

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 3701-12-18

**Rule Type:** Amendment

**Rule Title/Tagline:** Validity requirements, follow-up and withdrawal of certificates of need.

**Agency Name:** Department of Health

**Division:**

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#### I. Rule Summary

1. **Is this a five year rule review?** No
  - A. **What is the rule's five year review date?** 8/1/2020
2. **Is this rule the result of recent legislation?** Yes
  - A. **If so, what is the bill number, General Assembly and Sponsor?** HB 49 - 132 - Representative Smith
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3702.52, 3702.54, 3702.525, 3702.57
5. **What statute(s) does the rule implement or amplify?** 3702.594, 3702.60, 3702.51, 3702.52, 3702.521, 3702.522, 3702.523, 3702.524, 3702.525, 3702.526, 3702.53, 3702.531, 3702.54, 3702.55, 3702.56, 3702.57, 3702.59, 3702.591, 3702.592, 3702.593
6. **What are the reasons for proposing the rule?**

Revisions have been made to the rules to incorporate 2017 changes to Section 3702.52 of the Ohio Revised Code that were included in House Bill 49 as well as a change to Section 3702.511 from House Bill 470.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule establishes the validity, follow-up, and withdrawal requirements for CONs. The rule is being revised to incorporate the statutory changes to section 3702.52 of the Revised Code that were included in HB 49 that a reviewable activity shall not be determined to not be in substantial accordance with a certificate of need solely because of a decrease in bed capacity or a change in the owner or operator of the facility unless any of the circumstances specified in (B) of section 3702.59 of the Revised Code apply to the new owner or operator.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**

Ohio Revised Code exempted.

10. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

*Not Applicable*

## **II. Fiscal Analysis**

11. **As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

This will have no impact on revenues or expenditures.

0.00

Not Applicable.

12. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable.

13. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**
14. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

### **III. Common Sense Initiative (CSI) Questions**

15. **Was this rule filed with the Common Sense Initiative Office? Yes**
16. **Does this rule have an adverse impact on business? Yes**
  - A. **Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No**
  - B. **Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No**
  - C. **Does this rule require specific expenditures or the report of information as a condition of compliance? Yes**

The rule requires the obligation of capital that is part of the approved project, within 24 months of the date of mailing of approval of the CON; submit required follow-up documentation; maintain reasonable progress on a project; not expend more than 110% of the maximum capital expenditure identified in the approved project; and to respond to requests from the Director for additional information and documentation.