

PART 2 – LICENSURE PROCESS**2.1 STATUTORY AUTHORITY AND APPLICABILITY**

- 2.1.1 THE STATUTORY AUTHORITY FOR THE PROMULGATION OF THESE RULES IS SET FORTH IN SECTIONS 25-1.5-103 AND 25-3-101, *ET SEQ.*, C.R.S.
- 2.1.2 A HEALTH CARE ENTITY LICENSED BY THE DEPARTMENT SHALL COMPLY WITH ALL APPLICABLE FEDERAL AND STATE STATUTES AND REGULATIONS INCLUDING THIS CHAPTER II. IN THE EVENT OF A DISCREPANCY BETWEEN REGULATIONS, THE MORE SPECIFIC STANDARDS SHALL APPLY.

2.2 DEFINITIONS

FOR PURPOSES OF THIS CHAPTER, THE FOLLOWING DEFINITIONS SHALL APPLY:

- 2.2.1 “BUSINESS ENTITY MEANS ANY ORGANIZATION OR ENTERPRISE AND INCLUDES, BUT IS NOT LIMITED TO, A SOLE PROPRIETOR, AN ASSOCIATION, CORPORATION, BUSINESS TRUST, JOINT VENTURE, LIMITED LIABILITY COMPANY, LIMITED LIABILITY PARTNERSHIP, PARTNERSHIP OR SYNDICATE.
- 2.2.2 “CAMPUS” MEANS THE PHYSICAL AREA IMMEDIATELY ADJACENT TO THE HEALTH CARE ENTITY’S MAIN BUILDINGS, OTHER AREAS AND STRUCTURES THAT ARE NOT STRICTLY CONTIGUOUS TO THE MAIN BUILDINGS BUT ARE LOCATED WITHIN 250 YARDS OF THE MAIN BUILDINGS AND ANY OTHER AREAS DETERMINED BY THE DEPARTMENT, ON AN INDIVIDUAL CASE BASIS, TO BE PART OF THE HEALTH CARE ENTITY’S CAMPUS.
- 2.2.3 “CONTROLLING INTEREST” MEANS THE OPERATIONAL DIRECTION OR MANAGEMENT OF A HEALTH CARE ENTITY INCLUDING, BUT NOT LIMITED TO, THE AUTHORITY, EXPRESS OR RESERVED, TO CHANGE THE CORPORATE IDENTITY OF THE APPLICANT; THE AUTHORITY TO APPOINT MEMBERS OF THE BOARD OR DIRECTORS, BOARD OF TRUSTEES, OR OTHER APPLICABLE GOVERNING BODY OF THE HEALTH CARE ENTITY; THE ABILITY TO CONTROL ANY OF THE ASSETS OR OTHER PROPERTY OF THE HEALTH CARE ENTITY OR TO DISSOLVE OR SELL THE HEALTH CARE ENTITY.
- 2.2.4 “DEFICIENCY” MEANS A FAILURE TO FULLY COMPLY WITH ANY STATUTORY AND/OR REGULATORY REQUIREMENTS APPLICABLE TO A LICENSED HEALTH FACILITY.
- 2.2.5 “DEPARTMENT” MEANS THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.
- 2.2.6 “DIRECT OWNERSHIP” MEANS THE POSSESSION OF STOCK, EQUITY IN CAPITAL OR ANY INTEREST GREATER THAN 5 PERCENT OF THE HEALTH CARE ENTITY.
- 2.2.7 “HEALTH CARE ENTITY” MEANS A HEALTH CARE FACILITY OR AGENCY THAT IS REQUIRED TO OBTAIN A LICENSE FROM THE DEPARTMENT PURSUANT TO SECTION 25-3-101, C.R.S. UNLESS OTHERWISE INDICATED, THE TERM “HEALTH CARE ENTITY” IS SYNONYMOUS WITH THE TERMS “HEALTH FACILITY” OR “FACILITY” AS USED ELSEWHERE IN 6 CCR 1011-1, STANDARDS FOR HOSPITALS AND HEALTH FACILITIES.
- 2.2.8 “INDIRECT OWNERSHIP” MEANS ANY OWNERSHIP INTEREST IN AN ENTITY THAT HAS AN OWNERSHIP INTEREST IN THE APPLICANT, INCLUDING AN OWNERSHIP INTEREST IN ANY ENTITY THAT HAS AN INDIRECT OWNERSHIP INTEREST IN THE APPLICANT.
- 2.2.9 “LICENSEE” MEANS THE PERSON, BUSINESS ENTITY OR AGENCY THAT IS GRANTED A LICENSE OR CERTIFICATE OF COMPLIANCE TO OPERATE A HEALTH CARE ENTITY AND THAT BEARS LEGAL RESPONSIBILITY FOR COMPLIANCE WITH ALL APPLICABLE FEDERAL AND STATE STATUTES AND REGULATIONS.

2.2.10 "MANAGEMENT COMPANY" MEANS THE PERSON, BUSINESS ENTITY OR AGENCY THAT IS PAID BY THE LICENSEE AND HAS A CONTRACTUAL AGREEMENT WITH THE LICENSEE TO MANAGE THE DAY-TO-DAY OPERATION OF THE HEALTH CARE ENTITY ON BEHALF OF THE LICENSEE.

2.2.11 "REVIEW" MEANS ANY TYPE OF ADMINISTRATIVE OVERSIGHT BY THE DEPARTMENT INCLUDING, BUT NOT LIMITED TO, EXAMINATION OF DOCUMENTS, DESK AUDIT, COMPLAINT INVESTIGATION OR ON-SITE INSPECTION.

2.3 LICENSE REQUIRED

2.3.1 NO PERSON OR BUSINESS ENTITY SHALL ESTABLISH, MAINTAIN OR OPERATE A HEALTH CARE ENTITY WITHOUT FIRST HAVING OBTAINED A LICENSE THEREFOR OR, IN THE CASE OF GOVERNMENTAL FACILITIES, A CERTIFICATE OF COMPLIANCE FROM THE DEPARTMENT. FOR PURPOSES OF THESE RULES, THE HOLDER OF A CERTIFICATE OF COMPLIANCE SHALL BE CONSIDERED A LICENSEE. **(FROM §2.1 OF CURRENT RULE)**

(A) ANY PERSON OR BUSINESS ENTITY OPERATING A HEALTH CARE ENTITY SHALL NOT PROVIDE SERVICES IN AREAS SUBJECT TO PLAN REVIEW EXCEPT AS APPROVED BY THE DEPARTMENT.

(B) ANY PERSON OR BUSINESS ENTITY OPERATING A HEALTH CARE ENTITY WHO DOES NOT HAVE A PROVISIONAL, CONDITIONAL OR REGULAR LICENSE FROM THE DEPARTMENT IS GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE OF NOT LESS THAN FIFTY DOLLARS (\$50), NOR MORE THAN FIVE HUNDRED DOLLARS (\$500). EACH DAY OF OPERATION SHALL BE CONSIDERED A SEPARATE OFFENSE.

2.3.2 A SEPARATE LICENSE SHALL BE REQUIRED FOR EACH SEPARATE PHYSICAL LOCATION OR CAMPUS OF A HEALTH CARE ENTITY. **(FROM §2.3 OF CURRENT RULE)**

2.3.3 EACH HEALTH CARE ENTITY OFFERING SERVICES THAT ARE REGULATED BY MORE THAN ONE CHAPTER OF 6 CCR 1011-1, STANDARDS FOR HOSPITALS AND HEALTH FACILITIES, SHALL OBTAIN A SEPARATE LICENSE FOR EACH CATEGORY OF SERVICES THAT REQUIRES A STATE LICENSE.

(A) IF ANY LICENSED HEALTH CARE ENTITY OFFERS SERVICES WITHIN THE SAME BUILDING OR ON THE SAME CAMPUS AS ANOTHER LICENSEE, THE CARE FACILITIES OF ONE LICENSEE SHALL BE PHYSICALLY SEPARATED WITH CLEAR SIGNAGE FROM THE CARE FACILITIES OF ANY OTHER LICENSEE.

(1) CARE FACILITIES SHALL INCLUDE, BUT NOT BE LIMITED TO, PATIENT/RESIDENT BED WINGS, DIAGNOSTIC, PROCEDURE AND OPERATING ROOMS.

