

Assembly Bill (AB) 2673 Frequently Asked Questions (FAQ)

1. **Question:** What happens to any hospice agency change of ownership (CHOW) application that was submitted prior to January 1, 2023, but was not processed by January 1, 2023?

Answer: The California Department of Public Health (CDPH) will continue to review hospice agency CHOW applications under the current process in the order they are received through December 31, 2022. However, CHOW applications that have not been issued a license as of December 31, 2022, will need to meet the five-year licensing requirement or be granted an exception by CDPH in accordance with § 1748(f).

Effective January 1, 2023, a CHOW applicant must demonstrate and provide evidence of an unmet need of hospice services in the hospice agency's geographic service area. However, this requirement does not apply if (1) the current license has been continually held by the licensee for five years, and (2) the hospice agency has either previously qualified for licensure after demonstrating and providing evidence of unmet need or can demonstrate it is currently meeting a need for hospice services.

2. **Question:** Will CDPH notify applicants who have a pending CHOW application that was not issued an updated license by December 31, 2022?

Answer: CDPH will send a notification letter to applicants with a pending CHOW application as of January 1, 2023, requesting that they indicate either their intent to withdraw their CHOW application or their intent to move forward with their application under the new process (subject to the five-year prohibition on CHOWs and the requirement to demonstrate an unmet need of hospice services in their geographic service area) by January 31, 2023.

3. **Question:** How does an applicant withdraw their CHOW application?

Answer: An applicant intending to withdraw their CHOW application must submit by mail a letter stating that they are withdrawing their CHOW application by January 31, 2023. CDPH will process and issue fee refunds to those applicants that previously submitted CHOW application fees. Mail the intent to withdraw letter to:

California Department of Public Health
Licensing and Certification Program
Centralized Applications Branch

P.O. Box 997377, MS 3207
Sacramento, CA 96899-7377

4. **Question:** How does an applicant who intends to move forward in the CHOW application process request an exception to the five-year prohibition for CHOWs?

Answer: An applicant with a CHOW application that was not issued a license prior to January 1, 2023, who is seeking an exception to the five-year prohibition on CHOW applications due to extenuating circumstances, must submit a written justification to prove either (1) a need to ensure continuity of care for existing patients, or (2) both a financial hardship and an unmet need of hospice services in the hospice agency's geographic service area.

If an applicant decides to continue with the CHOW application process, the application will be subject to the licensing fee that will not be refunded even if the CHOW application is denied. The written justification must be received by mail by January 31, 2023. Mail the written justification and documentary evidence to:

California Department of Public Health
Licensing and Certification Program
Centralized Applications Branch
P.O. Box 997377, MS 3207
Sacramento, CA 96899-7377

5. **Question:** What happens if an applicant does not submit a letter with their intent to withdraw their application or a written justification by January 31, 2023?

Answer: CDPH will automatically withdraw the CHOW application if a response is not received by January 31, 2023.

6. **Question:** When can a licensed hospice agency CHOW?

Answer: A hospice agency may CHOW five years after the date the license was initially issued to the current licensee. For example, if a hospice license or was issued, either as an initial licensure or upon a CHOW, effective December 1, 2022, a hospice agency that does not meet the exception criteria cannot CHOW until December 1, 2027, pursuant to AB 2673.

7. **Question:** What happens if a CHOW application is submitted within five years of the licensee's license effective date?

Answer: The CHOW application must be denied unless the hospice agency submits a written justification demonstrating the application meets the exception

criteria (See [All Facilities Letter \(AFL\) 22-28](#) header Five-Year Prohibition on CHOWs for additional criteria). If CDPH grants the exception, CDPH will notify the agency they may submit the CHOW application to CDPH for review and consideration. If the CHOW is approved, the new licensee will be subject to the five-year CHOW prohibition.

8. **Question:** What happens if a CHOW occurred, and the licensee failed to report to CDPH for review and approval?

Answer: A license is not transferable. If an unapproved change of ownership occurred without proper notification by the proposed owner and approval by CDPH, the current licensee's (licensee of CDPH records) license may be revoked for non-compliance with licensing requirements and the new operator will not be issued a license.

9. **Question:** What if an applicant wants to change the geographic service area when a change of ownership occurs, and a CHOW application is submitted?

Answer: If the hospice agency's approved geographic service area will change upon the change in ownership, the new applicant for licensure must demonstrate unmet need for hospice services for any new service area. CDPH must approve the proposed change in geographic service area prior to the hospice agency operating in the new geographic service area.

10. **Question:** Does AB 2673 have any impact on changes of stock transfer (CHST)?

Answer: CDPH will continue to review hospice agency CHST applications under the current process in the order they are received. However, effective January 1, 2023, AB 2673 amends Health and Safety Code (HSC) section 1755 to permit CDPH to deny any application for licensure, or suspend or revoke any license issued, for failure by a hospice agency to report a change in owner, hospice agency management personnel, service area, or location.

11. **Question:** If a hospice agency is already licensed and has an active administrator, administrator designee, director of patient care services (DPCS), DPCS designee, medical director, or contracted medical director; do they need to submit a new application packet for those individuals?

Answer: Yes. Licensed hospice agencies are required to have an administrator, administrator designee, DPCS, DPCS designee, and a medical director or contracted medical director. A hospice agency must submit an application to CDPH to report this information on a one-time basis no later than March 31, 2023, pursuant to AB 2673. Additionally, a hospice agency must submit an

application to report a change in any of these five management personnel within 10 business days of the change. Additional requirements related to management personnel (and all other provisions of AB 2673) are detailed in [AFL 22-28](#).

Please ensure to include a cover letter indicating the intent of reporting the administrator, administrator designee, DPCS, DPCS designee, and a medical director or contracted medical director is to comply with AB 2673.

12. Question: Is the moratorium on new hospice agency licenses established by Senate Bill (SB) 664 still ongoing?

Answer: Yes. Effective January 1, 2023, the current moratorium on new hospice agency licenses under [HSC Division 2, Chapter 8.5, Article 2.3](#) established by [SB 664](#) (Chapter 494, Statutes of 2021) is extended until CDPH develops emergency hospice agency regulations, but no later than March 29, 2024.