



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

Rhonda M. Medows, MD, Commissioner

Sonny Perdue, Governor

2 Peachtree Street, NW
Atlanta, GA 30303-3159
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WRITER'S DIRECT DIAL
404-657-7198

June 26, 2008

Walter Coffey
President
Georgia Association of Homes & Services for the Aging
607 Peachtree St. NE
Atlanta, GA 30308

RE: Senate Bill 433 Clarification Regarding Continuing Care Retirement
Communities

Dear Mr. Coffey:

The Georgia Department of Community Health, Division of Health Planning (the Department) is in receipt of your request, dated May 27, 2008, seeking clarification with respect to the continuing care retirement communities (CCRC) provisions contained in Senate Bill 433. Your request was submitted in response to the Department's invitation to submit questions regarding the impact and applicability of Senate Bill (SB) 433, a Certificate of Need (CON) reform bill passed during the 2008 session of the Georgia General Assembly.

You lead the Georgia Association of Homes and Services for the Aging (GAHSA). GAHSA is nonprofit statewide association that represents over 150 organizations dedicated to quality housing, health care and community based services for older Georgians. You ask, on behalf of various members of the association, several questions about the CCRC exemption in SB 433.

The CON reform changes contained within SB 433 are effective on July 1, 2008. One of the new exemptions from prior CON review and approval in the legislation is for continuing care retirement communities, provided that the skilled nursing component of the facility is for the exclusive use of residents of the continuing care retirement community and that a written exemption is obtained from the Department. O.C.G.A. § 31-6-47(a)(17). {Note: all citations referenced are effective July 1, 2008}. The exemption goes on to provide for instances where the sheltered nursing beds may be used by non-resident persons for a period of five years in decreasing percentages.

Please be advised that Section 3-1 of SB 433 provides that the CON changes in Part I of the bill shall become effective on July 1, 2008, and shall only apply to applications submitted on or after July 1, 2008. As a result, an existing continuing care retirement community with sheltered nursing facility beds is subject to the exclusivity provisions of

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the CON rules in place at the time the project was approved. However, on and after July 1, 2008, an existing continuing care retirement community with sheltered nursing facility beds wishing to expand the number of sheltered nursing facility beds will no longer require prior CON review and approval. If an existing CCRC wishes to avail itself of the exemption after July 1, 2008, and it added sheltered nursing beds via a determination from the Department, the new additional beds would be eligible for the limited use for non-resident persons as specified in SB 433, but not the sheltered beds previously approved through the CON process prior to July 1, 2008.

A party wishing to avail itself of this exemption on or after July 1, 2008, must submit a specific and factual determination request to the Department on the existing published Determination Form, along with the proper filing fee. The Department will respond as appropriate, and the Department response shall be the written confirmation of exemption required in SB 433. This letter is not an official written confirmation of any activity to be undertaken on or after July 1, 2008 pursuant to SB 433.

I hope this letter is responsive to your request. If there are any further questions or concerns, please feel free to contact me at the Department.

Sincerely,

A handwritten signature in cursive script, reading "Clyde L. Reese, III". The signature is written in black ink and is positioned above the typed name and title.

Clyde L. Reese, III
General Counsel