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COMMITTEE REPORT

April 25, 2018

**H. 4489**

Introduced by Reps. Henderson, Jefferson, Robinson‑Simpson and W. Newton

S. Printed 4/25/18--H.

Read the first time January 9, 2018.

**THE COMMITTEE ON MEDICAL,**

**MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

To whom was referred a Bill (H. 4489) to amend Section 44‑7‑170, as amended, Code of Laws of South Carolina, 1976, relating to the Certificate of Need program, etc., respectfully

**REPORT:**

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

LEON HOWARD for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Prefiled on December 13, 2017**

**State Expenditure**

This bill clarifies that kidney disease treatment centers are exempt from Certificate of Need review requirements. The bill also repeals §44-7-310, which states that information obtained through inspection or otherwise, which does not appear on the face of the license may not be disclosed to the public except under certain circumstances.

Under current law, certain transactions and institutions are exempt from a Certificate of Need review. Kidney disease treatment centers currently do not require a Certificate of Need, nor are they required to submit written documentation of the exemption. This bill clarifies the requirements for kidney disease treatment centers by explicitly adding this type of center to the list of exempt transactions and institutions which are not required to obtain a review. This bill does not operationally impact the department. Therefore, it will have no fiscal impact on the general fund, federal funds, or other funds.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 44‑7‑170, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CERTIFICATE OF NEED PROGRAM, SO AS TO CLARIFY THAT KIDNEY DISEASE TREATMENT CENTERS ARE EXEMPT FROM CERTIFICATE OF NEED REVIEW REQUIREMENTS BUT ARE SUBJECT TO LICENSING REQUIREMENTS; AND TO REPEAL SECTION 44‑7‑310 RELATING TO PUBLIC ACCESS TO HEALTH FACILITY LICENSING INFORMATION.

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

SECTION 1. Section 44‑7‑170 of the 1976 Code, as last amended by Act 10 of 2017, is further amended to read:

“Section 44‑7‑170. (A) The following are exempt from Certificate of Need review:

(1) the acquisition by a person of medical equipment to be used solely for research, the offering of an institutional health service by a person solely for research, or the obligation of a capital expenditure by a person to be made solely for research if it does not:

(a) affect the charges imposed by the person for the provision of medical or other patient care services other than the services that are included in the research;

(b) change the bed capacity of a health care facility; or

(c) substantially change the medical or other patient care services provided by the person.

A written description of the proposed research project must be submitted to the department in order for the department to determine if these conditions are met. A Certificate of Need is required in order to continue use of the equipment or service after the equipment or service is no longer being used solely for research;

(2) the offices of a licensed private practitioner whether for individual or group practice except as provided for in Section 44‑7‑160(1) and (6);

(3) the replacement of like equipment for which a Certificate of Need has been issued which does not constitute a material change in service or a new service;

(4) crisis stabilization unit facilities. Notwithstanding subsection (C), crisis stabilization unit facilities will not require a written exemption from the department; and

(5) kidney disease treatment centers including, but not limited to, free standing hemodialysis centers and renal dialysis centers. Notwithstanding subsection (C), kidney disease treatment centers including, but not limited to, free standing hemodialysis centers and renal dialysis centers will not require a written exemption from the department.

(B) This article does not apply to:

(1) an expenditure by or on behalf of a health care facility for nonmedical projects for services such as refinancing existing debt, parking garages, laundries, roof replacements, computer systems, telephone systems, heating and air conditioning systems, upgrading facilities which do not involve additional square feet or additional health services, replacement of like equipment with similar capabilities, or similar projects as described in regulations;

(2) facilities owned and operated by the South Carolina Department of Mental Health and the South Carolina Department of Disabilities and Special Needs, except an addition of one or more beds to the total number of beds of the departments’ health care facilities existing on July 1, 1988;

(3) educational and penal institutions maintaining infirmaries for the exclusive use of student bodies and inmate populations;

(4) any federal health care facility sponsored and operated by this State;

(5) community‑based housing designed to promote independent living for persons with mental or physical disabilities. This does not include a facility defined in this article as a ‘health care facility’; and

(6) ~~kidney disease treatment centers including, but not limited to, free standing hemodialysis centers and renal dialysis centers;~~

~~(7)~~ health care facilities owned and operated by the federal government.

(C) Before undertaking a project enumerated in subsection (A), a person shall obtain a written exemption from the department as may be more fully described in regulation.”

SECTION 2. Section 44‑7‑310 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor.

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