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NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

FILED
02/26/2026 12:20 PM
ARCHIVES DIVISION
SECRETARY OF STATE

CHAPTER 333
OREGON HEALTH AUTHORITY
PUBLIC HEALTH DIVISION

FILING CAPTION: Demonstration of Need for Acute Inpatient Beds and Psychiatric Hospitals (Certificate of Need)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 03/23/2026 5:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

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Filed By:
Public Health Division
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 03/18/2026
TIME: 11:00 AM
OFFICER: Staff

REMOTE HEARING DETAILS
MEETING URL: Click here to join the meeting
PHONE NUMBER: 971-277-2343
CONFERENCE ID: 11616848
SPECIAL INSTRUCTIONS:
This hearing is being held remotely via Microsoft Teams. To provide oral (spoken) testimony during this hearing, please contact publichealth.rules@odhsoha.oregon.gov to register to receive the link for the Microsoft Teams video conference via calendar appointment, or you may access the hearing using the meeting URL above. Alternatively, you may dial 971-277-2343, Phone Conference ID 116 168 48# for audio (listen) only. This hearing will close no later than 12:00PM (noon) but may close as early as 11:30AM if everyone who signs up to provide testimony has been heard from.

Accessibility Statement: For individuals with disabilities or individuals who speak a language other than English, OHA can provide free help. Some examples are: sign language and spoken language interpreters, real-time captioning, braille, large print, audio, and written materials in other languages. If you need help with these services, please contact the Public Health Division at 971-673-1222, 711 TTY or publichealth.rules@odhsoha.oregon.gov at least 48 hours before the meeting. All relay calls are accepted. To best ensure our ability to provide a modification please contact us if you are considering attending the meeting and require a modification. The earlier you make a request the more likely we can meet the need.

NEED FOR THE RULE(S)

The Oregon Health Authority (OHA), Public Health Division, Certificate of Need Program is proposing to permanently

amend OAR 333-590-0000, and permanently adopt, repeal and amend administrative rules in OAR chapter 333, division 615 relating to the analysis of information an applicant must provide to OHA to demonstrate the need for acute inpatient beds and psychiatric inpatient beds. These rules will make permanent a temporary rulemaking that will expire on April 19, 2026 (Temporary Administrative Order PH 20-2025) and are necessary to be able to continue to adequately evaluate a Certificate of Need application using relevant data, methods, and timelines. Current, relevant data, timelines and methodology must continue to be used for proper analyzation for reviewing a Certificate of Need application.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS chapter 413: https://www.oregonlegislature.gov/bills_laws/ors/ors413.html
ORS chapter 430: https://www.oregonlegislature.gov/bills_laws/ors/ors430.html
ORS chapter 431: https://www.oregonlegislature.gov/bills_laws/ors/ors431.html
ORS chapter 441: https://www.oregonlegislature.gov/bills_laws/ors/ors441.html
ORS chapter 442: https://www.oregonlegislature.gov/bills_laws/ors/ors442.html
ORS chapter 743A: https://www.oregonlegislature.gov/bills_laws/ors/ors743A.html

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The Certificate of Need (CN) program is a regulatory program designed to discourage unnecessary investment in health care facilities, technologies, and services. As the name implies, the purpose of CN is to evaluate the proposed plans for a service, or a facility being considered to determine whether there is a real need for it. Criteria include general and technical bed need, architectural design, and financial stability. Investment in unneeded facilities and services may result in the construction of facilities that may not be financially viable and may put financial stress on existing providers, resulting in higher costs and disruption to the existing health care system, which directly impacts health and health equity.

Research suggests that Certificate of Need Programs can have both positive and negative impacts on racial health equity. CN programs are intended to control costs and ensure equitable distribution of services, however, CN programs have been found to create barriers for new providers that may serve underserved communities, such as behavioral health. Further research is necessary to determine how a proposed facility will enhance health and racial equity and contribute to mitigating health disparities in specific areas, especially for medically underserved groups.

Making the temporary rules permanent should have a positive impact on racial equity in the state. The previous rules required applicants for a Certificate of Need to use extremely outdated date references that do not reflect the current population needs and trends for health care use throughout the state. The proposed permanent rules require applicants to access recent data to conduct their needs analysis and also provide applicants with the ability to provide alternative needs analysis. This requirement will make it easier for both applicants and the program to be more responsive to current community needs.

FISCAL AND ECONOMIC IMPACT:

These rules are not expected to have a significant fiscal or economic impact on existing hospitals. Previous rules required hospitals to conduct a needs analysis based on outdated data references, and the proposed permanent rules require a needs analysis based on recent data and allow an alternative needs analysis. This change should not result in a fiscal impact as the analysis is still required.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) There is no anticipated cost of compliance impact on the OHA, Public Health Division as it is currently responsible for analyzing and reviewing an application for a Certificate of Need.

There is no anticipated cost of compliance impact on the public.

There are nine hospitals operated by special districts that may be impacted by these rule changes should the special district seek to establish a new psychiatric hospital or seek to establish or increase psychiatric bed capacity in each of the following hospitals if greater than ten beds or ten percent of the total bed capacity: Bay Area Hospital, Blue Mountain Hospital, Coquille Valley Hospital, Curry General Hospital, Harney District Hospital, Lake District Hospital, Lower Umpqua Hospital District, Southern Coos Hospital and Health Center, and Wallowa Memorial Hospital.

The hospitals would need to submit a Letter of Intent (LOI) in order for OHA to determine if their proposal is subject to a Certificate of Need (CN) review. If the proposal is subject to CN review, the facility would need to submit an application for a Certificate of Need to establish a new psychiatric hospital or establish or increase psychiatric beds and must obtain approval by OHA. The Certificate of Need application and review is a lengthy process and will require significant analysis using updated criteria proposed in these rules.

(2)(a) The proposed rules impact hospitals that are not considered a small business.

(b) No anticipated impact to small businesses for projected reporting, recordkeeping and other administrative activities required for compliance. The proposed rules impact hospitals that are not considered a small business.

(c) No anticipated impact to small businesses for equipment, supplies, labor and increased administration required for compliance. The proposed rules impact hospitals that are not considered a small business

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

Small businesses were not involved in development of the rule as the rules apply to hospitals that are not considered a small business.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

RULES PROPOSED:
333-590-0000, 333-615-0000, 333-615-0010, 333-615-0020, 333-615-0025, 333-615-0030, 333-615-0035, 333-615-0040, 333-615-0050, 333-615-0060, 333-615-0070

AMEND: 333-590-0000

RULE SUMMARY: Amend OAR 333-590-0000: Updates terminology for clarity and clarifies rules applicable to Certificate of Need (CN) applications for psychiatric hospitals.

