1200-08-06-.02 LICENSING PROCEDURES.

...(3) A proposed change of ownership, including a change in a controlling interest, must be reported to the department a minimum of thirty (30) days prior to the change. A new application and fee must be received by the department before the license may be issued.

(a) For the purpose of licensing, the licensee of a nursing home has the ultimate responsibility for the operation of the facility, including the final authority to make or control operational decisions and legal responsibility for the business management. A change of ownership occurs whenever this ultimate legal authority for the responsibility of the nursing home’s operation is transferred.

(b) A change of ownership occurs whenever there is a change in the legal structure by which the nursing home is owned and operated.

(c) Transactions constituting a change of ownership include, but are not limited to, the following:

1. Transfer of the facility's legal title;
2. Lease of the facility's operations;
3. Dissolution of any partnership that owns, or owns a controlling interest in, the facility.
4. One partnership is replaced by another through the removal, addition or substitution of a partner;
5. Removal of the general partner or general partners, if the facility is owned by a limited partnership;
6. Merger of a facility owner (a corporation) into another corporation where, after the merger, the owner’s shares of capital stock are canceled;
7. The consolidation of a corporate facility owner with one or more corporations; or,
8. Transfers between levels of government.

(d) Transactions which do not constitute a change of ownership include, but are not limited to, the following:

1. Changes in the membership of a corporate board of directors or board of trustees;
2. Two (2) or more corporations merge and the originally-licensed corporation survives;
3. Changes in the membership of a non-profit corporation;
4. Transfers between departments of the same level of government; or,
5. Corporate stock transfers or sales, even when a controlling interest.
(e) Management agreements are generally not changes of ownership if the owner continues to retain ultimate authority for the operation of the facility. However, if the ultimate authority is surrendered and transferred from the owner to a new manager, then a change of ownership has occurred.

(f) Sale/lease-back agreements shall not be treated as changes in ownership if the lease involves the facility's entire real and personal property and if the identity of the leasee, who shall continue the operation, retains the same legal form as the former owner.