



SENATE BILL 462: CON/Threshold Amds. & Certificate Expirations.

2021-2022 General Assembly

Committee:	House Health. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	August 20, 2021
Introduced by:	Sens. Krawiec, Perry, Burgin	Prepared by:	Jason Moran-Bates Committee Staff
Analysis of:	Third Edition		

OVERVIEW: *Senate Bill 462 would increase the dollar threshold that diagnostic center equipment, major medical equipment, and capital expenditures for new institutional health services must exceed before they are subject to certificate of need review. It would also require projects subject to a certificate of need to initiate construction within a specified timeframe.*

CURRENT LAW: The current law is underlined in the Bill Analysis section.

BILL ANALYSIS:

Section 1 of the bill would increase the dollar threshold various types of healthcare equipment and facilities must exceed before becoming subject to Certificate of Need review:

- For diagnostic centers, the aggregate dollar value of equipment with an individual value over \$10,000 would be increased to \$1,500,000. The current threshold is \$500,000.
- For major medical equipment, the threshold would be increased to \$2,000,000. The current threshold is \$750,000.
- For capital expenditures for new institutional health services, the threshold would be increased to \$4,000,000. The current threshold is \$2,000,000.

The new amounts would be indexed for inflation and would adjust each year beginning September 30, 2022.

Section 2 of the bill would require certificate of need holders to initiate construction on projects withing a specified timeframe. If the project is not initiated by the deadline, the certificate of need would expire. There is currently no specified timeframe for projects to initiate construction.

- Projects costing over \$50,000,000 would have to initiate construction within 4 years of the certificate of need becoming final.
- Projects costing \$50,000,000 would have to initiate construction within 4 years of the certificate of need becoming final.
- Projects that already have a certificate and a deadline for completion would have to be completed by that deadline.

Section 3 of the bill is a severability clause.

EFFECTIVE DATE: Section 3 would be effective when it becomes law. The remainder of the bill would be effective October 1, 2021.

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