

4. Representatives of the HSS shall discuss the findings of the survey, including any deficiencies found, with representatives of the hospital facility.

5. The hospital shall notify the HSS in writing when the deficiencies, if any, have been corrected. Following review of the hospital's Plan of Correction (POC), HSS may schedule a survey of the facility prior to occupancy.

6. No new hospital facility shall accept patients until the hospital has written approval and/or a license issued by HSS.

7. No licensed bed shall be placed in a room that does not meet all patient room licensing criteria and which has not been previously approved by HSS.

8. The hospital shall accept only that number of inpatients for which it is licensed unless prior written approval has been secured from the department.

B. Issuance of a License

1. The agency shall have authority to issue two licenses as described below:

a. full license-issued only to those hospitals that are in substantial compliance with the rules, the standards governing hospitals and the hospital law. The license shall be issued by the department for a period of not more than 12 months for the premises named in the application, as determined by the department;

b. if a hospital is not in substantial compliance with the rules, the standards governing hospitals and the hospital law, the department may issue a provisional license up to a period of six months if there is no immediate and serious threat to the health and safety of patients.

2. The department also has discretion in denying, suspending or revoking a license where there has been substantial noncompliance with these requirements in accordance with the hospital law. If a license is denied, suspended or revoked, an appeal may be made as outlined in the hospital law (R.S. 40:2110).

a. **Suspensive Appeal.** A hospital that appeals the action of the department in denying, suspending or revoking the license may file a suspensive appeal from the action of the department.

b. A renewal license shall not be issued, nor will any changes be processed to a hospital's existing license, during the pendency of an administrative suspensive appeal of the department's decision to deny, suspend or revoke a hospital's license for substantial non-compliance. There is no additional administrative remedy to the hospital for the non-renewal of a license.

c. The license for a hospital that is suspensively operating during the pendency of the appeal process shall be considered a license under suspensive appeal.

3. The hospital license is not assignable or transferable and shall be immediately void if a hospital ceases to operate or if its ownership changes.

§9305. Licensing Process

A. **Procedures for Initial Licensing.** The Department of Health and Hospitals is the only authority for hospitals in the state of Louisiana.

1. Any person, organization or corporation desiring to operate a hospital shall make application to the Department of Health and Hospitals (DHH) on forms prescribed by the department. Such forms may be obtained from: Hospital Program Manager, Department of Health and Hospitals, Health Standards Section (HSS), Post Office Box 3767, Baton Rouge, LA 70821.

2. An initial applicant shall as a condition of licensing:

a. submit a completed initial hospital packet and other required documents;

b. submit the required nonrefundable licensing fees by certified check or money order. No application will be reviewed until payment of the application fee. Except for good cause shown, the applicant must complete all requirements of the application process within 90 days of initial submission of the application material. Upon 10 days prior notice, any incomplete or inactive applications shall be closed. A new application will be accepted only when accompanied by a nonrefundable application fee.

3. When the required documentation for licensing is approved and the building is approved for occupancy, a survey of the facility by representatives of HSS shall be conducted at the department's discretion to determine if the facility meets the standards set forth in this Chapter 93.

4. Licenses issued to hospitals with off-site locations shall be inclusive of the licensed off-site beds. In no case may the total number of inpatient beds at the off-site location exceed the number of inpatient beds at the primary campus.

C. Licensing Renewal. Licenses must be renewed at least annually. The renewal packet shall be sent by the Department to the hospital 45 days prior to the expiration of its license. The packet shall contain all forms required for renewal of the license. A hospital seeking renewal of its license shall:

1. complete all forms and return them to the department at least 15 days prior to the expiration date of its current license;

2. submit the annual fees or the amounts so specified by state law. All fees shall be submitted by certified check or money order and are nonrefundable. All state-owned facilities are exempt from fees.

D. Display of License. The current license shall be displayed in a conspicuous place in the hospital at all times.

E. Bed Increases

1. The hospital will notify the department in writing 14 days prior to the bed increase.

2. The hospital will complete the required paperwork and submit the appropriate documents.

3. A fee of \$25 plus \$5 per licensed unit being added or the amounts so specified by state law in the future shall be submitted to the department. This shall be a certified check or money order.

4. At the discretion of the department, signed and dated attestations to compliance with these standards may be accepted in lieu of an on-site survey.

5. Written approval of the bed increase must be obtained before patients can be admitted to these additions.

6. No licensed bed shall be placed in a room that does not meet all patient room licensing criteria and which has not been previously approved by HSS.

F. Eliminating and/or Relocating Beds

1. The hospital will notify the department in writing 14 days prior to the bed decrease or relocation.

2. The hospital will complete the required paperwork and submit the appropriate documents.

3. A fee of \$25 or the amounts so specified by state law in the future shall be submitted to the Department. This remittance shall be a certified check or money order.

4. No licensed bed shall be placed in a room that does not meet all patient room licensing criteria and which has not been previously approved by HSS.

