**Section 350.170 Denial of Initial License**

a) A determination by the Director to deny the issuance of an initial license shall be based on a finding that one or more of the criteria outlined in Section 350.165 or the following criteria are met.

1) *Conviction of the applicant, or if the applicant is a firm, partnership or association, of any of its members, or if a corporation, the conviction of the corporation or any of its officers or stockholders, or of the person designated to manage or supervise the facility, of 2 or more misdemeanors involving moral turpitude, during the previous 5 years as shown by* *a certified copy of the record of the court of conviction.* (Section 3-117(2) of the Act)

2) Prior license revocation. Both of the following conditions shall be met:

A) *Revocation of a facility license during the previous 5 years, if such prior license was issued to the individual applicant, a controlling owner or controlling combination of owners of the applicant; or any affiliate of the individual applicant or controlling owner of the applicant and such individual applicant, controlling owner of the applicant or affiliate of the applicant was a controlling owner of the prior license.* Operation for the purposes of this provision shall include individuals with responsibility for the overall management, direction, or supervision of the facility.

B) *The denial of an application for a license pursuant to this subsection* (a)(2) *must be supported by evidence that* the *prior revocation renders the applicant unqualified or incapable of meeting or maintaining a facility in accordance with* the Act and this Part. This determination will be based on the applicant's qualifications and ability to meet the criteria outlined in Section 350.165(b) as evidenced by the application and the applicant's prior history. (Section 3-117(5) of the Act)

3) *Personnel insufficient in number or unqualified by training or experience to properly care for the proposed number and type of residents*. (Section 3-117(3) of the Act)

4) *Insufficient financial or other resources to operate and conduct the facility in accordance with* this Part and the *Act*. (Section 3-117(4) of the Act)

5) *That the facility is not under the direct supervision of a full time administrator, as defined* in this Part*, who is licensed, if required, under the Nursing Home Administrators Licensing and Disciplinary Act*. (Section 3-117(6) of the Act)

6) *That the facility is in receivership and the proposed licensee has not submitted a specific detailed plan to bring the facility into compliance with the requirements of* the *Act and with federal certification requirements, if the facility is certified, and to keep the facility in such compliance*. (Section 3-117(7) of the Act)

7) *The applicant is the owner of a facility designated pursuant to Section 3-304.2 of* the *Ac*t and Section 350.185 *as a distressed facility*. (Section 3-117(8) of the Act) The individual applicant, an owner or combination of owners of the applicant; or any affiliate of the individual applicant or owner of the applicant or affiliate of the applicant has an interest in any facility currently listed on the quarterly list of distressed facilities in accordance with Section 350.185.

b) The Department shall notify an applicant *immediately upon denial of any application.* The notice shall be *in writing* and shall include:

1) *A clear and concise statement* *of the violations of Section 3-*117 of the Act *on which denial is based*. The statement shall include a citation to the provisions of Section 3-117 of the Act and the provisions of this Part under which the application is being denied.

2) A *notice of the opportunity for a hearing under Section 3-703* of the Act. *If the applicant desires to contest the denial of a license, it shall provide written notice to the Department of a request for a hearing within 10 days after receipt of the notice of denial*. (Section 3-118 of the Act)

(Source: Amended at 46 Ill. Reg. 10519, effective June 2, 2022)