

Guidebook to the Certificate of Need Process in Georgia

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State of Georgia, Certificate of Need Process Guidebook

Introduction

This booklet is presented by Morgan Healthcare Consulting, LLC of Atlanta, Georgia as a resource for your healthcare services and regulatory requirements planning needs. It is an overview of the Certificate of Need (CON) process for the State of Georgia.

The Morgan Healthcare Consulting partners Roger Cochran, PhD, and Kent Lederman have extensive experience in the development of CON applications in Georgia, Alabama, Florida, North Carolina, South Carolina and Tennessee. Their excellent track record of CON approvals is based upon their knowledge and experience over many years and the fact that their clients benefit from two experts who provide complementary skills and viewpoints to the CON submission process and in litigation support.

While every attempt is made to present the facts of CON review in Georgia as accurately as possible, changes to the process are regularly made. This is a “snapshot” of the CON process as of January 2006. Secondly, this document is a “synopsis” and must summarize the extensive Rules and Procedures of Certificate of Need process. Not all aspects of CON can be covered. Use this booklet to gain an overview of the CON process for the State of Georgia. You should consult the State of Georgia’s website for additional information and to confirm information presented here at <http://communityhealth.state.ga.us>.

We would welcome your calls to explore your business planning and Certificate of Need requirements at 770-698-0415, or visit our website at www.mhcpartners.com.

For additional copies of this document, visit www.mhcpartners.com to download the PDF file.

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Services and Expenditures Requiring CON Review

Type of Project	Threshold, Above	Batching Cycle?
Hospitals of any type	N/A	No
Nursing Homes	N/A	March; September
Home Health Agencies	N/A	March; September
Ambulatory surgery facilities	N/A	No
Obstetrical facilities	N/A	No
Personal Care Homes (> 25 beds)	N/A	No
Inpatient Rehabilitation facilities	N/A	No
Diagnostic, treatment, & rehab centers	N/A	No
Health maintenance organizations	N/A	No
Major construction	\$ 1,395,186	No
Major equipment	\$ 775,103	No
Adding beds to a facility	N/A	No
Adding a new service	N/A	No

Projects Where a Specific CON Addendum is Required

Ambulatory Surgery
Continuing Care Retirement Community
Home Health Services
Inpatient Rehabilitation Services
Nursing Facilities
Perinatal Health Services
Personal Care Homes
Positron Emission Tomography
Psychiatric/Substance Abuse Services
Radiation Therapy Services
Short-Stay General Hospital Beds
Specialized Cardiovascular Services: Adult Catheterizations; Open Heart Surgery; Pediatric Cardiovascular Services
Traumatic Brain Injury Facilities

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Conditions Where CON Review is Not Required

Project Type	Threshold, Below
Repairs/Renovations to facility	\$ 1,395,186
Equipment purchase (replacement)	\$ 775,103
Repairs for accreditation, licensure or life safety requirements	N/A
Cost-overrun on approved CON project	Greater of 10% of project or \$300,000
Hospital beds up to 10 or 10% of existing inventory (whichever less) IF 85%+ occupancy over past 12 months	\$ 1,395,186
Physician-owned, single-specialty Ambulatory Surgery center	\$ 1,515,356

Submit a Letter of Request for “Non-Reviewable” status for these projects. See the full list of such conditions in the following section: “General CON Information.” Threshold dollar amounts are updated annually in April.

CON Application Submission Procedure

1. Letters of Intent
 - a. Only applies to Batching Cycle reviews and its respective timeline
 - b. Content shall include:
 - i. Proper identification of the applicant
 - ii. Services to be offered and stated as expansion or new
 - iii. Service Area of proposed project
2. File CON application on the provided form(s) from Division of Health Planning (DHP) of the Department of Community Health
 - a. Submit an original and three (3) copies
 - b. All specified time periods go to the next business day if end date falls on Saturday, Sunday or holiday
 - c. Accompanied by non-refundable filing fee:
 - i. minimum = \$500; maximum = \$20,000
 - ii. calculated as 0.1% * total cost of project
3. Competing Applications
 - a. Agency director has discretion to comparatively review applications filed within 30 days of the first application’s receipt
 - b. If within a batching cycle, all are considered competing and are comparatively reviewed

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CON Application Review Process

