

**CERTIFICATE OF NEED APPLICATION  
FOR NURSING OR SPECIALIZED FACILITY ACQUISITION**

**ATTACHMENTS CHECKLIST – ODH Form 618-N**

- Instructions, 3:** Filing Fee
- III.A.1:** Copy of the contract or agreement. (ex. lease/purchase agreement)
- IV.A:** Certificate of Need Disclosure Statement **(starts on page 7 of form ODH 618-N)**
- IV.B:** If the applicant lists less than sixty (60) months experience as an operator submit a plan for operating the facility.
  - IV.B.1:** Attach Organizational papers....
  - IV.B.2:** Managements written statements
  - IV.B.3:** Applicant's written statements agreeing to advise the Department....
- IV. C:** Council Minutes
- V. B.1:** List of proposed staffing after the facility is acquired. This document may be used or as a guideline for the purposes of providing this information.
- V.B.2:** Provide a plan of action
- VII.A.:** Financial (**CONFIDENTIAL**)
  - VII.A.1:** Conventional, bank, seller-carried, third party, or bond financing; or
  - VII.A.2:** Equity financing; or
  - VII.A.3:** Third party funding or guarantee
- VII.B:** First Year Projected Budget of Revenues and Expenses
- VII.C:** Funds for services and staffing
- VII.NOTE:** Confirm and provide financial documentation that the funds are not pledged or otherwise encumbered.

**CERTIFICATE OF DISCLOSURE STATEMENT**

**ATTACHMENTS CHECKLIST**

- I:** Table I for the applicant and any person with a controlling interest.
  
- II:** Table II for any legal entity in which the applicant holds a debt or equity interest of at least five percent (5%), or which is a parent company or subsidiary of the applicant.
  
- II:** Table III, legal entities with controlling interest.
  
- III:** Disclosure Item III, proof of experience for a person with controlling interest.
  
- IV:** Disclosure Item IV, legal actions against the applicant or any person with a controlling interest.
  
- V:** Disclosure Item V, in the preceding sixty (60) months, a facility license or certification revoked, rescinded.
  
- VI:** Disclosure Item VI, been cited with findings of substandard quality of care or actual harm on the last three (3) consecutive standard or complaint surveys.
  
- VII:** Disclosure Item VII, had three or more routine or complaint surveys that resulted in determinations that the facility was out of compliance.
  
- VIII:** Disclosure Item VIII, current and prior ownership, operation and management of long-term care facilities, complied with all lawful orders of suspension, receivership.
  
- X:** Disclosure Item X, Provide the Department with copies of Survey(s), Plan(s) of Correction and.
  
- XI:** Disclosure Item XI, listing of all federal or state long-term care agencies outside Oklahoma that have, or have had, regulatory responsibility.
  
- Affirmations Statement** for the applicant and for each person with controlling interest



CERTIFICATE OF NEED APPLICATION
FOR NURSING OR SPECIALIZED FACILITY ACQUISITION

INSTRUCTIONS

- 1. This form is used to request Certificate of Need approval of an acquisition of a long-term care or specialized facility.
2. The original notarized application must be submitted to the Oklahoma State Department of Health at the address above. Additional copies are not required.
3. A filing fee must accompany this application.

Long-term care facilities: Pursuant to 63 O.S. 2009, § 1-852.1(A), the fee for nursing facilities, specialized facilities and skilled nursing units is \$3,000. [63:1-852.1(A): Each application for a new certificate of need applied for pursuant to the provisions of Section 1-852 of this title, except for those applications filed by state agencies, shall be accompanied by an application fee of Three Thousand Dollars (\$3,000.00).]

- 4. Within fifteen (15) days after receipt of the application and fee the OSDH will send written notice to the contact person stating whether or not the application is complete.

ATTACHMENTS: Throughout the document you will notice the required supporting documentation being requested in red font and blue hyperlinks to necessary/model documents.

