

By the Committee on Health, Aging, and Long-Term Care; and
Senators Saunders and Atwater

317-2250-03

1 A bill to be entitled
2 An act relating to certificates of need;
3 amending s. 408.032, F.S.; redefining the term
4 "tertiary health service," as used in the
5 Health Facility and Services Development Act,
6 to include open-heart surgery; amending s.
7 408.033, F.S.; providing for the level of
8 finding for local health councils; amending s.
9 408.036, F.S.; amending provisions specifying
10 which health-care-related projects are subject
11 to review and must file an application for a
12 certificate of need; exempting certain projects
13 from review, including the provision of
14 percutaneous coronary intervention, in
15 specified circumstances; providing for the
16 expiration of such an exemption and for
17 postponement of the renewal of the exemption,
18 as specified; providing additional exemptions;
19 amending s. 408.038, F.S.; providing increases
20 in fees for certificate-of-need applications;
21 amending s. 408.039, F.S.; amending the review
22 process for certificates of need; providing for
23 automatic approval if the Agency for Health
24 Care Administration does not issue a final
25 order within a specified time; providing that a
26 court must require the losing party to pay
27 attorney's fees and costs of the prevailing
28 party in certain circumstances; creating the
29 Hospital Statutory and Regulatory Reform
30 Council; providing legislative intent;
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1 providing for membership and duties of the
2 council; providing an effective date.

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4 Be It Enacted by the Legislature of the State of Florida:

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6 Section 1. Subsection (17) of section 408.032, Florida
7 Statutes, is amended to read:

8 408.032 Definitions relating to Health Facility and
9 Services Development Act.--As used in ss. 408.031-408.045, the
10 term:

11 (17) "Tertiary health service" means a health service
12 which, due to its high level of intensity, complexity,
13 specialized or limited applicability, and cost, should be
14 limited to, and concentrated in, a limited number of hospitals
15 to ensure the quality, availability, and cost-effectiveness of
16 such service. Examples of such service include, but are not
17 limited to, organ transplantation, adult and pediatric
18 open-heart surgery, specialty burn units, neonatal intensive
19 care units, comprehensive rehabilitation, and medical or
20 surgical services which are experimental or developmental in
21 nature to the extent that the provision of such services is
22 not yet contemplated within the commonly accepted course of
23 diagnosis or treatment for the condition addressed by a given
24 service. The agency shall establish by rule a list of all
25 tertiary health services.

26 Section 2. Subsections (2) and (3) of section 408.036,
27 Florida Statutes, are amended to read:

28 408.036 Projects subject to review; exemptions.--

29 (2) PROJECTS SUBJECT TO EXPEDITED REVIEW.--Unless
30 exempt pursuant to subsection (3), projects subject to an
31 expedited review ~~shall~~ include, but are not ~~be~~ limited to:

1 (a) Research, education, and training programs.

2 ~~(b) Shared services contracts or projects.~~

3 (b)(c) A transfer of a certificate of need, except
4 that a purchaser who acquires an existing hospital also
5 acquires all pending certificates of need filed by the
6 existing hospital and all approved certificates of need owned
7 by that hospital.

8 (c)(d) A 50-percent increase in nursing home beds for
9 a facility incorporated and operating in this state for at
10 least 60 years on or before July 1, 1988, which has a licensed
11 nursing home facility located on a campus providing a variety
12 of residential settings and supportive services. The
13 increased nursing home beds shall be for the exclusive use of
14 the campus residents. Any application on behalf of an
15 applicant meeting this requirement shall be subject to the
16 base fee of \$5,000 provided in s. 408.038.

17 (d)(e) Replacement of a health care facility when the
18 proposed project site is located in the same district and
19 within a 1-mile radius of the replaced health care facility.

20 ~~(f) The conversion of mental health services beds~~
21 ~~licensed under chapter 395 or hospital-based distinct part~~
22 ~~skilled nursing unit beds to general acute care beds; the~~
23 ~~conversion of mental health services beds between or among the~~
24 ~~licensed bed categories defined as beds for mental health~~
25 ~~services; or the conversion of general acute care beds to beds~~
26 ~~for mental health services.~~

27 ~~1. Conversion under this paragraph shall not establish~~
28 ~~a new licensed bed category at the hospital but shall apply~~
29 ~~only to categories of beds licensed at that hospital.~~

30 ~~2. Beds converted under this paragraph must be~~
31 ~~licensed and operational for at least 12 months before the~~

1 ~~hospital may apply for additional conversion affecting beds of~~
2 ~~the same type.~~

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4 The agency shall develop rules to implement the provisions for
5 expedited review, including time schedule, application content
6 which may be reduced from the full requirements of s.
7 408.037(1), and application processing.

