



ADMINISTRATIVE RULES OF MONTANA



37.106.134 CERTIFICATE OF NEED APPLICATION: REQUIRED INFORMATION

The following must be included in a certificate of need application:

- (1) An explanation of the need for the facility or service, including the following information:
 - (a) the geographic area the proposed project will serve and the criteria being used for determining this service area;
 - (b) the current population of that service area (identify the source of information) ;
 - (c) the five-year projected population of that service area (identify the source of information) ;
 - (d) the percent of the population in that service area expected to be served;
 - (e) in terms of age, ethnic background and economic status, a description of the specific population which will be served by the proposed new institution or service. The applicant shall indicate the number of people matching this description in the service area (general public should be indicated if the facility is for non-specific population) ;
 - (f) an explanation of current and projected future trends in health care which might affect facility usage which were given consideration in the development of this project (identify source of information) ;
 - (g) a patient origin study for the last three years of operation;
 - (h) why the service or institution is needed in the identified service area;
 - (i) the purposes and goals of the project;
 - (j) whether there is a waiting list of persons desiring the proposed services. If so, a copy of the list must be provided.
- (2) A description of the project's accessibility to the public. In particular, the following information must be included:
 - (a) the location of the proposed long-term care facility;
 - (b) the manner in which the architectural plan promotes access for the physically handicapped;
 - (c) other health care institutions which serve this area or portions thereof and provide similar services to those proposed in this application;
 - (d) if there are no similar services in the area, the nearest facility or facilities providing these services must be identified.

- (3) A discussion of planning and environmental considerations, including the following information:
 - (a) an explanation of how the proposed service or facility is compatible with the current state long-term care facilities plan (a copy of which may be obtained from the Department of Public Health and Human Services, Office of Inspector General, Certificate of Need Program, 2401 Colonial Drive, P.O. Box 202953, Helena, MT 59620-2953). If it is not compatible, an explanation of why it should be approved must be included;
 - (b) whether a short, long-range, master plan or capital expenditure plan is available for the facility. If so, a copy must be provided. The applicant shall also provide applicable city, county or regional land use, zoning, transportation, utilities or parking plans;
 - (c) a description of existing or proposed working relationships or joint planning efforts with other providers or services in the community or service area. If there are no such efforts, an explanation must be provided;
 - (d) whether the affected consumer/provider and related groups in the service area have indicated support for the proposal (agencies, groups, and their reactions must be listed) ;
 - (e) a discussion of environmental considerations, including architectural compatibility, waste disposal, traffic impacts, economic and social impacts on the area, etc.
- (4) A discussion of the organizational aspects of the project, including the following information:
 - (a) the type of organization or entity responsible for the day-to-day operation of the facility (e.g., state, county, city, federal, hospital district, church related, nonprofit corporation, individual, partnership, business corporation) ;
 - (b) whether the controlling organization leases the physical plant from another organization. If so, the name and type of organization that owns the plant;
 - (c) any changes in the ownership of the applicant during the past year;
 - (d) the name and title of the chief administrator of the applicant's facility, and whether employed by the applicant or another organization as identified in (e) below;
 - (e) if the controlling organization has placed responsibility for the administration of the facility with another organization, the name and type of organization that manages the facility;
 - (f) if the facility is operated as a part of a multi-facility system (e.g., medical center, chain of hospitals owned by a religious order, etc.) the name and address of the parent organization;
 - (g) whether the applicant's facility has received or intends to apply for state licensure or federal certification.
- (5) A discussion of the program staffing and operational capabilities of the project, including the following information:
 - (a) an itemized list of full-time-equivalent staff positions (current and after completion of project) , and estimated number of personnel available, including:
 - (i) administration;
 - (ii) physician services;
 - (iii) nursing services;

- (iv) social services;
 - (v) other professional/technical;
 - (vi) all other (specify) ;
 - (b) if the applicant operates an existing facility, whether it meets current staffing standards.
- (6) A discussion of the physical structure and services to be provided, including the following information:
- (a) a narrative description of the project, including:
 - (i) size, type construction, floor space to be added or renovated, beds, square feet per bed, parking, etc.;
 - (ii) description of both old and new facilities where applicable;
 - (iii) time frame(s) for construction;
 - (iv) a line drawing of proposal;
 - (b) a discussion of legal considerations, including:
 - (i) whether the project will correct non-conforming conditions;
 - (ii) whether the project is in conformance with current local zoning laws (city or county) ;
 - (iii) whether the structures meet current safety and building codes;
 - (c) a listing of current licensed beds, certified medicare or medicaid beds, and beds to be added in each of the basic service categories;
 - (d) for home health agencies, the current and proposed number of patient visits and consultations, and the reporting period;
 - (e) in order to show utilization levels, indication of each of the following for the applicant's facility, if already in existence, and for every other facility of the same kind within the same service area, for each of the past full three years and the current year, as well as utilization projections for each of the foregoing facilities for one, two, and three years:
 - (i) average daily census;
 - (ii) percent occupancy;
 - (iii) average length of stay;
 - (iv) total discharges;
 - (v) outpatient visits;
 - (vi) home care visits;
 - (vii) surgical procedures, inpatient and outpatient.
 - (f) If the applicant's facility is not yet in existence, the applicant must submit all of the above for any other parallel facility in the same service area, along with projections for (i) through (vii) above for the first, second, and third years of operation of the proposed facility.
- (7) A discussion of capital expenditure requirements, including the following information:

- (a) the approximate date that obligation of funds will be incurred for the proposal;
 - (b)
 - (i) the source of funds (specify cash on hand, commercial or government loans, grants, net earnings and reserve, bequests and endorsements, charitable fund raising, revenue bonds, other) ;
 - (ii) amount available;
 - (iii) amount to be borrowed;
 - (c) term and interest rate of loan;
 - (d) copies of the complete financial operating statements for the last three years and, if available, audited statements;
 - (e) copies of the following:
 - (i) projected revenue and expense statements with supportive population and utilization assumptions both during construction and the first two years of operation;
 - (ii) utilization projections demonstrating need for the project.
- (8) Estimated project costs for each of the following:
- (a) consultant, legal, architect, engineering, and construction supervision;
 - (b) financing fees;
 - (c) feasibility study (include a copy);
 - (d) interest, principle to be borrowed, reserves related to public bond issue;
 - (e) land acquisition, site development, and construction.
- (9)
- (a) Effect of project on costs and charges for room rates or specific services;
 - (b) discussion of operating fund demands and budget factors, including the following:
 - (i) the sources of operating revenue in percentages (specify medicare, medicaid, private pay, or insurance) ;
 - (ii) if grant support is provided for the project, how the service will be financed upon termination of this support;
 - (iii) whether depreciation will be funded;
 - (iv) explanation of plans for meeting possible operating deficits;
 - (c) effect the proposed capital expenditure will have on annual operating costs. Whether the operating costs will be increased or decreased and by how much;
- (10) A discussion of cost containment factors, including the following information:
- (a) how the proposal demonstrates superior community cost-benefit or community cost-effectiveness;

- (b) description of shared services which are available as an alternative to duplication (explain in detail);
 - (c) alternatives which have been considered to provide the service proposed by the project.
- (11) A discussion specifically addressing the review criteria listed in 50-5-304, MCA and ARM 37.106.113.
- (12) The signature of a responsible representative of the applicant, the title of the signatory, and the date of signing.

Authorizing statute(s): 2-4-201, 50-5-302, MCA

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

History: NEW, 1984 MAR p. 27, Eff. 1/13/84; 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.