

**RULES
OF
HEALTH SERVICES AND DEVELOPMENT AGENCY**

**CHAPTER 0720-12
CERTIFICATE OF NEED PROGRAM – APPLICATION, DISCLOSURE OF
INFORMATION AND REPORTING REQUIREMENTS**

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0720-12-.01 STANDARD APPLICATION.

- (1) Application for a certificate of need shall be made on form(s) provided by The Agency. The applicant must provide all information requested in the application forms. The information which may be required in the application form(s) includes, but is not necessarily limited to, the following:
 - (a) Facility identification, including legal interests and status, operator and owners;
 - (b) Detailed project description;
 - (c) Detailed project cost data;
 - (d) Detailed disclosure of anticipated financing mechanism;
 - (e) Project operating costs and revenues, patient charges, and occupancy rate;
 - (f) Information on whether the proposed project will provide health care that meets appropriate quality standards;
 - (g) Information on the project's relationship to public needs and the existing health service system; and
 - (h) A copy of any signed agreement between the applicant and TennCare managed care organizations; if a signed agreement has not been executed prior to The Agency's consideration of the application, the applicant shall provide a list of any such organizations with whom the applicant is negotiating, or a statement that the applicant does not intend to contract with any TennCare managed care organization(s).
- (2) The accuracy of the information provided must be attested to by the responsible party or his agent in a notarized statement. Providing false, incorrect, misleading, or fraudulent information is grounds for revocation of the certificate of need.

Authority: T.C.A. §§ 4-5-201, et seq., 4-5-202, 68-11-1605, 68-11-1607, 68-11-1619, and 2016 Tenn. Pub. Acts Ch. 1043. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Amendments filed October 24, 2017; effective January 22, 2018.

0720-12-.02 REPORT OF BED INCREASES NOT REQUIRING A CERTIFICATE OF NEED.

- (1) Any rehabilitation facility, mental health hospital or hospital which is increasing the number of its licensed beds without the necessity of obtaining a certificate of need, as provided by law, shall report such activity on forms provided by The Agency.
- (2) Any rehabilitation facility, mental health hospital or hospital reporting such increases must provide all information requested in the form(s). Information required to be provided by the forms may include, but not be limited to, the following:
 - (a) Facility identification;
 - (b) Date of most recent prior increase in number of licensed beds not requiring a certificate of need, number of beds increased, and type of beds;
 - (c) Number of licensed beds prior to the request;
 - (d) Number of beds being increased, by licensure category; and
 - (e) Anticipated date of licensure/certification.

Authority: T.C.A. §§ 4-5-201, et seq., 4-5-202, 68-11-1605, and 68-11-1607. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Amendments filed October 24, 2017; effective January 22, 2018.

0720-12-.03 REPORT OF CHANGE OF OWNERSHIP OF LICENSED INSTITUTIONS.

- (1) Notice of a change of ownership of a health care institution, occurring within two years of the date of initial licensure, must be reported to The Agency in writing. Any person reporting such a change of ownership must provide all information requested by The Agency. Such information which may be required may include, but not be limited to, the following:
 - (a) Identification of the current owner of the health care institution;
 - (b) Identification of the proposed new owner of the health care institution;
 - (c) Identification of the health care institution, the ownership of which is proposed to be transferred; and,
 - (d) The effective date of the proposed change of ownership.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, 68-11-1607, and 68-11-1618. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Rule was previously numbered 0720-12-.04, but was renumbered 0720-12-.03 with the deletion of original rule 0720-12-.03 filed October 24, 2017; effective January 22, 2018.

0720-12-.04 REGISTRATION OF EQUIPMENT.

- (1) Ownership of computerized axial tomographers, magnetic resonance imagers, linear accelerators, positron emission tomography, and any other piece of equipment specified by law, must be made on forms provided by The Agency within ninety (90) days of acquisition of the equipment.

(Rule 0720-12-.04, continued)

- (2) The person registering such equipment must provide all information requested in the form(s) provided by Agency staff. Information which may be required by the form(s) may include, but not be limited to, the following:
 - (a) Identification of the owner of such equipment;
 - (b) The location of the equipment, including facility identification;
 - (c) Whether the acquisition is by purchase, lease, or otherwise;
 - (d) The date of delivery of the equipment; and
 - (e) The expected useful life of the equipment.
- (3) All such equipment shall be filed on an annual inventory survey developed by Agency staff. The survey shall include, but not be limited to, the identification of the equipment and utilization data according to source of payment. The survey shall be filed no later than thirty (30) days following the end of each state fiscal year. The Agency is authorized to impose a penalty not to exceed fifty dollars (\$50) for each day the filing of the survey is late.

Authority: T.C.A. §§ 4-5-202, 68-11-1605, and 68-11-1607. **Administrative History:** Original rule filed August 31, 2005; effective November 14, 2005. Rule was previously numbered 0720-12-.05, but was renumbered 0720-12-.04 with the deletion of original rule 0720-12-03 filed October 24, 2017; effective January 22, 2018. Amendments filed October 24, 2017; effective January 22, 2018.

0720-12-.05 ANNUAL REPORTS CONCERNING MAGNETIC RESONANCE IMAGING SERVICES.

Any person who provides magnetic resonance imaging services shall file an annual report each year with The Agency concerning adult and pediatric patients that details the mix of payors by percentage of cases for the prior calendar year for its patients, including private pay, private insurance, uncompensated care, charity care, Medicare, and Medicaid. These reports shall be filed on forms provided by The Agency, and shall be due as provided by law.

Authority: T.C.A. §§ 4-5-201, et seq., 68-11-1605, and 68-11-1607. **Administrative History:** New rule filed October 24, 2017; effective January 22, 2018.

0720-12-.06 REPORT CONCERNING CONTINUED NEED AND APPROPRIATE QUALITY MEASURES.

- (1) For every certificate of need issued after July 1, 2016, reporting shall be made to the Health Services and Development Agency each year on the anniversary date of implementation of the certificate of need, on forms prescribed by the Agency. Reporting shall include an assessment of each applicable volume and quality standard and shall include results of any surveys or disciplinary actions by state licensing agencies, payors, or CMS, which are relevant to the health care institution or service authorized by the certificate of need. The existence and results of any remedial action, including any plan of correction, shall also be provided, unless the information is considered confidential under state or federal law. Reporting may be made for the entire health care institution, relevant department, service, equipment or beds, rather than segregating the portion authorized by the particular certificate of need; reporting for the portion authorized by the particular certificate of need is preferred if the data is easily segregated and doing so would not be unduly burdensome or costly to the provider.

Authority: T.C.A. §§ 4-5-201, et seq., 68-11-1605, 68-11-1609, and 68-11-1633. **Administrative History:** Original rule filed October 24, 2017; effective January 22, 2018.