8 (3) EXEMPTIONS.--Upon request, the following projects
9 are subject to exemption from the provisions of subsection
10 (1):

11 (a) For replacement of a licensed health care facility
12 on the same site, provided that the number of beds in each
13 licensed bed category will not increase.

14 (b) For hospice services or for swing beds in a rural
15 hospital, as defined in s. 395.602, in a number that does not
16 exceed one-half of its licensed beds.

17 (c) For the conversion of licensed acute care hospital
18 beds to Medicare and Medicaid certified skilled nursing beds
19 in a rural hospital, as defined in s. 395.602, so long as the
20 conversion of the beds does not involve the construction of
21 new facilities. The total number of skilled nursing beds,
22 including swing beds, may not exceed one-half of the total
23 number of licensed beds in the rural hospital as of July 1,
24 1993. Certified skilled nursing beds designated under this
25 paragraph, excluding swing beds, shall be included in the
26 community nursing home bed inventory. A rural hospital which
27 subsequently decertifies any acute care beds exempted under
28 this paragraph shall notify the agency of the decertification,
29 and the agency shall adjust the community nursing home bed
30 inventory accordingly.

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1 (d) For the addition of nursing home beds at a skilled
2 nursing facility that is part of a retirement community that
3 provides a variety of residential settings and supportive
4 services and that has been incorporated and operated in this
5 state for at least 65 years on or before July 1, 1994. All
6 nursing home beds must not be available to the public but must
7 be for the exclusive use of the community residents.

8 (e) For an increase in the bed capacity of a nursing
9 facility licensed for at least 50 beds as of January 1, 1994,
10 under part II of chapter 400 which is not part of a continuing
11 care facility if, after the increase, the total licensed bed
12 capacity of that facility is not more than 60 beds and if the
13 facility has been continuously licensed since 1950 and has
14 received a superior rating on each of its two most recent
15 licensure surveys.

16 (f) For an inmate health care facility built by or for
17 the exclusive use of the Department of Corrections as provided
18 in chapter 945. This exemption expires when such facility is
19 converted to other uses.

20 (g) For the termination of an inpatient health care
21 service, upon 30 days' written notice to the agency.

22 (h) For the delicensure of beds, upon 30 days' written
23 notice to the agency. A request for exemption submitted under
24 this paragraph must identify the number, the category of beds,
25 and the name of the facility in which the beds to be
26 delicensed are located.

27 (i) For the provision of adult inpatient diagnostic
28 cardiac catheterization services in a hospital.

29 1. In addition to any other documentation otherwise
30 required by the agency, a request for an exemption submitted
31 under this paragraph must comply with the following criteria:

1 a. The applicant must certify it will not provide
2 therapeutic cardiac catheterization pursuant to the grant of
3 the exemption.

4 b. The applicant must certify it will meet and
5 continuously maintain the minimum licensure requirements
6 adopted by the agency governing such programs pursuant to
7 subparagraph 2.

8 c. The applicant must certify it will provide a
9 minimum of 2 percent of its services to charity and Medicaid
10 patients.

11 2. The agency shall adopt licensure requirements by
12 rule which govern the operation of adult inpatient diagnostic
13 cardiac catheterization programs established pursuant to the
14 exemption provided in this paragraph. The rules shall ensure
15 that such programs:

16 a. Perform only adult inpatient diagnostic cardiac
17 catheterization services authorized by the exemption and will
18 not provide therapeutic cardiac catheterization or any other
19 services not authorized by the exemption.

20 b. Maintain sufficient appropriate equipment and
21 health personnel to ensure quality and safety.

22 c. Maintain appropriate times of operation and
23 protocols to ensure availability and appropriate referrals in
24 the event of emergencies.

25 d. Maintain appropriate program volumes to ensure
26 quality and safety.

27 e. Provide a minimum of 2 percent of its services to
28 charity and Medicaid patients each year.

29 3.a. The exemption provided by this paragraph shall
30 not apply unless the agency determines that the program is in
31 compliance with the requirements of subparagraph 1. and that

1 the program will, after beginning operation, continuously
2 comply with the rules adopted pursuant to subparagraph 2. The
3 agency shall monitor such programs to ensure compliance with
4 the requirements of subparagraph 2.