2.3.4 EACH HEALTH CARE ENTITY THAT IS FEDERALLY CERTIFIED SHALL HAVE A STATE LICENSE FOR EACH CATEGORY OF SERVICES FOR WHICH IT IS CERTIFIED, IF SUCH A LICENSE CATEGORY EXISTS.

2.3.5 AN INTACT, TWO-HOUR FIRE RATED SEPARATION WALL, FLOOR OR CEILING ASSEMBLY BETWEEN THE FACILITY AND EACH ADJOINING OCCUPANCY AREA(S) IS REQUIRED FOR:

(A) APPLICANTS SEEKING AN INITIAL LICENSE ON OR AFTER MAY 1, 2010,

(B) A LICENSEE WHO OBTAINS A BUILDING PERMIT ON OR AFTER MAY 1, 2010 FOR RELOCATIONS IN WHOLE OR IN PART TO ANOTHER PHYSICAL STRUCTURE, OR

- (C) A LICENSEE WHO OBTAINS A BUILDING PERMIT ON OR AFTER MAY 1, 2010 TO ADD PREVIOUSLY UN-INSPECTED OR UNLICENSED SQUARE FOOTAGE TO AN EXISTING LICENSE. FOR THE PURPOSES OF COMPLIANCE WITH THIS SECTION 2.3.4 (C), THE TWO-HOUR FIRE RATED SEPARATION SHALL BE AROUND EITHER THE ENTIRE PERIMETER OF THE ADDED SQUARE FOOTAGE OR THE ENTIRE PERIMETER OF THE FACILITY.

2.3.6 EACH HEALTH CARE ENTITY APPLYING FOR A LICENSE SHALL USE A DISTINCTIVE NAME THAT ALSO CLEARLY IDENTIFIES THE SERVICES FOR WHICH IT WILL BE LICENSED. **(FROM §2.6 OF CURRENT RULE)** DUPLICATION OF AN EXISTING NAME IS PROHIBITED EXCEPT BETWEEN HEALTH CARE ENTITIES THAT ARE AFFILIATED THROUGH OWNERSHIP OR CONTROLLING INTEREST.

- (A) EACH HEALTH CARE ENTITY SHALL BE IDENTIFIED BY THIS DISTINCTIVE NAME ON STATIONERY, BILLING MATERIALS AND EXTERIOR SIGNAGE THAT CLEARLY IDENTIFIES THE LICENSED ENTITY. **(FROM §2.6 OF CURRENT RULE)** EXTERIOR SIGNAGE SHALL CONFORM TO THE APPLICABLE LOCAL ZONING REQUIREMENTS.

2.4 INITIAL LICENSE APPLICATION PROCEDURE

2.4.1 ANY PERSON OR ENTITY SEEKING A LICENSE TO OPERATE A HEALTH CARE ENTITY SHALL INITIALLY NOTIFY THE DEPARTMENT BY SUBMITTING A LETTER OF INTENT IN THE FORMAT SPECIFIED BY THE DEPARTMENT. SUCH NOTIFICATION SHALL INCLUDE THE PROPOSED NAME, LOCATION, LICENSE CATEGORY, SERVICES AND DATE OF OPENING OF SAID ENTITY. UPON RECEIPT OF THE LETTER OF INTENT, THE DEPARTMENT WILL PROVIDE THE APPLICANT WITH THE APPROPRIATE APPLICATION.

2.4.2 THE APPLICANT SHALL PROVIDE THE DEPARTMENT WITH A COMPLETE APPLICATION INCLUDING ALL INFORMATION AND ATTACHMENTS SPECIFIED IN THE APPLICATION FORM AND ANY ADDITIONAL INFORMATION REQUESTED BY THE DEPARTMENT. THE APPROPRIATE NON-REFUNDABLE FEE(S) FOR THE LICENSE CATEGORY REQUESTED SHALL BE SUBMITTED WITH THE APPLICATION, UNLESS PREVIOUSLY TENDERED IN CONNECTION WITH A PLAN REVIEW. APPLICATIONS SHALL BE SUBMITTED AT LEAST NINETY (90) CALENDAR DAYS BEFORE THE ANTICIPATED START-UP DATE.

2.4.3 EACH APPLICANT SHALL PROVIDE THE FOLLOWING INFORMATION:

- (A) THE LEGAL NAME OF THE ENTITY AND ALL OTHER NAMES USED BY IT TO PROVIDE HEALTH CARE SERVICES. THE APPLICANT HAS A CONTINUING DUTY TO NOTIFY THE DEPARTMENT OF ALL NAME CHANGES AT LEAST 30 CALENDAR DAYS PRIOR TO THE EFFECTIVE DATE OF THE CHANGE. **(FROM §§2.3.4(2) AND 2.9.2 OF CURRENT RULE)**
- (B) CONTACT INFORMATION FOR THE ENTITY INCLUDING MAILING ADDRESS, TELEPHONE AND FACSIMILE NUMBERS, E-MAIL ADDRESS AND, IF APPLICABLE, WEBSITE ADDRESS.
- (C) THE IDENTITY OF ALL PERSONS AND BUSINESS ENTITIES WITH A CONTROLLING INTEREST IN THE HEALTH CARE ENTITY, INCLUDING ADMINISTRATORS, DIRECTORS, MANAGERS, MANAGEMENT CONTRACTORS AND HOLDING COMPANIES. **(FROM 2.4.3(C) OF CURRENT RULE)**
 - (1) A NON-PROFIT CORPORATION SHALL LIST THE GOVERNING BODY AND OFFICERS.
 - (2) A FOR-PROFIT CORPORATION SHALL LIST THE NAMES OF THE OFFICERS AND STOCKHOLDERS WHO DIRECTLY OR INDIRECTLY OWN OR CONTROL FIVE PERCENT OR MORE OF THE SHARES OF THE CORPORATION.

