



Ohio Administrative Code

Rule 3701-17-03 Initial, renewal, and change of operator license applications; fees; issuance; revocation; notice.

Effective: July 17, 2025

(A) Initial application. Not less than forty five days before the proposed opening of a nursing home, the operator of a nursing home will submit, on a form prescribed by the director, a completed initial application, and pay the non-refundable application fee specified in division (E) of section 3721.02 of the Revised Code, with the fee made payable to the "Treasurer, State of Ohio" in the form of a check or money order to be deposited in the state treasury to the credit of the general operations fund created by section 3701.83 of the Revised Code. A completed application includes:

(1) Disclosure of:

(a) The proposed operator, including the proposed operator's name, address, electronic mail address, and telephone number, and the following information:

(i) All direct and indirect owners owning at least five per cent of:

(a) The operator;

(b) The owner of the building or buildings in which the nursing home is housed, if the owner of the building or buildings is a different person or government entity from the entering operator;

(c) The owner of the legal rights associated with the ownership and operation of the nursing home beds, if the owner of the legal rights is a different person or government entity from the entering operator; and

(d) Each related party that provides or will provide services to the nursing home, through contracts with any party identified in paragraph (A)(1)(a)(i) of this rule.

(ii) The name, business address, electronic mail address, and telephone number of the proposed administrator of the nursing home, if different from the proposed operator;



(iii) The name and business address of the statutory agent of the:

(a) Proposed operator;

(b) Proposed owner of the building or buildings in which the nursing home is housed, if the owner of the building or buildings is a different person or government entity from the entering operator; and

(c) Proposed owner of the legal rights associated with the ownership and operation of the nursing home beds, if the owner of the legal rights is a different person or government entity from the proposed operator.

(b) Whether a person or government entity identified in paragraph (A)(1)(a)(i) of this rule has or had a direct or indirect ownership or operational interest in a current or previously licensed nursing home in this state or another state, including disclosure of whether any of the following occurred with respect to an identified nursing home within the five years immediately preceding the date of application:

(i) Voluntary or involuntary closure of the nursing home;

(ii) Voluntary or involuntary bankruptcy proceedings;

(iii) Voluntary or involuntary receivership proceedings;

(iv) License suspension, denial, or revocation;

(v) Injunction proceedings initiated by a regulatory agency;

(vi) The nursing home is listed in table A, table B, or table D on the SFF list under the special focus facility program; and

(vii) A civil or criminal action was filed against it by a state or federal entity.



(2) An attestation that the applicant:

(a) Has the financial ability to staff, equip, and operate the nursing home in accordance with Chapter 3721. of the Revised Code, and rules 3701-17-01 to 3701-17-26 of the Administrative Code, and that the applicant has sufficient capital or financial reserve to cover not less than six months operation;

(b) Has plans for quality assurance and risk management for the operation of the nursing home;

(c) Has general and professional liability insurance coverage that provides coverage of at least one million dollars per occurrence and three million dollars aggregate;

(d) Has sufficient qualified staff, by training or experience, who will be employed to properly care for the type and number of nursing home residents;

(e) Or any person identified in paragraph (A)(1)(a)(i) of this rule:

(i) Has not been convicted of a felony or a crime involving moral turpitude;

(ii) Is not violating any of the rules adopted by the director of health or any order issued by the director;

(iii) Has not had a license to operate the home revoked pursuant to section 3721.03 of the Revised Code because of any act or omission that jeopardized a resident's health, welfare, or safety nor has the applicant had a long-standing pattern of violations of this chapter or rules adopted under it that caused physical, emotional, mental, or psychosocial harm to one or more residents;

(iv) Is or are suitable financially and morally to operate a home;

(v) Is equipped to furnish humane, kind, and adequate treatment and care;

(vi) The home does not maintain or contain:

(a) Facilities for the performance of major surgical procedures;



- (b) Facilities for providing therapeutic radiation;
 - (c) An emergency ward;
 - (d) A clinical laboratory unless it is under the supervision of a clinical pathologist who is a licensed physician in this state;
 - (e) Facilities for radiological examinations unless such examinations are performed only by a person licensed to practice medicine, surgery, or dentistry in this state.
 - (vii) The home does not accept or treat outpatients, except upon the written orders of a physician licensed in this state, maternity cases, boarding children, and does not house transient guests, other than participants in an adult day-care program, for twenty-four hours or less; and
 - (viii) The home is in compliance with sections 3721.28 and 3721.29 of the Revised Code.
- (3) A statement by the applicant of the status of the proposed nursing home under any applicable zoning ordinances or rules, or a statement by the applicant that there is no zoning authority where the proposed home is to be located;
- (4) Copies of the:
- (a) Inspection report of the state fire marshal or a township, municipal, or other legally constituted fire department approved by the state fire marshal, performed within the previous fifteen months, showing zero uncorrected deficiencies; and
 - (b) Certificate of use in accordance with paragraph (A) of rule 3701-17-22 of the Administrative Code showing a I-1 or I-2 use group.
- (B) Renewal application. The operator of a nursing home will submit, on a form prescribed by the director, a completed renewal application, and pay the non-refundable application fee specified in division (E) of section 3721.02 of the Revised Code, with the fee made payable to the "Treasurer,