I. FACILITY TO BE ACQUIRED AND CONTACT PERSON [OAC 310:4-1-13(d)(1)] [63 O.S. 1-1904(D)(1)(b)]

A. Current Name of Facility: \_\_\_\_\_

Street Address City State Zip Code Telephone

B. Contact Person: \_\_\_\_\_

Mailing Address City State Zip Code Telephone Fax

II. TRANSACTION METHOD [OAC 310:4-1-13(d)(1)]

A. How will the facility be acquired (for example, lease, purchase, stock transfer, merger, or a combination of these)?

\_\_\_\_\_

III. PERSON OR ENTITY FROM WHOM THE FACILITY IS BEING ACQUIRED [OAC 310:4-1-13(d)(3)]

A. Name of Current Operating Entity: \_\_\_\_\_

Street Address City State Zip Code Telephone

1. When do you expect to sign a contract or agreement? \_\_\_\_\_ Copy of the contract or agreement. (ex. lease/purchase agreement)

2. When do you expect to operate the facility? \_\_\_\_\_

B. 1. Is the entity listed in Item III.A the current lessor (landlord)?

Yes  No

2. Is the entity listed in Item III.A the current lessee (tenant)?

Yes  No

3. If no to either III.B.1 or III.B.2, complete the following:

Name of current Real Estates Owner or Leaseholder/landlord:

\_\_\_\_\_

Street Address City State Zip Code Telephone

IV. APPLICANT'S QUALIFICATIONS

A. Disclosure Statement. *Certificate of Need Disclosure Statement (starts on page 7).*

B. **If the applicant lists less than sixty (60) months experience as an operator submit a plan for operating the facility.** The plan must include [OAC 310:4-3-3]:

- 1. **Attach** Organizational papers, bylaws, articles, or incorporation, partnership agreements, business plans, or other documents which confirm the applicant's claims about the policies, rights, duties, and responsibilities of the applicant and its principals [OAC 310:4-3-3(1)];
- 2. **Attach** Written statements from the person or persons who will fill management or administrative staffing and leadership positions, including but not limited to the director of nursing, the medical director, the administrator, and the applicant's policy body. The statements must state they are accepting employment and specify the minimum amount of time they shall spend working in the facility. The documentation of staffing shall include written statements from the administrator, the director of nursing, the pharmacist, and the medical director, indicating their intentions to contract or accept employment with the applicant. [OAC 310:4-3-2] [OAC 310:4-3-3(2)].
- 3. **Attach** a statement from the applicant agreeing to advise the Department prior to any change in the staffing and leadership during the first six (6) months of operation after the acquisition is finalized. **Attach** a statement from the applicant agreeing that any person added to or replacing another person in the staffing or leadership plan during the first six months of operation shall comply with the requirements at 63 O.S. § 1-853(D) and OAC 310-4-1-7.1 [OAC 310:4-3-3(3-4)].

C. **Council Minutes** [OAC 310:4-1-13(d)(7)] [OAC 310:4-1-13(a)(4)] [63 O.S. 852(E)(2)]. Attach copies of residents' council minutes and family council minutes, if any, and the facility's written response to the councils' requests or grievances for the three (3) months prior to the date of application for each of the applicant's current holdings in Oklahoma. Patient names or other identifying information regarding patients must be blacked out or removed from all minutes.

V. STAFFING [ OAC 310:4-3-2] [310:675-13]

A. Name of administrator after acquisition: \_\_\_\_\_

\_\_\_\_\_ / \_\_\_\_\_

License Number Street Address City State Zip Code

B.

- 1. **Attach a list of proposed staffing after the facility is acquired.** The attached Table 1 may be used or as a guideline for the purposes of providing this information. List staffing in number of Full Time Equivalent (FTE) employees and itemize by personnel categories. [63 O.S., § 1- 1904(D)(1)(f)] [OAC 310:4-3-2]

If the facility currently operates under a staffing waiver **provide a plan of action** to comply with staffing requirements. Include a timetable for full staffing. [ OAC 310:4-3-2]

**VI. CAPITAL COST (PURCHASE COST) [OAC 310:4-1-5(1)]**

- A. Projected Capital costs for this project [OAC 310:4-1-13(d)(5)] \$ \_\_\_\_\_
- B. Annual Lease \$ \_\_\_\_\_ and length of lease (in years) \_\_\_\_\_ [OAC 310:4-1-5(1)](C)

**VII. FINANCIAL (CONFIDENTIAL)**

**A. Financial documentation [OAC 310:4-3-1]. Provide proof of sufficient financial resources to complete the acquisition and to maintain services and staffing that meet licensure standards for at least twelve (12) months following acquisition.**

