

HOUSE BILL NO. 345

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KELLY, Kawasaki

Introduced: 1/30/08

Referred: Health, Education and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

1 **"An Act amending the certificate of need requirements to exclude expenditures for**
2 **diagnostic imaging equipment in certain circumstances."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 *** Section 1.** AS 18.07.031(a) is amended to read:

5 (a) Except as provided in **(c), (d), and (f)** [(c) AND (d)] of this section, a
6 person may not make an expenditure of \$1,000,000 or more for any of the following
7 unless authorized under the terms of a certificate of need issued by the department:

- 8 (1) construction of a health care facility;
9 (2) alteration of the bed capacity of a health care facility; or
10 (3) addition of a category of health services provided by a health care
11 facility.

12 *** Sec. 2.** AS 18.07.031(e) is amended to read:

13 (e) In
14 **(1)** (a) of this section, "expenditure" includes the purchase of property

1 occupied by or the equipment required for the health care facility and the net present
 2 value of a lease for space occupied by or the equipment required for the health care
 3 facility; "expenditure" does not include costs associated with routine maintenance and
 4 replacement of equipment at an existing health care facility;

5 **(2) (f) of this section, "critical access hospital" refers to a facility**
 6 **designated as a critical access hospital by the department by regulatory authority**
 7 **exercised under AS 18.05 or AS 18.20.**

8 * **Sec. 3.** AS 18.07.031 is amended by adding a new subsection to read:

9 (f) Notwithstanding the limitations in (a) of this section, a person may make
 10 an expenditure of \$1,000,000 or more for diagnostic imaging equipment without
 11 authorization under the terms of a certificate of need issued by the department if the
 12 equipment is used in a health care facility that

13 (1) is located in a

14 (A) borough with a population of 60,000 or more; and

15 (B) a city that does not have a facility designated by the
 16 department as a critical access hospital; and

17 (2) has at least a 50 percent ownership by one or more physicians
 18 licensed in the state who are qualified to interpret, and actually interpret, diagnostic
 19 images produced by the equipment in the facility.

20 * **Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to
 21 read:

22 **APPLICABILITY.** Sections 1 - 3 of this Act apply to health care facilities in existence
 23 or proposed on or after the effective date of this Act. A decision of the Department of Health
 24 and Social Services made before the effective date of this Act denying or granting a certificate
 25 of need that was applied for or issued for a health care facility described in AS 18.07.031(f),
 26 added by sec. 3 of this Act, shall be void and unnecessary. A pending application for a
 27 certificate of need for a health care facility described in AS 18.07.031(f), added by sec. 3 of
 28 this Act, shall be returned to the applicant.