

The Senate Committee on Health and Human Services offered the following substitute to HB 697:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 31-6-47 of the Official Code of Georgia Annotated, relating to
2 exemptions from certificate of need requirements, so as to provide an exemption for acute
3 care hospitals established in rural counties that meet certain criteria; to provide for related
4 matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Code Section 31-6-47 of the Official Code of Georgia Annotated, relating to exemptions
8 from certificate of need requirements, is amended in subsection (a) by striking "and" at the
9 end of paragraph (28), by replacing the period at the end of paragraph (29) with "; and", and
10 by adding a new paragraph to read as follows:

11 "(30)(A) An acute care hospital in a rural county, as defined in Code Section 31-8-9.1,
12 that meets the following qualifications as of June 30, 2022, and that on or after July 1,
13 2022, but prior to July 1, 2024, relocates such hospital to another location within the
14 county, regardless of whether it increases its bed capacity:

15 (i) Provides inpatient hospital services;

- 16 (ii) Participates in both Medicaid and Medicare and accepts both Medicaid and
17 Medicare patients;
- 18 (iii) Provides health care services to indigent patients;
- 19 (iv) Has at least 10 percent of its annual net revenue categorized as indigent care,
20 charity care, or bad debt;
- 21 (v) Annually files IRS Form 990, Return of Organization Exempt From Income Tax,
22 with the department, or for any hospital not required to file IRS Form 990, the
23 department will provide a form that collects the same information to be submitted to
24 the department on an annual basis;
- 25 (vi) Is operated by a county or municipal authority pursuant to Article 4 of Chapter
26 7 of this title or is designated as a tax-exempt organization under Section 501(c)(3)
27 of the Internal Revenue Code;
- 28 (vii) Is current with all audits and reports required by law; and
- 29 (viii) Has a three-year average patient margin, as a percent of expense, less than one
30 standard deviation above the state-wide three-year average of organizations defined
31 in divisions (i) through (vii) of this subparagraph, as calculated by the department.
32 For purposes of this division, the term 'patient margin' means gross patient revenues
33 less contractual adjustments, bad debt, indigent and charity care, other uncompensated
34 care, and total expenses.
- 35 (B) In the event that the county in which an acute care hospital established in
36 accordance with this paragraph is located no longer meets the definition of a rural
37 county after such hospital has commenced operations, the hospital shall be deemed to
38 continue to meet the requirements of this paragraph for as long as such hospital
39 continues to operate."

40

SECTION 2.

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