**Section 1126.430 Establishment of a SMHRF in an Underserved Planning Area**

a) Background of the Applicant – Review Criterion

All applicants shall comply with the requirements of this Section.

1) An applicant shall demonstrate that it is fit, willing and able, and *has the* *qualifications, background and character, to adequately provide a proper standard of* SMHRF services *for the community*.  [20 ILCS 3960/6]  In evaluating the qualifications, background and character of the applicant, HFSRB will consider whether adverse action has been taken against the applicant, or against any SMHRF owned or operated by the applicant, directly or indirectly, within three years preceding the filing of the application.  A SMHRF is considered "owned or operated" by every person or entity that owns, directly or indirectly, an ownership interest.  If any person or entity owns any option to acquire stock, the stock shall be considered to be owned by that person or entity.

2) Examples of Facilities Owned or Operated by an Applicant

A) The applicant, Partnership ABC, owns 60% of the shares of Corporation XYZ that manages the Good Care SMHRF under a management agreement.  The applicant, Partnership ABC, owns or operates Good Care SMHRF.

B) The applicant, Healthy SMHRF, a corporation, is a subsidiary of Universal Health, the parent corporation of Healthcenter Services, its wholly-owned subsidiary.  The applicant, Healthy SMHRF, owns and operates Healthcenter Services.

C) Dr. Wellcare is the applicant.  His wife is the director of a corporation that owns a SMHRF.  The applicant, Dr. Wellcare, owns or operates the SMHRF.

D) Drs. Faith, Hope and Charity own 40%, 35% and 10%, respectively, of the shares of Healthfair, Inc., a corporation, that is the applicant.  Dr. Charity owns 45% and Drs. Well and Care each own 25% of the shares of Sunny Day SMHRF.  The applicant, Healthfair, Inc., owns and operates Sunny Day SMHRF.

3) The applicant shall submit the following information:

A) A listing of all SMHRFs currently owned or operated by the applicant, including licensing, certification and accreditation identification numbers, as applicable;

B) A certified listing from the applicant of any adverse action taken against any facility owned or operated by the applicant during the three years prior to the filing of the application; and

C) Authorization permitting HFSRB and IDPH access to any documents necessary to verify the information submitted, including, but not limited to, official records of IDPH or other State agencies, the licensing or certification records of other states, when applicable, and the records of nationally recognized accreditation organizations.  Failure to provide the authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.

4) If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this Section.  In these instances, the applicant shall attest that the information has been previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided.  The applicant is able to submit amendments to previously submitted information, as needed to update and/or clarify data.

b) Service Demand

The applicant shall document that the number of beds to be relocated is necessary to serve the planning area population, based on the following:

1) Bed Need Determination

A) *At no time shall the total number of licensed beds under* SMHRA *exceed the total number of licensed beds existing on July 22, 2013.* [210 ILCS 49/1-101.5]

B) *No new facilities licensed under* SMHRA *shall be established* after June 16, 2014 *except in connection with the relocation of an existing facility to a new location*. [20 ILCS 3960/12(17)]

2) Service to Planning Area Residents

A) The applicant shall document that the primary purpose of the project will be to provide necessary SMHRF services to the residents of the planning area in which the proposed project will be physically located. The applicant shall document that at least 50% of the projected resident volume will be from residents of the area.

B) The number of beds being established is necessary to improve access for planning area residents. The applicant shall document that no SMHRFs currently exist in the proposed planning area.

3) Projected Referrals

The applicant shall submit the number of projected annual referrals, as follows:

A) An applicant proposing to establish a new SMHRF in an underserved area shall submit letters from referral sources (hospitals, physicians, social services and others) that attest to an estimated number of prospective residents whom the referral sources will refer annually to the applicant's facility within a 24-month period after project completion;

B) The anticipated number of referrals cannot exceed the referral sources' documented historical SMHRF caseload. Referral sources shall verify their projections and the methodology used;

C) Each referral letter shall contain the referral source's chief executive officer's notarized signature, the typed or printed name of the referral source, and the referral source's address; and

D) Verification by the referral sources that the prospective resident referrals have not been used to support another pending or approved Certificate of Need (CON) application for the subject services.

c) Community Relationships

1) *An application for a new location shall not be approved unless there are adequate community services accessible to the consumers within a reasonable distance, or by use of public transportation, so as to facilitate the goal of achieving maximum individual self-care and independence.* [20 ILCS 3960/12(17)] The applicant shall document the community services that are accessible to the SMHRF residents, including travel distances from the SMHRF and the forms of available public transportation.

2) Re-establishment of a Facility

A) *An application for the re-establishment of a* SMHRF *in connection with the relocation of the* SMHRF *shall not be granted unless the applicant has a contractual relationship with at least one hospital to provide emergency and inpatient mental health services required by* SMHRF *consumers and at least one community mental health agency.* Under the contract, *the hospital and agency shall provide:*

i) *oversight and assistance to* SMHRF *consumers while living in the* SMHRF; *and*

ii) *appropriate services, including case management, to assist them to prepare for discharge and reside stably in the community* after discharge*.* [20 ILCS 3960/12(17)]

B) The applicant shall submit signed and dated contractual agreements that address all of the requirements stated in subsection (c)(2)(A).

3) The applicant shall document cooperation with, and the receipt of the endorsement of, community groups in the town or municipality where the SMHRF is proposed to be located, such as, but not limited to, social, economic or governmental organizations or other concerned parties or groups. Documentation shall consist of copies of all letters of support from those organizations.

d) Unnecessary Duplication/Maldistribution

The applicant shall document that no SMHRFs currently exist in the proposed planning area, to verify that the proposed project:

1) will not result in an unnecessary duplication of SMHRF services; and

2) will not result in maldistribution of SMHRF services. (Maldistribution of services exists when an identified area within the planning area has an excess supply of SMHRFs, beds and services, as compared to other identified areas within the planning area.)

e) Staffing Availability

The applicant shall document that relevant clinical and professional staffing needs for the proposed project were considered and that staffing requirements of licensure, certification and applicable accrediting agencies can be met. In addition, the applicant shall document that necessary staffing is available by providing letters of interest from prospective staff members, completed applications for employment, or a narrative explanation of how the proposed staffing will be achieved.

f) Project Size

The applicant shall document that the amount of physical space proposed for the project is necessary and not excessive. The proposed gross square footage (GSF) cannot exceed the GSF standards of Appendix A, unless the additional GSF can be justified by documenting one of the following:

1) Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies;

2) The existing facility's physical configuration has constraints or impediments and requires an architectural design that results in a size exceeding the standards of Appendix A;

3) The project involves the conversion of existing bed space that results in excess square footage.

g) Zoning

The applicant shall document one of the following:

1) The property to be utilized has been zoned for the type of facility to be developed;

2) Zoning approval has been received; or

3) A variance in zoning for the project is to be sought.

h) Assurances

The applicant representative who signs the CON application shall submit a signed and dated statement attesting to the applicant's understanding that, by the second year of operation after the project completion, the applicant will achieve and maintain the occupancy standards specified in Section 1127.210(c).