



# HOUSE BILL 126: Amend Certificate of Need Laws.

2019-2020 General Assembly

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<b>Committee:</b>	Senate Rules and Operations of the Senate	<b>Date:</b>	July 1, 2019
<b>Introduced by:</b>	Reps. Murphy, Dobson, Potts, Sasser	<b>Prepared by:</b>	Jason Moran-Bates
<b>Analysis of:</b>	Second Edition		Staff Attorney

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**OVERVIEW:** *House Bill 126 would make several changes to the Certificate of Need (CON) laws in Article 9 of Chapter 131E. The bill would remove psychiatric facilities, kidney disease treatment centers, intermediate care facilities, chemical dependency treatment facilities, and certain continuing care retirement centers from CON review. Finally, 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 report on the number of operating rooms they have.*

## BILL ANALYSIS:

### Part I of the bill 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.

### Part II of the bill would:

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- Require applicants seeking licensure for an ambulatory service center to state the number of procedure rooms on the premises named in the application.
- Specialty ambulatory surgical programs converting to multispecialty ambulatory surgical programs would be exempt from Certificate of Need Review.
- Become effective January 1, 2020.

**Part III** of the bill is a severability clause.

**EFFECTIVE DATE:** Part I would be effective October 1, 2019. Part II would be effective January 1, 2020. Part III would be effective when the bill becomes law.