

# Client Alert

August 17, 2022

## **NEW LHCSA LICENSURE APPLICATION ISSUED**

Over 4 years after the Licensed Home Care Services Agency Licensure Moratorium was implemented, DOH has issued the long-awaited licensure application. DAL 22–14 was issued today, August 17, 2022. LHCSA Application

#### **Public Need**

In accordance with the enacted Public Need Methodology, there is a rebuttable presumption of no need for additional LHCSAs in a county if there are five or more LHCSAs actively serving patients within the county as of April 1, 2020. DOH adjusted the April 1, 2020 date to April 1, 2022. Based upon DOH's survey, there are 20 counties in NYS in which there is no "need" for additional LHCSAs: Albany, Monroe, Richmond, Bronx, Nassau, Rockland, Broome, New York, Saratoga, Chautauqua, Onondaga, Suffolk, Dutchess, Orange, Ulster, Erie, Putnam, Westchester, Kings, and Queens.

If an application includes any county where there is a presumption of "no need," the applicant must submit a rebuttal to the presumption of "no need" for each county listed above in which the LHCSA is seeking approval.

DOH determined that there are 42 Counties with "presumed need" and Licensure Applications may be submitted for establishment of a LHCSA in these counties: Allegany, Hamilton, Schenectady, Cattaraugus, Herkimer, Schoharie, Cayuga, Jefferson, Schuyler, Chemung, Lewis, Seneca, Chenango, Livingston, St. Lawrence, Clinton, Madison, Steuben, Columbia, Montgomery, Sullivan,

Cortland, Niagara, Tioga, Delaware, Oneida, Tompkins, Essex, Ontario, Warren, Franklin, Orleans, Washington, Fulton, Oswego, Wayne, Genesee, Otsego, Wyoming, Greene, Rensselaer, and Yates.

#### **Licensure Application**

The main change to the application is the addition of a financial feasibility component to the review process. The standards for the financial feasibility review will require, at a minimum:

- an examination of the sources of available working capital that the proposed licensed home care services agency operators have, with a minimum requirement equal to at least two months of estimated operating expenses of the agency;
- that the application passes a reasonableness test with respect to the financial capability of the agency or sources for start-up funding; and
- an examination of the financial feasibility of the agency or projections indicating that the agency's revenues, including but not limited to operating revenue, will be equal to or greater than projected expenditures over time.

As with the prior application, character and competence will be reviewed using existing standards and procedures.

### **Changes of Ownership**

Applications for licensure based on change of ownership for LHCSAs actively serving at least 25 patients will not be subject to public need review and shall be evaluated only on financial feasibility and the character and competence of the proposed operator unless the proposed operator seeks to serve patients outside of the agency's approved counties.

"Actively serving," means an agency has a plan of care in place for the patient and is providing services to the patient in their home. The LHCSA does not need to serve 25 patients in each county for which they are currently approved to operate.

Frequently Asked Questions.

DOH Licensure Application FAQs can be found here

As the long-awaited application and guidance has just been issued, we are reviewing the application and the process and will provide additional information after our review is completed.

Please contact our office with questions.

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