## Local Government Mandate Statement Kentucky Legislative Research Commission 2023 Regular Session

## **Part I: Measure Information**

Bill Request #: 859
Bill #: SB 13
<b>Document ID #:</b> 1247
Bill Subject/Title: AN ACT relating to nonsubstantive review of certificate of need.
Sponsor: Senator Gex Williams
Unit of Government: X City X County X Urban-County Unified Local
X Charter County X Consolidated Local X Government
Office(s) Impacted: Locally-owned health departments and hospitals
Requirement: Mandatory X Optional
Effect on Powers & Duties: X Modifies Existing Adds New Eliminates Existing

## Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

SB 13 Section 1 would create a new section of KRS 216B to establish that a local government located in an area development district that borders two states may choose to have every service not requiring a certificate of need in the neighboring states undergo nonsubstantive review pursuant to KRS 216B.095, and approve the certificate of need within 30 days of application for nonsubstantive review.

Section 2 of the bill would repeal KRS 216B.010, Legislative findings and purposes, which reads as follows:

The General Assembly finds that the licensure of health facilities and health services is a means to insure that the citizens of this Commonwealth will have safe, adequate, and efficient medical care; that the proliferation of unnecessary health-care facilities, health services, and major medical equipment results in costly duplication and underuse of such facilities, services, and equipment; and that such proliferation increases the cost of quality health care within the Commonwealth. Therefore, it is the purpose of this chapter to fully authorize and empower the Cabinet for Health and Family Services to perform any certificate-ofneed function and other statutory functions necessary to improve the quality and increase access to health-care facilities, services, and providers, and to create a cost efficient health-care delivery system for the citizens of the Commonwealth.

**The fiscal impact of SB 13 on local governments is unquantifiable.** The Cabinet for Health and Family Services (CHFS) and the Kentucky Hospital Association (KHA) were consulted for this mandate analysis.

CHFS states that automatic approval of some applicants seeking certificate of need by nonsubstantive review in some area development districts would enable new providers there to enter the health care market "rather quickly". While CHFS believed doing so would benefit patients in terms of increased access to health care, it could result in increased competition to other local health facilities providing the same services as the new facility and have a negative financial impact on existing facilities.

It was the opinion of the KHA that the bill would have a negative fiscal impact on their membership.

## Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II applies to SB 13 as introduced. There is no earlier version for comparison.

Data Source(s): Cabinet for Health and Family Services; Kentucky Health Association

Preparer:Mary Stephens (RB)Reviewer:KHCDate:3/27/23