

Senate Bill 242

By: Senators Hudgens of the 47th, Rogers of the 21st, Heath of the 31st and Chance of the 16th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 3 of Chapter 6 of Title 31 of the Official Code of Georgia Annotated,
2 relating to the certificate of need program, so as to provide for an exemption from the
3 certificate of need requirements for the voluntarily relocation of a health care facility under
4 certain conditions; to provide for an exemption from the certificate of need requirements for
5 the relocation, repair, or replacement of a health care facility that is damaged, destroyed, or
6 rendered inoperable under certain conditions; to provide for related matters; to provide for
7 an effective date; to repeal conflicting laws; and for other purposes.

8 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

9 **SECTION 1.**

10 Article 3 of Chapter 6 of Title 31 of the Official Code of Georgia Annotated, relating to the
11 certificate of need program, is amended in Code Section 31-6-47, relating to exemptions
12 from the chapter, by striking paragraphs (15) and (16) of subsection (a) and inserting in their
13 respective places place the following:

14 "(15) Increases in the bed capacity of a hospital up to ten beds or 10 percent of capacity,
15 whichever is less, in any consecutive two-year period, in a hospital that has maintained
16 an overall occupancy rate greater than 85 percent for the previous 12 month period; ~~and~~
17 (16) Capital expenditures for a project otherwise requiring a certificate of need if those
18 expenditures are for a project to remodel, renovate, replace, or any combination thereof,
19 a medical-surgical hospital and:

20 (A) That hospital:

- 21 (i) Has a bed capacity of not more than 50 beds;
- 22 (ii) Is located in a county in which no other medical-surgical hospital is located;
- 23 (iii) Has at any time been designated as a disproportionate share hospital by the
24 Department of Community Health; and
- 25 (iv) Has at least 45 percent of its patient revenues derived from medicare, Medicaid,
26 or any combination thereof, for the immediately preceding three years; and

1 (B) That project:

2 (i) Does not result in any of the following:

3 (I) The offering of any new clinical health services;

4 (II) Any increase in bed capacity;

5 (III) Any redistribution of existing beds among existing clinical health services; or

6 (IV) Any increase in capacity of existing clinical health services;

7 (ii) Has at least 80 percent of its capital expenditures financed by the proceeds of a
8 special purpose county sales and use tax imposed pursuant to Article 3 of Chapter 8
9 of Title 48; and

10 (iii) Is located within a three-mile radius of and within the same county as the
11 hospital's existing facility;

12 (17) Capital expenditures for a project otherwise requiring a certificate of need if those
13 expenditures are for a project to voluntarily relocate a health care facility to another site
14 if:

15 (A) The health care facility will not offer any new clinical health services at the new
16 site which it was not otherwise authorized to provide at the previous site;

17 (B) The health care facility will not increase the licensed capacity of its existing
18 clinical health services unless it was otherwise authorized to do so, if the operation of
19 the health care facility requires a license from the Department of Human Resources;

20 (C) The health care facility has not previously voluntarily relocated within the
21 five-year period immediately prior to the current relocation unless such relocation was
22 either subject to a certificate of need program or otherwise permitted by law; and

23 (D) The new site is within the same health planning area as the health care facility's
24 previous site; and

25 (18) Capital expenditures for a project otherwise requiring a certificate of need if those
26 expenditures are for a project to relocate, repair, or replace a health care facility on the
27 same site or on a new site if:

28 (A) The health care facility was damaged, destroyed, or rendered substantially
29 inoperable as a result of casualty, eminent domain, or any other cause beyond the
30 reasonable control of the health care facility;

31 (B) The health care facility will not offer any new clinical health services which it was
32 not otherwise authorized to provide;

33 (C) The health care facility will not increase the licensed capacity of its existing
34 clinical health services unless it was otherwise authorized to do so, if the operation of
35 the health care facility requires a license from the Department of Human Resources;

36 and

1 (D) The new site, if applicable, is within the same health planning area as the health
2 care facility's previous site."

3 **SECTION 2.**

4 This Act shall become effective on July 1, 2005.

5 **SECTION 3.**

6 All laws and parts of laws in conflict with this Act are repealed.