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**California Department of
Public Health**



GAVIN NEWSOM
Governor

December 17, 2021

AFL 21-53

TO: Hospice Providers

SUBJECT: Senate Bill (SB) 664 - Hospice Licensure: Moratorium on New Licenses

AUTHORITY: Health and Safety Code (HSC) Division 2, Chapter 8.5, Article 2.3 (commencing with Section 1751.70)

All Facilities Letter (AFL) Summary

- This AFL notifies hospices of the chaptering of SB 664 (Chapter 494, Statutes of 2021) that establishes a moratorium on hospice licensure, prohibiting the California Department of Public Health (CDPH) from issuing a new hospice license on or after January 1, 2022, and until 365 days from the date the California State Auditor (CSA) publishes a report on hospice licensure.
- SB 664 allows CDPH to grant an exception during the moratorium and issue a new license to operate a hospice upon making a written finding that an applicant has shown a demonstrable need for hospice services in the applicant's proposed service area based on the concentration of all existing hospice services in that area.

Effective January 1, 2022, SB 664 institutes a moratorium on new hospice licensure that will remain in place until 365 days from the date the CSA publishes a report on hospice licensure. During the moratorium, CDPH will be prohibited from issuing a new license to begin operation of a new hospice. The moratorium prohibits CDPH from issuing a new initial license or approving another location to an existing license. CDPH may grant an exception during the moratorium upon making a written finding that an applicant has shown a demonstrable need for hospice services in the applicant's proposed service area based on the concentration of all existing hospice services in that area. SB 664's provisions sunset on January 1, 2027.

Applications Received Prior to January 1, 2022

Until the initiation of the moratorium, CDPH will continue to review applications for new hospice licensure under the current process **in the order they are received**. Currently, CDPH's Centralized Applications Branch (CAB) continues to review initial hospice licensure applications. However, due to the volume there is approximately a six-month delay.

CDPH must cease processing applications for hospice licensure that have not been issued a license as of December 31, 2021. CDPH will send a letter to all applicants with pending applications asking that they either indicate their intent to withdraw their applications or submit a justification and any supporting documentation to demonstrate need based on geographic concentration to CAB by January 31, 2021. For those applicants seeking to withdraw

their application due to the moratorium, CDPH will begin processing and issuing fee refunds to those applicants that previously submitted fees. If an applicant decides to continue with the application process and submits a justification to demonstrate need based on geographic concentration, the application will be subject to the licensing fee even if the exception request is denied. Due to the large number of licensure applications, applicants may experience some delay in receiving their refunds.

Applications After January 1, 2022

Individuals or entities interested in applying for hospice licensure after January 1, 2022, should begin by submitting an exception request. This consists of submitting a written justification and supporting documentation to demonstrate need based on geographic concentration to CAB. If CAB determines there is a need based on geographic concentration, CAB will notify the applicant that they may submit an application.

General Information

Applicants requesting an exception to the moratorium must submit their written justification and supporting documentation by mail to:

California Department of Public Health

Licensing and Certification Program

Centralized Applications Branch

P.O. Box 997377, MS 3207

Sacramento, CA 95899-7377

Applications for licensure of a multiple location of an existing hospice, a change of geographical service area, or a change of location outside of a hospice's approved geographical service area will be subject to the moratorium. The moratorium will not affect hospice license renewal or other report of change applications, including, but not limited to, changes of ownership, location without a change in service area, or mailing address.

The California State Auditor has initiated an audit of CDPH's and the Department of Health Care Services' hospice licensure and oversight, with an estimated release date of March 2022. Interested parties may obtain more information on the audit process through the State Auditor's website.

For questions concerning this AFL, please contact CAB by email at CAB@cdph.ca.gov or by phone at 916-552-8632.

For questions concerning a hospice application, please email CABHospice@cdph.ca.gov.

CDPH's failure to expressly notify facilities of statutory or regulatory requirements does not relieve facilities of their responsibility for following all laws and regulations. Facilities should refer to the full text of all applicable sections of HSC and the California Code of Regulations to ensure compliance.

Sincerely,

Original signed by Cassie Dunham

Cassie Dunham

Acting Deputy Director

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