5 b.(I) The exemption for a program shall expire
6 immediately when the program fails to comply with the rules
7 adopted pursuant to sub-subparagraphs 2.a., b., and c.

8 (II) Beginning 18 months after a program first begins
9 treating patients, the exemption for a program shall expire
10 when the program fails to comply with the rules adopted
11 pursuant to sub-subparagraphs 2.d. and e.

12 (III) If the exemption for a program expires pursuant
13 to sub-sub-subparagraph (I) or sub-sub-subparagraph (II), the
14 agency shall not grant an exemption pursuant to this paragraph
15 for an adult inpatient diagnostic cardiac catheterization
16 program located at the same hospital until 2 years following
17 the date of the determination by the agency that the program
18 failed to comply with the rules adopted pursuant to
19 subparagraph 2.

20 (j) For the provision of percutaneous coronary
21 intervention for patients presenting with emergency myocardial
22 infarctions in a hospital that does not have an approved adult
23 open-heart surgery program. In addition to any other
24 documentation otherwise required by the agency, the
25 prerequisites to a request for an exemption which is submitted
26 under this paragraph include:

27 1. The applicant must certify that it will meet and
28 continuously maintain the requirements adopted by the agency
29 for the provision of these services. These licensure
30 requirements must be adopted by rule and must be consistent
31 with the guidelines for the provision of emergency

1 percutaneous coronary interventions in hospitals that do not
2 have adult open-heart services which are published by the
3 American College of Cardiology and the American Heart
4 Association. At a minimum, the rules must provide that:

5 a. Cardiologists must be experienced
6 interventionalists who have performed a minimum of 75
7 interventions within the previous 12 months.

8 b. The hospital must provide a minimum of 36 emergency
9 interventions annually, in order to continue to provide the
10 service.

11 c. The hospital must offer sufficient physician,
12 nursing, and laboratory staff to provide the services 24 hours
13 a day, 7 days a week.

14 d. Nursing and technical staff must have demonstrated
15 experience in handling acutely ill patients who require
16 intervention, which is based on previous experience in
17 dedicated interventional laboratories or surgical centers.

18 e. Cardiac care nursing staff must be adept in
19 hemodynamic monitoring and IABP (Intra-Aortic Balloon Pump)
20 management.

21 f. Formalized written transfer agreements must be
22 developed with a hospital that has an adult open-heart surgery
23 program, and written transport protocols must be in place to
24 ensure safe and efficient transfer of a patient within 60
25 minutes. Transfer and transport agreements must be reviewed
26 and tested at least every 3 months and appropriate
27 documentation must be maintained.

28 g. Hospitals that implement the service must first
29 undertake a 3 to 6-month training program that includes
30 establishing standards, testing logistics, creating
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1 quality-assessment and error-management practices, and
2 formalizing patient-selection criteria.

3 2. The applicant must certify that it will at all
4 times use the patient-selection criteria for the performance
5 of primary angioplasty at hospitals that do not have
6 open-heart surgery programs which are issued by the American
7 College of Cardiology and the American Heart Association.

8 3. The applicant must agree to submit to the agency a
9 quarterly report that details patient characteristics and
10 treatment and outcomes for all patients who receive emergency
11 percutaneous coronary interventions pursuant to this
12 exemption. The report must be submitted within 15 days after
13 the close of each calendar quarter.

14 4. The agency must have determined that the hospital
15 has taken all necessary steps to be in compliance with this
16 paragraph.

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18 An exemption provided under this paragraph expires immediately
19 if the hospital fails to meet the requirements of
20 sub-subparagraphs 1.a. and b. within 18 months after the
21 program begins offering the service or to comply continuously
22 with the rules adopted under sub-subparagraphs 1.c., d., e.,
23 and f. or with subparagraphs 2. and 3. If the exemption
24 provided under this paragraph expires because of such
25 deficiencies, the agency may not grant another exemption under
26 this paragraph to the same hospital for 2 years and, after the
27 2-year period has expired, may grant such an exemption only if
28 the hospital demonstrates its willingness to remain in
29 compliance with the adopted rules by correcting the
30 deficiencies that caused the exemption to expire.

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1 (k)~~(j)~~ For mobile surgical facilities and related
2 health care services provided under contract with the
3 Department of Corrections or a private correctional facility
4 operating pursuant to chapter 957.

