

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 436
Committee Substitute Favorable 5/7/09
Senate Health Care Committee Substitute Adopted 5/27/09

Short Title: Fairness in CON Determinations/Inflation Adj.

(Public)

Sponsors:

Referred to:

March 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO EXEMPT FROM CERTIFICATE OF NEED REVIEW CERTAIN CAPITAL
3 EXPENDITURES FOR NURSING HOMES, ADULT CARE HOMES, AND
4 INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED THAT
5 ENTAIL INNOVATIVE RENOVATIONS AND EXPANSIONS TO IMPROVE
6 QUALITY OF LIFE.

7 The General Assembly of North Carolina enacts:

8 SECTION 1. G.S. 131E-184 is amended by adding the following new subsection
9 to read:

10 "(e) The Department shall exempt from certificate of need review a capital expenditure
11 that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if
12 all of the following conditions are met:

13 (1) The proposed capital expenditure would:

14 a. Be used solely for the purpose of renovating, replacing on the same
15 site, or expanding an existing:

16 1. Nursing home facility,

17 2. Adult care home facility, or

18 3. Intermediate care facility for the mentally retarded; and

19 b. Not result in a change in bed capacity, as defined in
20 G.S. 131E-176(5), or the addition of a health service facility or any
21 other new institutional health service other than that allowed in
22 G.S. 131E-176(16)b.

23 (2) The entity proposing to incur the capital expenditure provides prior written
24 notice to the Department, which notice includes documentation that
25 demonstrates that the proposed capital expenditure would be used for only
26 one of the following purposes:

27 a. Conversion of semiprivate resident rooms to private rooms.

28 b. Providing innovative, homelike residential dining spaces, such as
29 cafes, kitchenettes, or private dining areas to accommodate residents
30 and their families or visitors.

31 c. Renovating, replacing, or expanding residential living or common
32 areas to improve the quality of life of residents."

33 SECTION 2. G.S. 131E-176(16)b. reads as rewritten:

34 "(16) "New institutional health services" means any of the following:

35 ...



1 b. ~~The~~ Except as otherwise provided in G.S. 131E-184(e), the
2 obligation by any person of a capital expenditure exceeding two
3 million dollars (\$2,000,000) to develop or expand a health service or
4 a health service facility, or which relates to the provision of a health
5 service. The cost of any studies, surveys, designs, plans, working
6 drawings, specifications, and other activities, including staff effort
7 and consulting and other services, essential to the acquisition,
8 improvement, expansion, or replacement of any plant or equipment
9 with respect to which an expenditure is made shall be included in
10 determining if the expenditure exceeds two million dollars
11 (\$2,000,000).

12 "

13 **SECTION 3.** This act is effective when it becomes law.