State of Ohio" to be deposited in the state treasury to the credit of the general operations fund created by section 3701.83 of the Revised Code. A completed renewal application includes:

- (1) Any necessary updates of the information provided on the initial or last renewal application, whichever is more recent;
- (2) Any required updates to the disclosure required by paragraph (A)(1) of this rule;
- (3) Any required update to the attestation required by paragraph (A)(2) of this rule; and
- (4) An inspection report of the state fire marshal or a township, municipal, or other legally constituted fire department approved by the state fire marshal, performed within the previous fifteen months, showing zero uncorrected deficiencies.

(C) Notice of change of information. Except as provided in paragraph (D) of this rule, the operator or administrator will notify the director in writing or electronically of any changes in the information contained in paragraph (A) or (B) of this rule not later than ten days after the change occurs.

(D) Change of operator (CHOP) application. At least forty-five days before the proposed assignment or transfer of a license to operate a nursing home, the entering operator of a nursing home will submit a completed change of operator, on a form prescribed by the director, and paying the non-refundable application fee of three thousand and two hundred dollars payable to "Treasurer, State of Ohio." The department will deposit the fee in the state treasury to the credit of the general operations fund created by section 3701.83 of the Revised Code. A completed change of operator application includes:

- (1) The disclosures, attestations, inspection reports, and certificate of use specified in paragraphs (A)(1), (A)(2), (A)(4) and (B)(4) of this rule.
- (2) Except for applications that demonstrate that the entering operator, or a person or government entity that directly or indirectly owns at least fifty per cent of the entering operator, directly or indirectly owns at least fifty per cent of the nursing home and its assets, a surety bond for an amount



not less than the product of the number of licensed beds in the nursing home, as reflected in the application, multiplied by ten thousand dollars.

(a) A surety bond supplied under this paragraph:

(i) May be provided by either the entering operator or the property owner of the nursing home; and

(ii) Will be renewed, replaced, or maintained for five years after the effective date of the change of operator by the entering operator or the property owner of the nursing home, as applicable.

(b) The aggregate liability of a surety will not exceed the sum of the bond, which is not cumulative from period to period; and

(c) If the bond or other financial security is not renewed, replaced, or maintained in accordance with this division, the director will revoke the nursing home operator's license after providing thirty days' notice to the operator.

(E) The entering operator will not complete the change of operator until the director issues a notice of intent to grant a change of operator license.

(1) Within five days after of completion of the change of operator, the applicant is obligated to provide a copy of the completed bill of sale, operations transfer agreement, member substitution agreement, or any other document evidencing the change of operator; and

(2) If the document(s) presented do not evidence the change of operator as proposed in the change of operator license application or reveal additional parties not disclosed by the entering operator in the application, the director will deny the change of operator license or revoke the license if previously issued.

(F) CHOP denials. The director will deny a change of operator license application if any of the following circumstances exist:

(1) The requirements established by this rule are not satisfied;



(2) The entering operator or a person or government entity identified in paragraph (D)(1)(a)(i) of this rule who directly or indirectly has twenty-five per cent or more ownership of the entering operator meets both of the following criteria:

(a) The entering operator or the person or government entity has or had either of the following relationships to a currently or previously licensed nursing home in this state or another state:

(i) Fifty per cent or more direct or indirect ownership in the nursing home; and

(ii) Alone or together with one or more other persons, operational control of the nursing home.

(b) Any of the following occurred with respect to the current or previously licensed nursing home described in paragraph (F)(2)(a) of this rule within the five years immediately preceding the date of application:

(i) Involuntary closure of the nursing home by a regulatory agency or voluntary closure in response to licensure or certification action;

(ii) Voluntary or involuntary bankruptcy proceedings that are not dismissed within sixty days;

(iii) Voluntary or involuntary receivership proceedings that are not dismissed within sixty days; and

(iv) License suspension, denial, or revocation for failure to comply with operating standards.

(3) If a change of twenty-five per cent or more of the property ownership interest in a nursing home occurs in connection with the change of operator, the person or government entity who acquired the property ownership interest meets both of the following criteria:

(a) The person or government entity has or had either of the following relationships to a currently or previously licensed nursing home in this state or another state:

(i) Fifty per cent or more direct or indirect property ownership in the nursing home; and



(ii) Alone or together with one or more other persons, operational control of the nursing home.

