



# Technical Bulletin

## Department of Health and Human Services



**Date:** June 14, 2016

**Topic:** Letter of Approval/Certificate of Need Statutory and Regulatory Updates

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**To:** Health Facilities Administrators and known stakeholders

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This technical bulletin addresses how the Department will implement statutory and regulatory changes for the Letter of Approval process, also known as Certificate of Need (CON).

Changes made to Nevada Revised Statutes (NRS) 439A.100 with the passage of Senate Bill (SB) 247 from the 2015 Legislative Session incorporate new geographic areas under the requirement for a CON. Specifically, for new construction by or on behalf of a facility that will occur 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.*

- **Effective July 1, 2015, small communities in Clark and Washoe counties that had previously been exempt are now required to apply for a CON if other criteria are met.**

In addition, changes were made to elaborate criteria for the Director to make a decision regarding the CON application:

- (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.*

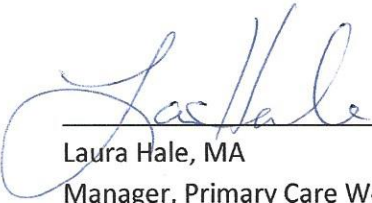
- **These criteria will be incorporated with the CON application form available online.**


Regulatory changes were adopted by the Department following public workshops and hearing and will be presented to the Legislative Commission on June 28, 2016, as Legislative Counsel Bureau File No. R150-15. This regulation updates the CON process as follows:

- Add definition of "Letter of Approval" to reference Certificate of Need;

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- Remove requirement for cashier's check;
  - Allow requests for extension to be communicated through a quarterly report;
  - Clarify that transfer of interest requires state approval during the construction project, but not after project completion;
  - Interpret "routine services for health" to exclude services that require construction of a new facility or expansion, renovation or redesign of the existing office at a cost that exceeds \$2,000,000, including the cost of equipment acquired for the new facility;
  - Remove exception for a facility which will be used solely for the offices of practitioners of health care; and
  - Repeal section on capital expenditures for which approval is not required.
- **The substantive changes will effectively remove the exemption for sole practitioners who expand, renovate or redesign facilities, if other criteria are met.**
  - **Housekeeping items will be incorporated with the CON forms available online.**

  
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