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Subject: Update on CON

UPDATE on CON
4/28/2014

****Governor met with SCHA last week and they both agreed to work on a compromise bill that they both could publicly endorse that would include the following:**

Contents of Reform Bill

- a. Current version of S. 568 which includes the following:
 - i. (1) raises threshold for capital expenditures from \$2 million to \$5 million for non-exempt services (adding to the bill rather than by regulation);
 - ii. (2) completely exempts medical equipment from CON (and adds licensing requirement for certain equipment); **Sen. Williams had put his name on the bill because of this proposal – talk to Wanda Crotwell;**
 - iii. (3) new and emerging tech equipment costing \$1.5 million or more requires CON;
 - iv. (4) losers who file lawsuits against a CON applicant must pay all costs. **Sen. McElveen has his name on it currently – due to Loser Pay issue?**
- b. New reform proposals:
 - i. Remove from CON review the following:
 - 1. **Conversion of in-patient beds for mental health patients limited to 1) crisis stabilization 2) percentage of total beds 3) length of stay. “Mental Health” includes psychiatric and substance abuse. (Psychiatric hospitals have concerns but may be overcome; talk to Ted Riley today)**
 - 2. **Exempt conversion of a rural hospital to a stand- alone ER (Orangeburg Regional has concerns but may be overcome; we will hear back from SCHA/ORMC today; may need to add RFP requirement – possibly incorporate Seller’s bill – H.3983 currently in Sen Medical Affairs Committee)**
 - 3. **Home health agencies – not aware of concerns**
 - ii. **Lessen administrative burdens – lessen time requirements; remove current requirement that DHEC has to make a determination when a CON is not applicable which causes unnecessary delays. DHEC adding new language today per NH meeting**
 - iii. **Grandfather all projects otherwise subject to CON who have applied for a license from July 1, 2013 until June 30, 2014. Possibly add SFC language included in proviso regarding CON contested cases. DHEC is working on language and will send today. Also, Health South has concerns (NH meeting with them Tues at 9:00am)**

****SCHAs will let us know today whether their board will support the above proposal.**

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