

## **HEALTH PLANNING IN ARKANSAS**

Executive Proclamation established the Health Planning Program on June 22, 1967. Legislative authorization for the program was accomplished through the enactment of Act 305 of 1969.

Act 305 of 1969 established the Comprehensive Health Planning (CHP) Agency and State Health Planning Council. The CHP Agency was designated as the official agency of the State to administer and supervise the State's health planning functions as required under the provisions of P. L. 89-749. It also created eight (8) 314 (b) agencies in the State. The agency studied health problems and health needs of the people of Arkansas, the effectiveness of existing services, the availability of resources and procedure for the expenditure of funds for facilities and persons required for the provision of such services to meet the identified health needs. Public Law 91-55 subsequently amended Public Law 89-749, Section 314(a).

In 1971 as a result of Arkansas Act 38, the Reorganization of the Executive Department of the State of Arkansas, Comprehensive Health Planning became a division of the Department of Planning.

In February 1973 the Office of Comprehensive Health Planning was designated as the state agency for Arkansas with responsibility for review of health care capital expenditures (CER review) as provided in Section 221 of P.L. 92-603.

Act 558 of 1975 established the State Health Planning and Development Agency as the official agency of the State of Arkansas to administer and supervise the State's responsibilities pursuant to Public Law 93-641, the "National Health Planning and Resources Development Act of 1974. The Agency was authorized under Arkansas Act 558 to exercise such duties and

powers as necessary for the implementation of P. L. 93-641 in the State and designated to accept, receive, retain and administer federal funds made available under public law. This Act also established a 36 member Statewide Health Coordinating Council (SHCC) to advise and assist the Agency in carrying out the provisions of the Act. Arkansas was the first state in the country to be fully designated as a “State Health Planning and Development Agency.”

In accordance with State and Federal legislation the State Agency: 1) conducted the health planning activities of the State and implemented those parts of the State Health Plan and the plans of the four (4) Arkansas Health Systems Agencies (HSAs) which related to state government, 2) prepared and reviewed and revised as necessary a preliminary State Health Plan which came from the Health Systems Plans of the HSAs 3) assisted the SHCC in the review of the State Medical Facilities Plan and in the performance of its functions, 4) served as the designated State Agency for the Capital Expenditure Review process and a Certificate of Need (CON) program to allow licensing, 5) reviewed proposed new institutional health services to determine their need 6) conducted appropriateness review regarding the continuance of institutional health services in the State and 7) reviewed and approved/disapproved the allocation of Title XVI funds for hospital construction (Hill-Burton Act).

Act 808 of 1981 amended various sections of Act 558 of 1975 pursuant to Public Law 96-79. Section 5 of Act 558 of 1975, the same being Arkansas Statute 82-2311 was amended to say that the State Agency, with the advice, consent and approval of the SHCC was authorized to implement the Certificate of Need Program in the State. This being, that “prior to the construction, expansion or alteration of any hospital or health care facility, excluding physicians’ offices unless subject equipment is used for in-patient services, increasing bed capacity, or adding major new facilities or categories of services, or changing license classifications, a certificate-of-need shall be obtained from the State

Agency.” Also, a CON was required if a capital expenditure was associated with a decrease in bed capacity or termination of a health service or if the operating budget of service being terminated exceeded certain thresholds. CON addressed the following criteria:

1. Whether the proposed project is needed or projected as necessary to meet the needs of the locale or area;
2. Whether the project can be adequately staffed and operated when completed;
3. Whether the proposed project is economically feasible; and
4. Whether the project will foster cost containment through improved efficiency and productivity.

The Agency operated under Public Law 93-641 and Arkansas Act 558 until the Agency and the SHCC were abolished in 1987 by Act 593 of 1987. This Act created the Health Services Agency (HSA) and a seven (7) member Health Services Commission (HSC). Additionally, at this time the regional agencies were phased out leaving the Health Services Agency as the sole agency responsible for health planning and coordination of health resources in the State of Arkansas. A Permit of Approval program replaced the Certificate of Need and 1122 Programs. Act 593 was later amended to include an eighth Commission member.

Act 1800 of 2001 changed the Agency’s name to the Arkansas Health Services Permit Agency and the Commission to the Arkansas Health Services Permit Commission. The Act also allows the Agency to make initial decisions on applications instead of the Commission. Unsuccessful applicants and opponents of successful applicants can appeal the Agency’s decision to the Commission. Only unsuccessful applicants may appeal further to Circuit Court.

In addition, a representative of the Arkansas Hospice Association was added to the Commission to bring the total to nine.

The Health Services Agency is an independent agency under the supervision and control of the Governor with duties and powers as necessary to implement the policy and procedures adopted by the Commission. The Agency has a director, appointed by the Governor, and four (4) employees, an Assistant Director, Program Manager, a Research Project Analyst and Administrative Assistant. The Agency operates through a state appropriation and fees collected from Permit of Approval.

July 30, 2015 Governor Asa Hutchinson issued executive Order EO 15-19 reassigned the AR Governors Developmental Disabilities Council to the Arkansas Department of Finance and Administration. The executive order released the AR Health Service Permit Agency from all responsibilities and duties as it relate(s) to the DDC.

### **MISSION AND PURPOSE OF AGENCY**

The Health Services Permit Agency, with direction from a Governor appointed nine members Health Services Permit Commission, is responsible for issuing Permits of Approval (POAs) for Nursing Homes, Residential Care Facilities, Assisted Living Facilities, Home Health Agencies and Hospice Agencies and Facilities, Psychiatric Residential Care Facilities and Intermediate Care Facilities for Individuals with Developmental Disabilities.

The Commission/Agency mission is to ensure appropriate distribution of health care providers so that community needs are appropriately met without unnecessary duplication and expense.

## **GOALS AND OBJECTIVES**

Evaluate the availability and adequacy of health facilities and health services as they relate to long term care facilities, home health agencies and hospice agencies and facilities in Arkansas.

Designate those areas of the state and specify categories of health services that are underserved or over served, and exempt certain underserved areas or categories of service from the permit of approval process.

Develop policies and adopt criteria for the review of applications and issuing of permits of approval.