



Rhode Island Department of Health  
Office of Health Systems Development  
Three Capitol Hill, Room 404  
Providence, RI 02908-5097

Phone: (401) 222-2788

Fax: (401) 222-1797

[www.health.ri.gov/hsr/healthsystems/index.php](http://www.health.ri.gov/hsr/healthsystems/index.php)

## **Change in Effective Control (RIGL Chapter 23-17)**

### **Summary of the Statutory Review and Decision Process**

#### **Application Form:**

<http://www.health.ri.gov/applications/healthsystems/ChangeInEffectiveControl.doc>

#### **Background**

- A change in ownership, control, or lesse of a health care facility in RI requires approval by the Department of Health (HEALTH) as a Change in Effective Control (CEC) (Chapter 23-17). This includes hospitals, nursing homes, organized ambulatory care facilities, outpatient kidney dialysis facilities, outpatient hospice care facilities, freestanding emergency care facilities, home health care providers, etc.

#### **Purpose**

- Promote appropriate access; safe and adequate treatment; and quality improvement in health care facilities

#### **Proposals Subject to the CEC Review**

- Proposed change of owner, operator, or lessee of a health care facility: transfer of governance, operational authority, or controlling interest in ownership or governance

#### **HEALTH's CEC Statutory Criteria for Review and Decision**

1. The character, commitment, competence, and standing in the community of the proposed owner or operator;
2. The extent to which the facility will continue to provide care without effect on the viability of the facility;
3. The extent to which the facility will continue to provide safe and adequate treatment for the individuals receiving health care provided by the facility;
4. The extent to which the facility will continue to provide access to underserved populations, in consideration of proposed continuation or termination of services provided by the facility.

## **CEC Application and Review Process:**

- **Phase One: Completeness Review**
  - HEALTH reviews a CEC application and determines whether the application is complete. If the application is complete, HEALTH will accept it for review within 10 working days of receipt. Otherwise, a deficiency letter will be sent to applicants in cases where the application is deemed incomplete.
  - If the application is determined to be incomplete, HEALTH requests the application to be resubmitted with all the additional information incorporated into the resubmitted application.
  
- **Phase Two: Criteria Review by the Health Services Council**
  - When the application is determined by HEALTH to be complete, the Health Services Council (HSC) reviews the application.
    - The HSC is a statutory advisory council appointed by the Governor, Speaker of the House and President of the Senate
    - HEALTH provides staff support to the HSC
  - Public Process:
    - The public has the opportunity to comment on the application within 30 days public notification and initiation of review, when practicable. All HSC meetings are open to the public.
  - CEC application and review is a public, non-confidential process
    - The Statute provides that the entire CEC application and record is made public. The public may request to view the application and HEALTH may post the application on its website.
  - Based on a review of the application in consideration of the four CEC criteria, the HSC makes an advisory recommendation to HEALTH to:
    - approve the application,
    - reject the application, or
    - approve the application with conditions
  - The process of HSC review and decision may take up to 90 days after initiation of review.
  
- **Phase Three: Decision**
  - HEALTH makes a decision on the application considering the CEC review criteria and the HSC's advisory recommendation.

**The information provided herein is not a formal interpretation or legal analysis of the general statute or rules and regulation issued by HEALTH.**

**RI General Laws can be located here:**

<http://www.rilin.state.ri.us/Statutes/TITLE23/23-17/INDEX.HTM>

**Rules and Regulations can be located here:** <http://sos.ri.gov/rules/>