

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 32.1-102.1 of the Code of Virginia, relating to medical care facilities*
3 *certificate of public need.*

4
5 Approved

[H 613]

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That § 32.1-102.1 of the Code of Virginia is amended and reenacted as follows:**

8 § 32.1-102.1. Definitions.

9 As used in this article, unless the context indicates otherwise:

10 "Certificate" means a certificate of public need for a project required by this article.

11 "Clinical health service" means a single diagnostic, therapeutic, rehabilitative, preventive or palliative
12 procedure or a series of such procedures that may be separately identified for billing and accounting
13 purposes.

14 "Health planning region" means a contiguous geographical area of the Commonwealth with a
15 population base of at least 500,000 persons which is characterized by the availability of multiple levels
16 of medical care services, reasonable travel time for tertiary care, and congruence with planning districts.

17 "Medical care facility," as used in this title, means any institution, place, building or agency, whether
18 or not licensed or required to be licensed by the Board or the State Mental Health, Mental Retardation
19 and Substance Abuse Services Board, whether operated for profit or nonprofit and whether privately
20 owned or privately operated or owned or operated by a local governmental unit, (i) by or in which
21 health services are furnished, conducted, operated or offered for the prevention, diagnosis or treatment of
22 human disease, pain, injury, deformity or physical condition, whether medical or surgical, of two or
23 more nonrelated mentally or physically sick or injured persons, or for the care of two or more
24 nonrelated persons requiring or receiving medical, surgical or nursing attention or services as acute,
25 chronic, convalescent, aged, physically disabled or crippled or (ii) which is the recipient of
26 reimbursements from third-party health insurance programs or prepaid medical service plans. For
27 purposes of this article, only the following medical care facilities shall be subject to review:

28 1. General hospitals.

29 2. Sanitariums.

30 3. Nursing homes.

31 4. Intermediate care facilities.

32 5. Extended care facilities.

33 6. Mental hospitals.

34 7. Mental retardation facilities.

35 8. Psychiatric hospitals and intermediate care facilities established primarily for the medical,
36 psychiatric or psychological treatment and rehabilitation of alcoholics or drug addicts.

37 9. Specialized centers or clinics or that portion of a physician's office developed for the provision of
38 outpatient or ambulatory surgery, cardiac catheterization, computed tomographic (CT) scanning, gamma
39 knife surgery, lithotripsy, magnetic resonance imaging (MRI), magnetic source imaging (MSI), positron
40 emission tomographic (PET) scanning, radiation therapy, nuclear medicine imaging, *except for the*
41 *purpose of nuclear cardiac imaging*, or such other specialty services as may be designated by the Board
42 by regulation.

43 10. Rehabilitation hospitals.

44 11. Any facility licensed as a hospital.

45 The term "medical care facility" shall not include any facility of (i) the Department of Mental Health,
46 Mental Retardation and Substance Abuse Services; or (ii) any nonhospital substance abuse residential
47 treatment program operated by or contracted primarily for the use of a community services board under
48 the Department of Mental Health, Mental Retardation and Substance Abuse Services' Comprehensive
49 Plan; or (iii) a physician's office, except that portion of a physician's office described above in
50 subdivision 9 of the definition of "medical care facility"; or (iv) the Woodrow Wilson Rehabilitation
51 Center of the Department of Rehabilitative Services. *"Medical care facility" shall also not include that*
52 *portion of a physician's office dedicated to providing nuclear cardiac imaging.*

53 "Project" means:

54 1. Establishment of a medical care facility;

55 2. An increase in the total number of beds or operating rooms in an existing medical care facility;

56 3. Relocation at the same site of ten beds or ten percent of the beds, whichever is less, from one

57 existing physical facility to another in any two-year period; however, a hospital shall not be required to
58 obtain a certificate for the use of ten percent of its beds as nursing home beds as provided in
59 § 32.1-132;

60 4. Introduction into an existing medical care facility of any new nursing home service, such as
61 intermediate care facility services, extended care facility services, or skilled nursing facility services,
62 regardless of the type of medical care facility in which those services are provided;

63 5. Introduction into an existing medical care facility of any new cardiac catheterization, computed
64 tomographic (CT) scanning, gamma knife surgery, lithotripsy, magnetic resonance imaging (MRI),
65 magnetic source imaging (MSI), medical rehabilitation, neonatal special care, obstetrical, open heart
66 surgery, positron emission tomographic (PET) scanning, psychiatric, organ or tissue transplant service,
67 radiation therapy, nuclear medicine imaging, *except for the purpose of nuclear cardiac imaging*,
68 substance abuse treatment, or such other specialty clinical services as may be designated by the Board
69 by regulation, which the facility has never provided or has not provided in the previous twelve months;

70 6. Conversion of beds in an existing medical care facility to medical rehabilitation beds or
71 psychiatric beds;

72 7. The addition by an existing medical care facility of any medical equipment for the provision of
73 cardiac catheterization, computed tomographic (CT) scanning, gamma knife surgery, lithotripsy, magnetic
74 resonance imaging (MRI), magnetic source imaging (MSI), open heart surgery, positron emission
75 tomographic (PET) scanning, radiation therapy, or other specialized service designated by the Board by
76 regulation. Replacement of existing equipment shall not require a certificate of public need; or

77 8. Any capital expenditure of five million dollars or more, not defined as reviewable in subdivisions
78 1 through 7 of this definition, by or in behalf of a medical care facility. However, capital expenditures
79 between one and five million dollars shall be registered with the Commissioner pursuant to regulations
80 developed by the Board.

81 "Regional health planning agency" means the regional agency, including the regional health planning
82 board, its staff and any component thereof, designated by the Virginia Health Planning Board to perform
83 the health planning activities set forth in this chapter within a health planning region.

84 "State Medical Facilities Plan" means the planning document adopted by the Board of Health which
85 shall include, but not be limited to, (i) methodologies for projecting need for medical care facility beds
86 and services; (ii) statistical information on the availability of medical care facilities and services; and
87 (iii) procedures, criteria and standards for review of applications for projects for medical care facilities
88 and services.

89 "Virginia Health Planning Board" means the statewide health planning body established pursuant to
90 § 32.1-122.02 which serves as the analytical and technical resource to the Secretary of Health and
91 Human Resources in matters requiring health analysis and planning.