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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 supports making the following enhancements and efficiencies to the program.

SHORTEN APPEALS PROCESS

- Require that all Administrative Law Court reviews be completed within 18 months, without exceptions or extensions.
- Eliminate appeals to higher courts and establish the Administrative Law Court as the final level of judicial review.
- Shorten the timeline for CON appeals from 18 months to 12 months.
- Reduce the number of depositions in CON appeals to 3.



INCREASE ACQUISITION THRESHOLDS

- Increase the threshold for capital expenditures to \$5 million.
- Increase the threshold for purchasing or leasing medical equipment to \$2 million. Only apply the threshold to the cost of equipment, not total project cost.
- Index the thresholds every five years for inflation based on the Medical commodities component of the consumer price index (CPI).



ELIMINATE CON FOR

- Eliminate the CON requirement for adding beds to an existing hospital as long as the facility maintained at least a 75% capacity threshold in the previous year. For acute care beds, the increase cannot exceed the greater of 10% of current acute care beds or 50 beds. For all other beds the increase is restricted to 10% of current capacity of the licensed bed type.
- Eliminate the CON requirement for replacement of equipment for which a CON was already acquired.
- Eliminate the CON requirement for a hospital of up to 50 beds in the 8 counties that do not currently have a hospital.
- Eliminate the CON requirement for home health agencies.