- (3) A SOLE PROPRIETOR SHALL INCLUDE PROOF OF LAWFUL PRESENCE IN THE UNITED STATES IN COMPLIANCE WITH SECTION 24-76.5-101, *ET SEQ.*, C.R.S.
- (D) THE NAME, ADDRESS, AND BUSINESS TELEPHONE NUMBER OF EVERY PERSON IDENTIFIED IN 2.4.3(C) AND THE INDIVIDUAL DESIGNATED BY THE APPLICANT AS THE CHIEF EXECUTIVE OFFICER OF THE ENTITY.
- (1) IF THE ADDRESSES AND TELEPHONE NUMBERS PROVIDED ABOVE ARE THE SAME AS THE CONTACT INFORMATION FOR THE ENTITY ITSELF, THE APPLICANT SHALL ALSO PROVIDE AN ALTERNATE ADDRESS AND TELEPHONE NUMBER FOR AT LEAST ONE INDIVIDUAL FOR USE IN THE EVENT OF AN EMERGENCY OR CLOSURE OF THE HEALTH CARE ENTITY.
- (E) PROOF OF PROFESSIONAL LIABILITY INSURANCE AS REQUIRED BY THE COLORADO HEALTH CARE AVAILABILITY ACT, SECTION 13-64-301, *ET SEQ.*, C.R.S., WITH THE DEPARTMENT IDENTIFIED AS A CERTIFICATE HOLDER. SUCH COVERAGE SHALL BE MAINTAINED FOR THE DURATION OF THE LICENSE TERM AND THE DEPARTMENT SHALL BE NOTIFIED OF ANY CHANGE IN THE AMOUNT, TYPE OR PROVIDER OF PROFESSIONAL LIABILITY INSURANCE COVERAGE DURING THE LICENSE TERM.
- (F) ARTICLES OF INCORPORATION, ARTICLES OF ORGANIZATION, PARTNERSHIP AGREEMENT, OR OTHER ORGANIZING DOCUMENTS REQUIRED BY THE SECRETARY OF STATE TO CONDUCT BUSINESS IN COLORADO; AND BY-LAWS OR EQUIVALENT DOCUMENTS THAT GOVERN THE RIGHTS, DUTIES AND CAPITAL CONTRIBUTIONS OF THE BUSINESS ENTITY.
- (G) THE ADDRESS OF THE PHYSICAL LOCATION THAT IS TO CONSTITUTE THE ENTITY, AND THE NAME(S) OF THE OWNER(S) OF EACH STRUCTURE ON THE CAMPUS IF DIFFERENT THAN THOSE IDENTIFIED IN PARAGRAPH (C) OF THIS SECTION.
- (H) A MAP FOR EACH FLOOR OF THE HEALTH CARE ENTITY'S BUILDING INDICATING ROOM LAYOUT, LOCATION OF SERVICES TO BE PROVIDED, AND THE PROPOSED PHYSICAL EXTENT OF THE LICENSE WITHIN THE BUILDING. IF MULTIPLE BUILDINGS ARE INVOLVED, A MAP OF THE CAMPUS SHALL ALSO BE SUBMITTED. MAPS SHALL BE SUBMITTED IN THE FORMAT PRESCRIBED BY THE DEPARTMENT.
- (I) A COPY OF ANY MANAGEMENT AGREEMENT PERTAINING TO OPERATION OF THE ENTITY THAT SETS FORTH THE FINANCIAL AND ADMINISTRATIVE RESPONSIBILITIES OF EACH PARTY.
- (J) IF AN APPLICANT LEASES ONE OR MORE BUILDING(S) TO OPERATE AS A LICENSED HEALTH CARE ENTITY, A COPY OF THE LEASE SHALL BE FILED WITH THE LICENSE APPLICATION AND SHOW CLEARLY IN ITS CONTEXT WHICH PARTY TO THE AGREEMENT IS TO BE HELD RESPONSIBLE FOR THE PHYSICAL CONDITION OF THE PROPERTY. **(FROM §2.3.5(3)(d) OF CURRENT RULE)**
- (K) A STATEMENT SIGNED AND DATED CONTEMPORANEOUS WITH THE APPLICATION STATING WHETHER ONE OR MORE INDIVIDUALS OR ENTITIES IDENTIFIED IN RESPONSE TO SECTION 2.4.3(C) AND (D) HAS A CONTROLLING OR OWNERSHIP INTEREST IN ANY TYPE OF HEALTH FACILITY AND HAS BEEN THE SUBJECT OF, OR A PARTY TO, ONE OF MORE OF THE FOLLOWING EVENTS, REGARDLESS OF WHETHER ACTION HAS BEEN STAYED IN A JUDICIAL APPEAL OR OTHERWISE SETTLED BETWEEN THE PARTIES.
- (1) BEEN CONVICTED OF A FELONY UNDER THE LAWS OF ANY STATE OR OF THE UNITED STATES. A GUILTY VERDICT, A PLEA OF GUILTY OR A PLEA OF NOLO

CONTENDERE (NO CONTEST) ACCEPTED BY THE COURT IS CONSIDERED A CONVICTION,

- (2) A DISCIPLINARY ACTION IMPOSED UPON THE APPLICANT BY AN AGENCY IN ANOTHER JURISDICTION THAT REGISTERS OR LICENSES HEALTH FACILITIES INCLUDING, BUT NOT LIMITED TO, A CITATION, SANCTION, PROBATION, CIVIL PENALTY, OR A DENIAL, SUSPENSION, REVOCATION, OR MODIFICATION OF A LICENSE OR REGISTRATION WHETHER IT IS IMPOSED BY CONSENT DECREE, ORDER, OR OTHER DECISION, FOR ANY CAUSE OTHER THAN FAILURE TO PAY A LICENSE FEE BY THE DUE DATE,
 - (3) LIMITATION, REVOCATION OR SUSPENSION BY ANY STATE BOARD, MUNICIPALITY, FEDERAL OR STATE AGENCY OF ANY HEALTH CARE RELATED LICENSE,
 - (4) THE REFUSAL TO GRANT OR RENEW A LICENSE FOR OPERATION OF A HEALTH CARE ENTITY, CONTRACT FOR PARTICIPATION OR CERTIFICATION FOR MEDICAID, MEDICARE, OR OTHER PUBLIC HEALTH OR SOCIAL SERVICES PAYMENT PROGRAM, OR
 - (5) A CIVIL OR CRIMINAL PROCEEDING RESULTING FROM CONDUCT OR AN OFFENSE IN THE OPERATION, MANAGEMENT OR OWNERSHIP OF A HEALTH FACILITY RELATED TO PATIENT OR RESIDENT CARE OR FRAUD IN PUBLIC HEALTH OR SOCIAL SERVICE PAYMENT PROGRAM. A GUILTY VERDICT, A PLEA OF GUILTY OR A PLEA OF NOLO CONTENDERE (NO CONTEST) ACCEPTED BY THE COURT IS CONSIDERED A CONVICTION.
- (L) ANY STATEMENT REGARDING THE INFORMATION REQUESTED IN (K) SHALL INCLUDE THE FOLLOWING, IF APPLICABLE.
- (1) IF THE EVENT IS AN ACTION BY A GOVERNMENTAL AGENCY (AS DESCRIBED ABOVE) THE NAME OF THE AGENCY, ITS JURISDICTION, THE CASE NAME, AND THE DOCKET, PROCEEDING OR CASE NUMBER BY WHICH THE EVENT IS DESIGNATED, AND A COPY OF THE CONSENT DECREE, ORDER OR DECISION.
 - (2) IF THE EVENT IS A FELONY CONVICTION, THE COURT, ITS JURISDICTION, THE CASE NAME, THE CASE NUMBER, A DESCRIPTION OF THE MATTER OR A COPY OF THE INDICTMENT OR CHARGES, AND ANY PLEA OR VERDICT ENTERED BY THE COURT.
 - (3) IF THE EVENT CONCERNS A CIVIL ACTION OR ARBITRATION PROCEEDING, THE COURT OR ARBITER, THE JURISDICTION, THE CASE NAME, THE CASE NUMBER, A DESCRIPTION OF THE MATTER OR A COPY OF THE COMPLAINT, AND A COPY OF THE VERDICT, THE COURT OR ARBITRATION DECISION, OR, IF SETTLED, THE SETTLEMENT AGREEMENT AND THE COURT'S ORDER OF DISMISSAL.

2.4.4 EACH APPLICATION SHALL BE SIGNED UNDER PENALTY OF PERJURY BY AN AUTHORIZED CORPORATE OFFICER, GENERAL PARTNER, OR SOLE PROPRIETOR OF THE APPLICANT AS APPROPRIATE.

2.4.5 FAILURE OF THE APPLICANT TO ACCURATELY ANSWER OR REPORT ANY OF THE INFORMATION REQUESTED BY THE DEPARTMENT SHALL BE CONSIDERED GOOD CAUSE TO DENY THE LICENSE APPLICATION.

2.4.6 THE DEPARTMENT SHALL CONDUCT A PRELIMINARY ASSESSMENT OF THE APPLICATION AND NOTIFY THE APPLICANT OF ANY APPLICATION DEFECTS.

(A) THE APPLICANT SHALL RESPOND WITHIN FOURTEEN (14) CALENDAR DAYS TO WRITTEN NOTICE OF ANY APPLICATION DEFECT.

2.4.7 A LICENSE APPLICATION SHALL BE CONSIDERED ABANDONED IF THE APPLICANT FAILS TO ADDRESS ALL APPLICATION DEFECTS WITHIN THE TIMEFRAMES ESTABLISHED BY THE DEPARTMENT AND MAY RESULT IN ADMINISTRATIVE CLOSURE OF THE APPLICATION PROCESS.

(A) AFTER AN ADMINISTRATIVE CLOSURE, THE APPLICANT MAY FILE A NEW LICENSE APPLICATION ALONG WITH THE CORRESPONDING INITIAL LICENSE FEE.

2.5 PROVISIONAL LICENSES

2.5.1 WHERE A HEALTH CARE ENTITY FAILS TO FULLY CONFORM TO THE APPLICABLE STATUTES AND REGULATIONS BUT THE DEPARTMENT DETERMINES THE ENTITY IS MAKING A SUBSTANTIAL GOOD FAITH ATTEMPT TO COMPLY, THE DEPARTMENT MAY REFUSE TO ISSUE AN INITIAL LICENSE AND INSTEAD GRANT THE APPLICANT A PROVISIONAL LICENSE UPON PAYMENT OF THE NON-REFUNDABLE PROVISIONAL LICENSE FEE.

