AN ACT relating to health care.

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

➔Section 1. KRS 164.0401 is amended to read as follows:

For the purposes of KRS 164.0401 to 164.0407:

(1) "Council" means the Council on Postsecondary Education;

(2) "Dedicated funds" means a gift, grant, or donation to the fund that is subject to restrictions imposed by a private grantor under KRS 164.0401 to 164.0407;

(3) "Eligible healthcare credential" means:

(a) ***An***~~[A licensed]~~ alcohol and drug counselor ***license***, ~~[licensed]~~clinical alcohol and drug counselor ***license***, ~~[licensed]~~clinical alcohol and drug counselor associate ***license***, professional art therapist ***license***, professional art therapist associate license, or community health worker certificate issued pursuant to KRS Chapter 309;

(b) Any emergency medical services license or certificate issued pursuant to KRS Chapter 311A;

(c) Any medical imaging, radiation, or other license issued pursuant to KRS Chapter 311B;

(d) A dental hygienist or dental assistant license issued pursuant to KRS Chapter 313;

(e) Any nursing license or certificate issued pursuant to KRS Chapter 314 or registration as a state~~[ ]~~registered nursing aide with the Kentucky Board of Nursing;

(f) A respiratory care practitioner certificate issued pursuant to KRS Chapter 314A;

(g) Any psychology license or certificate issued pursuant to KRS Chapter 319;

(h) Any occupational therapy license issued pursuant to KRS Chapter 319A;

(i) Any behavior analyst license issued pursuant to KRS Chapter 319C;

(j) Any physical therapy certificate or license issued pursuant to KRS Chapter 327;~~[and]~~

(k) Any social worker, marriage and family therapist, or professional counselor certificate or license issued pursuant to KRS Chapter 335;

(l) A physician assistant license issued pursuant to KRS Chapter 311; and

(m) A dietitian license or nutritionist certificate issued pursuant to KRS Chapter 310;

(4) "Grantor" means an individual or an entity that gifts, grants, or donates moneys to the Kentucky healthcare workforce investment fund established in KRS 164.0402;

(5) "Healthcare partner" means a grantor to the Kentucky healthcare workforce investment fund that is:

(a) A healthcare provider as defined in KRS 367.4081;

(b) A healthcare facility licensed by and operating in Kentucky;

(c) A qualified mental health professional as defined in KRS 202A.011; or

(d) Any healthcare or healthcare-related association, individual, or corporation doing business in and incorporated under the laws of the Commonwealth;

(6) "Healthcare program" means an education or training program that is a specific requirement to an eligible healthcare credential, including but not limited to a high school healthcare vocational program;

(7) "Historically underserved county" means a county of the Commonwealth with enhanced workforce demands, as demonstrated by:

(a) Objective healthcare workforce data that demonstrates needs and demands upon its healthcare workforce that exceed the statewide average; and

(b) Final unemployment figures calculated by the Department of Workforce Development demonstrating a countywide rate of unemployment that exceeds the statewide unemployment rate of the Commonwealth:

1. In the most recent five (5) consecutive calendar years; or

2. By two hundred percent (200%) in the most recent calendar year; and

(8) "Kentucky resident" is a Kentucky resident as defined by the council pursuant to KRS 164.020(8).

➔Section 2. KRS 164.0403 is amended to read as follows:

(1) The council shall reserve at least sixty-five percent (65%) of all net moneys in the Kentucky healthcare workforce investment fund for partnership proposals between healthcare programs and healthcare partners to provide healthcare training scholarships to Kentucky residents enrolled in healthcare programs in Kentucky.

(2) In accepting partnerships, the council shall evaluate each partnership proposal to determine if the proposal meets the requirements of this section and administrative regulations promulgated by the council. The administrative regulations shall create a process to prioritize accepting partnerships to proposals:

(a) Targeted to address the specific needs of a historically underserved county or to improve racial and ethnic diversity within a specific designated healthcare credential targeted by the partnership;

(b) Targeted to reduce the workforce demand of a specific eligible healthcare credential that is determined by the council, based on objective criteria, to be among the highest in demand in the Commonwealth; or

(c) From healthcare partners with fifty (50) or fewer employees.

(3) A partnership shall require a written partnership contract between a healthcare program, healthcare partner, and the council. The partnership contract shall:

(a) Prohibit any disbursement of moneys from the Kentucky healthcare workforce investment fund until the moneys appropriated by the General Assembly to be distributed are matched, at least dollar for dollar, with moneys deposited to the fund by the healthcare partner;

(b) Require the healthcare program to use all moneys distributed to the healthcare program pursuant to the partnership contract to issue direct healthcare training

scholarships to Kentucky students enrolled in the healthcare program;

(c) If applicable to a healthcare program, require that the healthcare training scholarship application process encourage applicants to complete the Free Application for Federal Student Aid; and

(d) Meet all other requirements set forth in this section and administrative regulation, including but not limited to any reporting requirements to the council.

