

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 205

Short Title: GPAC/CON Capital Expenditure Limit.

(Public)

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Sponsors: Senators Martin of Guilford; and Blackmon.

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Referred to: Government Performance Audit.

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February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT  
PERFORMANCE AUDIT COMMITTEE TO DECREASE THE CAPITAL  
EXPENDITURE THRESHOLD FOR PROJECTS REQUIRING CERTIFICATE  
OF NEED APPROVAL.

The General Assembly of North Carolina enacts:

Section 1. The General Assembly finds that North Carolina's Certificate of Need capital expenditure threshold does not address major medical equipment purchases and that costly new technologies such as lithotripters, magnetic resonance imaging scanners, and linear accelerators are not subject to Certificate of Need review because expenditures for these services can fall under the two million dollar (\$2,000,000) capital expenditures threshold. The General Assembly further finds that these technologies are costly services and increase the cost of medical services to all consumers.

Sec. 2. G.S. 131E-176(16)b. reads as rewritten:

"(16) b. The obligation by any person of any capital expenditure on behalf of or for a health service facility as defined in subsection (9b) of this section exceeding ~~two million dollars (\$2,000,000),~~ five hundred thousand dollars (\$500,000), other than one to acquire an existing health service facility or to replace such a facility destroyed or irreparably damaged by accident or natural disaster. The cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities, including staff effort and consulting and other services, essential to the acquisition, improvement, expansion, or replacement of

1                   any plant or equipment with respect to which an expenditure is made  
2                   shall be included in determining if the expenditure exceeds ~~two million~~  
3                   ~~dollars (\$2,000,000);~~ five hundred thousand dollars (\$500,000);".

4                   Sec. 3. This act becomes effective October 1, 1993, and applies to  
5                   applications for Certificate of Need requested on or after that date.