2.5.2 A PROVISIONAL LICENSE SHALL BE VALID FOR NINETY (90) DAYS.

2.5.3 EXCEPT FOR ASSISTED LIVING FACILITIES, A SECOND PROVISIONAL LICENSE MAY BE ISSUED IF THE DEPARTMENT DETERMINES THAT SUBSTANTIAL PROGRESS CONTINUES TO BE MADE AND IT IS LIKELY COMPLIANCE CAN BE ACHIEVED BY THE DATE OF EXPIRATION OF THE SECOND PROVISIONAL LICENSE.

2.5.4 THE SECOND PROVISIONAL LICENSE SHALL BE ISSUED FOR THE SAME DURATION AS THE FIRST UPON PAYMENT OF A SECOND NON-REFUNDABLE PROVISIONAL LICENSE FEE.

2.5.5 DURING THE TERM OF THE PROVISIONAL LICENSE, THE DEPARTMENT SHALL CONDUCT ANY REVIEW IT DEEMS NECESSARY TO DETERMINE IF THE APPLICANT MEETS THE REQUIREMENTS FOR A REGULAR LICENSE.

2.5.6 IF THE DEPARTMENT DETERMINES, PRIOR TO EXPIRATION OF THE PROVISIONAL LICENSE, THAT THE APPLICANT HAS ACHIEVED REASONABLE COMPLIANCE, IT SHALL ISSUE A REGULAR LICENSE UPON PAYMENT OF THE APPLICABLE INITIAL LICENSE FEE. THE REGULAR LICENSE SHALL BE VALID FOR ONE YEAR FROM THE DATE OF ISSUANCE, UNLESS OTHERWISE ACTED UPON PURSUANT TO SECTION 2.9.3 OF THIS CHAPTER.

2.6 RENEWAL APPLICATION PROCEDURE

2.6.1 EXCEPT FOR THOSE RENEWAL APPLICANTS DESCRIBED IN PARAGRAPH (A) BELOW, A LICENSEE SEEKING TO RENEWAL SHALL PROVIDE THE DEPARTMENT WITH A LICENSE APPLICATION, SIGNED UNDER PENALTY OF PERJURY BY AN AUTHORIZED CORPORATE OFFICER, GENERAL PARTNER, OR SOLE PROPRIETOR OF THE APPLICANT AS APPROPRIATE, CONTAINING THE INFORMATION REQUIRED IN SECTION 2.4.3 OF THIS CHAPTER AND THE APPROPRIATE FEE AT LEAST SIXTY (60) CALENDAR DAYS PRIOR TO THE EXPIRATION OF THE EXISTING LICENSE.

(A) IN ORDER TO COMPLY WITH COLORADO DIVISION OF INSURANCE RULE 2-1-1, A LICENSEE THAT HAS AN INSURANCE POLICY WITH ANY PORTION OF SELF-INSURED RETENTION OR ALTERNATE FORM OF SECURITY SHALL SUBMIT ITS LICENSE APPLICATION AND FEE TO THE DEPARTMENT AT LEAST NINETY (90) CALENDAR DAYS PRIOR TO THE EXPIRATION OF THE EXISTING LICENSE.

- 2.6.2 FAILURE TO SUBMIT A COMPLETED RENEWAL APPLICATION TO THE DEPARTMENT THIRTY (30) CALENDAR DAYS PRIOR TO EXPIRATION OF THE EXISTING LICENSE SHALL RESULT IN ASSESSMENT OF A LATE FEE IN AN AMOUNT EQUAL TO THE APPLICABLE RENEWAL FEE INCLUDING ANY BED FEES OR OPERATING/PROCEDURE ROOM FEES.
- 2.6.3 FAILURE OF THE LICENSEE TO ACCURATELY ANSWER OR REPORT ANY OF THE INFORMATION REQUESTED BY THE DEPARTMENT SHALL BE CONSIDERED GOOD CAUSE TO DENY THE LICENSE RENEWAL APPLICATION.
- 2.6.4 THE DEPARTMENT SHALL CONDUCT A PRELIMINARY ASSESSMENT OF THE RENEWAL APPLICATION AND NOTIFY THE LICENSEE OF ANY APPLICATION DEFECTS.
 - (A) THE APPLICANT SHALL RESPOND WITHIN FOURTEEN (14) CALENDAR DAYS TO WRITTEN NOTICE OF ANY APPLICATION DEFECT.

2.7 CHANGE OF OWNERSHIP

- 2.7.1 WHEN A CURRENTLY LICENSED HEALTH CARE ENTITY ANTICIPATES A CHANGE OF OWNERSHIP, THE CURRENT LICENSEE SHALL NOTIFY THE DEPARTMENT WITHIN THE SPECIFIED TIME FRAME AND THE PROSPECTIVE NEW LICENSEE SHALL SUBMIT AN INITIAL LICENSE APPLICATION ALONG WITH THE REQUISITE FEES AND DOCUMENTATION WITHIN THE SAME TIME FRAME. THE TIME FRAME FOR SUBMITTAL OF SUCH NOTIFICATION AND DOCUMENTATION SHALL BE LEAST NINETY (90) CALENDAR DAYS BEFORE A CHANGE OF OWNERSHIP INVOLVING ANY HEALTH CARE ENTITY EXCEPT THOSE SPECIFICALLY ENUMERATED IN PARAGRAPH A BELOW.
 - (A) NOTIFICATION AND DOCUMENTATION REGARDING THE CHANGE OF OWNERSHIP OF AN ASSISTED LIVING RESIDENCE; FACILITY FOR PERSONS WITH DEVELOPMENTAL DISABILITIES; OUTPATIENT MENTAL HEALTH CARE FACILITY, INCLUDING BUT NOT LIMITED TO A COMMUNITY MENTAL HEALTH CENTER OR CLINIC; AND ANY EXTENDED CARE FACILITY OR HOSPICE WITH SIXTEEN (16) OR FEWER INPATIENT BEDS, INCLUDING BUT NOT LIMITED TO NURSING HOMES OR REHABILITATION FACILITIES, SHALL BE SUBMITTED TO THE DEPARTMENT AT LEAST THIRTY (30) CALENDAR DAYS BEFORE THE CHANGE OF OWNERSHIP.
- 2.7.2 THE DEPARTMENT SHALL CONSIDER ANY OF THE FOLLOWING CIRCUMSTANCES TO CONSTITUTE A CHANGE OF OWNERSHIP.
 - (A) PARTNERSHIPS: DISSOLUTION OF THE PARTNERSHIP AND CONVERSION THEREOF INTO ANY OTHER ENTITY OR THE SUBSTITUTION OR ATTEMPTED SUBSTITUTION OF ONE OR MORE OF THE PARTNERS.
 - (1) CHANGE OF OWNERSHIP DOES NOT INCLUDE DISSOLUTION OF THE PARTNERSHIP TO FORM A CORPORATION WITH THE SAME PERSONS RETAINING THE SAME SHARES OF OWNERSHIP IN THE NEW CORPORATION. FOR PURPOSES OF THIS SUBSECTION, "SUBSTITUTION" MEANS ANY ARRANGEMENT WHEREBY A PERSON OTHER THAN THE ORIGINAL PARTNER CAN PARTICIPATE IN THE MANAGEMENT OR ADMINISTRATION OF THE PARTNERSHIP BUSINESS OR AFFAIRS.
 - (B) SOLE PROPRIETORS: TRANSFER OF TITLE TO THE BUSINESS, WHETHER OR NOT TITLE TO REAL PROPERTY IS TRANSFERRED TO ANOTHER PERSON.
 - (1) CHANGE OF OWNERSHIP DOES NOT INCLUDE FORMING A CORPORATION FROM THE SOLE PROPRIETORSHIP WITH THE PROPRIETOR AS THE SOLE SHAREHOLDER.