1. **Conventional, bank, seller-carried, third party, or bond financing** [OAC 310:4-3-1(1)(A)]. Conventional, bank, seller-carried, third party, or bond financing, a statement of the proposed principal amount, interest rate and repayment terms, and that the applicant has access to the required funds, signed under oath by a representative of the lending institution, seller, third-party, or authority; or
2. **Equity financing** [ OAC 310:4-3-1(1)(B)].
  - a. An attested balance sheet for the acquiring party that is dated within the past twelve (12) months and that reflects cash or cash equivalents sufficient to fund the project; or
  - b. A certificate of deposit or other proof that funds are available and have not been pledged for some other purpose; or
3. **Third party funding or guarantee** [ OAC 310:4-3-1(1)(C)]. **For financing or other funding from or guaranteed by a third party that is not duly authorized or chartered as a bank:**
  - a. An attested balance sheet, certificate of deposit or other attested proof that is dated within the past twelve (12) months for the third party, unless the third party is a licensed insurer or surplus lines insurer, the United States of America, a state of the United States of America, or an agency or instrumentality thereof; and
  - b. Copies of organizational documents and contracts necessary to substantiate the relationship between the applicant and the third party.
4. **Attested documents.** For the purposes of this section, the term "attest" shall have the meanings as defined in 59 O.S. Supp. 2004, Section 15.1A.(5)

5. *"Attest" means providing the following services:*

- a. *any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS),*
- b. *any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS),*
- c. *any engagement performed in accordance with the Statements on Standards for Attestation Engagements (SSAE), and*
- d. *any engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB).*

*The statements on standards specified in this definition shall be adopted by reference by the Board pursuant to rulemaking and shall be those developed for general application by recognized national accountancy organizations, such as the AICPA, IFAC and the PCAOB;*

- B. **Budget** [OAC 310:4-3-1(2)]. *Each application shall include a projected budget of revenues and expenses for the first twelve (12) months of operation of the facility after the anticipated issuance of the Certificate of Need. The Department may require the applicant to justify the difference between the applicant's projected budget and the facility's expenses and revenues as reported to the Oklahoma Health Care Authority pursuant to 56 O.S. § 2002 or OAC 317:30.*

**Complete** a projected budget of revenues and expenses for the first one (1) month and the first twelve (12) months after the facility is acquired.

- C. **Funds for services and staffing** [ OAC 310:4-3-1(4)]. In addition to the funds needed to acquire the facility,

document the availability of financial resources equivalent to the average monthly projected expenses, as shown in 'First Year Projected Budget of Revenues and Expenses'. The amount of the average monthly expenses shall be calculated based on a per-month average of the projected twelve-month budget of revenues and expenses submitted with the application. Follow the documentation guidelines in Item VII-A above to demonstrate the availability of funds for services and staffing.

**NOTE: All balance sheets provided for Section VII of this form shall include information sufficient to assess the net value of each asset. Also, the balance sheets shall identify any claims that would affect an asset's use as collateral. Confirm and provide financial documentation that the funds are not pledged or otherwise encumbered. Please label all financial documents as CONFIDENTIAL.** [OAC 310:4-1-14].

**VIII. NOTICE TO RESIDENTS AND FAMILIES** [OAC 310:4-3-4].

Pursuant to 63 O.S. § 1-852(I), applicants seeking to acquire a long term care facility shall post notice in a public area in each facility operated by the applicant in Oklahoma, to inform residents and families of the applicant's proposed action. The notice shall include:

- (1) The name of the applicant;
- (2) The name and location of the facility to be acquired;
- (3) A brief explanation of the public's opportunity to participate in the review of the certificate of need application;
- (4) The location where and the times when the certificate of need application shall be available for public inspection; and
- (5) The address and deadline for submitting written comments to the Department.

**IX. THIS AFFIRMS THAT THE INFORMATION IN THIS APPLICATION IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF.**

I certify that the foregoing is true and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Typed or Printed Name of Person Signing for Applicant

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Name of Corporation, Partnership or Association

\_\_\_\_\_  
Official Title or Position

State of \_\_\_\_\_

County of \_\_\_\_\_

Signed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
Name(s) of person(s) making statement.

Seal or Stamp

\_\_\_\_\_  
Signature of Notary Public

My Commission Expires: \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

My Commission Number is: \_\_\_\_\_

**CERTIFICATE OF NEED DISCLOSURE  
STATEMENT**

**Instructions**

1. Submit this disclosure statement if the project involves a nursing facility, specialized facility, the nursing care component of a continuum of care facility, or a skilled nursing unit requesting approval under the Long Term Care Certificate of Need Act. However, if *the applicant is a publicly held company required to file periodic reports under the Securities and Exchange Act of 1934 or a wholly owned subsidiary of a publicly held company . . . the applicant shall not be required to submit a disclosure statement, but shall submit the most recent annual and quarterly reports required by the Securities and Exchange Commission, which provide information regarding legal proceedings in which the applicant has been involved.*

**Supporting Documentation** (If the applicant is required to file periodic reports under the Securities and Exchange Act you may link the documents here. This would complete your filings for the disclosure statement.)