CHANGES TO RULE:

333-590-0000
General ¶

(1) The applicant, in providing information to the Public Health Division to demonstrate need for a proposed new hospital, must satisfy the criteria specified in the Certificate of Need Application Instructions (OAR chapter 333, division 580). This response will include completing an analysis using the methodology of ~~the division (division 590)~~OAR chapter 333, division 590.¶

(2) Exclusion from OAR chapter 333, division 590. Evaluating need for a freestanding psychiatric hospital and psychiatric units that meet criteria as a "new hospital" as defined by ORS 442.015 shall be subject to the methodology described in OAR chapter 333, division 615 and division 580. No methodology from OAR chapter 333, division 590 shall apply to "new hospitals," neither freestanding or psychiatric units within the license of a general acute hospital.

Statutory/Other Authority: ORS 431.120~~(6),~~, ORS 442.315

Statutes/Other Implemented: ORS 431.120~~(6),~~, ORS 442.315

AMEND: 333-615-0000

RULE SUMMARY: Amend OAR 333-615-0000: Clarifies requirements for a Certificate of Need (CN) application for a psychiatric hospital to be considered complete.

CHANGES TO RULE:

333-615-0000
General ¶

~~The purpose of this division is to assure provision of accessible, quality care with the least incremental impact in overall community health care capital and operating costs. Treatment of the psychiatric patient requires special staff, facilities, programs and management policies. These may be accomplished either in a unit in a general hospital, or in a specialized hospital. In order for Oregon to have a complete mental health system, both general hospital units and multispecialty units are needed. However, because of Oregon's population size and distribution, the need for subspecialty services is limited, and the need for local access to quality general psychiatric inpatient care is great. Therefore, the number of large, multispecialty, freestanding units feasible in Oregon is limited. The applicant, in providing information to the Public Health Division to demonstrate need for psychiatric inpatient beds other than those directly operated by the federal Veterans' Administration or the state Addictions and Mental Health Division, must satisfy the criteria specified in the Certificate of Need Application Instructions (chapter 333, division 580). Where appropriate, responses to these instructions shall be based on the following:¶~~
~~(1) The methodology of this division (division 615), in order to estimate the appropriate number of psychiatric beds; and¶~~
~~(2) Comparison of estimates of costs and quality arising from conversion of certain of the identified existing licensed capacity, to estimates of costs and quality generated by creation of a new facility.¶~~
~~(3) Statements of preference or priority in this division are expressions of general policy based on Oregon statute and the current literature. Such statements do not necessarily preclude possible approval of an application embodying a less preferred or a lower priority characteristic. Rather, the applicant must bear the burden of demonstrating that any such features are compensated for by other aspects of a proposal, in order to best achieve the policy of ORS 442.025(1). For example, freestanding units under new licenses are not precluded, but the lack of feasible alternatives which better implement state policy must be demonstrated.¶~~
~~(4) In reviewing applications for psychiatric inpatient beds, the division, recognizing that treatment of the psychiatric patient requires special staff, facilities, programs and management policies, shall critically evaluate any proposal for a psychiatric unit which incorporates:¶~~
~~(a) Routine interchangeability of general psychiatric and general acute care in the same unit or on a "swing bed" basis;¶~~
~~(b) Conversion of existing licensed capacity to psychiatric use amounting to no more than minimal cosmetic changes to existing patient rooms without meeting state licensing standards in applicable Public Health Division rules, or Joint Commission on Accreditation of Healthcare Organization standards, as appropriate;¶~~
~~(c) Consideration of costs outweighing adequate quality;~~Complete application. To be ruled complete, an application for a psychiatric hospital must:¶
(1) Include a narrative organized in accordance with each major section of OAR 333-615-0000 through 333-615-0070;¶
(2) Satisfy the criteria specified in the Certificate of Need Application Instructions (OAR chapter 333, division 580); and¶
(~~d~~3) ~~Evidence of insufficient opportunity for potentially affected clinicians to present their views and to obtain serious consideration of these views by any applicant.¶~~
~~(5) To be ruled complete, an application for psychiatric beds must include a narrative organized in the following sequence of separate major sections:¶~~
~~(a) A complete response to each rule of division 615;¶~~
~~(b) If a new facility is proposed, analysis under division 590, the rules for acute hospital beds in general;¶~~
~~(c) Based on the foregoing, and other information included directly or as appendix materials or exhibits, a complete response to the general application form narrative instructions regarding the general statutory criteria which apply to all health care facility requests, in the sequence given in the instructions~~Include the application fee as specified in OAR 333-565-0000, Table 4.
Statutory/Other Authority: ORS 431.120~~(6), 442.025,~~, ORS 442.310, ORS 442.315
Statutes/Other Implemented: ORS 431.120~~(6),~~, ORS 442.315

AMEND: 333-615-0010

RULE SUMMARY: Amend OAR 333-615-0010: Modifies current definitions and adopts new definitions that incorporate use of trauma system areas in determining need.

CHANGES TO RULE:

333-615-0010
Definitions ¶

~~The definitions of OAR 333-590-0010 shall apply, in addi~~(1) "Alternate Health Service Area" means an approved deviation ~~to~~from the ~~following:~~¶
~~(1) As used in this division, "alternatives" include, but need not be limited to, the following:~~¶
~~(a) Nonhospital, 24-hour residential tre~~Trauma System Area as the Health Service Area meeting exception criteria.¶
(2) "Alternatives" means other settings within the behavioral health continuum that may reduce demand for inpat~~m~~ient;¶
~~(b) Hospital or non~~ psychiatric hospital ~~day or partial hospitalization programs;~~¶
~~(c) Outpatient t~~beds by providing appropriate care at~~ment by a qualified mental health professional (a licensed psychiatrist or clinical psychologist, a psychiatric nurse practitioner within the legal scope of practice, or licensed or registered clinical social worker); and~~ a lower level of intensity or cost. These settings are not clinically interchangeable with inpatient psychiatric hospitalization but must be considered in evaluating system capacity and flow. Alternatives include, but are not limited to:¶
(~~d~~a) ~~Outpatient treatment through a m~~Residential treatment facility (RTF);¶
(b) Residential ~~health program approved by the Addictions and Mental Health Division.~~treatment home (RTH);¶
(c) Adult foster home (AFH); and¶
(~~2~~d) ~~As used in this division, psychiatric "subspecialty beds" do not include general or adult beds, nor chemical dependency tre~~Residential substance use disorder facility.¶
(3) "Dual diagnosis" means an inpat~~m~~ient ~~beds (see division 600 of this chapter), but do include:~~¶
~~(a) Holding rooms and freestanding mental health emergency centers, created by a public or private agency under ORS 426.241, in response to legislative policy reductions in the operating capacity of Oregon State Hospital with respect to patients originating in the service area, when the general psychiatric inpatient unit or units in that s~~episode where a psychiatric ICD-10 code (F01-F99) co-occurs with a substance use disorder code (F10-F19) or other relevant behavioral health condition. ¶
(4) "Health Service Area for a psychiatric hospital" means the Trauma System Area in which the proposed hospital will be located. Trauma System Areas are defined by the Oregon Health Authority (OAR 333-200-0040). In the case of a proposal for a new psychiatric hospital, the Health Service ~~a~~Area~~, as defined in OAR 333-615-0030(1)(b), do not offer appropriate programs to meet the needs of the anticipated utilizing population;~~ is the Trauma System Area in which the general acute hospital is located.¶
(~~b~~5) ~~Child;~~¶
~~(c) Adolescent;~~¶
~~(d) Geriatric;~~¶
~~(e) Drug;~~¶
~~(f) Secure;~~¶
~~(g) Long-term intensive tre~~"Psychiatric admission" and "psychiatric discharge" mean an inpat~~m~~ient;¶
~~(h) Long-term maintenance care; and~~¶
~~(i) Du~~ episode identified by a principal diagnosis ~~(person with both a mental health and a substance abuse diagnosis).~~¶
~~(3) Psychiatric inpatient service areas are defined in OAR 333-615-0030 according to the principles stated in OAR 333-615-0020~~code within ICD-10 Chapter F (Mental and Behavioral Disorders, F01-F99) or by a psychiatric DRG (Diagnosis Related Group) as defined under CMS DRG classifications (e.g., DRGs 885-887, 894-896, and any codes for psychoses, neuroses, and other mental health conditions).¶
(~~4~~6) ~~Qu~~"Subspeciality ~~of psychiatric inpatient care for purposes of this division is defined in OAR 333-615-0050~~beds" means an inpatient setting designed specifically for: ¶
(a) Individuals under the age of 18; or¶
(b) Individuals 65 and older.
Statutory/Other Authority: ORS 431.120~~(6),~~ ORS 442.315
Statutes/Other Implemented: ORS 431.120~~(6),~~ ORS 442.315

REPEAL: 333-615-0020

RULE SUMMARY: Repeal OAR 333-615-0020: Repeals policy language that is outdated.

CHANGES TO RULE:

~~333-615-0020~~
~~Principles~~
~~Under ORS 442.025(1), state policy gives priority to the achievement of reasonable access to quality health care at a reasonable cost. It is legislative policy under ORS 430.610(3) that to the greatest extent possible, mental health services be delivered in the community where the person lives in order to achieve maximum coordination of services and minimum disruption in the life of the person. Under ORS 430.021(3), it is state policy to encourage and assist community general hospitals to establish psychiatric services. Consistent with legislative policy, priority is given in this division to establishment of access to local hospitalization in geographically distributed, quality psychiatric units, within community hospitals; and hospitalization is to be utilized only when an individual's needs cannot be safely and effectively met by less costly alternatives. The following principles, therefore, are applicable to this division:¶~~
~~(1) Service areas for general psychiatric beds other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, shall be delineated so as to encourage the greatest feasible utilization of community hospitals, and of alternatives to hospitalization, by both private and public patients. The division will use as a basis for general psychiatric inpatient service areas the state administrative districts. The districts are based on natural market areas defined by geographical barriers, transportation networks and historical patterns of general trade. In addition, community mental health services in Oregon are organized on a county or multicounty basis, compatible with these districts, thus facilitating planning and coordination with, and access to, local inpatient services in such districts.¶~~
~~(2) Service areas for psychiatric specialty beds, other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, as defined in OAR 333-615-0010(2), other than holding rooms, shall be delineated so as to assure availability of quality service at reasonable cost in economically viable subspecialty units:¶~~
~~(a) Factors to be considered in delineating such service areas shall include the sizes of the respective populations at risk in Oregon; the current rates of inpatient hospitalization in Oregon for those groups; and the availability, accessibility, quality and levels of utilization of existing inpatient services addressing the needs of those groups in Oregon. These factors will generally lead to delineation of subspecialty service areas according to health service area, multiple health service area or statewide boundaries;¶~~
~~(b) In order to assure viable, quality subspecialty units, economies of scale shall be given greater weight than geographical distribution;¶~~
~~(c) In estimating subspecialty need, the state will consider the population ratios proposed in "total system" models such as Nebraska (1981) and California (1981);¶~~
~~(d) For each subspecialty service, an applicant will be expected to indicate the anticipated percentage and origins of utilization from outside the general psychiatric service area, based on section (1) of this rule, in which the facility is, or will be located, and to provide the evidence and assumptions related to the analysis.¶~~
~~(3) Service areas for holding rooms shall be based on local considerations of access, demand and feasibility.¶~~
~~(4) The development of a number of psychiatric units, of economically and programmatically viable size, in general hospitals, rather than the development of a few large, multispecialty, freestanding facilities, shall be emphasized. The division recognizes that equivalent programs, in terms of quality, can be developed in either setting, to meet the needs of particular populations; that, in order to attract and retain staff, as well as for quality program design and economic efficiency, consideration must be given to minimum feasible unit size; but that, nonetheless, programs located within acute general hospitals have the advantage of close administrative relationships and proximity to acute medical and surgical consultation, diagnosis and treatment. Among the considerations leading to an emphasis on geographically decentralized psychiatric units in general hospitals, are the following:¶~~
~~(a) Improved geographic access in the various regions of the state, and therefore;¶~~
~~(b) Greater likelihood of reduced utilization of state and federal hospitals for short-stay intensive inpatient care;¶~~
~~(c) Reduced separation of psychiatric patients and staffs from specialty medical care for psychiatric patients at a reasonable cost, substantial numbers of whom have that need;¶~~
~~(d) Improved access to quality psychiatric staff for general medical patients;¶~~
~~(e) Greater access to diversity in medical and support staff, and extent of ancillary services available;¶~~
~~(f) Possibility of reduced construction and operating costs, through development of economically and programmatically viable sized units by conversion of small amounts of existing licensed capacity, where available, rather than new, large scale freestanding construction;¶~~
~~(g) Relative ease of reconversion of the unit at minimal cost, to other hospital associated use if psychiatric~~