1. “Deemed Complete” status by DHP
 - a. Will acknowledge receipt and notify applicant (Day 1). Must be submitted by 3pm, otherwise Day 1 is the following business day.
 - b. Has 10 working days to determine completeness, among the items:
 - i. All required data, information and assurances provided on correct forms
 - ii. Appropriate # of copies submitted
 - iii. Signatures on all copies and an original signature on one copy
 - iv. Payment of filing fee
 - v. Most recent 3 years of all required surveys are complete from all facilities owned or operated by the applicant
 - vi. Written verification of entitlement to any necessary real estate
 - vii. Authorization documents to legally entitle applicant to do business in State of Georgia
 - viii. Documentation from County Commissioner that a copy of the CON application was filed in the county where project is based
 - c. If incomplete, additional information must be provided within 60 days of written request for information or within the stipulated timeframe of the batching cycle
 - d. Failure to comply results in application dismissed from the review process
 - e. An additional 30 day extension may be granted for unusual circumstances
 - f. Applicant, other affected persons, and appropriate newspapers are notified in writing of “Deemed Complete” status of application

2. Review Process (not for Batching Cycles)
 - a. Day 1 of review process is day of Deemed Complete status
 - b. Total internal review period is 90 days
 - c. A “60-day meeting” is held for the applicant(s) to cover problematic areas and/or key items of comparative review to which the applicants are permitted to file supplemental information
 - d. The applicant has until the 75th day to submit supplemental information pertaining to issues arising from the 60-day meeting
 - e. The deadline from Letters of Support or for Letters of Opposition is on the 60th day
 - f. Response to Letters of Opposition is due by the 75th day
 - g. Amendments to the application (typically reductions to the scope of the proposed project motivated by a deal with another applicant to yield a greater likelihood of approval) are accepted up through the 80th day
 - h. Decision Date is by the 90th day
 - i. Decision is final if no interested party (including, but not in its entirety, existing providers or competing CON applicants) files a request for an administrative hearing within 30 days

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3. CON Administrative Hearing
 - a. General Counsel for the Department of Community Health assigns a Hearing Officer and sets a hearing date
 - b. General Counsel performs these duties within 60 days of the Decision
 - c. Administrative hearing allows for subpoenas, discovery, testimony, cross-exam, summation, and written legal briefs
 - d. Successful disputes will focus on procedural mistakes or misapplication of statutes, and not on disagreements to the findings/evaluations of staff review
 - e. Each party bears its own legal expense and divides any court costs

General CON Information

1. General CON Application Review Criteria are filed for all CONs
2. A 3% indigent/charity care commitment of Adjusted Gross Revenues is required for all applications
3. A CON Review Addendum is also required for the areas mentioned previously
4. Cost thresholds for capital expenditures, medical equipment and physician-owned, single-specialty ambulatory surgery centers are updated annually
5. Expedited CON Review (45 days) available for the following:
 - a. New or expanded parking decks
 - b. New or expanded Medical Office Buildings without clinical services
 - c. Renovations to hospitals, non-clinical areas
 - d. Expanded Open Heart service solely on increase of procedures, pursuant to certain referenced statutes
 - e. Should certain factors be discovered which create the potential for denial, provisions can be made for a non-expedited review process
6. Letters of Request for CON “Non-Reviewable” Status are for:
 - a. Operating Suites in single-specialty physician group
 - b. Infirmaries of educational institutions
 - c. Site acquisitions or development not connected to a CON application
 - d. Transfer of major medical equipment from one facility to another provided that no new clinical service is established
 - e. Hospital bed increase of up to 10 beds or 10% of capacity, whichever is less, where hospital has maintained 85% occupancy in two consecutive years
 - f. Replacement of diagnostic and therapeutic equipment
 - g. New institutional service offered by or on behalf of an HMO
 - h. Additional or replacement of computer or other information system