(b) Any of the following occurred with respect to the current or previously licensed nursing home described in paragraph (F)(3)(a) of this rule within the five years immediately preceding the date of application:

(i) Involuntary closure of the nursing home by a regulatory agency or voluntary closure in response to licensure or certification action;

(ii) Voluntary or involuntary bankruptcy proceedings that are not dismissed within sixty days;

(iii) Voluntary or involuntary receivership proceedings that are not dismissed within sixty days;

(iv) License suspension, denial, or revocation for failure to comply with operating standards.

(G) CHOP denial appeal. An applicant for licensure may appeal the denial of a change of operator license application in accordance with Chapter 119. of the Revised Code.

(H) CHOP notices to the director. An entering operator will:

(1) Notify the director immediately upon discovery of any error, omission, or change of information in a change of operator license application.

(2) Notify the director within ten days of any change in the information or documentation required by this section that occurs after the effective date of the change of operator.

(3) Truthfully supply any additional information or documentation requested by the director.

(4) If an entering operator fails to notify the director or supply additional information or documentation in accordance with this rule, the director will impose a civil penalty of two thousand dollars for each day of noncompliance.



(I) CHOP notices. The entering operator will notify, the homes' residents and their sponsors or legal representatives, the state long-term care ombudsman, and the regional long-term care ombudsman program, designated under section 173.16 of the Revised Code, serving the area where the home is located, in writing or electronically of any change of operator not later than ten days after the receipt of the change of operator license.

(J) In the case of a change of operator, the entering operator is responsible and liable for compliance with any notice of proposed action or order issued under section 3721.08 of the Revised Code prior to the effective date of the change of operator.

(K) Alteration of the home or relocation of beds within a home. If the nursing home alters its physical facilities in a manner that affects bed capacity or proposes to relocate existing beds to a unlicensed portion of the facility, the facility will provide the director with written notice at least forty-five days prior to the date the facility wants to commence filling the new beds or relocating existing beds. The nursing home will not use the altered or unlicensed area until the department notifies the facility, in writing, that the alteration or move complies with the applicable provisions of Chapter 3721. of the Revised Code and rules 3701-17-01 to 3701-17-26 of the Administrative Code. The administrator will provide the director with written notice of the relocation of beds within twenty-four hours after the relocation of a bed or beds due to emergency circumstances. The written notice from the facility will be written on company letterhead and include:

(1) A floor plan of the area, including beds;

(2) The results of the inspection by the state fire marshal or a township, municipal, or other legally constituted fire department approved by the state fire marshal for the area;

(3) A certificate of occupancy for the area; and

(4) Either an approved certificate of need or a reviewability determination noting the activity is not reviewable.

(L) An operator who operates one or more nursing homes in more than one building will obtain a separate license for each building except if such buildings are on the same lot and constitute a single



nursing home, such nursing home may be operated under a single license. However, no nursing home will be licensed in the same building as another nursing home.

On or after the effective date of this rule, an operator who operates a nursing home in more than one building, where the buildings are intersected by a public roadway, will not be granted a license to operate the buildings as a single nursing home, unless before the effective date of this rule, the buildings were so licensed.

(M) The license will be posted in a conspicuous place in the nursing home.

(N) Upon the issuance of any order of revocation or denial, the person whose license is revoked or denied may appeal in accordance with Chapter 119. of the Revised Code.

(O) When closing a home, the operator will provide the director written notification of closure at least ninety days prior to the proposed closing date. This notice will include:

(1) An address where the operator may be reached after the closing of the home;

(2) Assurances that the residents will be transferred to the most integrated and appropriate facility or other setting in terms of quality, services, and location, taking into consideration the needs, choice, and best interests of each resident.

(P) While providing a written notification of closure, the operator will, in accordance with Chapter 3701-61 of the Administrative Code, also provide written notice of the proposed date of closing of the home to its residents and their sponsors or legal representatives, the state long-term care ombudsmen program, and the regional long-term care ombudsman designated under section 173.16 of the Revised Code, serving the area where the home is located.

(Q) The nursing home will include in all official correspondence with the department pertaining to the home, its name, address, electronic mail address, and Ohio department of health issued license number as it appears on the nursing home license.

(R) Any person(s) identified in paragraph (A)(1)(a)(i) or paragraph (D)(1)(a)(i) of this rule will



notify the director within ten days of commencement of a suit against them, meaning a party suing has filed a written complaint or petition with the clerk of the court, the result of which could be the nursing home or building housing the nursing home being placed into receivership.

(S) Beds in a home that has closed that are not subject to a certificate of need are considered surrendered to the department the three hundred sixty sixth day after the home has closed.

(T) Any application submitted to the department pursuant to paragraph (A) or (D) of this rule are considered abandoned if the applicant or entering operator have not responded to requests from the director for one hundred eighty days from the date of the director's request. The director will withdraw this application, and the applicant or entering operator will need to reapply and pay the applicable fee. If the application was submitted under paragraph (D) of this rule, the director will not accept the application until the entering operator pays the fine assessed under paragraph (H) of this rule, if any.