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Subject: Leg Update- CON Ad Hoc Committee, September 24, 2014

Members present: Chairman M. Smith, Anthony, Merrill, and Herbkersman. Clyburn was not able to attend.

Testimony:

- Jonathon Yarborough, DHEC's Legislative and Constituent Services Director, presented to the committee regarding the process and the current status of CON.
- He discussed access to healthcare and its effect on existing healthcare providers, as well as the CON review panel from 2012 and their recommendations for reform. The DHEC board adopted some of these in regs and statute. A majority of these reforms were in S.568 sponsored by Sen. Peeler which died right out of committee. Yarborough noted that DHEC has a new CON Director, Sam Phillips, they are in the process of getting the CON application online, and are working to provide notice through the state website.
- Committee members asked questions regarding the current status of CON and what is DHEC's position on the 71 projects that moved forward without a CON after it was defunded. DHEC estimates that $\frac{3}{4}$ of the 71 projects were home health care centers and the remainder were hospitals that went forward with building and expansion.
- Yarborough offered options to deal with these projects including having them immediately apply, have them dealt with by the State Health Plan, possibly remove home health care centers from CON, and a grandfathering option.
- Of note, Rep. Merrill questioned the following: why do we need CON?, how is it dealt with in the State Health Plan?, how frequently is the report performed?, what are stats of states that are CON v. nonCON?, as well as specifics regarding the State Health Plan Committee and the plan.
- Chairman M. Smith estimates the committee will meet two more times and it is the goal of the committee to create a report or legislation regarding their recommendations before the start of session.

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