

REGULATORY UPDATE

Platt HMC, Inc.

Healthcare Management Consulting

6/25/2015 North Carolina Update

In our last Regulatory/Legislative update of June 24, 2015, we updated you on attempts to repeal the Certificate of Need laws in North Carolina. Unfortunately, our source referred us to information regarding the 2014 legislative session, not the current, ongoing 2015 session. Allow us to update you on this year's actions by the North Carolina legislature.

The NC Senate has passed (its 7th iteration) budget/appropriations Bill 97, aka the 2015 Appropriations Act, on June 18, 2015. Deep within the budget bill is the Senate's move to repeal the Certificate of Need law entirely, over a 3-year period. (See the following link for a full excerpt of the Senate bill repeal language: [Certificate of Need Repeal--2015 Senate Bill](#)).

As of January 1, 2016, the Senate bill wishes to eliminate CON review for establishment of beds or a change in beds at acute care hospitals, inpatient psychiatric hospitals and inpatient rehabilitation hospitals. Ambulatory surgery centers will be immune from CON laws starting in 2017, and nursing homes beginning in 2019.

According to sources following the legislative process, the Senate bill is significantly different from a House bill (House Bill 200) that seeks to ease the CON law, but not repeal it. The two Houses are apparently far apart on these budgetary and healthcare service issues and doubts remain as to whether any consensus can be reached, at least during the current session.

As of March 20, 2015, the House Bill sought to make diagnostic centers, ambulatory surgical centers, gastrointestinal endoscopy rooms and psychiatric hospitals exempt from CON laws and would prohibit the State Medical Facilities Plan from limiting the number of operating rooms and gastrointestinal endoscopy rooms.

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Platt HMC, Inc. is a health care consulting firm with a focus on health planning, regulatory planning, strategic planning, financial analysis, litigation support, and health policy.

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