



ECONOMIC IMPACT STATEMENT  
FOR APA RULE  
(Section 41-22-23 (f))

Control No. \_\_\_\_\_ Department or Agency State Health Planning and Development Agency  
Certificate of Need Review Board

Rule No & Title: 410-1-7-.04 Notice of Change of Ownership

New \_\_\_\_\_ Amend X Repeal \_\_\_\_\_ Adopt by Reference \_\_\_\_\_

\_\_\_\_\_ This rule has no economic impact.

X This rule has an economic impact, as explained below:\*

1. NEED/EXPECTED BENEFIT OF RULE:

This rule provides for an increase in the fee imposed on notices of change of ownership, which is utilized to fund the State Health Planning and Development Agency's operations.

2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:

None

3. EFFECT OF THIS RULE ON COMPETITION:

None

4. EFFECT OF THIS RULE ON COST-OF-LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

None

\* The rule provides for a small increase in the fee imposed on certain health care providers seeking a change of ownership or control in the certificated health care facility. It is not anticipated that the fee will have a material economic impact on health care delivery.

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5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:

None

6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:

None

7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

None

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:

None

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:

None

10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:

None



## STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

### NOTICE OF INTENDED ACTION

AGENCY NAME: STATE HEALTH PLANNING AND DEVELOPMENT AGENCY  
(Certificate of Need Review Board)

RULE NO. & TITLE: 410-1-7-.04 Notice of Change of Ownership

#### INTENDED ACTION:

The State Health Planning and Development Agency and the Certificate of Need Review Board propose to amend the above styled section of the *Alabama Certificate of Need Program Rules and Regulations*.

#### SUBSTANCE OF PROPOSED ACTION:

This amendment revises the current provisions regarding notice of change of ownership to comport with the recent amendments to ALA. CODE §§ 22-21-260, -263 and -270 (1975 as amended), which further define changes of ownership and control in existing health care facilities and clarify when a certificate of need is required for such changes. The amendments to ALA. CODE §§ 22-21-260, -263 and -270 became effective on May 8, 2013. The amendment also shortens the timeframe in which an entity must give notice to the Agency and imposes a fee increase on notices of change of ownership.

#### TIME, PLACE, MANNER OF PRESENTING VIEWS:

In response to this Proposed Rule, all interested persons are invited to submit data, views, comments and/or arguments, orally or in writing. Any and all such data, comments, arguments and/or requests to orally address the Certificate of Need Review Board shall be made in writing on or before September 4, 2013, and shall be made to:

Nicole Horn, Executive Secretary  
State Health Planning and Development Agency  
P. O. Box 303025  
Montgomery, Alabama 36130-3025

On September 18, 2013, at 10:00 a.m., the Certificate of Need Review Board shall conduct a public hearing in the State Capitol, Capitol Auditorium, 600 Dexter Avenue, Montgomery, Alabama, at which time it shall consider the Proposed Amendment, along with all written and oral submissions respecting the Proposed Amendment. Only those interested persons who have made timely written requests will be afforded the opportunity to speak.

Copies of the proposed changes are available for review at 100 North Union Street, RSA Union Building, Suite 870, Montgomery, Alabama. Phone (334) 242-4103 or visit the office Monday through Friday from 8:00 a.m. to 5:00 p.m., excluding State holidays.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:  
September 4, 2013

CONTACT PERSON AT AGENCY:

Nicole Horn  
100 North Union Street  
RSA Union, STE 870  
Montgomery, AL 36104  
(334) 242-4103

  
\_\_\_\_\_  
Alva M. Lambert, Executive Director

#### 410-1-7-.04 Notice of Change of Ownership

- (1) ~~Any change in ownership of an existing health care facility, other than a stock purchase only, shall require that a~~ notice of a change in ownership or control of a health care facility or service for which a CON has been granted shall be provided to the State Agency by the acquiring entity at least ~~thirty-twenty (3020)~~ thirty (30) days before the transaction occurs, unless a shorter period is authorized for good cause shown by the Executive Director.
- (2) The notice of change of ownership or control shall be delivered in writing to the Executive Director of the State Agency, accompanied by a reviewability determination fee of \$2,000500.00 before the transaction occurs. ~~If there will be no change in service, conversion of beds, or increase in bed capacity, the Executive Director may determine that a Certificate of Need is not required.~~ Any transfer of ownership or control of a CON that has not become "vested" under Ala. Code § 22-21-270(d) must meet the requirements of Ala. Code § 22-21-270(e) to qualify for an exemption from CON review. The Executive Director shall issue a letter confirming the non-reviewability of any transfer of ownership or control that qualifies for an exemption under Ala. Code § 22-21-270.
- (3) The notice shall include:
  - (a) the financial scope of the project to include the preliminary estimate of the costs broken down by equipment, construction, and yearly operating cost;
  - (b) the services to be offered by the proposal (the applicant will state whether he has previously offered the service and whether the service is an extension of a presently offered service, or whether the service is a new service);
  - (c) whether the proposal will include the addition of any new beds;
  - (d) whether the proposal will involve the conversion of beds;
  - (e) whether the assets and stock (if any) will be acquired; and
  - (f) any other information that the Executive Director shall deem necessary to insure a full understanding by the State Agency.
- (4) Any Request made pursuant to this rule shall be subject to the publication requirements of 410-1-7-.02, provided, however, the Executive Director may provide a determination or other response without regard to the time periods set forth in 410-1-7-.02.
- (5) ~~Any Request that conveys ownership through a lease must be for substantially all assets of the facility and the lease must be for a minimum term of two (2) years. A copy of the lease must accompany the request. The two (2) year requirement may be waived by the~~

~~CON Board upon evidence of the need of a temporary change of ownership to protect the health and safety of patients.~~

~~Any Request that conveys ownership through a lease must involve a lease of be for substantially all assets of the health care facility and the lease must be for a minimum term of a two (2) years term. A copy of the lease must accompany the request. The two (2) year requirement may be waived by the CON Board upon evidence of the need of a temporary change of ownership to protect the health and safety of patients.~~

Statutory Authority: § 22-21-275270, Code of Alabama, 1975.

History: Amended: Filed March 26, 2012; effective: April 30, 2012. Amended: Filed June 25, 2012; effective: July 30, 2012. Amended: Filed \_\_\_\_\_; effective: \_\_\_\_\_.