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Title 388@ Social and Health Services, Department of

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Undesignated 388-97@ AGING AND ADULT SERVICES

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Chapter III@ Nursing homes

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Section 388-97-4280@ Change of ownership

## **388-97-4280 Change of ownership**

### **(1)**

A change of ownership occurs when there is a substitution, elimination, or withdrawal of the licensee or a substitution of control of the licensee. "Control," as used in this section, means the possession, directly or indirectly, of the power to direct the management, operation, and policies of the licensee, whether through ownership, voting control, by agreement, by contract or otherwise. Events which constitute a change of ownership include, but are not limited to, the following: (a) The form of legal organization of the licensee is changed (e.g., a sole proprietor forms a partnership or corporation); (b) The licensee transfers ownership of the nursing home business enterprise to another party regardless of whether ownership of some or all of the real property and/or personal property assets of the facility is also transferred; (c) Dissolution or consolidation of the entity; (d) Merger unless the licensee survives the merger and there is not a change in control of the licensee; (e) If, during any continuous twenty-four month period, fifty percent or more of the entity is transferred, whether by a single transaction or multiple transactions, to: (i) A different party (e.g., new or former shareholders); or (ii) An individual or entity that had less than a five percent ownership interest in the nursing home at the time of the first transaction; or (f) Any other event or combination of events that the department determines results in a: (i) Substitution, elimination, or withdrawal of the licensee; or (ii) Substitution of

control of the licensee responsible for the daily operational decisions of the nursing home.

**(a)**

The form of legal organization of the licensee is changed (e.g., a sole proprietor forms a partnership or corporation);

**(b)**

The licensee transfers ownership of the nursing home business enterprise to another party regardless of whether ownership of some or all of the real property and/or personal property assets of the facility is also transferred;

**(c)**

Dissolution or consolidation of the entity;

**(d)**

Merger unless the licensee survives the merger and there is not a change in control of the licensee;

**(e)**

If, during any continuous twenty-four month period, fifty percent or more of the entity is transferred, whether by a single transaction or multiple transactions, to: (i) A different party (e.g., new or former shareholders); or (ii) An individual or entity that had less than a five percent ownership interest in the nursing home at the time of the first transaction; or

**(i)**

A different party (e.g., new or former shareholders); or

**(ii)**

An individual or entity that had less than a five percent ownership interest in the nursing home at the time of the first transaction; or

**(f)**

Any other event or combination of events that the department determines results in a:

(i) Substitution, elimination, or withdrawal of the licensee; or (ii) Substitution of control of the licensee responsible for the daily operational decisions of the nursing home.

**(i)**

Substitution, elimination, or withdrawal of the licensee; or

**(ii)**

Substitution of control of the licensee responsible for the daily operational decisions of the nursing home.

**(2)**

Ownership does not change when the following, without more, occur: (a) A party contracts with the licensee to manage the nursing home enterprise in accordance with the requirements of WAC 388-97-4260; or (b) The real property or personal property assets of the nursing home are sold or leased, or a lease of the real property or personal property assets is terminated, as long as there is not a substitution or substitution of control of the licensee.

**(a)**

A party contracts with the licensee to manage the nursing home enterprise in accordance with the requirements of WAC 388-97-4260; or

**(b)**

The real property or personal property assets of the nursing home are sold or leased, or a lease of the real property or personal property assets is terminated, as long as there is not a substitution or substitution of control of the licensee.

**(3)**

When a change of ownership is contemplated, the current licensee must notify the department and all residents and their representatives at least sixty days prior to the proposed date of transfer. The notice must be in writing and contain the

following information as specified in RCW 18.51.530: (a) Name of the proposed licensee; (b) Name of the managing entity; (c) Names, addresses, and telephone numbers of department personnel to whom comments regarding the change may be directed; (d) Names of all officers and the registered agent in the state of Washington if proposed licensee is a corporation; and (e) Names of all general partners if proposed licensee is a partnership.

**(a)**

Name of the proposed licensee;

**(b)**

Name of the managing entity;

**(c)**

Names, addresses, and telephone numbers of department personnel to whom comments regarding the change may be directed;

**(d)**

Names of all officers and the registered agent in the state of Washington if proposed licensee is a corporation; and

**(e)**

Names of all general partners if proposed licensee is a partnership.

**(4)**

The proposed licensee must comply with license application requirements. The operation or ownership of a nursing home must not be transferred until the proposed licensee has been issued a license to operate the nursing home.

**(5)**

In the event of a change of ownership, the previously established license expiration date must not change.