- (C) CORPORATIONS: CONSOLIDATION OF TWO OR MORE CORPORATIONS RESULTING IN THE CREATION OF A NEW CORPORATE ENTITY OR FORMATION OF A CORPORATION FROM A PARTNERSHIP OR A SOLE PROPRIETORSHIP EXCEPT AS PROVIDED IN SUBSECTIONS (A)(1) AND (B)(1) ABOVE.
- (D) MANAGEMENT CONTRACTS, LEASES OR OTHER ARRANGEMENTS: ANY ACTION THAT RESULTS IN THE CURRENT LICENSEE RETAINING NO CONTROL OF THE OPERATION OR MANAGEMENT OF THE ENTITY. **(FROM §2.9.1(4) OF CURRENT RULE)**
- (E) LIMITED LIABILITY COMPANIES: THE TRANSFER OF 50 PERCENT OR MORE OF THE OWNERSHIP INTEREST IN THE COMPANY OR THE TERMINATION OR DISSOLUTION OF THE LIMITED LIABILITY COMPANY IF THE ENTITY CONTINUES OPERATION AFTER SUCH TERMINATION OR DISSOLUTION AND THERE ARE CHANGES IN THE PRINCIPALS WITH OWNERSHIP INTEREST.
 - (1) CHANGE OF OWNERSHIP DOES NOT INCLUDE TRANSFERS OF OWNERSHIP INTEREST BETWEEN EXISTING MEMBERS IF THE TRANSACTION DOES NOT INVOLVE THE ACQUISITION OF OWNERSHIP INTEREST BY A NEW MEMBER. FOR THE PURPOSES OF THIS SUBSECTION, "MEMBER" MEANS A PERSON OR ENTITY WITH AN OWNERSHIP INTEREST IN THE LIMITED LIABILITY COMPANY.

2.7.3 THE EXISTING LICENSEE SHALL BE RESPONSIBLE FOR CORRECTING ALL RULE VIOLATIONS AND DEFICIENCIES IN ANY CURRENT PLAN OF CORRECTION BEFORE THE CHANGE OF OWNERSHIP BECOMES EFFECTIVE. IN THE EVENT THAT SUCH CORRECTIONS CANNOT BE ACCOMPLISHED IN THE TIME FRAME SPECIFIED, THE PROSPECTIVE LICENSEE SHALL BE RESPONSIBLE FOR ALL UNCORRECTED RULE VIOLATIONS AND DEFICIENCIES INCLUDING ANY CURRENT PLAN OF CORRECTION SUBMITTED BY THE PREVIOUS LICENSEE UNLESS THE PROSPECTIVE LICENSEE SUBMITS A REVISED PLAN OF CORRECTION, APPROVED BY THE DEPARTMENT, BEFORE THE CHANGE OF OWNERSHIP BECOMES EFFECTIVE.

2.7.4 IF THE DEPARTMENT ISSUES A LICENSE TO THE NEW OWNER, THE PREVIOUS OWNER SHALL RETURN ITS LICENSE TO THE DEPARTMENT WITHIN FIVE (5) CALENDAR DAYS OF THE NEW OWNER'S RECEIPT OF ITS LICENSE.

2.8 FITNESS REVIEW PROCESS

2.8.1 THE DEPARTMENT SHALL REVIEW THE APPLICANT'S FITNESS TO CONDUCT OR MAINTAIN A LICENSED OPERATION. THE DEPARTMENT SHALL DETERMINE BY ON-SITE INSPECTION OR OTHER APPROPRIATE INVESTIGATION THE APPLICANT'S COMPLIANCE WITH APPLICABLE STATUTES AND REGULATIONS. **(FROM §2.5 OF CURRENT RULE)** THE DEPARTMENT SHALL CONSIDER THE INFORMATION CONTAINED IN AN ENTITY'S APPLICATION AND MAY REQUEST ACCESS TO AND CONSIDER OTHER INFORMATION INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

- (A) WHETHER THE APPLICANT HAS LEGAL CAPACITY TO PROVIDE THE SERVICES FOR WHICH THE LICENSE IS SOUGHT,
- (B) WHETHER THE APPLICANT'S FINANCIAL RESOURCES AND SOURCES OF REVENUE APPEAR ADEQUATE TO PROVIDE STAFF, SERVICES, AND THE PHYSICAL ENVIRONMENT SUFFICIENT TO COMPLY WITH THE APPLICABLE STATE STATUTES AND REGULATIONS; INCLUDING, IF WARRANTED, REVIEW OF AN APPLICANT'S CREDIT REPORT,
- (C) THE APPLICANT'S PREVIOUS COMPLIANCE HISTORY,
- (D) REVIEW OF THE APPLICANT'S POLICIES AND PROCEDURES,

- (E) REVIEW OF THE APPLICANT'S QUALITY IMPROVEMENT PLANS, OTHER QUALITY IMPROVEMENT DOCUMENTATION AS MAY BE APPROPRIATE, AND ACCREDITATION REPORTS,
- (F) PHYSICAL INSPECTION OF THE ENTITY,
- (G) CREDENTIALS OF STAFF,
- (H) INTERVIEWS WITH STAFF, AND
- (J) OTHER DOCUMENTS DEEMED APPROPRIATE BY THE DEPARTMENT.

2.9 ISSUANCE OF LICENSE

- 2.9.1 NO LICENSE SHALL BE ISSUED UNTIL THE APPLICANT CONFORMS TO ALL APPLICABLE STATUTES AND REGULATIONS. **(FROM §2.3.1 OF CURRENT RULE)**
- 2.9.2 EACH LICENSE SHALL CONTAIN THE NAME OF THE HEALTH CARE ENTITY, LICENSE CATEGORY, TERM OF LICENSE, HOLDER OF LICENSE AND THE LICENSED CAPACITY. EACH DIALYSIS TREATMENT CLINIC AND AMBULATORY SURGICAL CENTER SHALL BE LICENSED FOR ITS MAXIMUM OPERATIONAL CAPACITY AS DETERMINED BY THE DEPARTMENT. EXCEPT AS SPECIFIED BELOW, NO PERSON SHALL ADMIT A PATIENT OR RESIDENT TO A HEALTH CARE ENTITY IF SUCH ADMISSION WOULD EXCEED THE ENTITY'S LICENSED CAPACITY. **(FROM §2.2 OF CURRENT RULE)**
 - (A) IF THE ENTITY HAS THE PHYSICAL SPACE AND STAFF CAPACITY TO MEET THE NEEDS OF AN ADDITIONAL PATIENT OR RESIDENT, THE DEPARTMENT MAY, UPON REQUEST, ALLOW ADMISSION ABOVE THE LICENSED CAPACITY FOR NO LONGER THAN ONE MONTH IF THE PATIENT OR RESIDENT REQUIRES IMMEDIATE ADMISSION AND THE DEPARTMENT DETERMINES THAT THERE IS NO CONVENIENT ALTERNATIVE SOURCE OF ADMISSION. **(FROM §2.2 OF CURRENT RULE)**
 - (B) IN THE EVENT OF A HEALTH EMERGENCY INVOLVING MULTIPLE ILL OR INJURED PERSONS, HOSPITALS AND OTHER LICENSED FACILITIES PROVIDING ESSENTIAL EMERGENT OR CONTINUED CARE MAY ADMIT PATIENTS OR RESIDENTS UP TO THEIR MAXIMUM BED CAPACITY FOR A PERIOD OF NO MORE THAN SEVEN (7) CONSECUTIVE DAYS, AS LONG AS THE FACILITY REMAINS IN COMPLIANCE WITH ITS LIFE SAFETY CODE, PATIENT STAFFING REQUIREMENTS, AND EXISTING EMERGENCY/DISASTER PLAN.
 - (1) ANY FACILITY IMPLEMENTING THE EMERGENCY BED INCREASE SHALL PROVIDE THE DEPARTMENT WITH VERBAL NOTICE AT THE TIME OF IMPLEMENTATION AND A WRITTEN REPORT WITHIN 14 CALENDAR DAYS AFTER IMPLEMENTATION EXPLAINING THE EMERGENT SITUATION AND THE ACTIONS TAKEN BY THE FACILITY.
- 2.9.3 A LICENSE ISSUED BY THE DEPARTMENT MAY BE REVOKED, SUSPENDED, ANNULLED, LIMITED, OR MODIFIED AT ANY TIME DURING THE LICENSE TERM BECAUSE OF A LICENSEE'S FAILURE TO COMPLY WITH ANY OF THE APPLICABLE STATUTES OR REGULATIONS, OR TO MAKE THE REPORTS REQUIRED BY SECTION 25-3-104, C.R.S. UNLESS CONSENTED TO BY THE APPLICANT, A LIMITATION IMPOSED PRIOR TO ISSUANCE OF AN INITIAL OR RENEWAL LICENSE SHALL BE TREATED AS A DENIAL. A MODIFICATION OF AN EXISTING LICENSE DURING ITS TERM, UNLESS CONSENTED TO BY THE LICENSEE, SHALL BE TREATED AS A REVOCATION.
- 2.9.4 THE DEPARTMENT MAY IMPOSE CONDITIONS UPON A LICENSE PRIOR TO ISSUING AN INITIAL OR RENEWAL LICENSE OR DURING AN EXISTING LICENSE TERM. IF THE DEPARTMENT IMPOSES

CONDITIONS ON A LICENSE, THE LICENSEE SHALL IMMEDIATELY COMPLY WITH ALL CONDITIONS UNTIL AND UNLESS SAID CONDITIONS ARE OVERTURNED OR STAYED ON APPEAL.

