

H.B. 186 Summary

House Bill 186 revises Certificate of Need (CON) provisions, extends the Rural Hospital Tax Credit and creates the Office of Health Strategy and Coordination. For CON, HB 186 increases the capital threshold to \$10 million for new, expanded, or relocated clinical facilities and removes the requirement for CON approval for non-clinical space upgrades and renovations. It expands the definition of "health care facility" to include freestanding emergency departments and facilities not located on a hospital's primary campus. "Primary campus" is the building where the bulk of inpatient beds are operating and any facilities within 1,000 yards of it. "Remote hospital location" is a new or acquired facility or organization that is under the administrative and operational control of a main provider. CON application fees for a health care facility in a rural county are waived; however, no new, modified, or converted CON will be issued to an applicant with outstanding payments owed to the state until the payments have resolved. It allows for the conversion and application of CON without opposition or appeal for a destination cancer hospital to become a "general cancer hospital," which is defined as a destination cancer hospital in existence prior to January 1, 2019 that provides inpatient and outpatient treatment for cancer and co-morbid illnesses; it includes general cancer hospital within the definition and requirements of "hospital" for the purposes of CON. Appeals to a CON application are allowed by parties that: have a similar service application in the same batching cycle; or offer similar services or have a primary service area within a 35-mile radius of the proposal. Hospitals and ambulatory surgery centers (ASCs) are not required to have a CON for certain imaging and diagnostic equipment under \$4 million, but the ASC physician must be present 75 percent of the time the machine is in use.

Letters of determination are approved within 60 days if the letter is without objection. Objections must be filed within 30 days of the notification to the Department of Community Health (DCH) of the new the activity. The bill requires the Department of Community Health to prepare the state health plan by December 1st of every calendar year and allows the department to seek recommendations from technical advisory committees for the plan. DCH is charged with reviewing, recommending the requirements and standardized reporting of indigent and charity care levels for each type of facility for accurate tracking and enforcement. Additional annual reporting and posting requirements for CON entities include: direct and emergency medical services transfers to a hospital or the emergency department; the number of rooms, beds, procedures and patients with demographics and payer source; patient's county of origin; and operational information, such as procedure types, volume and charges. The department and CON facilities will publish annual reports on their website, and DCH will also provide copies to certain leadership. Further disclosure and requirements for hospitals and hospital authority corporations, enforced by DCH and effective July 1, 2020, include: audited financial statements; audited Internal Revenue Service (IRS) Form 990 with Schedule H, and for those hospitals that are not required to submit this form, one will be designed and provided by DCH; state-required annual questionnaire and financial survey; community benefit report; disproportionate share hospital survey; property holdings; ownership or interest in any partnership, corporation, joint venture, trust or captive insurance company; loans, bonds and debt information; ending fund balances of net assets for the hospital and each affiliate; cash reserves; going concerns; the legal organizational chart showing the relationship of the hospital to its parent corporation, subsidiaries, and affiliates; salaries and fringes as

reported to the IRS Form 990; evidence of accreditation; and policies regarding the provisions for financial assistance and debt collection. Information or links to the information must be provided on the hospital's website and updated annually with a minimum two-year archive period. HB 186 states non-profit hospitals may not renew or hold any property for medical use rights. The Rural Hospital Tax Credit is extended to 2024 and requires DCH to create a manual with the criteria to qualify and submit for the credit, as well as to develop and include a formula to rank the hospitals by greatest financial need in the manual. This ranked hospital list must also be distributed by any third-party entity soliciting or managing donors. The department will prominently post the: manual; eligible hospitals; annual report; total amount received by third-party entities soliciting or managing donors; and a link to the Department of Revenue's donation information on their webpage. The Department of Revenue will also post the list of eligible hospitals by need, as well as the timeline for donations and a monthly update of all designated and undesignated contributions preapproved and received, and the aggregate totals for contributions and available credits. All parties are subject to annual auditing by the state. Authorities that have not operated a hospital for seven or more years, have no outstanding debt, and have a corpus of at least \$20 million may invest up to 30 percent of those funds in mutual funds or other collective investments. Finally, the bill creates the Office of Health Strategy and Coordination with the objective of connecting state resources, functions, reports, and agencies for improved health care service infrastructure. It allows for the creation of an advisory committee, as well as a Georgia Data Access Forum to promote the collection and use of robust data to meet the objectives. Existing mandatory reporting requirements of certain health entities are amended to include the submission information to the office