~~utilization is so low as to necessitate closing the unit;¶~~
~~(h) Smaller size of unit necessary to maintain quality at reasonable cost per treatment, because indirect costs are spread over a larger base; and reduced impact of smaller unit on ability of other, existing units, serving the same population, to maintain quality at reasonable cost per treatment.¶~~
~~(5) Demonstration of need for general psychiatric beds will be population based, rather than facility based. According to Office for Oregon Health Policy and Research studies of actual utilization in Oregon, taken together with legislative reduction of the number of inpatient days mandated for coverage under group health insurance policies in Oregon, the "range of need" criteria based on the then available literature and consultant advice, together with existing provisions in this chapter, provide adequate safeguards against overbedding, but the legislative policy requires more stringent standards for demonstration that any proposed beds are the appropriate response to need for psychiatric care. Therefore, there shall be a moderate standard of evidence of need if a project would result in up to .40 beds per 1,000 population in a service area in the third year after the date of the letter of intent; and a high standard, if the result would exceed .40. The bed-to-population ratio shall not be taken, by itself, as evidence justifying a certain number of beds in a service area. In determining need, the division shall take into account and the applicant shall supply, for each factor in subsections (a) to (f) of this section, a numerical, descriptive and analytic response sufficient for the division to take each factor into account:¶~~
~~(a) The historical utilization of psychiatric inpatient beds by persons in the service area involved;¶~~
~~(b) The historical utilization in other Oregon service areas of comparable size, population and characteristics; and¶~~
~~(c) Based on the level of placement criteria developed by the Office for Oregon Health Policy and Research or developed by insurers under ORS 743.556(16)(b), findings that, with limited exceptions based on clinical judgment in individual cases, inpatient beds are needed for immediate, short-range control of symptoms and protection of the patient when less intensive or supportive placement will not suffice; or for immediate, short-range protection of the community;¶~~
~~(d) The major portion of nonstate, nonfederal inpatient stays are expected to be 12 to 15 days. Approximately 10 percent of stays, at most, are expected to be longer term: Seriously disturbed, usually younger, patients for whom the benefits of 30 to 40 days of hospitalization exceed those of brief hospitalization followed by systematic, long-term residential or outpatient care; and a limited number of chronically mentally ill persons who cannot be maintained safely in the community;¶~~
~~(e) Inpatient beds are not considered the major resource for continued treatment of the typical schizophrenic patient, which, according to the literature, is usually most effective and economical when provided in other ways;¶~~
~~(f) Alternatives, as defined in OAR 333-615-0010(1), do not replace necessary inpatient utilization as described in subsections (c), (d) and (e) of this section, but are usually more effective and economical for meeting other needs for mental health treatment and care.~~
~~Statutory/Other Authority: ORS 430.021(3), 430.610(3), 431.120(6), 442.025, 442.315, 743.556(16)~~
~~Statutes/Other Implemented: ORS 431.120(6), 442.315~~

ADOPT: 333-615-0025

RULE SUMMARY: Adopt OAR 333-615-0025: Establishes new criteria that the Oregon Health Authority shall consider when reviewing and approving a Certificate of Need (CN) application for a new psychiatric hospital.

CHANGES TO RULE:

333-615-0025
Criteria for Approval for a New Psychiatric Hospital (both freestanding and those meeting criteria under ORS 442.015 as a new hospital)
A Certificate of Need for a psychiatric hospital may be granted if the Oregon Health Authority determines that an applicant has shown by a preponderance of the evidence that each of the below criteria are met:¶
(1) Within the proposal's Health Service Area, access to care is tailored to the specific demographic needs, including appropriate:¶
(a) Access to public transportation;¶
(b) Access for individuals with disabilities;¶
(c) Availability of adequate staffing; and ¶
(d) Accessibility to other care providers.¶
(2) Applicants must describe how the proposed project will improve access to care for all individuals in the Health Service Area, with particular attention to vulnerable populations, including those who are uninsured, underinsured, high-deductible plans, or enrolled in Medicaid. ¶
(3) All other criteria in OAR chapter 333, division 615 are met, including analyses of:¶
(a) Need;¶
(b) Quality;¶
(c) Cost; and¶
(d) Availability of Alternatives in the Health Service Area.
Statutory/Other Authority: ORS 430.021, ORS 430.610, ORS 431.120, ORS 442.310, ORS 442.315, ORS 743A.168
Statutes/Other Implemented: ORS 431.120, ORS 442.315

AMEND: 333-615-0030

RULE SUMMARY: Amend OAR 333-615-0030: Updates the standards, methodology, and principles for forecasting bed need that must be included in a Certificate of Need (CN) application for a psychiatric hospital.

CHANGES TO RULE:

333-615-0030
Estimates of Need ¶

~~The following methods are applicable to the interpretation of OAR 333-580-0040(1):¶~~
~~(1) Bas~~Bed need shall be evaluated consistent with the below standards, methodology, and principles:¶
(1)(a) Determine the estimated population for the Health Service Area identified ~~o~~in OAR 333-615-00~~2~~10(~~1~~), ~~service areas for general psychiatric beds shall be identified as follows:¶~~
~~(a) Geographic service areas for general acute, nonsubspecialty psychiatric beds, other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, may be less than an entire health service are in order to maximize access provided there is sufficient projected population in the third year after the date of the letter of intent to make possible an economically feasible inpatient unit of acceptable quality, low capital cost and low op~~4) for the prior 10 years in five-year increments, and five- and 10-year forecasts as a basis for estimating the population for previous years and forecasting future years. Applicants may use Portland State University's (PSU) Population Research Center (PRC) Intercensal Estimate reports, and when available, United States Census Data. When an Area Trauma Advisory Board (ATAB) includes ZIP code inclusions or exclusions, applicants shall apportion estimates to ATAB ZIP codes. The apportionment method shall be provided and shall include reproducible tabulations. If the applicant uses an alternat~~ing costs. Thus, for example in health service area I, Clatsop-Columbia-Tillamook could be considered separately from Multnomah-Washington-Clackamas. Within a given~~ e data source for population estimates, the applicant must provide justification for the al~~th service area, all service areas shall be defined at one time, rather than proceeding application by application;¶~~
~~(b) The service areas described in subsection (a) of this section shall in general consist of single state administrative districts, or combinations of such areas. Available patient origin data may be interpreted by the division and taken into account in adding or deleting minor por~~ernate data source and evidence demonstrating it is consistent with generally accepted demographic estimation standards and has comparable reliability to official sources.¶
(b) Age and sex specific forecasts and changes over time in the age and sex composition of the Health Service Area population shall be examined, and the implications for use-rates taken into consideration.¶
(c) For purposes of calculating use rates and projecting bed need, applicants shall include all inpatient episodes meeting the definitions of ~~such areas, or in combining districts. The division shall consider whether a lesser area, or a combination of areas, will better serve the policies~~psychiatric admission or psychiatric discharge, using discharge data grouped by psychiatric DRGs and ICD-10 codes. Episodes with dual diagnosis shall be reported separately and ~~principles of this division; whether there are, or will be, enough clinicians in practice to staff the program; and whether there will be sufficient diversity of staff to meet the needs of the service area. The geographical units on which general psychiatric inpatient service areas shall be based will be the 14 state administrative districts, which are as follows:¶~~
~~(A) In health service area I: Clatsop-Columbia-Tillamook; Multnomah-Washington-Clackamas;¶~~
~~(B) In health service area II: Marion-Polk-Yamhill; Benton-Linn-Lincoln; Lane; Douglas; Coos-Curry; Jackson-Josephine;~~orporated into utilization projections. Acceptable data sources shall include All Payer All Claims (APAC), Medicare Cost Reports, and data sets consistent with this rule.¶
(d) If an applicant relies on proprietary hospital data sources not contained within APAC or Medicare Cost Reports, then the applicant must also provide:¶
(A) A detailed methodology explaining data collection, case definitions, exclusions, and any adjustments made.¶
(~~C~~B) ~~In health service area III: Hood River-Sherman-Wasco; Crook-Deschutes-Jefferson; Klamath-Lake; Gilliam-Grant-Morrow-Umatilla-Wheeler; Baker-Union-Wallowa; Harney-Malheur~~A third-party certification, stating that:¶
(i) The proprietary data are complete, accurate, and unbiased.¶
(~~c~~ii) The ~~service areas identified in subsection (b) of this section shall be used for population-based review, as required by state and federal law. The methods of this division are intended to assure that population needs~~ methodology aligns with statutory definitions of psychiatric inpatient care and is consistent with APAC standards.¶
(iii) Evidence that the certification was conducted by an independent auditor with relevant expertise in discharge ~~met by the service or services within the ser~~data or health care utilization statistics. ¶

(iv) Applicants must provide area. Different facilities within a given service area share the responsibility for meeting the needs of the population of that area;the proprietary dataset in a de-identified format sufficient to replicate utilization rate calculations. ¶
(d2) Based on OAR 333-615-0020(2), the geographic sDetermine current year proposed Health Service aAreas for subspecialty psychiatric beds, other than tho and historical Health Service Area population-based directly operated by the state Addictionscharge and patient day use-rates utilizing relevant and Mental Health Division or the federal Veterans' Administration, as defined in OAR 333-615-0010(2), other than holding rooms, shall be the state as a whole;¶
(e) The geographic srecent data. Future use-rate deviations must be explained.¶
(3) Determine current year and historical utilization by Health Service aAreas for holding rooms shall be determined by the division on a case-by-case basis;¶
(f) Clinicians in population of existing facilities. For the current year, and each part of the state are encouraged to work with prospective applicants to develop proposals which meet the general psychiatric inpatient needs of individual service areas and/or subspecialty service areas.¶
(2) Need for beds per 1,000 population in the service area shall be evaluated in relation to availability of alternatives according to the following criteria. A complete description of all alternatives under subsection (a) or (b) of this section means more than a list; it means at least, for each type of alternative listed in OAR 333-615-0010(1), anprior 10 years, the applicant shall explain factors which may have affected identified trends. Factors to be addressed include, but are not limited to, changes in: population, public health needs (including any public health emergency), hospital location, service mix, age mix, reimbursement mix, transportation patterns, locations of physicians, specialists, unmet need, availability of alternatives, and the invtentory with provider names, addresses, bed or slot capacity, and occupancy orsity or types of services delivered;¶
(4) Estimate future utilization averagtes for each of the past several years:¶
(a) If by the Health Service Area proposed project would result in up to .40 beds, other than those directly operated by the state Addictions and Mental Health Division or the federal Veterans' Administration, per 1,000 population in the third year following the date of the letter of intent, a complete description of all alternatives, as defined in OAR 333-615-0010, available in ulation, based on population forecasts for age and sex breakdowns, including consideration of an explained range of age and sex adjusted use-rates specific to:¶
(a) The Health Service Area;¶
(b) The nearest facilities withe service area shall be required; there shall be substantial evidence that appropriate existing alternamixes most comparable to the proposed facility; and ¶
(c) The nearest facilitives in the service area will be fully utilized; there shall be substantial evidence that further development of alternatives by the applicant is not feasible; and there shall be substantial evidence that further development of less costly or more effective alternatives by any other prospective provider is not feasible. In addition, with respect to the proposed project itself, thwith comprehensive service mixes.¶
(5) Evaluate the age range and payer implications tied to Medicaid eligibility, including analysis of the federal Institution for Mental Diseases (IMD) exclusion for individuals ages 21 through 64 as applicable. The applicant shall document how the proposed capacity will serve shall be substantial evidence that project design and program alternatives have been considered and evaluated comparatively, with the least costly one selected that will meet identified need without substMedicaid-eligible individuals, identify alternative funding strategies for non-covered stays, and explain the impact on projected utilization and finantcial adverse impact on the quality of patient care;feasibility on the applicant and alternatives.¶
(b6) If the consequence of approval of a project would be in excess of .40 beds per 1,000 population in the third year following the date of the letter of intent, evidence submitted by the applicant shall:¶
(A) Demonstrate an average occupancy of applicant's existing capacity, if any, in excess of the appropriate criterion in Table 1, based on the method in section (3) of this rule, for the year ending September 30 prior to the formal application; and¶
(B) Be comprehensive with respect to the availability and feasibility of appropriate alternEvaluate a patient migration adjustment factor that quantifies in-migration and out-migration for the Health Service Area. The factor shall include the in-migration rate, out-migration rate, and a net migration index. Applicants shall present reproducible tabulativeons by meeting the requiremased on patients of subsection (a) of this sectionrigin and site of service.¶
(c7) The division may take iDevelop a consistento account evidence with respect to problems of quality or cost in other units serving the area in evaluations under subsection (b) of this section;¶
(d) In future years, by amendment of this rule, the division may raisend reasonable set of well-documented assumptions regarding the appropriate use-rates reviewed in this rule, including the extent to which utilization at the population-based limit at the same time as programmed decreases osed psychiatric hospital will be new and the extent to which it will replace existing utilization of state and federal beds serving the service area take place. This, however, may not be necessary if alternatives become more available and the scope of reimbursement is

