

DIVISION 575

MONITORING OF IMPLEMENTATION AND COMPLETION OF PROJECTS WITH CERTIFICATES OF NEED

Monitoring of Implementation, Completion and Project Changes Subsequent to Approval

333-575-0000 (1) The Health Division shall require reporting by the applicant necessary and sufficient to monitor the project to assure that it conforms to the certificate of need as issued by the division.

- (2) The division shall require reporting by the applicant, not less often than once every three months of the project's progress following date of the certificate of need issuance (until the project is complete). Reporting required by this section shall be on Form SIM-1. Any applicant who fails to provide such reports for one year shall be deemed to have abandoned its certificate of need for the project, provided that the division has requested such reports in writing.
- (3) A change in size or type in any of the items in section (4) of this rule, from that specified in the certificate of need shall be reported by the applicant to the division not later than 15 days prior to the change, and shall be approved or denied in advance of the change by the division. Such reporting shall be on forms SIM-1 and SIM-2 which shall be obtained from the division as needed.
- (4) Items in which a change in subject to advance reporting in accordance with section (3) of this rule are:
 - (a) Change of site, or significant changes in location of the project on the site;

- (b) General arrangement or relocation of department areas or other sections within the project;
- (c) An increase or decrease of ten percent or more in allocated space for the project;
- (d) Number of beds;
- (e) Increase or decrease of potential bed capacity (shelled-in or finished space for beds);
- (f) Modifications of lease or purchase agreements unless the changes will increase or decrease cost of the least or purchase agreements by less than ten percent (reported according to accepted accounting principles); or new lease or purchase agreements (reported according to accepted accounting principles);
- (g) Project costs or construction cost increase or decrease in excess of ten percent of the approved totals;
- (h) Project completion dates later than 90 days after the approved project schedule contained in the application.
- (i) Financing term, interest rate on borrowings, amount of borrowings, balloon payments, or loan fees if these changes singly or in combination will result in cost or charge increase of ten percent or more in the total cost of the project including interest or in charges to the patient;
- (j) The addition of a new health service or expenditure which was not specified in the application or order issuing the certificate of need; or
- (k) Changes in the applicant's corporate status or ownership (except stock transfers), including but not limited to development of a joint venture or partnership as a part of the implementation of the project.

- (5) When a project is found to have substantially exceeded the scope of an approved certificate of need, as defined in section of this rule, and the division has not approved the project changes or cost overrun, or both, the division may institute proceedings in the circuit courts to enforce obedience to the certificate of need order issued by the division, as provided in ORS 442.315(6) and (8).
- (6) For any projects that involve remodeling or new construction, the applicant shall provide written notification to the division of the date the project is to be occupied for service.
- (7) Before construction, remodeling or modernization begins, the applicant shall submit to the division the final architectural plans of the project, as required by Division 675 of this Chapter.
- (8) Upon completion of the project for which a certificate of need was issued, the applicant shall report to the division actual final capital expenditures as a revision of Form CN-3 of the application form and total project cost including interest as a revision of Form CN-4.
- (9) Upon completion of a project, as indicated by submission to the division of correctly completed Forms SIM-1, CN-3, and CN-4, the division shall respond within 30 days with a statement acknowledging that the project is complete. The division shall also either acknowledge that the project is within the scope of the approved certificate of need and any approved changes to the certificate of need or shall indicate areas that are not within the scope of the approved certificate of need. If the project is not within the scope of the approved certificate of need, the division may seek an injunction from the circuit courts or other action to enforce obedience to the certificate of need order, as provided in ORS 442.315(6) and (8). The division's monitoring of projects, and the requirements that the applicant report to division concerning projects, terminate at the time a project is completed.

- (10) A project is considered to be completed on the date that the new service, area, facility, or equipment begins to treat patients. The certificate of need shall be considered to have expired at the time that the project for which it was issued is completed.

Stat. Auth.: ORS 431.120(6), ORS 442.315

Stats. Implemented: ORS 431.120(6), ORS 442.315

Hist.: HD 13-1994, f. & cert. ef. 4-22-94

Financial Reporting Requirements

333-575-0010 Applicants are subject to the following financial policy and reporting requirements following approval of a certificate of need application, when these reporting requirements have not been met during the review process itself. The applicant shall report on the receipt of the items listed below, on Form SIM-1: (1) Each applicant must submit within 30 days after it becomes available, a copy of the financial feasibility report if the applicant arranges for such report.

- (2) When a bond rating report is issued in conjunction with a proposed bond issue to fund a certificate of need proposal, the applicant must submit a copy of the report to the division within 30 days of its issuance;
- (3) When debt financing is used for a certificate of need project, the actual rate of interest obtained must be reported within 30 days of securing financing.

Stat. Auth.: ORS 431.120(6), ORS 442.315

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