

1 AN ACT relating to certificate of need for ambulance service providers.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 216B.020 is amended to read as follows:

4 (1) The provisions of this chapter that relate to the issuance of a certificate of need shall
5 not apply to abortion facilities as defined in KRS 216B.015; any hospital which
6 does not charge its patients for hospital services and does not seek or accept
7 Medicare, Medicaid, or other financial support from the federal government or any
8 state government; assisted living residences; family care homes; state veterans'
9 nursing homes; services provided on a contractual basis in a rural primary-care
10 hospital as provided under KRS 216.380; community mental health centers for
11 services as defined in KRS Chapter 210; primary care centers; rural health clinics;
12 private duty nursing services operating as nursing pools; group homes; licensed
13 residential crisis stabilization units; licensed free-standing residential substance use
14 disorder treatment programs with sixteen (16) or fewer beds, but not including
15 Levels I and II psychiatric residential treatment facilities or licensed psychiatric
16 inpatient beds; outpatient behavioral health treatment, but not including partial
17 hospitalization programs; end stage renal disease dialysis facilities, freestanding or
18 hospital based; swing beds; special clinics, including but not limited to wellness,
19 weight loss, family planning, disability determination, speech and hearing,
20 counseling, pulmonary care, and other clinics which only provide diagnostic
21 services with equipment not exceeding the major medical equipment cost threshold
22 and for which there are no review criteria in the state health plan; nonclinically
23 related expenditures; nursing home beds that shall be exclusively limited to on-
24 campus residents of a certified continuing care retirement community; home health
25 services provided by a continuing care retirement community to its on-campus
26 residents; the relocation of hospital administrative or outpatient services into
27 medical office buildings which are on or contiguous to the premises of the hospital;

1 the relocation of acute care beds which occur among acute care hospitals under
2 common ownership and which are located in the same area development district so
3 long as there is no substantial change in services and the relocation does not result
4 in the establishment of a new service at the receiving hospital for which a certificate
5 of need is required; the redistribution of beds by licensure classification within an
6 acute care hospital so long as the redistribution does not increase the total licensed
7 bed capacity of the hospital; residential hospice facilities established by licensed
8 hospice programs; or the following health services provided on site in an existing
9 health facility when the cost is less than six hundred thousand dollars (\$600,000)
10 and the services are in place by December 30, 1991: psychiatric care where
11 chemical dependency services are provided, level one (1) and level two (2) of
12 neonatal care, cardiac catheterization, and open heart surgery where cardiac
13 catheterization services are in place as of July 15, 1990. The provisions of this
14 section shall not apply to nursing homes, personal care homes, intermediate care
15 facilities, and family care homes; or nonconforming ambulance services as defined
16 by administrative regulation. These listed facilities or services shall be subject to
17 licensure, when applicable.

18 (2) Nothing in this chapter shall be construed to authorize the licensure, supervision,
19 regulation, or control in any manner of:

20 (a) Private offices and clinics of physicians, dentists, and other practitioners of
21 the healing arts, except any physician's office that meets the criteria set forth
22 in KRS 216B.015(5) or that meets the definition of an ambulatory surgical
23 center as set out in KRS 216B.015;

24 (b) Office buildings built by or on behalf of a health facility for the exclusive use
25 of physicians, dentists, and other practitioners of the healing arts; unless the
26 physician's office meets the criteria set forth in KRS 216B.015(5), or unless
27 the physician's office is also an abortion facility as defined in KRS 216B.015,