~~expanded. Because of the factors cited in OAR 333-615-0020(5)~~at hospitals.¶
(8) Analyze the advantages and disadvantages of both new and replacement components of utilization, wit~~ may be appropriate, in future years, to reduce the population-based limit.¶~~
~~(3) When expansion of an~~h respect to both the population to be served and to existing ~~unit is under consideration,~~facilities and all~~owance for peak-to-average utilization ratios may be made:~~ternatives. Address the legislative findings cited in ORS 442.310.¶
(a9) ~~An average bed utilization consistent with the principles and methods of this division shall be evaluated for peak bed need by applying to the anticipated average census, a formula taking into account the anticipated peak demand~~Given all information from the preceding steps, and five and 10-year population forecasts, compute the range of possible future patient days in five- years and in 10- years at the new psychiatric hospital, allowing ~~for greater peak-to-average ratios for smaller units;¶~~
~~(b) The average census entered into the formula shall be consistent with the principles and methods of this division and justified by the applicant on the basis of historical utilization from the service area and any reasonably anticipated growth in~~appropriate adjustments for out-of-area utilization and other identified and justified special factors or considerations relevant to the pro~~ulation at risk;¶~~
~~(c) The method to be used should be analogous to that found in OAR 333-590-0050, except that the standard deviation is estimated by raising the anticipated average census to the 0.468 power rather than taking its square root (the 0.500 power). The~~osal.¶
(10) Convert each computed value of forecasted patient days based on preceding sections of this rule to an average daily census (ADC).¶
(11) Estimate the statistically expected peak daily census, the statistical variability, or standard deviation~~ is then multiplied by a factor of 2.06 (7.30 days/year at or above 100 percent occupancy) for units in service areas with other, interacting units, or a factor of 2.33 (3.65 days/year at or above 100 percent occupancy) or a unit which is the only one in its service area, or which can be shown not to interact with others in its service area;¶~~
~~(d) The results of calculations according to this method, for a range of values are shown in Table 1;¶~~
~~(e) The calculation in subsection (c) of this section does not take into account the extent to which elective admissions could be postponed, so as to smooth out the variations and reduce the peak-to-average ratio. This calculation only sets an upper limit of peak bed need for a given average bed need;¶~~
~~(f) The division will not automatically approve an application requesting the peak needs indicated by the formula without examining the schedulability of the proposed case load and the commitment to scheduling,~~ of the daily census and provide the methodology used by the applicant and sufficient information to validate use of the applicant's statistical model.¶
(12) Using a 10-year projection from the anticipated opening date of the new hospital, the applicant shall identify supported mathematical estimates of appropriate utilization levels and patient days generated because of changes identified in prior steps. The applicant shall explain the degree to which the utilization will be "new" days for the health service area population or will shift present health service area utilization patterns for the services. The applicant shall address whether this analysis supports the need for the proposed hospital.¶
(13) If the result o~~n~~f the ~~part of the applicant.¶~~
~~(4) General considerations applicable to review of need for psychiatric inpatient beds include the following:¶~~
~~(a) As with hospital inpatient beds in general and in other specialties, new psychiatric beds, whether general or subspecialty, except under unusual circumstances with respect to nonavailability, access and less costly alternatives, shall not be approved if the net effect of the project would be additional licensed short-term acute inpatient capacity (other than state Addictions and Mental Health Division operated or federal hospital beds) in the psychiatric service area, unless additional acute hospital beds are justified in that area by the criteria for acute inpatient beds in division 590 of this chapter. The principles and methods in division 590 shall apply~~above analysis indicates that psychiatric inpatient beds are needed in the proposed Health Service Area, an applicant for a new hospital shall weigh it against the availability of beds at other facilities and the availability of alternatives within the Health Service Area. Applicants shall use inpatient psychiatric bed capacity for all facilities in the Health Service Area as provided by the Oregon Health Authority. Conversion of existing beds to psychiatric inpatient beds will be presumed infeasible where a general acute inpatient hospital in the proposed Health Service Area has not in c~~reviewing applications for psychiatric beds to the extent that the issues involved are not addressed in this division;¶~~
~~(b) Unusual circumstances shall be determined in relation to an evaluation of the feasibility of meeting service area needs by the higher priority methods indicated in OAR 333-615-0040;¶~~
~~(c) Review of subspecialty beds other than chemical dependency inpatient beds, holding rooms, and freestanding mental health emergency centers shall take into account histo~~ased their psychiatric inpatient bed capacity by 20 percent or greater over the prior three-year interval from the date the applicant submitted their letter of intent.¶
(14)(a) Applicants must document how the project will avoid adverse financial impact to existing psychiatri~~cal~~ service ~~area utilization and substantiated projections, rather than according to the population-based criteria for~~

~~general psychiatric beds in this rule. The service areas for subspecialty beds are defined in subsections (1)(d) and (e) of this rule. Need for subspecialty units shall be evaluated with respect to population-based need; availability of existing capacity in the s~~providers and alternatives, particularly those serving high-acuity or underserved populations. The analysis shall address whether the proposed project will contribute to continuity or conversely, fragmentation of psychiatric care in the Health Service ~~a~~Area~~; effect on viability of existing quality providers; and proposed size of the unit in relation to economies of scale;¶~~
~~(d) Chemical dependency inpatient beds shall be reviewed according to the principles and methods of division 600 of this chapter;¶~~
~~(e) Need for holding rooms and freestanding mental health emergency centers shall be evaluated in relation to local considerations of access, demand and feasibility.¶~~
~~[ED. NOTE: Tables referenced are available from the agency.]~~. ¶
(b) For a proposed freestanding psychiatric hospital this shall include a transfer agreement, which must include reason for transfer, medical records and a medication list along with a commitment to take the patient back as soon as they are medically cleared.
Statutory/Other Authority: ORS 431.120~~(6),~~ ORS 442.315
Statutes/Other Implemented: ORS 431.120~~(6),~~ ORS 442.315

ADOPT: 333-615-0035

RULE SUMMARY: Adopt OAR 333-615-0035: Establishes criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital if the applicant proposes a deviation from the Health Service Area described by the Area Trauma Advisory Board.