- (A) IF CONDITIONS ARE IMPOSED AT THE SAME TIME AS AN INITIAL OR RENEWAL LICENSE, THE APPLICANT SHALL PAY THE APPLICABLE INITIAL OR RENEWAL LICENSE FEE PLUS THE CONDITIONAL FEE. IF CONDITIONS ARE IMPOSED DURING THE LICENSE TERM, THE LICENSEE SHALL PAY THE CONDITIONAL FEE AND THE CONDITIONS SHALL RUN CONCURRENTLY WITH THE EXISTING LICENSE TERM. IF THE CONDITIONS ARE RENEWED IN WHOLE OR IN PART FOR THE NEXT LICENSE TERM, THE LICENSEE SHALL PAY THE APPLICABLE RENEWAL FEE ALONG WITH THE CONDITIONAL FEE IN EFFECT AT THE TIME OF RENEWAL.
- (B) IF THE DEPARTMENT IMPOSES A CONDITION OF CONTINUING DURATION THAT REQUIRES ONLY MINIMAL ADMINISTRATIVE OVERSIGHT, IT MAY WAIVE THE CONDITIONAL FEE AFTER THE LICENSEE HAS COMPLIED WITH THE CONDITION FOR A FULL LICENSE TERM.

2.9.5 IF A LICENSEE HOLDS A CONDITIONAL LICENSE, IT SHALL POST A CLEARLY LEGIBLE COPY OF THE LICENSE CONDITIONS IN A CONSPICUOUS PUBLIC PLACE IN THE HEALTH CARE ENTITY AND SHALL INFORM ANY POTENTIAL PATIENT, RESIDENT, CONSUMER OR AUTHORIZED REPRESENTATIVE ABOUT THE CONDITIONS BEFORE ENTERING INTO A SERVICE OR ADMISSION AGREEMENT WITH THAT INDIVIDUAL.

2.9.6 EACH LICENSE OR CERTIFICATE OF COMPLIANCE ISSUED BY THE DEPARTMENT SHALL BECOME VOID WHEN THE LICENSEE FAILS TO TIMELY RENEW THE LICENSE, CEASES OPERATION, OR THERE IS FINAL AGENCY ACTION SUSPENDING OR REVOKING THE LICENSE. THE LICENSE SHALL BE RETURNED TO THE DEPARTMENT WITHIN TEN (10) CALENDAR DAYS OF THE EVENT THAT INVALIDATED IT.

2.9.7 EACH HEALTH CARE ENTITY THAT SURRENDERS ITS LICENSE OR CERTIFICATE SHALL:

- (A) TEN (10) CALENDAR DAYS PRIOR TO CLOSURE, INFORM THE DEPARTMENT IN WRITING OF THE SPECIFIC PLAN FOR STORAGE AND RETRIEVAL OF INDIVIDUAL RECORDS.
- (B) WITHIN TEN (10) CALENDAR DAYS OF CLOSURE, INFORM ALL PATIENTS, RESIDENTS, CONSUMERS OR AUTHORIZED REPRESENTATIVES THEREOF, IN WRITING HOW AND WHERE TO OBTAIN THEIR INDIVIDUAL RECORDS; AND
- (C) PROVIDE SECURE STORAGE FOR ANY REMAINING PATIENT, RESIDENT OR CONSUMER RECORDS.

2.10 CONTINUING OBLIGATIONS OF LICENSEE

2.10.1 EACH LICENSEE SHALL HAVE AND MAINTAIN ELECTRONIC BUSINESS COMMUNICATION TOOLS, INCLUDING, BUT NOT LIMITED TO, A FACSIMILE MACHINE, INTERNET ACCESS AND A VALID E-MAIL ADDRESS. THE LICENSEE SHALL USE THESE TOOLS TO RECEIVE AND SUBMIT INFORMATION, AS REQUIRED BY THE DEPARTMENT.

2.10.2 THE LICENSE SHALL BE DISPLAYED IN A CONSPICUOUS PLACE READILY VISIBLE TO PATIENTS, RESIDENTS OR CLIENTS WHO ENTER AT THE ADDRESS THAT APPEARS ON THE LICENSE. THE LICENSE IS ONLY VALID WHILE IN THE POSSESSION OF THE LICENSEE TO WHOM IT IS ISSUED AND SHALL NOT BE SUBJECT TO SALE, ASSIGNMENT OR OTHER TRANSFER, VOLUNTARY OR INVOLUNTARY, NOR SHALL A LICENSE BE VALID FOR ANY PREMISES OTHER THAN THOSE FOR WHICH IT WAS ORIGINALLY ISSUED. **(FROM §2.8 OF CURRENT RULE)**

- 2.10.3 THE LICENSEE SHALL PROVIDE, UPON REQUEST, ACCESS TO SUCH INDIVIDUAL PATIENT, RESIDENT, CLIENT OR CONSUMER RECORDS AS THE DEPARTMENT REQUIRES FOR THE PERFORMANCE OF ITS REGULATORY OVERSIGHT RESPONSIBILITIES.
- (A) A LICENSEE SHALL PROVIDE, UPON REQUEST, ACCESS TO OR COPIES OF REPORTS AND INFORMATION REQUIRED BY THE DEPARTMENT INCLUDING, BUT NOT LIMITED TO, STAFFING REPORTS, CENSUS DATA, STATISTICAL INFORMATION, AND SUCH OTHER RECORDS AS THE DEPARTMENT REQUIRES FOR THE PERFORMANCE OF ITS REGULATORY OVERSIGHT RESPONSIBILITIES. **(FROM §2.13 OF CURRENT RULE)**
- (B) THE DEPARTMENT SHALL NOT RELEASE TO ANY UNAUTHORIZED PERSON ANY INFORMATION DEFINED AS CONFIDENTIAL UNDER STATE LAW.
- 2.10.4 WHERE A LICENSED HEALTH CARE ENTITY IS SUBJECT TO INSPECTION, CERTIFICATION, OR REVIEW BY OTHER AGENCIES, ACCREDITING ORGANIZATION, OR INSPECTING COMPANIES, THE LICENSEE SHALL PROVIDE AND/OR RELEASE TO THE DEPARTMENT, UPON REQUEST, ANY CORRESPONDENCE, REPORTS OR RECOMMENDATIONS CONCERNING THE LICENSEE THAT WERE PREPARED BY SUCH ORGANIZATIONS.
- 2.10.5 EACH LICENSEE SHALL NOTIFY THE DEPARTMENT IN WRITING OF ANY CHANGE IN THE INFORMATION REQUIRED BY SECTION 2.4.3 OF THIS CHAPTER FROM WHAT WAS CONTAINED IN THE LAST SUBMITTED LICENSE APPLICATION. EXCEPT FOR THE OPERATIONAL CHANGES THAT REQUIRE DEPARTMENT APPROVAL AS SET FORTH IN PARAGRAPH (A) BELOW OR A PROPOSED NAME CHANGE AS SET FORTH IN SECTION 2.10.6, THE LICENSEE SHALL NOTIFY THE DEPARTMENT OF ALL CHANGES IN INFORMATION AS SOON AS PRACTICABLE, BUT NO LATER THAN TEN (10) CALENDAR DAYS AFTER THE CHANGE BECOMES EFFECTIVE.
- (A) THE FOLLOWING CHANGES TO THE OPERATION OF THE LICENSED HEALTH CARE ENTITY SHALL NOT BE IMPLEMENTED WITHOUT PRIOR APPROVAL FROM THE DEPARTMENT. A LICENSEE SHALL, AT LEAST THIRTY (30) CALENDAR DAYS IN ADVANCE, SUBMIT A WRITTEN REQUEST TO THE DEPARTMENT REGARDING ANY OF THESE PROPOSED CHANGES.
- (1) INCREASE OR DECREASE IN LICENSED CAPACITY.
- (A) IF A LICENSEE REQUESTS AN INCREASE IN LICENSED CAPACITY THAT IS APPROVED BY THE DEPARTMENT, A NEW LICENSE TERM SHALL COMMENCE AND A NEW LICENSE SHALL BE ISSUED UPON PAYMENT OF THE APPLICABLE LICENSE RENEWAL FEE INCLUDING ANY BED FEES OR OPERATING/PROCEDURE ROOM FEES.
- (2) CHANGE IN MANAGEMENT COMPANY OR PROPOSED USE OF MANAGEMENT AGREEMENT NOT PREVIOUSLY DISCLOSED IN SECTION 2.4.3.
- (3) CHANGE IN LICENSE CATEGORY OR CLASSIFICATION.
- 2.10.6 A HEALTH CARE ENTITY SHALL NOTIFY THE DEPARTMENT THIRTY (30) CALENDAR DAYS IN ADVANCE OF ALL PROPOSED CHANGES TO ITS LEGAL NAME OR ANY OTHER NAME USED BY IT TO PROVIDE SERVICES. IF THE DEPARTMENT DETERMINES THAT SUCH CHANGE WOULD CREATE CONFUSION OR MISREPRESENTATION TO THE PUBLIC REGARDING THE LICENSED ENTITY, THE SERVICES PROVIDED, OR THE FITNESS OF THE LICENSEE TO CONDUCT AND MAINTAIN SUCH ENTITY, IT MAY DISAPPROVE SUCH NAME CHANGE. **(FROM §2.6 OF CURRENT RULE)**