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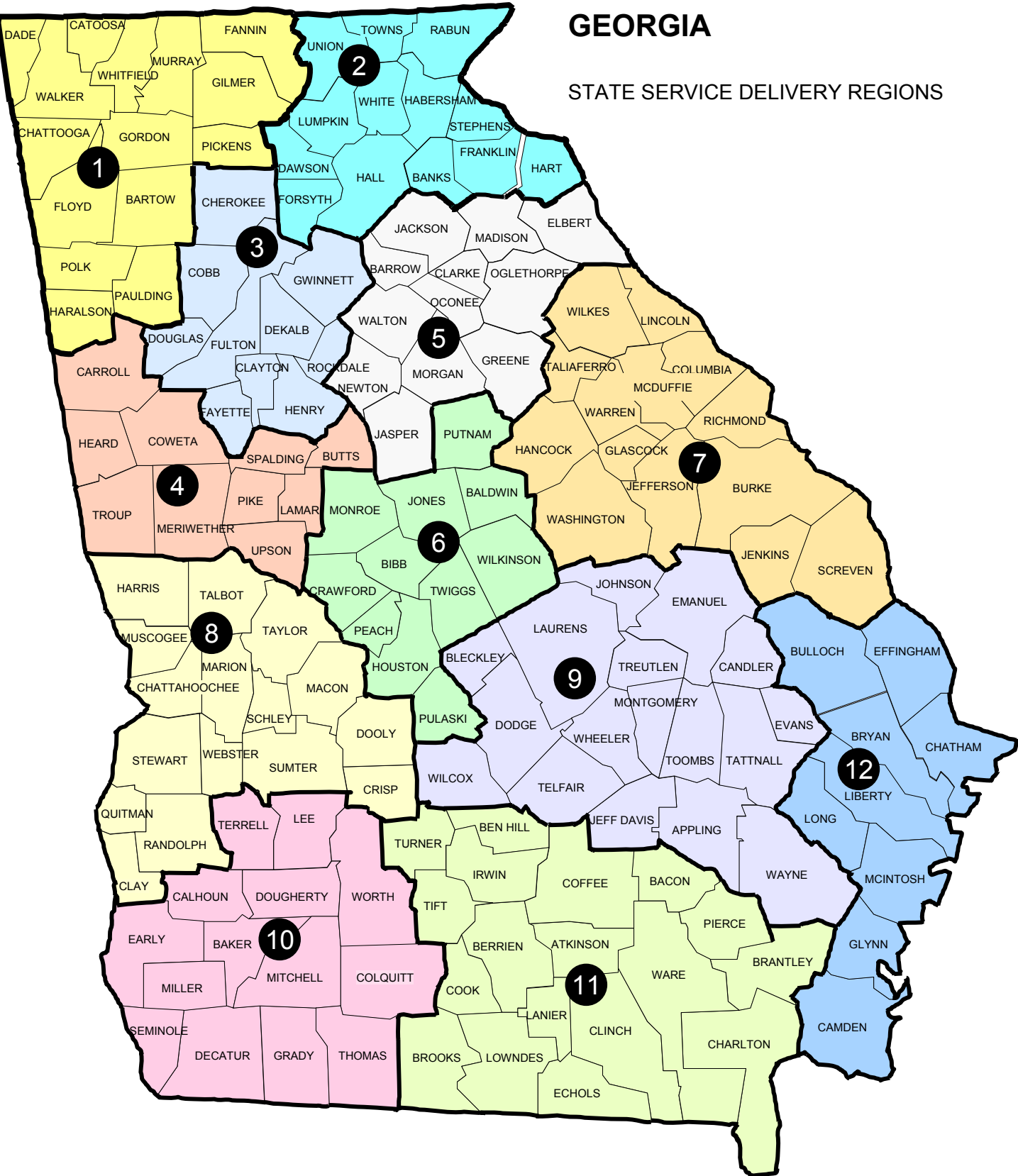
- i. Remodel, renovate and/or replace a medical-surgical hospital if all of the following conditions are met:
 - i. Capacity is \leq 50 beds
 - ii. Sole provider in county
 - iii. Is a “Disproportionate Share Hospital” by the DCH
 - iv. 80% of capital expenditures is provided by a county special use sales tax
 - v. Replacement site is within 3 miles of present site and in the same county
 - vi. No new or expanded clinical services are provided
 - vii. No additional bed capacity or redistribution of beds

CON Planning Regions

The justification of Need and consideration of “Adverse Impact” upon other providers in an area are based upon specified planning regions. The following definitions (and map) of State Service Delivery Regions (SSDRs) are shown on the following page. This definition is used for the CON applications pertaining to Radiation Therapy, Perinatal Services (Basic & Intermediate), Home Health Services, Nursing Facilities and Personal Care Homes. Other addendums may have different planning region divisions.

GEORGIA

STATE SERVICE DELIVERY REGIONS



Partner Biographical Sketch

Roger Cochran, PhD, was previously Director of Project Review for two regional health planning agencies. In that capacity he reviewed approximately 300 applications to provide healthcare services. He was later Executive Director of a regional health planning agency and brings a public health perspective to his work.

Kent Lederman has extensive hospital experience in data analysis and strategic planning positions. He is intimately familiar with the internal operational issues that hospitals must address in their expansion and capital replacement activities. He brings operational experience in hospitals to CON preparation.

Dr. Cochran and Mr. Lederman have individually, and as a team, prepared CON applications ranging from home health, sophisticated technical equipment, to major expansions of existing hospitals.

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