**\*\*\*STOP HERE if this category applies to you\*\*\***

2. The applicant for a long-term care facility shall include [OAC 310:4-1-5(2)(a)]
  - a. The person or entity that is or will be the owner, as that term is defined in 63 O.S., §1-1902;
  - b. The person or entity that is or will be the licensee, as that term is defined in 63 O.S., §1-1902;
  - c. The person or entity that is or will be, for longer than six months, the manager as that term is defined in OAC 310: 675-1-2; and
  - d. Any person with a controlling interest as that term is defined in 63 O.S., §1-851.1
3. For the purposes of the disclosure statement use the following statutory definitions [63 O.S. § 1-851.1(8)]:

*“Person” means any individual, corporation, industry, firm, partnership, association, venture, trust, institution, federal, state or local governmental instrumentality, agency or body or any other legal entity however organized.*

*“Person with a controlling interest” means a person who meets any one or more of the following requirements:*

- a. *Controls fifty percent (50%) or more of the common stock of the corporate entity involved or controls fifty percent (50%) or more of the interest in the partnership involved,*
- b. *Controls a percentage of stock greater than any other stockholder or equal to the other single largest stockholder or controls a percentage of partnership interest greater than any other partner or equal to the other single largest partnership interest, or*
- c. *A managing member of a Limited Liability Company (LLC).*

# Disclosure Information

I. **Complete Table I** for the applicant and any *person with a controlling interest*. The table supplied with this form may be reproduced if more than one page is needed to list the applicant and all appropriate persons. Under the column headed "Authority" on Table I indicate whether or not each person with controlling interest has authority to adopt or substantially influence governing policies that affect the financial performance or quality of care of the facility for which a Certificate of Need has been applied [OAC 310:4-1-13(d)(2)].

II. **Complete Table II** and **Table III** for any legal entity in which the applicant holds a debt or equity interest of at least five percent (5%), or which is a parent company or subsidiary of the applicant. If this item does **not** apply, confirm by marking an "X" in the following box [63 O.S., §1:851.1(5)(b)]:

The applicant holds no debt or equity interest of at least five percent (5%) in another legal entity, and the applicant has no parent or subsidiary company.

III. **Attach a description of the experience and credentials of the applicant**, including any past or present permits, licenses, certifications, or operational authorizations relating to long-term care facility regulation. [63 O.S., §1:851.1(5)(c)] If this item does not apply, confirm by marking an "X" in the following box:

The applicant has no experience or credentials relating to long-term care facility regulation.

If the individual or entity that is or will be the facility's licensee has **not** established a record of performance in long-term care facility operations in the state of Oklahoma of at least sixty (60) months immediately preceding the filing of the application, then fully describe the credentials and experience of each person with a controlling interest. For each facility listed as proof of experience for a person with controlling interest, indicate whether or not that person had authority to adopt or substantially influence governing policies that affected the financial performance or quality of care of the prior holding or operation. [OAC 310:4-1-7.1] **Title the attachment as Disclosure Item III.**

Does the person(s) with controlling interest have experience or credentials relating to long-term care facility regulation? Please indicate if more or less than 60 months of experience or credentials.

MORE THAN  LESS THAN, indicate how many months. \_\_\_\_\_

IV. **Attach a listing and explanation of any administrative, civil, or criminal legal actions against the applicant or any person with a controlling interest which resulted in a final agency order or final judgment by a court of record including, but not limited to, final orders or judgments on appeal related to long term care in five (5) years immediately preceding the filing of the application. Such actions shall include, without limitation, any permit denial or any sanction imposed by a state regulatory authority or Centers for Medicare and Medicaid Services. Title the attachment as Disclosure Item IV.** [63 O.S., §1-851.1(5)(d)] If this item does not apply, confirm by marking an "X" in the following box:

Final agency order or final judgment by a court of record has not been issued against the applicant or any person with a controlling interest.