2.11 DEPARTMENT OVERSIGHT

2.11.1 THE DEPARTMENT AND ANY DULY AUTHORIZED REPRESENTATIVES THEREOF SHALL HAVE THE RIGHT TO ENTER UPON AND INTO THE PREMISES OF ANY LICENSEE OR APPLICANT FOR A LICENSE IN ORDER TO DETERMINE THE STATE OF COMPLIANCE WITH THE LAW AND REGULATIONS, AND SHALL INITIALLY IDENTIFY THEMSELVES TO THE PERSON IN CHARGE OF THE HEALTH CARE ENTITY AT THE TIME.

(A) IN ACCORDANCE WITH SECTION 25-1.5-103, C.R.S., ROUTINE UNANNOUNCED ONSITE INSPECTIONS SHALL BE MADE ONLY BETWEEN THE HOURS OF 7 A.M. AND 7 P.M. **(FROM §2.19 OF CURRENT RULE)**

2.11.2 IF THE DEPARTMENT HAS INFORMATION ABOUT AN APPLICANT OR LICENSEE OR ITS EMPLOYEES OR MANAGERS THAT HAS BEEN ACQUIRED IN THE CONTEXT OF A DEPARTMENT REVIEW, AND PROVIDES SUCH INFORMATION TO ANY STATE OR FEDERAL AGENCY THAT MAY HAVE A STATUTORY OR REGULATORY INTEREST IN THE ENTITY OR ITS EMPLOYEES, THE DEPARTMENT SHALL ALSO FORWARD TO THE OTHER AGENCY ANY RESPONSES IT HAS RECEIVED FROM THE LICENSEE OR APPLICANT TO THE MATTER UNDER REVIEW, IF APPLICABLE.

2.11.3 THE DEPARTMENT MAY USE THE FOLLOWING MEASURES TO ENSURE A LICENSEE'S FULL COMPLIANCE WITH THE APPLICABLE STATUTORY AND REGULATORY CRITERIA.

(A) UNSCHEDULED OR UNANNOUNCED REVIEWS.

THE DEPARTMENT MAY CONDUCT AN UNSCHEDULED OR UNANNOUNCED REVIEW OF A CURRENT LICENSEE BASED UPON, BUT NOT LIMITED TO, THE FOLLOWING CRITERIA:

- (1) ROUTINE COMPLIANCE INSPECTION,
- (2) REASONABLE CAUSE TO QUESTION THE APPLICANT'S CONTINUED FITNESS TO CONDUCT OR MAINTAIN LICENSED OPERATIONS,
- (3) A COMPLAINT ALLEGING NON-COMPLIANCE WITH LICENSE REQUIREMENTS,
- (4) DISCOVERY OF PREVIOUSLY UNDISCLOSED INFORMATION REGARDING A LICENSEE OR ANY OF ITS OWNERS, OFFICERS, MANAGERS OR OTHER EMPLOYEES IF SUCH INFORMATION AFFECTS OR HAS THE POTENTIAL TO AFFECT THE LICENSEE'S PROVISION OF CARE, OR
- (5) THE OMISSION OF RELEVANT INFORMATION FROM DOCUMENTS REQUESTED BY THE DEPARTMENT OR INDICATION OF FALSE INFORMATION SUBMITTED TO THE DEPARTMENT.

(B) PLAN OF CORRECTION

AFTER ANY DEPARTMENTAL REVIEW, THE DEPARTMENT MAY REQUEST A PLAN OF CORRECTION FROM A LICENSEE OR REQUIRE A LICENSEE'S COMPLIANCE WITH A DEPARTMENT DIRECTED PLAN OF CORRECTION.

- (1) THE PLAN OF CORRECTION SHALL BE IN THE FORMAT SPECIFIED BY THE DEPARTMENT AND INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:
 - (A) A DESCRIPTION OF HOW THE LICENSEE WILL CORRECT EACH IDENTIFIED DEFICIENCY,

- (B) A DESCRIPTION OF HOW THE LICENSEE WILL MONITOR THE CORRECTIVE ACTION TO ENSURE EACH DEFICIENCY IS REMEDIED AND WILL NOT RECUR, AND
 - (C) A TIMELINE WITH THE EXPECTED IMPLEMENTATION AND COMPLETION DATE. THE COMPLETION DATE IS THE DATE THAT THE ENTITY DEEMS IT CAN ACHIEVE COMPLIANCE.
 - (i) THE IMPLEMENTATION DATE SHALL BE NO LONGER THAN THIRTY (30) CALENDAR DAYS FROM THE DATE OF THE MAILING OF THE DEFICIENCY TO THE LICENSEE, UNLESS OTHERWISE REQUIRED OR APPROVED BY THE DEPARTMENT.
- (2) A COMPLETED PLAN OF CORRECTION SHALL BE:
- (A) SIGNED BY THE LICENSEE'S DIRECTOR, ADMINISTRATOR OR MANAGER, AND
 - (B) SUBMITTED TO THE DEPARTMENT WITHIN TEN (10) CALENDAR DAYS AFTER THE DATE OF THE DEPARTMENT'S WRITTEN NOTICE OF DEFICIENCIES.
 - (i) IF AN EXTENSION OF TIME IS NEEDED TO COMPLETE THE PLAN OF CORRECTION, THE LICENSEE SHALL REQUEST AN EXTENSION IN WRITING FROM THE DEPARTMENT PRIOR TO THE PLAN OF CORRECTION DUE DATE. THE DEPARTMENT MAY GRANT AN EXTENSION OF TIME.
- (3) THE DEPARTMENT HAS DISCRETION TO APPROVE, IMPOSE, MODIFY OR REJECT A PLAN OF CORRECTION.
- (A) IF THE PLAN OF CORRECTION IS ACCEPTED, THE DEPARTMENT SHALL NOTIFY THE ENTITY BY ISSUING A WRITTEN NOTICE OF ACCEPTANCE.
 - (B) IF THE PLAN OF CORRECTION IS UNACCEPTABLE, THE DEPARTMENT SHALL NOTIFY THE LICENSEE IN WRITING, AND THE LICENSEE SHALL RE-SUBMIT THE CHANGES WITHIN THE TIMEFRAME PRESCRIBED BY THE DEPARTMENT.
 - (C) IF THE LICENSEE FAILS TO COMPLY WITH THE REQUIREMENTS OR DEADLINES FOR SUBMISSION OF A PLAN OR FAILS TO SUBMIT REQUESTED CHANGES TO THE PLAN, THE DEPARTMENT MAY REJECT THE PLAN OF CORRECTION AND IMPOSE DISCIPLINARY SANCTIONS AS SET FORTH BELOW.
 - (D) IF THE LICENSEE FAILS TO IMPLEMENT THE ACTIONS AGREED TO BY THE CORRECTION DATE IN THE APPROVED PLAN OF CORRECTION, THE DEPARTMENT MAY IMPOSE DISCIPLINARY SANCTIONS AS SET FORTH BELOW.

