

135C.7A Nursing facility license application for change of ownership — required information.

1. In addition to the requirements of [section 135C.7](#), the change of ownership of a previously licensed nursing facility shall be subject to approval by the department through application for a license. An applicant for a nursing facility license under [this section](#) shall submit all of the following information to the department with the license application:

a. Information about the applicant's organizational and ownership structures. The applicant shall provide information regarding all related parties with a five percent or greater controlling interest in the applicant organization, including the related party's relationship to the applicant organization. The information provided shall be updated at least thirty days prior to issuance of the license if any changes in the information occur.

b. Information regarding any related party transactions and associated reimbursement structures.

c. Information related to the applicant's financial suitability to operate a nursing facility as verified by the applicant, which shall include but is not limited to all of the following:

(1) Financial projections for operational expenses and revenues, including realistic occupancy and reimbursement rates and the disclosure of any related party transactions, projected for the first three years of operation.

(2) Projected initial cash and liquid assets relative to the acquisition or start-up of the applicant's organization.

(3) If the applicant is a component of a corporate chain organization, no less than three years of historical financial and operating information.

d. Information related to the applicant's regulatory history with any other state or licensing jurisdiction as verified by the applicant, which shall include but is not limited to all of the following:

(1) Information related to any complaint, allegation, or investigation concerning the applicant in any other state or licensing jurisdiction.

(2) Affirmation that the applicant has not voluntarily surrendered a license while under investigation in any other state or licensing jurisdiction.

(3) Supporting documentation regarding the resolution of any disciplinary action or complaint, allegation, or investigation against the applicant in any other state or licensing jurisdiction.

(4) Affirmation that no other nursing facility owned or operated by the applicant has been subject to operation by a court-appointed receiver or temporary manager.

2. Information required under [subsection 1](#) shall not be limited to information relating to nursing facility operations but shall also include information relative to any other health care operations under the control and management of the applicant or related parties which may include but is not limited to assisted living programs, hospice services, home health agencies, or other long-term care related health services.

3. The department may request that an applicant provide additional or supplemental information with the application which may include verification of cash or liquid resources to maintain nursing facility operations for a period of not less than two months.

4. The department may require an applicant to create an escrow account sufficient to sustain financial operations of the applicant's nursing facility for a period of not less than two months upon consideration of the timing of projected deposits and disbursements during the nursing facility's initial operating period.

a. The escrow account shall be sufficiently funded by the applicant prior to the issuance of the nursing facility license under [this section](#).

b. The department, in consultation with the applicant, may reduce or return the amounts held in escrow two years from the date of initial commencement of operation of the nursing facility.

c. The escrow requirement shall be terminated no later than five years from the date of initial commencement of operation of the nursing facility.

d. The department may utilize funds held in escrow if the applicant's nursing facility is subject to operation under receivership pursuant to [section 135C.30](#).

5. The department shall verify the accuracy and completeness of the information provided under [this section](#).

6. The information or documents provided to the department under [this section](#) detailing the applicant's financial condition or the terms of the applicant's contractual business relationships shall be confidential and not considered a public record under [chapter 22](#).

7. For the purposes of [this section](#):

a. "Applicant" means a person required to obtain a nursing facility license under [this section](#) due to change of ownership of a previously licensed nursing facility.

b. "Related party" means a related party or organization described by rule of the department of health and human services relating to nursing facility financial and statistical reporting and determination of payment rates pursuant to [441 IAC 81.6\(11\)\(1\)](#).

[2023 Acts, ch 158, §6](#)