V. What percentage of the long-term care facility holdings listed in Disclosure Item III had, in the preceding sixty (60) months, a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal; or license or certification relinquished voluntarily in lieu of penalty? [63 O.S., §1-853(D)(2)(a)]

\_\_\_\_\_ %

*The Commissioner shall refuse to issue a certificate of need to any applicant who has had, in ten percent (10%) or more of the applicant's long-term care facility holdings in the preceding sixty (60) months, a facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal; or if the license or certification was relinquished voluntarily in lieu of penalty. [63 O.S., §1-853(D)(1)]. The Commissioner shall refuse to issue a certificate of need to any applicant except where the applicant overcomes a presumption against approval with clear and convincing evidence that one of the following circumstances was not due to the action or inaction of the applicant or any person with a controlling interest [63 O.S., §1-853(D)(2)]. Label the submission as Disclosure Item V.*

The applicant had no facility license or certification revoked, rescinded, canceled, terminated, involuntarily suspended, or refused renewal; or license or certification relinquished voluntarily in lieu of penalty.



VI. Has any nursing facility or specialized facility for persons with Alzheimer's disease or related disorders listed in Disclosure Item III been cited with findings of substandard quality of care or actual harm on the last three (3) consecutive standard or complaint surveys? [63 O.S., § 1-853(D)(2)(b)] [63 O.S., §1-851.1(6)]

Yes

No

If "yes," the applicant must submit clear and convincing evidence that the findings were not due to the action or inaction of the applicant or any person with a controlling interest. [63 O.S., §1-853(D)(2)] **Label the submission as Disclosure Item VI.**

VII. Has any specialized facility for individuals with intellectual or developmental disabilities listed in Disclosure Item III had three or more routine or complaint surveys that resulted in determinations that the facility was out of compliance with two or more Conditions of Participation in the Medicaid program in the preceding thirty-six (36) months where compliance was not achieved within sixty (60) days? [63 O.S., §1-851.1(6)]

Yes

No

If "yes," the applicant must submit clear and convincing evidence that the non-compliance was not due to the action or inaction of the applicant or any person with a controlling interest. [63 O.S., §1-853(D)(2)] **Label the submission as Disclosure Item VII.**

VIII. Has the applicant, in all current and prior ownership, operation and management of long-term care facilities, complied with all lawful orders of suspension, receivership, temporary management, or administrative penalty issued by the State Health Department or by other authorities with similar responsibilities in other states or by the Center for Medicare and Medicaid Services. [63 O.S., §1-853(D)(2)(c)]

N/A

Yes

No

If "no," submit clear and convincing evidence that the failure to comply was not due to the action or inaction of the applicant or any person with a controlling interest. [63 O.S., §1-853(D)(2)] **Label the submission as Disclosure Item VIII.**

IX. Has the applicant had, in the last thirty-six (36) months, *findings of substandard quality of care or noncompliance with two or more conditions of participation on twenty percent (20%) or more of the surveys conducted in the applicant's long-term care facility holdings or against any long-term care facility operated by a person with a controlling interest during the preceding thirty-six months?* [63 O.S., §1-853(D)(3)(a)]

Yes

No

Has the applicant had, in the preceding thirty-six (36) months, *a temporary manager, monitor, or receiver appointed?* [63 O.S., §1-853(D)(3)(b)]

Yes

No

Has the applicant had, in the preceding thirty-six (36) months, *a civil money penalty imposed of Thirty-five Thousand Dollars or more?* [63 O.S., §1-853(D)(3)(c)]

Yes

No

X. If the response to any question in item IX was "yes," respond to the following:

*"a listing and explanation of any administrative, civil, or criminal legal actions against the applicant or any person with a controlling interest which resulted in a final agency order or final judgment by a court of record including, but not limited to, final orders or judgments on appeal related to long-term care in the five (5) years immediately preceding the filing of the application. Such actions shall include, without limitation, any permit denial or any sanction imposed by a state regulatory authority or the Centers for Medicare and Medicaid Services..."* [Title 63 O.S., §1-851.1(5)(d)]

Provide the Department with copies of Survey(s), Plan(s) of Correction and If there were changes to the procedures due to deficient practices throughout their operations. Label the submission as **Disclosure Item X.**

XI. Attach a listing of all federal or state long-term care agencies outside Oklahoma that have, or have had, regulatory responsibility over the applicant [63 O.S. § 1-851.1(5)(e)]. **Title the attachment as Disclosure Item XI.** If this item does not apply, confirm by marking an “X” in the following box:

No federal or state long-term care agency has or has had jurisdiction over the applicant.

**Attach affirmation for the applicant and for each person with controlling interest.**

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