5 (l)~~(k)~~ For state veterans' nursing homes operated by
6 or on behalf of the Florida Department of Veterans' Affairs in
7 accordance with part II of chapter 296 for which at least 50
8 percent of the construction cost is federally funded and for
9 which the Federal Government pays a per diem rate not to
10 exceed one-half of the cost of the veterans' care in such
11 state nursing homes. These beds shall not be included in the
12 nursing home bed inventory.

13 (m)~~(l)~~ For combination within one nursing home
14 facility of the beds or services authorized by two or more
15 certificates of need issued in the same planning subdistrict.
16 An exemption granted under this paragraph shall extend the
17 validity period of the certificates of need to be consolidated
18 by the length of the period beginning upon submission of the
19 exemption request and ending with issuance of the exemption.
20 The longest validity period among the certificates shall be
21 applicable to each of the combined certificates.

22 (n)~~(m)~~ For division into two or more nursing home
23 facilities of beds or services authorized by one certificate
24 of need issued in the same planning subdistrict. An exemption
25 granted under this paragraph shall extend the validity period
26 of the certificate of need to be divided by the length of the
27 period beginning upon submission of the exemption request and
28 ending with issuance of the exemption.

29 (o)~~(n)~~ For the addition of hospital beds licensed
30 under chapter 395 for acute care, ~~mental health services~~, or a
31 hospital-based distinct part skilled nursing unit in a number

1 that may not exceed 30 ~~10~~ total beds or 10 percent of the
2 licensed capacity of the bed category being expanded,
3 whichever is greater; for the addition of medical
4 rehabilitation beds licensed under chapter 395 in a number
5 that may not exceed 8 total beds or 10 percent of capacity,
6 whichever is greater; or for the addition of mental health
7 services beds licensed under chapter 395 in a number that may
8 not exceed 10 total beds or 10 percent of the licensed
9 capacity of the bed category being expanded, whichever is
10 greater. Beds for specialty burn units or neonatal intensive
11 care units, ~~or comprehensive rehabilitation~~, or at a long-term
12 care hospital, may not be increased under this paragraph.

13 1. In addition to any other documentation otherwise
14 required by the agency, a request for exemption submitted
15 under this paragraph must:

16 a. Certify that the prior 12-month average occupancy
17 rate for the category of licensed beds being expanded at the
18 facility meets or exceeds 75 ~~80~~ percent or, for a
19 hospital-based distinct part skilled nursing unit, the prior
20 12-month average occupancy rate meets or exceeds 96 percent
21 or, for medical rehabilitation beds, meets or exceeds 80
22 percent.

23 b. Certify that any beds of the same type authorized
24 for the facility under this paragraph before the date of the
25 current request for an exemption have been licensed and
26 operational for at least 12 months.

27 2. The timeframes and monitoring process specified in
28 s. 408.040(2)(a)-(c) apply to any exemption issued under this
29 paragraph.

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1 3. The agency shall count beds authorized under this
2 paragraph as approved beds in the published inventory of
3 hospital beds until the beds are licensed.

4 (p)~~(o)~~ For the addition of acute care beds, as
5 authorized by rule consistent with s. 395.003(4), in a number
6 that may not exceed 30 ~~10~~ total beds or 10 percent of licensed
7 bed capacity, whichever is greater, for temporary beds in a
8 hospital that has experienced high seasonal occupancy within
9 the prior 12-month period or in a hospital that must respond
10 to emergency circumstances.

11 (q)~~(p)~~ For the addition of nursing home beds licensed
12 under chapter 400 in a number not exceeding 10 total beds or
13 10 percent of the number of beds licensed in the facility
14 being expanded, whichever is greater.

15 1. In addition to any other documentation required by
16 the agency, a request for exemption submitted under this
17 paragraph must:

18 a. Effective until June 30, 2001, certify that the
19 facility has not had any class I or class II deficiencies
20 within the 30 months preceding the request for addition.

21 b. Effective on July 1, 2001, certify that the
22 facility has been designated as a Gold Seal nursing home under
23 s. 400.235.

24 c. Certify that the prior 12-month average occupancy
25 rate for the nursing home beds at the facility meets or
26 exceeds 96 percent.

27 d. Certify that any beds authorized for the facility
28 under this paragraph before the date of the current request
29 for an exemption have been licensed and operational for at
30 least 12 months.

