



HOUSE BILL 126: Amend Certificate of Need Laws.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2019-2020 General Assembly

Committee:	Senate Health Care. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 25, 2019
Introduced by:	Reps. Murphy, Dobson, Potts, Sasser	Prepared by:	Jason Moran-Bates Staff Attorney
Analysis of:	PCS to First Edition H126-CSBC-57		

OVERVIEW: *The Proposed Committee Substitute to House Bill 126 would make several changes to the Certificate of Need (CON) laws in Article 9 of Chapter 131E. The PCS would remove psychiatric facilities, kidney disease treatment centers, intermediate care facilities, chemical dependency treatment facilities, ambulatory surgical centers, and certain continuing care retirement centers from CON review. It would raise the cost thresholds that make diagnostic center equipment and health service facility capital expenditures subject to CON review and require ambulatory surgical centers to commit to providing a certain level of charity care.*

BILL ANALYSIS:

Part I of the PCS would:

- Increase the equipment dollar limit that makes diagnostic centers subject to CON review from \$500,000 to \$1,500,000. This new limit would be indexed for inflation starting in September 2022.
- Remove psychiatric facilities, kidney disease treatment centers, intermediate care facilities, and chemical dependency treatment facilities from CON review.
- Remove continuing care retirement centers from CON review to the extent that they provide home health services to residents who have signed a contract to receive continuing care services with lodging.
- Redefine "major medical equipment" to mean equipment that costs \$2,000,000. Currently, the definitional cost is \$750,000. This new amount would be indexed for inflation starting in September 2022.
- Increase the limit that subjects a capital expenditure to CON review from \$2,000,000 to \$4,000,000. This new limit would be indexed for inflation starting in September 2022.
- Prevent the State Medical Facilities Plan from limiting the number of operating rooms or gastrointestinal endoscopy rooms.
- Require CON recipients whose projects cost more than \$50,000,000 to initiate construction within four years of receiving a CON. CON recipients whose projects cost \$50,000,000 or less would have two years to begin construction.
- Repeal G.S. 131E-175(11) and (12), which are findings of fact related to gastrointestinal endoscopy services.
- Become effective October 1, 2019.

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Part II of the PCS would:

- Require applicants seeking licensure for an ambulatory service center to state the number of procedure rooms on the premises named in the application.
- Require, as a condition of licensure, that ambulatory surgical centers commit to providing a certain level of charity care.
- Remove the conversion of specialty ambulatory surgical programs to multispecialty ambulatory surgical programs from CON review.
- Become effective January 1, 2020.

Part III of the PCS would:

- Exempt ambulatory surgical centers from CON review.
- Become effective January 1, 2022.

EFFECTIVE DATE: Part I would be effective October 1, 2019. Part II would be effective January 1, 2020. Part III would be effective January 1, 2022.