

certificate of need



The South Carolina Hospital Association believes an efficient Certificate of Need program is vital for our state not only to protect and enhance patient care, but also to maintain a financially viable hospital safety net program. Statutory and regulatory changes have been made to the program throughout its history. However, changes in the healthcare delivery system and improvements in technology have created new circumstances and questions with respect to the CON process. As with any regulatory system, continued improvement is always necessary.

THE HOSPITAL COMMUNITY IN SOUTH CAROLINA IS RECOMMENDING THE FOLLOWING ENHANCEMENTS AND EFFICIENCIES TO THE PROGRAM

SCHA recommends removing the CON requirement for the following items:



Adding New Beds in an Existing Licensed Acute Care, Rehab or Psychiatric Hospital

We believe licensed hospitals should be able to add new beds in response to market demand. We do not believe hospitals should be allowed to add new beds in a service for which they have not already been licensed (acute care, rehab, or psych), however. If this change is approved, we recommend that facilities be required to notify DHEC when they increase their bed complement so the department can reflect those additions or expansions in statewide inventories.



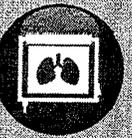
Expanding a Service for Which CON has been Previously Awarded

We believe services that have been approved through the CON process should be permitted to expand without having to obtain a second CON. However, we do recommend that facilities be required to notify DHEC when they expand their services so the department can reflect those expansions in statewide inventories.



The Conversion of Acute Care Beds to Psychiatric Beds with Certain Limitations.

Virtually every hospital in the state is holding psychiatric patients in the ED. There are not enough options available to hospitals in trying to place these patients in more suitable settings. By allowing the conversion of acute care beds to psychiatric beds with certain limitations, hospitals will be able to better address the mental health needs of the community and those patients flocking to the ED for psychiatric services.



Equipment Threshold

Eliminate the dollar threshold for medical equipment or increase the threshold to a minimum of at least \$2 million through regulation and clarify the definition of "like equipment". Under the current statute, a CON is not required when upgrading or replacing "like equipment" but the interpretation of "like equipment" is not clear.



Capital Threshold

There is also a statutory requirement that certain capital expenditures obtain a CON. The dollar threshold is established through regulation at \$2 million and we recommend that it be increased to \$5 million and the list of exemptions be expanded. We also recommend that the threshold be indexed annually to the medical care consumer price index.

Other Services

Our members believe that the home health services and in-patient hospice care industries are best suited to make recommendations regarding how CON impacts them. The hospital industry does have an interest in these recommendations because healthcare is rapidly evolving and these services are playing a larger role in the continuum of care after patients are discharged from the hospital. It is important that these two services be allowed to adapt in order to fit the evolving and growing patient need.

Streamlining the CON Process

There are several recommendations that SCHA would support in order to streamline the CON process. We believe that the time frames for public notice, review, decision and appeals should be shortened and DHEC should be allowed to post all public notices on their web site as opposed to waiting on publication of the State Register. We also would recommend that the DHEC board be removed from the appeals process. And, that the requirement for a written determination by DHEC for exemptions and non-applicability be eliminated.