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1 2. The timeframes and monitoring process specified in
2 s. 408.040(2)(a)-(c) apply to any exemption issued under this
3 paragraph.

4 3. The agency shall count beds authorized under this
5 paragraph as approved beds in the published inventory of
6 nursing home beds until the beds are licensed.

7 ~~(q) For establishment of a specialty hospital offering
8 a range of medical service restricted to a defined age or
9 gender group of the population or a restricted range of
10 services appropriate to the diagnosis, care, and treatment of
11 patients with specific categories of medical illnesses or
12 disorders, through the transfer of beds and services from an
13 existing hospital in the same county.~~

14 (r) For the conversion of hospital-based Medicare and
15 Medicaid certified skilled nursing beds to acute care beds, if
16 the conversion does not involve the construction of new
17 facilities.

18 (s) For the replacement of a statutory rural hospital
19 the proposed site of which is in the same district and within
20 10 miles of the existing facility and within the current
21 primary service area, defined as the fewest number of zip
22 codes comprising 75 percent of the hospital's inpatient
23 admissions.~~For fiscal year 2001-2002 only, for transfer by a
24 health care system of existing services and not more than 100
25 licensed and approved beds from a hospital in district 1,
26 subdistrict 1, to another location within the same subdistrict
27 in order to establish a satellite facility that will improve
28 access to outpatient and inpatient care for residents of the
29 district and subdistrict and that will use new medical
30 technologies, including advanced diagnostics, computer~~

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1 ~~assisted imaging, and telemedicine to improve care. This~~
2 ~~paragraph is repealed on July 1, 2002.~~

3 (t) For the conversion of mental health services beds
4 licensed under chapter 395 or hospital-based distinct part
5 skilled nursing unit beds to general acute care beds; the
6 conversion of mental health services beds between or among the
7 licensed bed categories defined as beds for mental health
8 services; or the conversion of general acute care beds to beds
9 for mental health services.

10 1. Conversion under this paragraph does not establish
11 a new licensed bed category at the hospital but applies only
12 to categories of beds licensed at that hospital.

13 2. Beds converted under this paragraph must be
14 licensed and operational for at least 12 months before the
15 hospital may apply for additional conversion affecting beds of
16 the same type.

17 (u) For the creation of at least a 10-bed Level II
18 neonatal intensive care unit in an applicant hospital that has
19 demonstrated to the agency that the hospital had at least
20 1,500 births during the previous 12 months.

21 (v) For the addition of Level II or Level III neonatal
22 intensive care beds in a number not to exceed 6 beds or 10
23 percent of licensed capacity in that category, whichever is
24 greater, if the hospital certifies that the average occupancy
25 rate for the category of licensed neonatal intensive care beds
26 during the immediately preceding 12 months is at least 75
27 percent.

28 Section 3. Paragraph (g) is added to subsection (2) of
29 section 408.033, Florida Statutes, to read:

30 408.033 Local and state health planning.--

31 (2) FUNDING.--

1 (g) Effective July 1, 2003, funding for the 11 local
2 health councils shall be at the level provided on July 1,
3 2002.

4 Section 4. Section 408.038, Florida Statutes, is
5 amended to read:

6 408.038 Fees.--The agency shall assess fees on
7 certificate-of-need applications. Such fees shall be for the
8 purpose of funding the functions of the local health councils
9 and the activities of the agency and shall be allocated as
10 provided in s. 408.033. The fee shall be determined as
11 follows:

12 (1) A minimum base fee of \$10,000~~\$5,000~~.

13 (2) In addition to the base fee of \$10,000~~\$5,000~~,
14 0.015 of each dollar of proposed expenditure, except that a
15 fee may not exceed \$50,000~~\$22,000~~.

16 Section 5. Paragraph (e) of subsection (5) and
17 paragraph (c) of subsection (6) of section 408.039, Florida
18 Statutes, are amended to read:

19 408.039 Review process.--The review process for
20 certificates of need shall be as follows:

21 (5) ADMINISTRATIVE HEARINGS.--

22 (e) The agency shall issue its final order within 45
23 days after receipt of the recommended order. If the agency
24 fails to take action within 45 days, the Division of
25 Administrative Hearing's recommended order is considered
26 approved such time, or as otherwise agreed to by the applicant
27 ~~and the agency, the applicant may take appropriate legal~~
28 ~~action to compel the agency to act.~~ When making a
29 determination on an application for a certificate of need, the
30 agency is specifically exempt from the time limitations
31 provided in s. 120.60(1).