CHANGES TO RULE:

333-615-0035
Alternative Health Service Areas
If an application for a psychiatric hospital proposes a deviation from the Health Service Area based on the Area Trauma Advisory Board (ATAB), the applicant must provide justification for any changes. The Oregon Health Authority (Authority) will consider factors including but not limited to: deviation requests based on demonstrated referral patterns, formal changes made by the Authority to the ATAB regions, anticipated changes to historical use patterns, demographic shifts, or out-of-state use (or other relevant migration patterns). The applicant must provide the Authority with the evidence justifying the proposed deviation. The Authority will have discretion in electing to permit a Health Service Area that deviates from the trauma system planning unit defined by OAR 333-200-0040 or similar successor service area model defined in rule used by the Authority for healthcare planning but must describe how it evaluated and weighed relevant factors.
Statutory/Other Authority: ORS 431.120, ORS 442.315
Statutes/Other Implemented: ORS 431.120, ORS 442.315

AMEND: 333-615-0040

RULE SUMMARY: Amend OAR 333-615-0040: Modifies the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to the availability of alternatives in the Health Service Area.

CHANGES TO RULE:

333-615-0040
The Availability of Alternative ~~Uses for Resource~~ s in the Health Service Area ¶

~~The following principles shall be applicable to the interpretation of OAR 333-580-0050(1) and (2). The term "quality unit" is explained in OAR 333-615-0050:~~(1) The applicant shall provide a complete description of all alternatives to inpatient treatment at a psychiatric hospital available in the Health Service Area. This includes an inventory with provider name, type of mental health services provided, address, and if relevant and available: bed capacity, occupancy and utilization averages for each of the past five years in the Health Service Area.¶
(~~1~~2) The methods of meeting acute inpatient psychiatric bed need, in order of preference, shall be preceded by a demonstration that alternatives have been evaluated and found infeasible based on cost, capacity, or access barriers:¶
(a) Conversion of existing licensed ~~space to~~hospital space for the purposes of psychiatric treatment where such conversion is feasible to provide an adequate inpatient program at less cost than building new licensed space~~, especially when the average daily census for the facility as a whole for the most recent year ending September 30, converted to expected peak occupancy under the methods of OAR 333-590-0050(8) and (9), does not exceed the current licensed number of beds at the facility;~~.¶
(b) A project resulting in the smallest feasible net increase in acute licensed capacity within an existing ~~general~~ hospital or special~~ty hospital license, especially when the average daily census to the facility as a whole, for the most recent year ending September 30, converted to expected peak occupancy under the methods of OAR 333-590-0050(8) and (9), equals or exceeds the current licensed number of beds at th~~ inpatient care facility~~;~~.¶
(c) A separately licensed new psychiatric hospital, not part of a ~~general~~n existing licensed hospital, ~~that~~which will provide ~~adequate~~ psychiatric inpatient care at the most reasonable charges per day and per ~~spell of treatm~~inpatient stay event, for care that must be rendered on an inpatient basis~~, taking into consideration the factors in OAR 333-615-0000(2)~~. Evaluation of reasonableness of charges are qualities that tend to show charges are fair, competitive, and consistent with quality care. These factors include, but are not limited to, consideration of:¶
(A) Market rates for similar services by similarly situated entities;¶
(B) Patient outcomes and satisfaction;¶
(C) Regulatory compliance;¶
(D) Accreditation and certification; and¶
(E) Qualification of staff.¶
(~~2~~3) A proposed psychiatric ~~inpatient bed project shall be related to alternatives, as defined in OAR 333-615-0010(1),~~hospital shall be evaluated by comparison to alternatives with preference given in the following order:¶
(a) Projects which include development of alternative care resources as part of the project, if an unmet need for such resources in the ~~s~~Health Service ~~a~~Area is demonstrated~~;~~.¶
(b) Projects for which formal arrangements, together with triage criteria and mechanisms, are documented in the application with respect to all levels of low-cost alternative care ~~resources listed in OAR 333-615-0010(1). Documentation of triage criteria and mechanisms should include discussion of the relation of such criteria to the level of placement criteria developed by the Office of Health Policy and insurers under ORS 743.556(16)(b). Applicants should show that their triage criteria and mechanisms will be consistent with such level of care screening criteria.¶~~
~~(3) If, in the service area defined in OAR 333-615-0030(1), there does not exist a quality unit of minimum economically viable size, sections (1) and (2) of this rule apply.¶~~
~~(4) If, in the service area defined in OAR 333-615-0030(1), there does exist one quality unit, and its occupancy (from the designated service area) is above the appropriate criterion in Table 1 for the year ending September 30 preceding the formal application, and available private acute beds do not exceed the interim population-based limit indicated in OAR 333-615-0030(2), a minimum economically viable increment may be needed. In addition to sections (1) and (2) of this rule, the following options will be considered, in order of preference:¶~~
~~(a) The existing quality unit may be expanded;¶~~
~~(b) An additional unit in the service area may be developed,~~provided by the applicant. ¶
(c) Documentation of triage criteria and mechanisms consistent with the level of care evaluation provided ~~th~~at

~~considerations of cost, access and quality outweigh the estimated economic advantages, if any, of expansion of the existing unit.¶~~
~~(5) If, in the service area defined in OAR 333-615-0030(1), there exist two or more units, sections (1), (2) and (4) of this rule apply, preference being given to expansion of the highest quality existing unit unless consideration of the factors in subsection (4)(b) of this rule leads to preference for an additional unit~~ORS 743A.168(2).¶
(~~6~~4) In evaluating the relationship of ~~any~~the proposed project to the existing health care system of the ~~s~~Health Service ~~a~~Area, the ~~division~~applicant shall address possible compromising of quality of care. The ~~division~~Oregon Health Authority shall consider the conformity to state safety and program standards of both the proposed project and existing providers, related health services now provided to the population of the ~~s~~Health Service ~~a~~Area; the impact of the project, once completed and operational, upon the financial ability of providers of related services to maintain present quality; and the feasibility that the proposed project will be sufficiently efficient to maintain quality standards at reasonable cost. ~~Impact on total community health care costs, not merely charges per day or charges per stay, shall be considered.¶~~
~~[ED. NOTE: Tables referenced are available from the agency.]¶~~
(5) The applicant shall address whether the insufficient availability of alternatives in the Health Service Area result in an over utilization of inpatient psychiatric services.
Statutory/Other Authority: ORS 431.120~~(6),~~, ORS 442.315, ~~743.556~~(ORS 743A.16~~)~~8
Statutes/Other Implemented: ORS 431.120~~(6),~~, ORS 442.315

AMEND: 333-615-0050

RULE SUMMARY: Amend OAR 333-615-0050: Modifies the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to quality measures.