G. Adding or Eliminating Services

1. Prior to the addition or deletion of a service or services, the hospital shall notify the department in writing 45 days prior to implementation, if plan review is required,

and 15 days prior to implementation if no plan review is necessary.

2. The department will determine the required documents, if any, to be provided for a new service.

3. No service shall be instituted that does not meet all licensing criteria and which has not been previously approved by the department.

H. Adding Off-Site Campuses

1. Individual licenses shall not be required for separate buildings and services located on the same or adjoining grounds or attached to the main hospital if they are operated as an integrated service of the hospital. An applicant shall as a condition of licensing:

- a. submit a completed off-site campus packet and other required documents;

- b. submit the required nonrefundable licensing fees by certified check or money order.

2. Except for good cause shown, all incomplete and inactive applications shall be closed 90 days after receipt of the initial off-site campus application. A new application will be accepted only when accompanied by a nonrefundable application fee.

3. At the discretion of the department, signed and dated attestations to the compliance with these standards may be accepted in lieu of an on-site survey.

4. The off-site campus will be issued a license which is a subset of the hospital's main license.

I. Closing Off-Site Campuses. The hospital is to notify the HSS in writing within 14 days of the closure of an off-site campus with the effective date of closure. The original license of the off-site campus is to be returned to HSS.

J. Duplicate and Replacement Licenses. A \$5 processing fee or the amount so specified by state law in the future shall be submitted by the hospital for issuing a duplicate facility license with no change.

K. Changes to the License. When changes to the license, such as a name change, address change or bed reduction are requested in writing by the hospital, a fee of \$25 or the amounts so specified by state law in the future, shall be submitted.

L. Facility within a Facility

1. If more than one health care provider occupies the same building, premises or physical location, all treatment facilities and administrative offices for each health care provider shall be clearly separated from each other by a clearly delineated and recognizable boundary.

- a. Treatment facilities shall include, but not be limited to consumer beds, wings and operating rooms.

- b. Administrative offices shall include, but not be limited to record rooms and personnel offices.

- c. There shall be clearly identifiable and distinguishable signs.

2. If more than one health care provider occupies the same building, premises or physical location, each such health care provider shall have its own entrance. The separate entrance shall have appropriate signs and shall be clearly identifiable as belonging to a particular health care provider. Nothing prohibits a health care provider occupying the same building, premises or physical location as another health care provider from utilizing the entrance, hallway, stairs, elevators or escalators of another health care provider to provide access to its separate entrance.

3. Staff of the hospital within a hospital shall not be co-mingled with the staff of the host hospital for the delivery of services within any given shift.

4. The provisions and requirements of §9305.L are in addition to and not excluding any other statutes, laws and/or rules that regulate hospitals, as set forth in R.S. 40:2007.

M. Change of Ownership

1. Definition. *Change of Ownership (CHOW)*—the sale or transfer whether by purchase, lease, gift or otherwise of a hospital by a person/corporation of controlling interest that results in a change of ownership or control of 30 percent or greater of either the voting rights or assets of a hospital or that results in the acquiring person/corporation holding a 50 percent or greater interest in the ownership or control of the hospital. Examples of actions which constitute a change of ownership (R.S. 40:2115.11 et seq.).

a. Unincorporated Sole Proprietorship. Transfer of title and property to another party constitutes a change of ownership.

b. Corporation. The merger of the provider corporation into another corporation, or the consolidation of two or more corporations, resulting in the creation of a new corporation constitutes a change of ownership. Transfer of corporate stock or the merger of another corporation into the provider corporation does not constitute a change of ownership.

c. Partnership. In the case of a partnership, the removal, addition or substitution of a partner, unless the partners expressly agree otherwise, as permitted by applicable state law, constitutes a change of ownership.

d. Leasing. The lease of all or part of a provider facility constitutes a change of ownership of the leased portion.

2. No later than 15 days after the effective date of the CHOW, the prospective owner(s) or provider representative shall submit to the department a completed application for hospital licensing, the bill of sale, and a licensing fee consistent with state law. Hospital licensing is not transferable from one entity or owner(s) to another.

N. Plan Review. A letter to the Department of Health and Hospitals, Division of Engineering and Architectural Services, shall accompany the floor plans with a request for a review of the hospital plans. The letter shall include the types of services offered, number of licensed beds and licensed patient rooms, geographical location, and whether it

is a relocation, renovation, and/or new construction. A copy of this letter is to be sent to the Hospital Program Manager.

