

NORTH DAKOTA DEPARTMENT OF HEALTH

MEMORANDUM

TO: Hospital, Nursing Facility, and Basic Care Facility Administrators
FROM: ^{Darleen} Darleen Bartz, Ph.D., Chief, Health Resources Section
DATE: April 27, 2012
SUBJECT: Fees for Construction Plans Review and Onsite Construction Visits to Health Care Facilities subject to Licensure by the Division of Health Facilities

The Department of Health has the authority to charge a reasonable fee for the review of plans for construction, remodeling, and installation projects in health care facilities licensed by the Division of Health Facilities. This includes licensed hospitals, nursing facilities, and basic care facilities.

The intent is that one-third of the cost of plan review and onsite construction visits would be based on fees collected from the licensed providers for plans review. The fee schedule will need to be adjusted periodically with increases in salaries and other costs to keep the industry share at one-third of the total costs. Currently, the fees collected are covering approximately one-sixth of the costs, rather than one-third. Therefore, there is a need to adjust the fee schedule to generate the needed funding to reach one-third of the costs. The revised fee schedule will be based on the estimated cost of the project.

Upon receipt of the construction plans and the estimated cost of the project, the fee will be determined by our office. A request for payment of this fee will be sent to the licensed provider. Plans will be reviewed in the order received; however, department approval of plans will not be given until the fees for plans review have been received. An exception to the sequence and fees related to plans review may occur at the discretion of the department when plans are submitted in response to a Life Safety Code (LSC) survey deficiency.

If plans are submitted in phases, each phase or package will be considered as a new submission. A new fee will be allocated and the plans will be considered separately in the timing of review. Changes to plans previously submitted will not be charged an additional fee for review and approval.

State licensing rules require our office to review and approve plans and specifications for all construction, remodeling, and installations prior to the start of construction. For hospitals this rule is found in North Dakota Administrative Code 33-07-02.1-02, for nursing facilities it is found in NDAC 33-07-04.2-08, and for basic care facilities in NDAC 33-03-24.1-03. If there are changes to the plans that have been approved, the changes are required to be submitted to the department and approved prior to implementation.

Routine maintenance does not require the submission of plans and specifications. Routine maintenance is the repair or replacement of existing equipment, room finishes and furnishings, and

similar activities. If you have questions whether your planned construction or remodeling activities are subject to review, please contact our office.

If you have questions regarding this information, please contact myself or Monte Engel, Director, Division of Life Safety and Construction, North Dakota Department of Health at 701-328-2352.

North Dakota Department of Health

**Procedure for Construction or Renovation Plans Review for Facilities
Subject to Licensure by the Division of Health Facilities
Effective April 27, 2012**

Procedure:

1. The health care facility subject to licensure by the Division of Health Facilities submits directly, or through an architect or engineer, construction or renovation project plans for review by the Department. The estimated cost of the project is to accompany the submission of the project plans.
2. Based on the estimated cost of the project, a letter is sent to the facility administrator or designee indicating the plans review fee that needs to be submitted.
3. Effective April 27, 2012 the current fee schedule is:

Plan Review Fee Scale Based on Size and 0.5% Project Cost(PC)		
Small (PC \$0 - \$60,000)	Medium (0.5% PC > \$60,000 - \$2,000,000)	Large (PC > \$2,000,000)
Minimum - \$300	Range - \$301 - \$10,000	Maximum - \$10,000

Review of the fee schedule is completed annually and adjusted as necessary so the cost share between the state and the facilities subject to licensure by the Division remains 1 part facility plans review fee to 2 parts state funding.

4. If plans are submitted in phases, each phase is considered as a separate project and fees are charged consistent with the above fee schedule.
5. A copy of the letter from the department and fee to be remitted is to be sent from the facility administrator or designee to:

North Dakota Department of Health
Division of Accounting
600 East Boulevard Avenue, Dept. 301
Bismarck, ND 58505-0200
6. Plans are reviewed in the order received. If plans are received in phases, each project phase is considered separately and reviewed in the order received along with the other plans received by our office.
7. The fee for plans review must be received by the department prior to approval of plans.
8. An exception to the sequence of plans review may occur at the discretion of the department, when plans are submitted in response to a Life Safety Code (LSC) certification survey citation. If the plans review related to deficiency citations meets the small project criteria, no fee will be charged. If the plans are submitted prior to the LSC survey or are larger than a small review, the fee schedule is applied.
9. Changes to plans previously submitted and reviewed are not charged an additional fee for review.