(4) Disbursements of moneys from the Kentucky healthcare workforce investment fund to support healthcare training scholarships shall be made directly to a healthcare program pursuant to the terms of the partnership contract.

(5) A healthcare program that enters a partnership contract shall solicit, accept, and review healthcare training scholarship applications submitted by students enrolled in the healthcare program. A partnership contract may require that a healthcare program do so in collaboration with the healthcare partner. The healthcare program shall award healthcare training scholarships pursuant to any scholarship criteria set forth in the partnership contract, this section, and administrative regulations. The decisions of the healthcare program in the issuance of scholarships shall be final.

(6) A healthcare training scholarship issued by a healthcare program pursuant to a partnership contract shall be made directly to a recipient pursuant to a written scholarship contract between the recipient and the healthcare program. The scholarship contract shall not restrict the recipient's ability to utilize the scholarship for the total cost of attendance. Each recipient of a scholarship shall:

(a) Agree in the written contract to practice as a licensed or certified medical professional in the Commonwealth for a contract period of one (1) year for each academic year funded by the scholarship up to a maximum of two (2) total years; and

(b) Sign a promissory note as evidence of the scholarship and the obligation to

repay the scholarship amount upon failure to complete terms of the contract.

(7) A grantor may place restrictions upon a contribution to the Kentucky healthcare workforce investment fund requiring specific criteria for a healthcare training scholarship or scholarships funded by the grantor's dedicated funds to students who agree in the scholarship contract required by subsection (6)(a) of this section to practice as a certified or licensed healthcare professional, including but not limited to criteria restricting:

(a) Except as provided in subsection (9) of this section, employment by the healthcare partner for the contract period; or

(b) Employment at a location within a designated geographic area of the Commonwealth for the contract period.

(8) The healthcare training scholarship contract shall grant the healthcare program, the Commonwealth, or the healthcare partner the authority to initiate recoupment proceedings for the recovery of the total amount of all healthcare training scholarships awarded to an individual that fails to complete the terms of a contract entered into in accordance with subsection (6) of this section, together with reasonable attorney fees and interest at a compound rate not to exceed eight percent (8%) per annum from the date of disbursement from the fund.

(9) ***(a)*** A healthcare training scholarship shall not~~[:~~

~~(a)]~~ be awarded to an applicant enrolled in a state registered nursing aide training and competency evaluation program who is:

1. Not charged for any portion of the program pursuant to 42 C.F.R. sec. 483.152(c)(1); or

2. Eligible for reimbursement for the costs of the program pursuant to 42 C.F.R. sec. 483.152(c)(2) prior to entering the scholarship contract**.**~~[; or]~~

(b) A healthcare training scholarship awarded to applicants enrolled in a state registered nursing aide training and competency evaluation program shall

not include an employment restriction that would restrict the recipient to be employed by a specific healthcare partner for the contract period required by subsection (6) of this section or that would otherwise constitute an offer of employment in accordance with 42 C.F.R. sec. 483.152(c)(1).

(10) An applicant who has been listed on the nurse aide abuse registry with a substantiated finding of abuse, neglect, or misappropriation of property shall not be eligible for a healthcare training scholarship.

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

(1) The provisions of this chapter that relate to the issuance of a certificate of need shall not apply to abortion facilities as defined in KRS 216B.015; any hospital which does not charge its patients for hospital services and does not seek or accept Medicare, Medicaid, or other financial support from the federal government or any state government; assisted living residences; family care homes; state veterans' nursing homes; services provided on a contractual basis in a rural primary-care hospital as provided under KRS 216.380; community mental health centers for services as defined in KRS Chapter 210; primary care centers; rural health clinics; private duty nursing services operating as health care services agencies as defined in KRS 216.718; group homes; licensed residential crisis stabilization units; licensed free-standing residential substance use disorder treatment programs with sixteen (16) or fewer beds, but not including Levels I and II psychiatric residential treatment facilities or licensed psychiatric inpatient beds; outpatient behavioral health treatment, but not including partial hospitalization programs; end stage renal disease dialysis facilities, freestanding or hospital based; swing beds; special clinics, including but not limited to wellness, weight loss, family planning, disability determination, speech and hearing, counseling, pulmonary care, and other clinics which only provide diagnostic services with equipment not exceeding the major medical equipment cost threshold and for which there are no review criteria

