



SENATE BILL 698: Legacy Medical Care Facility/CON Exempt.

2015-2016 General Assembly

Committee:	Rules, Calendar, and Operations of the House	Date:	September 23, 2015
Introduced by:	Sen. Hise	Prepared by:	Janice Paul
Analysis of:	PCS to First Edition S698-CSTJ-60		Committee Counsel

SUMMARY: *The Proposed Committee Substitute (PCS) for Senate Bill 698 would provide for certain exemptions under the Certificate of Need Law.*

BACKGROUND AND CURRENT LAW: Article 9 of Chapter 131E governs the issuance of Certificates of Need (CON). The CON law¹ provides the process by which persons may apply for a license to construct or expand health care facilities or to provide services in accordance with the determined need. The State's CON law provides, "No person shall offer or develop a new institutional health service is required without first obtaining a certificate of need from the Department of Health and Human Services ("Department"). G.S. 131E-178.

BILL ANALYSIS: The PCS would amend G.S. 131E-176 to create a definition of "Legacy Medical Care Facility," and would exempt from certificate of need review the acquisition or reopening of a Legacy Medical Care Facility upon providing the Department with a written notice containing specified information. A Legacy Medical Care Facility is defined as an institution that (1) is not presently operating, (2) has not continuously operated for at least the past six months, (3) was licensed under the Hospital Licensure Act, and (4) was primarily engaged in providing specified services to inpatients, by physicians or under physicians' supervision.

EFFECTIVE DATE: This act is effective when it becomes law.

ⁱ *For further background and information on the State's CON laws, see the following reports:

- o http://www.ncleg.net/documentsites/committees/HSCCONPRHI/04-19-12/HSCCON_final_report_4-23.pdf
- o <http://ncleg.net/Library/studies/2013/st11925.pdf>.

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