

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 05/14/15

**Action:** Do Pass The A-Eng Bill.

**Meeting Dates:** 05/14

**Vote:**

Yeas: 5 - Dembrow, Gelser, Kruse, Monnes Anderson, Olsen

**Prepared By:** Cheyenne Ross, Committee Administrator

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**WHAT THE MEASURE DOES:**

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

**ISSUES DISCUSSED:**

- Provisions of measure

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**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) an 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) an applicant's willingness to serve underserved populations; and 4) an applicant's willingness to serve Medicaid recipients. 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 has not been conducted.