in the state health plan; nonclinically related expenditures; nursing home beds that shall be exclusively limited to on-campus residents of a certified continuing care retirement community; home health services provided by a continuing care retirement community to its on-campus residents; the relocation of hospital administrative or outpatient services into medical office buildings which are on or contiguous to the premises of the hospital; the relocation of acute care beds which occur among acute care hospitals under common ownership and which are located in the same area development district so long as there is no substantial change in services and the relocation does not result in the establishment of a new service at the receiving hospital for which a certificate of need is required; the redistribution of beds by licensure classification within an acute care hospital so long as the redistribution does not increase the total licensed bed capacity of the hospital; residential hospice facilities established by licensed hospice programs; the following health services provided on site in an existing health facility when the cost is less than six hundred thousand dollars ($600,000) and the services are in place by December 30, 1991: psychiatric care where chemical dependency services are provided, level one (1) and level two (2) of neonatal care, cardiac catheterization, and open heart surgery where cardiac catheterization services are in place as of July 15, 1990; or ambulance services operating in accordance with subsection (6), (7), or (8) of this section. These listed facilities or services shall be subject to licensure, when applicable.

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

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

(b) Office buildings built by or on behalf of a health facility for the exclusive use of physicians, dentists, and other practitioners of the healing arts; unless the physician's office meets the criteria set forth in KRS 216B.015(5), or unless the physician's office is also an abortion facility as defined in KRS 216B.015, except no capital expenditure or expenses relating to any such building shall be chargeable to or reimbursable as a cost for providing inpatient services offered by a health facility;

(c) Outpatient health facilities or health services that:

1. Do not provide services or hold patients in the facility after midnight; and

2. Are exempt from certificate of need and licensure under subsection (3) of this section;

(d) Dispensaries and first-aid stations located within business or industrial establishments maintained solely for the use of employees, if the facility does not contain inpatient or resident beds for patients or employees who generally remain in the facility for more than twenty-four (24) hours;

(e) Establishments, such as motels, hotels, and boarding houses, which provide domiciliary and auxiliary commercial services, but do not provide any health related services and boarding houses which are operated by persons contracting with the United States Department of Veterans Affairs for boarding services;

(f) The remedial care or treatment of residents or patients in any home or institution conducted only for those who rely solely upon treatment by prayer or spiritual means in accordance with the creed or tenets of any recognized church or religious denomination and recognized by that church or denomination; and

(g) On-duty police and fire department personnel assisting in emergency

situations by providing first aid or transportation when regular emergency units licensed to provide first aid or transportation are unable to arrive at the scene of an emergency situation within a reasonable time.

(3) The following outpatient categories of care shall be exempt from certificate of need and licensure on July 14, 2018:

(a) Primary care centers;

(b) Special health clinics, unless the clinic provides pain management services and is located off the campus of the hospital that has majority ownership interest;

(c) Specialized medical technology services, unless providing a State Health Plan service;

(d) Retail-based health clinics and ambulatory care clinics that provide nonemergency, noninvasive treatment of patients;

(e) Ambulatory care clinics treating minor illnesses and injuries;

(f) Mobile health services, unless providing a service in the State Health Plan;

(g) Rehabilitation agencies;

(h) Rural health clinics; and

(i) Off-campus, hospital-acquired physician practices.

(4) The exemptions established by subsections (2) and (3) of this section shall not apply to the following categories of care:

(a) An ambulatory surgical center as defined by KRS 216B.015(4);

(b) A health facility or health service that provides one (1) of the following types of services:

1. Cardiac catheterization;

2. Megavoltage radiation therapy;

3. Adult day health care;

4. Behavioral health services;

5. Chronic renal dialysis;
6. Birthing services; or
7. Emergency services above the level of treatment for minor illnesses or injuries;

(c) A pain management facility as defined by KRS 218A.175(1);

(d) An abortion facility that requires licensure pursuant to KRS 216B.0431; or

(e) A health facility or health service that requests an expenditure that exceeds the major medical expenditure minimum.

(5) An existing facility licensed as an intermediate care or nursing home shall notify the cabinet of its intent to change to a nursing facility as defined in Public Law 100-203. A certificate of need shall not be required for conversion of an intermediate care or nursing home to the nursing facility licensure category.

(6) Ambulance services owned and operated by a city government, which propose to provide services in coterminous cities outside of the ambulance service's designated geographic service area, shall not be required to obtain a certificate of need if the governing body of the city in which the ambulance services are to be provided enters into an agreement with the ambulance service to provide services in the city.

