

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 04/17/15

**Action:** Do Pass As Amended And Be Printed Engrossed.

**Meeting Dates:** 04/15, 04/17

**Vote:**

Yeas: 7 - Buehler, Evans, Gallegos, Keny-Guyer, Piluso, Stark, Taylor

Nays: 2 - Hayden, Parrish

**Prepared By:** Robyn Johnson, Committee Administrator

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**WHAT THE MEASURE DOES:**

Prohibits Department of Human Services from granting license to residential care facility, as defined, unless facility provides market study on need for services in the area. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Licensure practices for residential care facilities
- Market studies

**EFFECT OF COMMITTEE AMENDMENT:**

Replaces original measure.

**BACKGROUND:**

Following a moratorium on new licenses, legislative changes were made in 2008 requiring the Department of Human Services (DHS) to consider four different factors prior to the initial licensure of a residential care facility: 1) The applicant's history of regulatory compliance and operational experience; 2) the need in the local community for the services offered as demonstrated by a market study; 3) the applicant's willingness to serve underserved populations; and 4) the applicant's willingness to serve Medicaid recipients. No one factor on its own was intended to qualify or disqualify an applicant from initial licensure. The purpose of obtaining a market study, was for the information of those seeking to develop and operate facilities, but over time, the *results* of market studies began to be used as the sole basis to deny a license. House Bill 2413-A clarifies the language requiring facilities to conduct market studies, so as not to be construed as a requirement that DHS consider the results or conclusions of such studies.

House Bill 2413-A prohibits DHS from granting new licenses to residential care facilities if a market study to determine the need for such services in the geographic area has not been conducted.