- 1 except no capital expenditure or expenses relating to any such building shall
2 be chargeable to or reimbursable as a cost for providing inpatient services
3 offered by a health facility;
- 4 (c) Outpatient health facilities or health services that:
- 5 1. Do not provide services or hold patients in the facility after midnight;
6 and
7 2. Are exempt from certificate of need and licensure under subsection (3)
8 of this section;
- 9 (d) Dispensaries and first-aid stations located within business or industrial
10 establishments maintained solely for the use of employees, if the facility does
11 not contain inpatient or resident beds for patients or employees who generally
12 remain in the facility for more than twenty-four (24) hours;
- 13 (e) Establishments, such as motels, hotels, and boarding houses, which provide
14 domiciliary and auxiliary commercial services, but do not provide any health
15 related services and boarding houses which are operated by persons
16 contracting with the United States Department of Veterans Affairs for
17 boarding services;
- 18 (f) The remedial care or treatment of residents or patients in any home or
19 institution conducted only for those who rely solely upon treatment by prayer
20 or spiritual means in accordance with the creed or tenets of any recognized
21 church or religious denomination and recognized by that church or
22 denomination; and
- 23 (g) On-duty police and fire department personnel assisting in emergency
24 situations by providing first aid or transportation when regular emergency
25 units licensed to provide first aid or transportation are unable to arrive at the
26 scene of an emergency situation within a reasonable time.
- 27 (3) The following outpatient categories of care shall be exempt from certificate of need

- 1 and licensure on July 14, 2018:
- 2 (a) Primary care centers;
- 3 (b) Special health clinics, unless the clinic provides pain management services
4 and is located off the campus of the hospital that has majority ownership
5 interest;
- 6 (c) Specialized medical technology services, unless providing a State Health Plan
7 service;
- 8 (d) Retail-based health clinics and ambulatory care clinics that provide
9 nonemergency, noninvasive treatment of patients;
- 10 (e) Ambulatory care clinics treating minor illnesses and injuries;
- 11 (f) Mobile health services, unless providing a service in the State Health Plan;
- 12 (g) Rehabilitation agencies;
- 13 (h) Rural health clinics; and
- 14 (i) Off-campus, hospital-acquired physician practices.
- 15 (4) The exemptions established by subsections (2) and (3) of this section shall not apply
16 to the following categories of care:
- 17 (a) An ambulatory surgical center as defined by KRS 216B.015(4);
- 18 (b) A health facility or health service that provides one (1) of the following types
19 of services:
- 20 1. Cardiac catheterization;
- 21 2. Megavoltage radiation therapy;
- 22 3. Adult day health care;
- 23 4. Behavioral health services;
- 24 5. Chronic renal dialysis;
- 25 6. Birthing services; or
- 26 7. Emergency services above the level of treatment for minor illnesses or
27 injuries;

- 1 (c) A pain management facility as defined by KRS 218A.175(1);
- 2 (d) An abortion facility that requires licensure pursuant to KRS 216B.0431; or
- 3 (e) A health facility or health service that requests an expenditure that exceeds the
- 4 major medical expenditure minimum.
- 5 (5) An existing facility licensed as an intermediate care or nursing home shall notify the
- 6 cabinet of its intent to change to a nursing facility as defined in Public Law 100-
- 7 203. A certificate of need shall not be required for conversion of an intermediate
- 8 care or nursing home to the nursing facility licensure category.
- 9 (6) Ambulance services owned and operated by a city government, which propose to
- 10 provide services in coterminous cities outside of the ambulance service's designated
- 11 geographic service area, shall not be required to obtain a certificate of need if the
- 12 governing body of the city in which the ambulance services are to be provided
- 13 enters into an agreement with the ambulance service to provide services in the city.
- 14 (7) *The cabinet shall promulgate administrative regulations establishing standards*
- 15 *for adequate accessibility and timeliness of service for ambulance service*
- 16 *providers to be used in determining an ambulance service provider's retention of*
- 17 *an exclusive certificate of need for a particular geographic area. The standards*
- 18 *shall include the circumstances under which the cabinet may issue a new*
- 19 *certificate of need to add services to a competing ambulance service provider.*
- 20 (8) Notwithstanding any other provision of law, a continuing care retirement
- 21 community's nursing home beds shall not be certified as Medicaid eligible unless a
- 22 certificate of need has been issued authorizing applications for Medicaid
- 23 certification. The provisions of subsection (5) of this section notwithstanding, a
- 24 continuing care retirement community shall not change the level of care licensure
- 25 status of its beds without first obtaining a certificate of need.