(7) Ambulance services owned by a hospital shall not be required to obtain a certificate of need for the sole purpose of providing non-emergency and emergency transport services originating from its hospital.

(8) (a) As used in this subsection, "emergency ambulance transport services" means the transportation of an individual that has an emergency medical condition with acute symptoms of sufficient severity that the absence of immediate medical attention could reasonably be expected to place the individual's health in serious jeopardy or result in the serious impairment or dysfunction of the individual's bodily organs.

(b) A city or county government that has conducted a public hearing for the

purposes of demonstrating that an imperative need exists in the city or county to provide emergency ambulance transport services within its jurisdictional boundaries shall not be required to obtain a certificate of need for the city or county to:

1. Directly provide emergency ambulance transport services as defined in this subsection within the city's or county's jurisdictional boundaries; or
2. Enter into a contract with a hospital or hospitals within its jurisdiction, or within an adjoining county if there are no hospitals located within the county, for the provision of emergency ambulance transport services as defined in this subsection within the city's or county's jurisdictional boundaries.

(c) Any license obtained under KRS Chapter 311A by a city or county for the provision of ambulance services operating under a certificate of need exclusion pursuant to this subsection shall be held exclusively by the city or county government and shall not be transferrable to any other entity.

(d) Prior to obtaining the written agreement of a city, an ambulance service operating under a county government certificate of need exclusion pursuant to this subsection shall not provide emergency ambulance transport services within the boundaries of any city that:

1. Possesses a certificate of need to provide emergency ambulance services;
2. Has an agency or department thereof that holds a certificate of need to provide emergency ambulance services; or
3. Is providing emergency ambulance transport services within its jurisdictional boundaries pursuant to this subsection.

(9) (a) Except where a certificate of need is not required pursuant to subsection (6), (7), or (8) of this section, the cabinet shall grant nonsubstantive review for a

certificate of need proposal to establish an ambulance service that is owned by a:

1. City government;
2. County government; or
3. Hospital, in accordance with paragraph (b) of this subsection.

(b) A notice shall be sent by the cabinet to all cities and counties that a certificate of need proposal to establish an ambulance service has been submitted by a hospital. The legislative bodies of the cities and counties affected by the hospital's certificate of need proposal shall provide a response to the cabinet within thirty (30) days of receiving the notice. The failure of a city or county legislative body to respond to the notice shall be deemed to be support for the proposal.

(c) An ambulance service established under this subsection shall not be transferred to another entity that does not meet the requirements of paragraph (a) of this subsection without first obtaining a substantive certificate of need.

(10) Notwithstanding any other provision of law, a continuing care retirement community's nursing home beds shall not be certified as Medicaid eligible unless a certificate of need has been issued authorizing applications for Medicaid certification. The provisions of subsection (5) of this section notwithstanding, a continuing care retirement community shall not change the level of care licensure status of its beds without first obtaining a certificate of need.

(11) An ambulance service established under subsection (9) of this section shall not be transferred to an entity that does not qualify under subsection (9) of this section without first obtaining a substantive certificate of need.

~~[(12) (a) The provisions of subsections (7), (8), and (9) of this section shall expire on July 1, 2026.~~

~~(b) All actions taken by cities, counties, and hospitals, exemptions from obtaining~~

~~a certificate of need, and any certificate of need granted under subsections (7), (8), and (9) of this section prior to July 1, 2026, shall remain in effect on and after July 1, 2026.~~]

➔Section 4. KRS 311A.030 is amended to read as follows:

(1) The board shall promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the functions of this chapter, including but not limited to:

(a) Classifying, licensing, inspecting, and regulating ambulance services, mobile integrated healthcare programs, and medical first response providers; and

(b) Licensing, inspecting, and regulating emergency medical services training institutions.

(2) The licensure standards for ground ambulance providers shall distinguish between an ambulance service that provides only emergency transportation, only scheduled ambulance transportation, or both types of transportation.

(3) (a) The board shall not require an ambulance service to apply for licensure within a specified time period following the issuance of a certificate of need by the Cabinet for Health and Family Services.

(b) The board may promulgate an administrative regulation in accordance with KRS Chapter 13A to require an ambulance service to submit application progress reports on a six (6) month or annual basis following the issuance of a certificate of need by the Cabinet for Health and Family Services until the licensure application is submitted.

(c) An ambulance service that was issued a certificate of need on or after July 14, 2022, shall be eligible to apply for licensure from the board without obtaining a new certificate of need from the Cabinet for Health and Family Services.