1. Submission of Plans

a. New Construction. All new construction shall be done in accordance with the specific requirements of the Office of State Fire Marshal and the Department of Health and Hospitals, Division of Engineering and Architectural Services. The requirements cover new construction in hospitals, including submission of preliminary plans and the final work drawings and specifications to each of these agencies. Plans and specifications for new construction shall be prepared by or under the direction of a licensed architect and/or a qualified licensed engineer and shall include scaled architectural plans stamped by an architect.

b. New Hospitals. No new hospital shall hereafter be licensed without the prior written approval of, and unless in accordance with plans and specifications approved in advance by the DHH, Division of Engineering and Architectural Services and the Office of State Fire Marshal. This includes any change in hospital type (e.g., acute care hospital to psychiatric hospital) or the establishment of a hospital in any healthcare facility or former healthcare facility. The applicant must furnish one complete set of plans and specifications to the Division of Engineering and Architectural Services and one complete set of plans and specifications to the Office of State Fire Marshal, together with fees and other information as required. Plans and specifications shall be prepared by or under the direction of a licensed architect and/or a qualified licensed engineer and shall include scaled architectural plans stamped by an architect. The review and approval of plans and specifications shall be made in accordance with the publication entitled *Guidelines for Construction and Equipment of Hospital and Medical Facilities*, Current Edition, published by the American Institute of Architects Press and the *Standard Plumbing Code*.

c. Change(s) in Service(s)/Hospital Type. Preliminary plans, final work drawings and specifications shall be submitted prior to any change in hospital type (e.g., acute care hospital to psychiatric hospital). The review and approval of plans and specifications shall be made in accordance with the publication entitled *Guidelines for Construction and Equipment of Hospital and Medical Facilities*, Current Edition, published by the American Institute of Architects Press and the *Standard Plumbing Code*. The applicant must furnish one complete set of plans and specifications to the Department of Health and Hospitals, Division of Engineering and Architectural Services and one complete set of plans and specifications to the Office of State Fire Marshal, together with fees and other information as required.

d. Major Alterations. No major alterations shall be made to existing hospitals without the prior written approval of, and unless in accordance with plans and specifications approved in advance by DHH, Division of Engineering and Architectural Services and the Office of State Fire Marshal. The applicant must furnish one complete set of plans and specifications to the Division of Engineering and Architectural Services and one complete set of plans and

specifications to the Office of State Fire Marshal, together with fees and other information as required. Plans and specifications shall be prepared by or under the direction of a licensed architect and/or a qualified licensed engineer and shall include scaled architectural plans stamped by an architect. The review and approval of plans and specifications shall be made in accordance with the publication entitled *Guidelines for Construction and Equipment of Hospital and Medical Facilities*, Current Edition, published by the American Institute of Architects Press and the *Standard Plumbing Code*.

2. Approval of Plans

a. Notice of satisfactory review from the Division of Engineering and Architectural Services and the Office of State Fire Marshal constitutes compliance with this requirement if construction begins within 180 days of the date of such notice. This approval shall in no way permit and/or authorize any omission or deviation from the requirements of any restrictions, laws, ordinances, codes or rules of any responsible agency.

b. In the event that submitted materials do not appear to satisfactorily comply with the *Guidelines for Construction and Equipment of Hospital and Medical Facilities*, Current Edition, and the *Standard Plumbing Code*, the Division of Engineering and Architectural Services shall furnish a letter to the party submitting the plans which shall list the particular items in question and request further explanation and/or confirmation of necessary modifications.

3. Waivers

a. The secretary of the department may, within his sole discretion, grant waivers to building and construction guidelines. The facility must submit a waiver request in writing to the Division of Engineering and Architectural Services. The facility shall demonstrate how patient safety and the quality of care offered is not compromised by the waiver. The facility must demonstrate their ability to completely fulfill all other requirements of the service. The Department will make a written determination of the request. Waivers are not transferable in an ownership change and are subject to review or revocation upon any change in circumstances related to the waiver.

b. The secretary, in exercising his discretion, must at a minimum, require the applicant to comply with the edition of the building and construction guidelines which immediately preceded the most current edition of the *Guidelines for Construction and Equipment of Hospital and Medical Facilities*.

O. Fire Protection. All hospitals required to be licensed by the law shall comply with the rules, established fire protection standards and enforcement policies as promulgated by the Office of State Fire Marshal. It shall be the primary responsibility of the Office of State Fire Marshal to determine if applicants are complying with those requirements. No license shall be issued or renewed without the applicant furnishing a certificate from the Office of State Fire Marshal stating that the applicant is complying with

their provisions. A provisional license may be issued to the applicant if the Office of State Fire Marshal issues the applicant a conditional certificate.

P. Sanitation and Patient Safety. All hospitals required to be licensed by the law shall comply with the Rules, Sanitary Code and enforcement policies as promulgated by the Office of Public Health. It shall be the primary responsibility of the Office of Public Health to determine if applicants are complying with those requirements. No initial license shall be issued without the applicant furnishing a certificate from the Office of Public Health stating that the applicant is complying with their provisions. A provisional license may be issued to the applicant if the Office of Public Health issues the applicant a conditional certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:2100-2115.

HISTORICAL NOTE: Promulgated by the Department of Health and Human Resources, Office of the Secretary, LR 13:246 (April 1987), amended by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 16:971 (November 1990), LR 21:177 (February 1995), LR 29:2401 (November 2003), amended by the Department of Health and Hospitals, Bureau of Health Services Financing, LR 38:1413 (June 2012).