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COMMITTEE REPORT

April 12, 2012

**S. 1388**

Introduced by Senator Cleary

S. Printed 4/12/12--S.

Read the first time March 28, 2012.

**THE COMMITTEE ON MEDICAL AFFAIRS**

To whom was referred a Bill (S. 1388) to amend Section 44-7-150, as amended, Code of Laws of South Carolina, 1976, relating to duties of the Department of Health and Environmental Control in the, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HARVEY S. PEELER, JR. for Committee.

**A** **BILL**

TO AMEND SECTION 44-7-150, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO DUTIES OF THE DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL IN THE ADMINISTRATION OF THE CERTIFICATE OF NEED (CON) PROGRAM, INCLUDING THE ASSESSMENT AND COLLECTION OF FEES, SO AS TO ESTABLISH CON APPLICATION, FILING, AND ISSUANCE FEES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 44-7-150 of the 1976 Code, as last amended by Act 278 of 2010, is further amended to read:

“Section 44‑7‑150. In carrying out the purposes of this article, the department shall:

(1) require reports and make inspections and investigations as considered necessary;

(2) to the extent that is necessary to effectuate the purposes of this article, enter into agreements with other departments, commissions, agencies, and institutions, public or private;

(3) adopt in accordance with Article I of the Administrative Procedures Act substantive and procedural regulations considered necessary by the department and approved by the board to carry out the department’s licensure and Certificate of Need duties under this article, including regulations to deal with competing applications;

(4) accept on behalf of the State and deposit with the State Treasurer, any grant, gift, or contribution made to assist in meeting the cost of carrying out the purpose of this article and expend it for that purpose;

(5) The department may charge and collect the following fees to cover the cost of operating the Certificate of Need program, including application fees, filing fees, issuance fees, and nonapplicability/exemption determination fees~~. The department shall develop regulations which set fees as authorized by this article. The level of these fees must be determined after careful consideration of the direct and indirect costs incurred by the department in performing its various functions and services in the Certificate of Need program. All fees and procedures for collecting fees must be adopted pursuant to procedures set forth in the Administrative Procedures Act. Any fee collected pursuant to this section in excess of seven hundred fifty thousand dollars must be retained by the department and designated for the administrative costs of the Certificate of Need program. The first seven hundred fifty thousand dollars collected pursuant to this section must be deposited into the general fund of the State. Until fees are promulgated through regulation, all fees established as of January 1, 2009, remain in effect~~:

(a) Initial filing fee: $500

This fee must be submitted as a nonrefundable initial payment at the time the application is submitted to the department.

(b) Application fee: .5% of the total project cost, as defined in regulation, not to exceed $7,000

This fee must be paid to the department when the application is deemed complete, as defined in regulation.

(c) Issuance fee: $7,500

This fee must be paid to the department upon the granting of a Certificate of Need, for any project whose total project cost, as defined by regulation, is greater than $1,400,000. If the project is not approved, the issuance fee must not be assessed.”

SECTION 2. This act takes effect July 1, 2012.

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