



ADMINISTRATIVE RULES OF MONTANA



37.106.106 SUBMISSION OF LETTER OF INTENT

- (1) Any person proposing an activity other than those to which (2) and (3) apply and that is subject to review under 50-5-301, MCA, and not exempt under 50-5-309, MCA, shall submit to the department a letter of intent that contains the following:
 - (a) name of applicant;
 - (b) proposal title;
 - (c) a detailed statement outlining whether the proposal involves:
 - (i) the addition of a new service that is offered by or on behalf of the long-term care facility that was not offered by or on behalf of the long-term care facility within the 12-month period before the month in which the service would be offered, and, if so, an estimate of the annual operating and amortization expenses required to provide it;
 - (ii) the construction, development, or other establishment of a long-term care facility that did not previously exist or is being replaced;
 - (iii) a change in bed capacity through an increase in the number of beds or a relocation of beds from one facility or site to another;
 - (iv) the use of hospital beds to provide nursing or intermediate developmental disability care and, if so, the number of beds involved;
 - (v) the provision of hospital beds to provide long-term care; or
 - (vi) other (explain);
 - (d) a narrative summary of the proposal;
 - (e) an itemized estimate of proposed capital expenditures, including a list of proposed major medical equipment with a description of each and the cost of the construction of any building, including remodeling, necessary to house it;
 - (f) anticipated methods and terms of financing the proposal;
 - (g) effects of the proposal on the cost of patient care in the service area affected;
 - (h) projected dates for commencement and completion of the proposal;
 - (i) the proposed geographic area to be served;
 - (j) an itemized estimate of increases in annual operating and/or amortization expenses resulting from new health services;

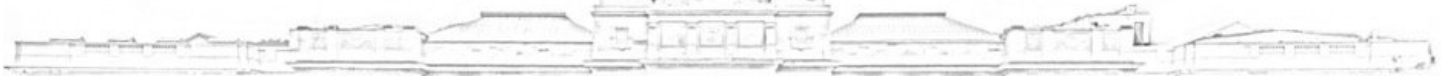
- (k) the location of the proposed project, including its street address;
 - (l) if the person desires comparative review of their proposal with that of another applicant, the name of the other applicant;
 - (m) the name of the person to contact for further information, including city, state, zip code and telephone number; and
 - (n) the dated signature of an authorized representative of the applicant.
- (2) Any person or persons desiring to acquire or enter into a contract to acquire 50% or more of an existing long-term care facility (whether through a single transaction or by adding to a portion already owned) must submit to the department a written letter noting intent to acquire the facility and containing the following:
- (a) the services currently provided by the long-term care facility and the present and proposed bed capacity of the facility;
 - (b) any additions, deletions, or changes in such services which will result from the acquisition; and
 - (c) the projected cost of care at the facility compared to the cost under the current ownership, as well as any other factors which may cause an increase in the cost of care.
- (3) Any person proposing to increase or relocate from one facility or site to another 10 beds or less or 10% or less of the licensed beds, and no beds have been added or relocated in the two years prior, must submit to the department a letter of intent containing the following as one of the conditions that 50-5-301(1)(b), MCA, requires to be met in order to be exempt from certificate of need review for the change:
- (a) the licensed capacity of the facility, the number of beds to be added or relocated, and in the latter case, the facilities or sites in question; and
 - (b) the cost of the addition or relocation and its likely effect on the cost of patient care.
- (4) When a person incurs an obligation by or on behalf of a long-term care facility for a capital expenditure that exceeds \$5 million and does not otherwise require a certificate of need, the person shall upon completion of the project:
- (a) notify the department of the total amount of the expenditure; and
 - (b) provide the department a description of the project.
- (5) Persons who acquire 50% or more of an existing long-term care facility but who do not file the notice of intent required by (2) and 50-5-302(2), MCA, are subject to certificate of need review for the purposes of this subchapter and as required by 50-5-301(1)(c), MCA.
- (6) The person must send a letter of intent to the Department of Public Health and Human Service, Office of Inspector General, Certificate of Need Program, 2401 Colonial Drive, P.O. Box 202953, Helena, MT 59620-2953.

Authorizing statute(s): 50-5-103, 50-5-302, MCA

Implementing statute(s): 50-5-301, 50-5-302, MCA



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History: NEW, 1979 MAR p. 1670, Eff. 12/28/79; AMD, 1983 MAR p. 732, Eff. 7/1/83; AMD, 1984 MAR p. 27, Eff. 1/13/84; AMD, 1985 MAR p. 602, Eff. 5/31/85; AMD, 1987 MAR p. 1074, Eff. 7/17/87; AMD, 1996 MAR p. 1975, Eff. 7/19/96; TRANS, from DHES, 2002 MAR p. 185; AMD, 2022 MAR p. 57, Eff. 1/15/22.