

HOUSE BILL 186 SUMMARY

Certificate of Need (CON)

- Specifically provides the Department of Community Health (DCH) the authority to establish a Technical Advisory Committee to help prepare the State Health Plan and advise DCH on implementation of the CON
- Clarifies that freestanding emergency departments (EDs) or facilities require a CON regardless of cost
- Increases the capital expenditure threshold from \$3,068,601 to \$10 million with an annual adjustment for inflation
- Increases the equipment threshold from \$1,324,921 to \$3 million for hospitals and physician practices with an annual adjustment for inflation (Freestanding imaging centers would still be required to obtain a CON regardless of the cost of the equipment.)
- Clarifies that expenditures for the corporate restructuring or acquisition of existing health care facilities are exempt from CON review
- Clarifies that the replacement of MRI, CT, PET and PET/CT equipment is exempt from CON review
- Expands the list of nonclinical projects exempt from CON review
 - Parking lots, parking decks and other parking facilities
 - Computer systems, software and other information technology
 - Medical office buildings
 - Administrative office space
 - Conference rooms
 - Education facilities
 - Lobbies
 - Common spaces
 - Clinical staff lounges and sleep areas
 - Waiting rooms
 - Bathrooms
 - Cafeterias
 - Hallways
 - Engineering facilities
 - Mechanical systems
 - Roofs
 - Grounds
 - Signage
 - Family meeting or lounge areas
 - Other nonclinical physical plant renovations or upgrades that do not result in new or expanded clinical health services
- Adds three new exemptions from CON review
 - Renovation, remodeling, refurbishment, or upgrading of a healthcare facility as long as the project does not result in:
 - New or expanded clinical health services
 - Increase in inpatient bed capacity

- Redistribution of existing bed capacity among existing clinical health services
 - Capital expenditure above the threshold
 - The acquisition of imaging equipment other than PET with a value of less than \$3 million by hospitals or physician practices for use on the practice's patients
 - Physician practices must have a member of the practice present at the practice location where the equipment is located at least 75% of the time the equipment is in use.
 - Capital expenditures of \$10 million or less by a hospital on the hospital's primary campus for:
 - The expansion or addition of:
 - Operating rooms other than dedicated outpatient operating rooms
 - Medical-surgical services
 - Gynecology
 - Procedure rooms
 - Intensive care
 - Pharmaceutical services
 - Pediatrics
 - Cardiac care
 - Other general hospital services
 - The movement of clinical health services from one location on the primary campus to another location on the primary campus
 - Primary campus includes the health care facilities within 1,000 yards of the building in which the majority of a hospital's licensed and operational inpatient hospital beds are located
- No changes to inpatient psychiatric services
- No changes to exemption for additional inpatient hospital beds
- No changes to ambulatory surgery centers (ASCs)
 - Multi-specialty ASCs remain subject to CON
 - No exemption for Legacy Sports Institute
 - No cardiac procedures in ASCs

CON Application Process

- Rural hospitals exempt from CON filing fees
- Restricts the health care facilities that have standing to appeal the award of a CON to:
 - A competing applicant in the same batching cycle
 - A competing health care facility within 35 miles of the applicant
 - A health care facility with a service area that overlaps the applicant's proposed service area
- Establishes statutory timelines for DCH's review of determination requests
 - If no objection filed within 30 days of DCH's receipt of the request, DCH has 60 days from its receipt of the request to issue a Letter of Determination

Cancer Treatment Centers of America (CTCA)

- Allows CTCA to convert from a Destination Cancer Hospital to a General Cancer Hospital without a phase-in period

- DCH will develop a process for CTCA to apply for a CON to convert to a General Cancer Hospital
 - Application for conversion will not be subject to the statutory general review criteria or service specific review criteria
 - No other health care facilities would be allowed to oppose the application for conversion
- Existing inventory of beds and equipment would not count in the health planning area's inventory for purposes of determining the need for new or expanded services
 - Beds and equipment acquired after the conversion will be included in the inventory
- Upon conversion to a General Cancer Hospital, CTCA would be:
 - Subject to the same CON requirements as hospitals to add or expand services
 - Limited to providing services to cancer patients

Indigent and Charity Care (ICC) – Directs DCH to:

- Study the amount of ICC provided by each type of health care facility
- Develop requirements for the levels of ICC to be performed by each type of health care facility
- Develop a standardized methodology for calculating the amount of ICC provided

Transparency Requirements for Health Care Facilities

- Provides DCH with authority collect additional information on its annual health planning surveys
 - Transfers to a hospital or hospital emergency department, including both direct transfers and transfers by emergency medical service
 - Number of rooms, beds, procedures and patients, including without limitation demographic information and payer source
 - Patient origin by county
 - Operational information such as procedure types, volumes and charges
- DCH and health care facilities must make all annual reports submitted to DCH available on their website and DCH must provide copies of the reports to:
 - Governor
 - Speaker of the House
 - President of the Senate
 - Chairs of the House and Senate Health and Human Services Committees
- Health care facilities, ASCs and imaging centers must post the annual reports on their websites
- Tax exempt hospitals are required to file their IRS Form 990s with DCH
 - If a tax exempt hospital is not required to file a 990, then it must file an equivalent report

**HB 321 contains a more prescriptive list of information that would be required to be posted on the hospital's website.*

Medical Use Rights - Unlawful for health care facilities to acquire rights or interests in real property where the owner of the property has agreed not to sell or lease the property for identified medical uses.

Rural Hospital Tax Credit

- Tax credit extended to 2024
- DCH required to provide information on the process for the ranking of hospitals by financial need
- DCH must post on its website:
 - List of eligible hospitals
 - Ranking information
 - Annual report
 - Total amount received by Georgia HEART
 - Link to Department of Revenue (DOR) website
- Georgia HEART has to provide donors with complete list of eligible hospitals and ranking (not just Georgia HEART hospitals)
- Increases the time for a tax payer to make a donation to 180 days from the time the tax credit is approved by DOR [The current timeframe is 60 days.]
- DOR must post on its website:
 - All applicable timelines and deadlines for the tax credit
 - List and ranking of eligible hospitals
 - Monthly progress reports by hospital
 - List of undesignated donations and hospitals they went to
- Department of Audits and Accounts (DOAA) conducts annual audit of the program

Strategic Health Care Planning

- Establishes an Office of Health Strategy and Coordination
- Reports directly to the Governor
- Required to convene a Georgia Data Access Forum with representatives from:
 - Hospital associations
 - Pharmacy associations
 - Physician associations
 - Dental associations
 - Department of Community Health
 - Department of Public Health
 - Department of Behavioral Health and Developmental Disabilities
 - Office of the Insurance Commissioner
 - Insurance carriers
 - Self-insured employers

Hospital Authorities – Additional flexibility for hospital authorities that do not own or operate a hospital to spend and invest funds