CHANGES TO RULE:

333-615-0050
Quality ~~and Costs~~ ¶

~~All proposed psychiatric beds must meet the licensure, certification and accreditation criteria of the Public Health Division, Medicare and the Joint Commission on on Accreditation of Health-care Organizations, as appropriate. "Quality" for purposes of review of certificate of need proposals is a descrip~~n application for a new hospital shall include evidence showing:¶
(1) Triage criteria and mechanisms, including documentation that such criteria and mechanisms will be consistent with the level of placement criteria developed by the Office of Health Policy and insurers under ORS 743A.168(2).¶
(2) A sufficient supply of qualified personnel, including clinical, administrative, operational, and technical staff, are available or can be timely recruited to ensure the hospital operates safely, efficiently, and in compliance with applicable standards. ¶
(3) There is reasonable assurance that the project will be in conformance with applicable state licensing requirements and will be certified under the Medicaid and Medicare program, with the applicable conditions of ~~threshold factors to be considered, not a presumption of clinical judgment, nor a substitute for the licensing or accreditation functions. A proposal for a quality psychiatric unit shall include explicit policies, and specific examples and detail regarding each factor below:~~participation related to those programs.¶
(4) The proposed project will promote continuity in the provision of health care, not result in an unwarranted fragmentation of services, and have an appropriate relationship to the Health Service Area's existing health care system.¶
(5) The ability to provide appropriate access to quality general and multispecialty medical inpatient care.¶
(6) The applicant will accept and provide access to individuals enrolled in Medicaid, Medicare, or uninsured.¶
(~~1~~7) T~~riage criteria and mechanisms, including documentation that such criteria and mechanisms will be consistent~~he applicant will facilitate coordination with alternatives and other appropriate community resources. ¶
(8) The applicant has treatment goal-setting protocols that focus on achieving sustained improvements in patient health and functioning.¶
(9) The applicant will maintain a readmission rate lower than or comparable to available regional or national benchmarks.¶
(10) The applicant will offer charity care, as defined in ORS 442.601(1), commensurate with othe~~r level of placement criteria developed by the Office of Health Policy and insurers under ORS 743.556(16)(b);¶~~
~~(2) Data and record systems;¶~~
~~(3) Length of stay related to treatment goals, and averaging no more than 15 days for treatment of adults;~~r facilities with a comparable payor mix. Applicant must provide their policy for charity care and demonstrate compliance with federal and state law. The Oregon Health Authority (Authority) may consider the applicant's history of offering charity care in evaluating these criteria.¶
(11) The project's proposed services will be delivered safely and adequately, in compliance with all relevant federal and state laws, rules, and regulations. The evaluation of this criterion will consider whether the applicant has, in this state or elsewhere:¶
(~~4~~a) ~~Nonmaintenance, high-level treatment goals beyond mere restoration to the level just permitting release;~~Been criminally convicted related to operating a healthcare facility where the applicant held a direct or indirect ownership interest of five percent or more;¶
(b) History of the denial or revocation of a license to operate a healthcare facility where the applicant had a direct or indirect ownership interest of five percent or more;¶
(c) Had a license to practice a health profession revoked; ¶
(~~5~~d) ~~Low recidivism; compare to data available;¶~~
~~(6) Rates which reflect low capital and operating costs and a justifiable rate of return; and¶~~
~~(7) Rapid access to quality general and multispecialty medical inpatient ca~~Been subject to civil penalties, corrective action plans, program exclusions, or other significant adverse actions related to patient safety or regulatory compliance. The Authority will assess the nature, severity, timing, and corrective measures taken, and will provide the applicant an opportunity to submit mitigating information; or¶
(e) Been decertified as a provider in the Medicare or Medicaid program due to non-compliance with federal

participation conditions where the applicant held a direct or indirect ownership interest of five percent or more.
Statutory/Other Authority: ORS 431.120~~(6),~~ ORS 442.315, ~~743.556~~(ORS 743A.16~~)~~8
Statutes/Other Implemented: ORS 431.120~~(6),~~ ORS 442.315

ADOPT: 333-615-0060

RULE SUMMARY: Adopt OAR 333-615-0060: Establishes the criteria and principles that must be addressed in a Certificate of Need (CN) application for a psychiatric hospital specific to cost-efficient services.

CHANGES TO RULE:

333-615-0060
Cost
A determination that a proposed project will foster cost-efficient services without compromising quality, shall be based on the following criteria:¶
(1) Superior alternatives, in terms of cost, efficiency, or effectiveness, are not available or feasible.¶
(2) In the case of a project involving construction:¶
(a) The costs, scope, and methods of construction and energy conservation are consistent with current construction standards for health care facilities; and¶
(b) The project's potential impact on the social and financial costs to the public of providing health services is consistent with ORS 442.310.¶
(3) The project will involve appropriate improvements or innovations in the financing and delivery of health services which foster cost-containment, and promote quality assurance and cost effectiveness.¶
(4) Rates which reflect low capital and operating costs and a justifiable rate of return.
Statutory/Other Authority: ORS 431.120, ORS 442.315, ORs 743A.168
Statutes/Other Implemented: ORS 431.120, ORS 442.315

ADOPT: 333-615-0070

RULE SUMMARY: Adopt OAR 333-615-0070: Clarifies what other sources of information that the Oregon Health Authority may use in evaluating an application for a psychiatric hospital if the Certificate of Need (CN) administrative rules do not contain standards in sufficient detail to make a required determination.

CHANGES TO RULE:

333-615-0070
Use of Other Sources for Evaluating Applications
(1) In the event the Certificate of Need rules applicable to a psychiatric hospital do not contain standards in sufficient detail to make the required determinations, the Oregon Health Authority may consider:¶
(a) Nationally recognized standards from professional organizations; ¶
(b) Standards developed by professional organizations in the State of Oregon; ¶
(c) Federal Medicare and Medicaid certification requirements; ¶
(d) State licensing requirements; or ¶
(e) Applicable standards developed by other individuals, groups, or organizations with recognized expertise related to inpatient psychiatric care and treatment. ¶
(2) Any external standards or guidelines considered must not conflict with the Health Services Area or the methodology described in OAR 333-615-0000 through 333-615-0070.
Statutory/Other Authority: ORS 431.120, ORS 442.315
Statutes/Other Implemented: ORS 431.120, ORS 442.315, ORS 743A.168