | Approved 5/14/03 | Completed 12/04 |
| 03-04 | Vitality Center | 52 Bed Residential Substance Abuse Facility, Elko, Nevada | \$3,745,485 | Approved 12/13/04 | Voluntarily withdrawn 8/09/06 |
| 04-05 | CTH Dayton Hospital | 15 bed acute care hospital, Dayton, Nevada | \$12,662,000 | Approved 5/13/2005 | Voluntarily withdrawn 4/2/14 |
| 04-05 | Carson-Douglas Ambulatory Surgery Center | Freestanding ASC 2 suite, 1 procedure room | \$3,592,040 | Approved 7/28/05 | Completed 5/08 |
| 06-07 | New River Surgical Arts, LLC Ambulatory Surgery Center | Freestanding ASC 2 suite, 1 procedure room | \$2,962,714 | Approved 11/29/2006 | Completed 12/07 |

CON Projects SFY2011-2018

| Fiscal Year | Applicant | Project | Estimated Cost | Approved/ Disapproved | Status |
|--------------------|------------------------------------|--|-----------------------|---------------------------------|---|
| 11-12 | Elko Health Care, LLC | 34-bed SNF Addition to Highland Manor of Elko | \$2,104,089 | Approved 4/3/12 | Completed October 2013 |
| 13-14 | Banner Health Center | Multi-specialty clinic in Fernley | \$9,812,144 | Approved 11/13/13 | Completed March 2015 |
| 14-15 | Carson City Property Ventures, LLC | 80-bed skilled nursing facility attached to a memory care facility with 52 beds | \$15,309,308 for SNF | Conditional Approval 4/22/15 | Project scheduled for completion in February 2019 |
| 15-16 | Humboldt County General Hospital | Phase 1) Medical Office Building Expansion, 2) Business Office Remodel and Acute Care Remodel; 3) Harmony Manor Remodel/Expansion, 4) Obstetrics Remodel, and 5) Emergency Room and Surgery Remodel. | \$62,739,226 | Conditional Approval 4/22/15 | Completed January 2018 |
| 15-16 | Battle Mountain General Hospital | Phase 1) New construction to relocate Lander County EMS with CHN, CMH and FRC-WIC; 2) New construction to replace RHC, kitchen, Materials Management, and building utility systems, and add private patient rooms and an in-house laundry; Phases 3, 4 and 5) Renovate Clinical Lab, Radiology, PT, RT, Pharmacy, Patient Rooms, Admin Offices, Business Office, IT, LTC and ED. | \$28,000,000 | Approved 8/7/15 | Project scheduled for completion in April 2019 |
| 15-16 | Banner Churchill | Renovate 6,850 square feet of existing space and construct 6,600 square feet of additional space in the Emergency Department. | \$9,984,656 | Approved 6/21/16 | Completed October 2018 |