1 (6) JUDICIAL REVIEW.--

2 (c) The court, in its discretion, may award reasonable
3 attorney's fees and costs to the prevailing party if the court
4 finds that there was a complete absence of a justiciable issue
5 of law or fact raised by the losing party. If the losing party
6 is a hospital, the court shall order it to pay the reasonable
7 attorney's fees and costs of the hospital that is the
8 prevailing party, including fees and costs incurred as a
9 result of the administrative hearing and the judicial appeal.

10 Section 6. Hospital Statutory and Regulatory Reform
11 Council; legislative intent; creation; membership; duties.--

12 (1) It is the intent of the Legislature to provide for
13 the protection of the public health and safety in the
14 establishment, construction, maintenance, and operation of
15 hospitals. However, the Legislature further intends that the
16 police power of the state be exercised toward that purpose
17 only to the extent necessary and that regulation remain
18 current with the ever-changing standard of care and not
19 restrict the introduction and use of new medical technologies
20 and procedures.

21 (2) In order to achieve the purposes expressed in
22 subsection (1), it is necessary that the state establish a
23 mechanism for the ongoing review and updating of laws
24 regulating hospitals. The Hospital Statutory and Regulatory
25 Reform Council is created and located, for administrative
26 purposes only, within the Agency for Health Care
27 Administration. The council shall consist of no more than 15
28 members, including:

29 (a) Nine members appointed by the Florida Hospital
30 Association who represent acute care, teaching, specialty,
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1 rural, government-owned, for-profit, and not-for-profit
2 hospitals;
3 (b) Two members appointed by the Governor who
4 represent patients;
5 (c) Two members appointed by the President of the
6 Senate who represent private businesses that provide health
7 insurance coverage for their employees, one of whom represents
8 small private businesses and one of whom represents large
9 private businesses. As used in this paragraph, the term
10 "private business" does not include an entity licensed under
11 chapter 627, Florida Statutes, or chapter 641, Florida
12 Statutes, or otherwise licensed or authorized to provide
13 health insurance services, either directly or indirectly, in
14 this state; and
15 (d) Two members appointed by the Speaker of the House
16 of Representatives who represent physicians.
17 (3) Council members shall be appointed to serve 2-year
18 terms and may be reappointed. A member shall serve until his
19 or her successor is appointed. The council shall annually
20 elect from among its members a chair and a vice chair. The
21 council shall meet at least twice a year and shall hold
22 additional meetings as it considers necessary. Members
23 appointed by the Florida Hospital Association may not receive
24 compensation or reimbursement of expenses for their services.
25 Members appointed by the Governor, the President of the
26 Senate, or the Speaker of the House of Representatives may be
27 reimbursed for travel expenses by the agency.
28 (4) The council, as its first priority, shall review
29 chapters 395 and 408, Florida Statutes, and shall make
30 recommendations to the Legislature for the repeal of
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1 regulatory provisions that are no longer necessary or that
2 fail to promote cost-efficient, high-quality medicine.

3 (5) The council, as its second priority, shall
4 recommend to the Secretary of Health and the Secretary of
5 Health Care Administration regulatory changes relating to
6 hospital licensure and regulation to assist the Department of
7 Health and the Agency for Health Care Administration in
8 carrying out their duties and to ensure that the intent of the
9 Legislature as expressed in this subsection is carried out.

10 (6) In determining whether a statute or rule is
11 appropriate or necessary, the council shall consider whether:

12 (a) The statute or rule is necessary to prevent
13 substantial harm, which is recognizable and not remote, to the
14 public health, safety, or welfare;

15 (b) The statute or rule restricts the use of new
16 medical technologies or encourages the implementation of more
17 cost-effective medical procedures;

18 (c) The statute or rule has an unreasonable effect on
19 job creation or job retention in the state;

20 (d) The public is or can be effectively protected by
21 other means;

22 (e) The overall cost-effectiveness and economic effect
23 of the proposed statute or rule, including the indirect costs
24 to consumers, will be favorable; and

25 (f) A lower-cost regulatory alternative to the statute
26 or rule could be adopted.

27 Section 7. This act shall take effect July 1, 2003.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 2132

The Committee Substitute does not require that money from the increased CON fees be used exclusively to fund the CON program. Funding for local health councils must remain at the level provided by the Legislature in 2002-2003.