

## REGULATORY ANALYSIS

For

Rules Pertaining to the Standards for Hospitals and Health Facilities

6 CCR 1011-1

Chapter II – General Licensure Standards

November 6, 2009

1. **A description of the classes of persons who will be affected by the rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the rule.**

The classes of persons who will be affected by the proposed rule are the owner/operators of licensed health facilities and patients, residents and health-care consumers. The cost of this rule will be primarily borne by the facilities. Both facilities and the public will benefit from this rule. Facilities will benefit from the clarified language and reorganization of certain sections that will make the regulation easier to read and understand. The public will benefit from additional requirements in the licensing process that will allow the Department to perform more stringent background and fitness evaluations of license applicants.

2. **To the extent practicable, a description of the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected class of persons.**

Some facilities may be economically impacted by the increase in certain fees. In the amendments to Part 2, the Department proposes that a late fee be assessed for license renewal applications that are over 30 days late because more than 40 percent of all renewal applications are not timely submitted. In addition, the Department has increased fees for provisional and conditional licenses because of the increased administrative time necessary for processing those. The proposed amendments to Part 1 require the plan review process to be completed within a specified timeframe. If the facility exceeds this timeframe it can seek multiple 6-month extensions by paying \$500 per extension. It is unknown how many facilities will require the 6-month extensions.

3. **The probable costs to the agency and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.**

The cost for implementing and enforcing most of the proposed amendments will be covered by the increased fees. Costs to other state agencies will remain unchanged.

4. **A comparison of the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.**

With regard to Part I, action is being taken to prevent a plan review process from lingering indefinitely. With regard to Part 2, inaction would result in continued stakeholder confusion regarding the interpretation of seriously outdated regulations. With regard to Part 6, action is being taken so that facilities are complying with updated licensure requirements. Inaction would mean that the regulations would have outdated provisions. With regard to Part 9, inaction would mean that there would be no implementing

regulations for Section 25-3-601, *et seq.* C.R.S, regarding hospital-acquired infections disclosure.

5. **A determination of whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.**

The determination is that there are no other less costly or less intrusive methods for achieving the purpose of the rule.

6. **A description of any alternative methods for achieving the purpose of the proposed rule that were seriously considered by the agency and the reasons why they were rejected in favor of the proposed rule.**

The Department has and will continue to carefully consider the comments made by stakeholders and will attempt to modify its proposal based on the input received. Currently, no other alternatives are deemed appropriate.

7. **To the extent practicable, a quantification of the data used in the analysis; the analysis must take into account both short-term and long-term consequences.**

With regard to Part 2, one of the short-term consequences will be that health care entities will need to invest some time to become familiar with the reorganized sections, the new requirements and increased fees for some items. In the long term, the proposed changes will result in increased administrative efficiency from both the Department and licensed health care entities. The short and long-term consequences for the patient rights and grievances amendment in Part 6 is that more current minimum standards of practice are being established and the grievance process will be standardized across facilities and more timely.

The short and long-term consequences for the proposed amendment to Part 9 is that there will be regulations clarifying the responsibilities of the health care entities required to report hospital-acquired infections pursuant to Section 25-3-601, *et seq.*, C.R.S.