



## **Proposed Vermont Bill Would Implement Examination of Change of Ownership Requirements for Nursing Facilities**

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Nursing facilities undergoing changes of ownership (CHOW) in Vermont could see new requirements starting in 2019 if a recent bill is passed. The state, which currently can take as long as one year (or more in some cases) to process CHOWs, is considering moving certain review functions between agencies and shifting the focus of the CHOW review process.<sup>1</sup> The bill, H.921, would establish a working group to examine the oversight of nursing homes in Vermont and would also eliminate a requirement for a certificate of need (“CON”) prior to a CHOW.

Specifically, the working group would:

- Review, in consultation with the Green Mountain Care Board, the criteria the Board considers when reviewing CHOW applications. The Board is currently tasked with reviewing the CON component of CHOWs.
- Consider how those criteria “should be addressed in the future, by whom, and as part of what process.”
- Review current nursing home application requirements and identify changes necessary to ensure that, for CHOWs, the purchaser has the financing needed for the transaction and “ownership, controlling, and management interests” in both the operations and real estate of the nursing home are appropriately disclosed.
- Produce a written report outlining determinations made as a result of the review described above by January 15, 2019. The report would be submitted to the Vermont House Committee on Human Services and the Senate Committee on Health and Welfare.

The bill would also modify the state’s CON law to exempt nursing facilities from obtaining a CON prior to a CHOW. Additionally, in an amendment made to H.921 before it was passed by the House on March 21, 2018, the bill would ensure the Green Mountain Care Board continues to maintain oversight of the CON program through July 1, 2019, so as to avoid a lapse in the program as a result of the working group’s review.

Because the ultimate changes to Vermont’s CHOW requirements would come only after the working group concludes its review and the legislature considers recommendations, it is unclear how the CHOW process will change. The bill, which moved to the Vermont Senate’s Committee on Rules on March 23, 2018, should be tracked by current and potential Vermont nursing facility providers. Likewise, if the bill eventually goes into effect, providers should pay close attention to results of the working group’s review, as both operators and real estate owners could be dramatically affected when moving forward with CHOWs in the state.

<sup>1</sup> For the text of the legislation, see <https://legislature.vermont.gov/assets/Documents/2018/Docs/BILLS/H-0921/H-0921%20As%20passed%20by%20the%20House%20Official.pdf>.

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