2.12 ENFORCEMENT AND DISCIPLINARY SANCTIONS

LICENSE DENIALS

- 2.12.1 THE DEPARTMENT MAY DENY AN APPLICATION FOR AN INITIAL OR RENEWAL LICENSE FOR REASONS INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:
- (A) THE APPLICANT HAS NOT FULLY COMPLIED WITH ALL LOCAL, STATE AND FEDERAL LAWS AND REGULATIONS APPLICABLE TO THAT LICENSE CATEGORY OR CLASSIFICATION,
 - (B) THE APPLICATION OR ACCOMPANYING DOCUMENTS CONTAIN A FALSE STATEMENT OF MATERIAL FACT,
 - (C) THE APPLICANT FAILS TO RESPOND IN A TIMELY MANNER TO DEPARTMENTAL REQUESTS FOR ADDITIONAL INFORMATION,
 - (D) THE APPLICANT REFUSES ANY PART OF AN ON-SITE OR OFF-SITE INSPECTION,
 - (E) THE APPLICANT FAILS TO COMPLY WITH OR SUCCESSFULLY COMPLETE AN ACCEPTABLE PLAN OF CORRECTION,
 - (F) THE APPLICANT HAS FAILED TO COOPERATE WITH THE INVESTIGATION OF ANY LOCAL, STATE OR FEDERAL REGULATORY BODY, OR
 - (G) THE APPLICANT IS NOT IN COMPLIANCE WITH REGULATORY REQUIREMENTS OR HAS A DOCUMENTED PATTERN OF NON-COMPLIANCE THAT HAS HARMED OR HAS THE POTENTIAL TO HARM THE HEALTH OR SAFETY OF THE INDIVIDUAL(S) SERVED.
- 2.12.2 IF THE DEPARTMENT DENIES AN APPLICATION FOR AN INITIAL OR RENEWAL LICENSE, IT SHALL PROVIDE THE APPLICANT WITH A WRITTEN NOTICE EXPLAINING THE BASIS FOR THE DENIAL AND AFFORDING THE APPLICANT OR LICENSEE THE OPPORTUNITY TO RESPOND AND COMPLY WITH ALL LICENSING REQUIREMENTS WITHIN THE SPECIFIED TIMEFRAME.
- 2.12.3 APPEALS OF LICENSURE DENIALS SHALL BE CONDUCTED IN ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT, SECTION 24-4-101, *ET SEQ.* C.R.S.

REVOCATION OR SUSPENSION OF A LICENSE

- 2.12.4 THE DEPARTMENT MAY REVOKE OR SUSPEND AN EXISTING LICENSE FOR GOOD CAUSE INCLUDING, BUT NOT LIMITED TO, CIRCUMSTANCES IN WHICH AN OWNER, OFFICER, DIRECTOR, MANAGER, ADMINISTRATOR, OR OTHER EMPLOYEE OF THE LICENSEE:
- (A) FAILS OR REFUSES TO COMPLY WITH THE STATUTORY AND/OR REGULATORY REQUIREMENTS APPLICABLE TO THAT LICENSE TYPE,
 - (B) MAKES A FALSE STATEMENT OF MATERIAL FACT ABOUT INDIVIDUALS SERVED BY THE LICENSEE, ITS STAFF, CAPACITY, OR OTHER OPERATIONAL COMPONENTS VERBALLY OR IN ANY PUBLIC DOCUMENT OR IN A MATTER UNDER INVESTIGATION BY THE DEPARTMENT OR ANOTHER GOVERNMENTAL ENTITY,
 - (C) PREVENTS, INTERFERES WITH, OR ATTEMPTS TO IMPEDE IN ANY WAY THE WORK OF A REPRESENTATIVE OR AGENT OF THE DEPARTMENT IN INVESTIGATING OR ENFORCING THE APPLICABLE STATUTES OR REGULATIONS,
 - (D) FALSELY ADVERTISES OR IN ANY WAY MISREPRESENTS THE LICENSEE'S ABILITY TO CARE FOR THE INDIVIDUALS SERVED BASED ON ITS LICENSE TYPE OR STATUS,
 - (E) FAILS TO PROVIDE REPORTS AND DOCUMENTS REQUIRED BY REGULATION OR STATUTE IN A TIMELY AND COMPLETE FASHION,

- (F) FAILS TO COMPLY WITH OR COMPLETE A PLAN OF CORRECTION IN THE TIME OR MANNER SPECIFIED, OR
- (G) FALSIFIES RECORDS OR DOCUMENTS.

2.12.5 IF THE DEPARTMENT REVOKES OR SUSPENDS A LICENSE, IT SHALL PROVIDE THE LICENSEE WITH A NOTICE EXPLAINING THE BASIS FOR THE ACTION. THE NOTICE SHALL ALSO INFORM THE LICENSEE OF ITS RIGHT TO APPEAL AND THE PROCEDURE FOR APPEALING THE ACTION.

2.12.6 APPEALS OF DEPARTMENT REVOCATIONS OR SUSPENSIONS SHALL BE CONDUCTED IN ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT, SECTION 24-4-101, *ET SEQ.*, C.R.S.

SUMMARY SUSPENSION OF A LICENSE

2.12.7 NOTWITHSTANDING OTHER REMEDIES AVAILABLE UNDER STATE LAW, THE DEPARTMENT MAY SUMMARILY SUSPEND A LICENSE PENDING PROCEEDINGS FOR REVOCATION OR REFUSAL TO RENEW A LICENSE IN CASES OF DELIBERATE OR WILLFUL VIOLATION OF APPLICABLE STATUTES AND REGULATIONS OR WHERE THE PUBLIC HEALTH, SAFETY OR WELFARE IMPERATIVELY REQUIRES EMERGENCY ACTION.

2.12.8 FOR PURPOSES OF THIS SECTION, A DELIBERATE AND WILLFUL VIOLATION MAY BE SHOWN BY INTENTIONAL CONDUCT OR BY A PATTERN OR PRACTICE OF REPEATED, IDENTICAL OR SIMILAR VIOLATIONS.

2.12.9 SUMMARY SUSPENSION OF ANY LICENSE SHALL BE BY ORDER OF THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OR AUTHORIZED DESIGNEE AND SHALL COMPLY WITH THE REQUIREMENTS OF SECTION 24-4-104, C.R.S.

2.12.10 APPEALS OF SUMMARY SUSPENSIONS SHALL BE CONDUCTED IN ACCORDANCE WITH THE STATE ADMINISTRATIVE PROCEDURE ACT, SECTION 24-4-101, *ET SEQ.*, C.R.S.

2.13 LICENSE FEES

UNLESS EXPLICITLY SET FORTH ELSEWHERE IN 6 CCR 1011-1 OR STATUTE, THE FOLLOWING NON-REFUNDABLE FEES SHALL APPLY AND BE SUBMITTED TO THE DEPARTMENT WITH THE CORRESPONDING APPLICATION OR NOTIFICATION. MORE THAN ONE FEE MAY APPLY DEPENDING UPON THE CIRCUMSTANCES.

INITIAL LICENSE	\$360
RENEWAL LICENSE	\$360
CONDITIONAL LICENSE	\$1,500
FIRST PROVISIONAL LICENSE	\$1,000
SECOND PROVISIONAL LICENSE	\$1,000
CHANGE OF OWNERSHIP	\$360
CHANGE OF HEALTH CARE ENTITY NAME	\$360

RENEWAL APPLICATION LATE FEE	EQUAL TO THE APPLICABLE RENEWAL LICENSE FEE INCLUDING BED FEES OR OPERATING/PROCEDURE ROOM FEES.
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