

17102255D

HOUSE BILL NO. 2227

Offered January 11, 2017

Prefiled January 11, 2017

A BILL to amend and reenact § 32.1-102.3 of the Code of Virginia, relating to certificates of public need; denial of certain certificates.

Patron—Head

Referred to Committee on Health, Welfare and Institutions

Be it enacted by the General Assembly of Virginia:**1. That § 32.1-102.3 of the Code of Virginia is amended and reenacted as follows:****§ 32.1-102.3. Certificate required; criteria for determining need.**

A. No person shall commence any project without first obtaining a certificate issued by the Commissioner. No certificate may be issued unless the Commissioner has determined that a public need for the project has been demonstrated. If it is determined that a public need exists for only a portion of a project, a certificate may be issued for that portion and any appeal may be limited to the part of the decision with which the appellant disagrees without affecting the remainder of the decision. Any decision to issue or approve the issuance of a certificate shall be consistent with the most recent applicable provisions of the State Medical Facilities Plan; however, if the Commissioner finds, upon presentation of appropriate evidence, that the provisions of such plan are not relevant to a rural locality's needs, inaccurate, outdated, inadequate or otherwise inapplicable, the Commissioner, consistent with such finding, may issue or approve the issuance of a certificate and shall initiate procedures to make appropriate amendments to such plan. In cases in which a provision of the State Medical Facilities Plan has been previously set aside by the Commissioner and relevant amendments to the Plan have not yet taken effect, the Commissioner's decision shall be consistent with the applicable portions of the State Medical Facilities Plan that have not been set aside and the remaining considerations in subsection B.

B. In determining whether a public need for a project has been demonstrated, the Commissioner shall consider:

1. The extent to which the proposed service or facility will provide or increase access to needed services for residents of the area to be served, and the effects that the proposed service or facility will have on access to needed services in areas having distinct and unique geographic, socioeconomic, cultural, transportation, and other barriers to access to care;

2. The extent to which the project will meet the needs of the residents of the area to be served, as demonstrated by each of the following: (i) the level of community support for the project demonstrated by citizens, businesses, and governmental leaders representing the area to be served; (ii) the availability of reasonable alternatives to the proposed service or facility that would meet the needs of the population in a less costly, more efficient, or more effective manner; (iii) any recommendation or report of the regional health planning agency regarding an application for a certificate that is required to be submitted to the Commissioner pursuant to subsection B of § 32.1-102.6; (iv) any costs and benefits of the project; (v) the financial accessibility of the project to the residents of the area to be served, including indigent residents; and (vi) at the discretion of the Commissioner, any other factors as may be relevant to the determination of public need for a project;

3. The extent to which the application is consistent with the State Medical Facilities Plan;

4. The extent to which the proposed service or facility fosters institutional competition that benefits the area to be served while improving access to essential health care services for all persons in the area to be served;

5. The relationship of the project to the existing health care system of the area to be served, including the utilization and efficiency of existing services or facilities;

6. The feasibility of the project, including the financial benefits of the project to the applicant, the cost of construction, the availability of financial and human resources, and the cost of capital;

7. The extent to which the project provides improvements or innovations in the financing and delivery of health services, as demonstrated by: (i) the introduction of new technology that promotes quality, cost effectiveness, or both in the delivery of health care services; (ii) the potential for provision of services on an outpatient basis; (iii) any cooperative efforts to meet regional health care needs; and (iv) at the discretion of the Commissioner, any other factors as may be appropriate; and

8. In the case of a project proposed by or affecting a teaching hospital associated with a public institution of higher education or a medical school in the area to be served, (i) the unique research, training, and clinical mission of the teaching hospital or medical school, and (ii) any contribution the

INTRODUCED

HB2227

59 teaching hospital or medical school may provide in the delivery, innovation, and improvement of health
60 care for citizens of the Commonwealth, including indigent or underserved populations.

61 *C. Notwithstanding the provisions of subsection B, the Commissioner shall not deny an application*
62 *for a certificate for:*

63 *1. The introduction of a new neonatal special care service at a medical care facility located in a*
64 *planning district with a population of 275,000 or more in which there is only a single existing provider*
65 *of neonatal special care services on the grounds of the economic impact of the proposed project on the*
66 *existing neonatal special care service or the impact of the proposed project on the utilization of or*
67 *volume of services delivered by the existing neonatal special care service, unless the proposed project*
68 *would reduce utilization of or volume of services delivered by the existing neonatal special care service*
69 *to below minimum levels necessary for clinical proficiency; or*

70 *2. The introduction of a new open heart surgery service at a medical care facility located in a*
71 *planning district with a population of 2,000,000 or more in which there are two or more existing*
72 *providers of such service on the grounds of the economic impact of the proposed project on the existing*
73 *open heart surgery services or the impact of the proposed project on the utilization of or volume of*
74 *services delivered by the existing open heart surgery services.*