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## SENATE BILL NO. 337

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Health, Welfare and Institutions  
on March 2, 2000)

(Patron prior to substitute — Senator Martin)

A BILL to amend the Code of Virginia by adding in Article 1.1 of Chapter 4 of Title 32.1 a section numbered 32.1-102.13, relating to certificate of public need.

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 1.1 of Chapter 4 of Title 32.1 a section numbered 32.1-102.13, as follows:

§ 32.1-102.13. Transition to elimination of medical care facilities certificate of public need.

A. Transition required. - A transition for elimination of the requirements for determination of need pursuant to Article 1.1 (§ 32.1-102.1 et seq.) of Chapter 4 of Title 32.1 shall begin on July 1, 2001, and shall be completed by July 1, 2004, as determined by the General Assembly.

B. Plan to be developed. - The deregulation required by this section shall be accomplished in accordance with a plan to be developed by the Joint Commission on Health Care. The Joint Commission on Health Care shall work collaboratively with the Departments of Health, Medical Assistance Services, and Health Professions in conjunction with the implementation of the provisions of this section. The Departments of Health, Medical Assistance Services, and Health Professions shall provide technical assistance to the Joint Commission. All agencies of the Commonwealth shall provide assistance to the Joint Commission, upon request. The Joint Commission shall seek input from all classes of health care consumers, providers, and representatives of health care facilities in the performance of the duties of the Joint Commission hereunder. The plan shall include recommendations for legislative and administrative consideration to carry out, in accordance with subsection A of this section, the elimination of the requirements for determination of need. Such plan shall be submitted to the chairmen of the House Appropriations, Senate Finance, House Health, Welfare and Institutions, and Senate Education and Health Committees on or before December 1, 2000, for review and approval by the 2001 General Assembly.

C. Components of the plan. - The plan for deregulation to be developed by the Joint Commission on Health Care shall include, but need not be limited to, provisions for (i) meeting the health care needs of the indigent citizens of the Commonwealth, including access to care and provision for all health care providers to share in meeting such needs; (ii) meeting the health care needs of the uninsured citizens of the Commonwealth, including access to care; (iii) establishing licensure standards for the various deregulated services, including whether nationally recognized accreditation standards may be adopted, to protect the public health and safety and to promote the quality of services provided by deregulated medical facilities and projects; (iv) providing adequate oversight of the various deregulated services to protect the public health and safety; (v) providing for monitoring the effects of deregulation during the transition period and after full implementation of this section on the number and location of medical facilities and projects throughout the Commonwealth; (vi) determining the effect of deregulation of long-term care facilities and new hospitals with respect to the requirements for determination of need; (vii) determining the effect of deregulation on the unique mission of academic medical centers; (viii) determining the effect of deregulation on rural hospitals which are critical access hospitals; (ix) recommending a schedule for necessary statutory changes to implement the plan and for requiring, subject to approval of the General Assembly, that the appropriate regulatory boards promulgate regulations implementing the Commission's plan prior to any deregulation recommended in the plan.

D. Fiscal impact. - In developing the plan, the Commission shall also consider the impact of deregulation on state-funded health care financing programs and shall include an examination of the fiscal impact of such deregulation on the market rates paid by such financing programs for health care and long-term care services.