

The House Committee on Health and Human Services offers the following substitute to SB 81:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 6 of Title 31 of the Official Code of Georgia Annotated, relating to state  
2 health planning and development, so as to provide for children's hospitals co-located in the  
3 same building or on the campus with another hospital; to provide for definitions; to provide  
4 for service-specific need methodologies; to provide for certificates of need for co-located  
5 children's hospitals; to provide for related matters; to repeal conflicting laws; and for other  
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 6 of Title 31 of the Official Code of Georgia Annotated, relating to state health  
10 planning and development, is amended by adding new paragraphs to Code Section 31-6-2,  
11 relating to definitions, to read as follows:

12 "(7.1) 'Children's hospital' means a hospital in which 90 percent or more of the patients  
13 served by the hospital are 17 years of age or less. A children's hospital may be either a  
14 freestanding children's hospital or a co-located children's hospital. A children's hospital  
15 shall not include pediatric units licensed that are part of a hospital that does not, as a  
16 whole, qualify as a children's hospital."

17 "(8.1) 'Co-located children's hospital' means a children's hospital that is:

18 (A)(i) Operated as a satellite hospital under the same hospital license as a primary  
19 children's hospital that has been licensed in Georgia and operating as such for at least  
20 the two most recent years;

21 (ii) Owned and operated by a wholly owned subsidiary of a parent corporation that  
22 owns, either directly or through a wholly owned subsidiary, at least one other  
23 children's hospital that has been licensed in Georgia and operating as such for at least  
24 the two most recent years; or

25 (iii) Owned and operated by a public medical school in this state;

26 (B) Co-located within the same building or on the same campus with a host hospital;  
 27 and  
 28 (C) Established through the lease or transfer of short-stay hospital beds authorized  
 29 pursuant to this chapter from the host hospital to the co-located children's hospital."  
 30 "(16.1) 'Freestanding children's hospital' means an independently licensed and located  
 31 children's hospital."  
 32 "(21.1) 'Host hospital' means a hospital which is not a children's hospital in which a  
 33 children's hospital co-locates with the host hospital."

34 **SECTION 2.**

35 Said chapter is further amended by revising paragraph (8) of subsection (b) of Code Section  
 36 31-6-21, relating to the Department of Community Health generally, as follows:

37 "(8) To establish, by rule, need methodologies for new institutional health services and  
 38 health facilities. In developing such need methodologies, the department shall, at a  
 39 minimum, consider the demographic characteristics of the population, the health status  
 40 of the population, service use patterns, standards and trends, financial and geographic  
 41 accessibility, and market economics. The department shall establish service-specific need  
 42 methodologies and criteria for at least the following clinical health services: ~~short-stay~~  
 43 short-stay hospital beds, freestanding children's hospital beds, co-located children's  
 44 hospital beds, adult therapeutic cardiac catheterization, adult open heart surgery, pediatric  
 45 cardiac catheterization and open heart surgery, Level II and III perinatal services,  
 46 freestanding birthing centers, psychiatric and substance abuse inpatient programs, skilled  
 47 nursing and intermediate care facilities, home health agencies, and continuing care  
 48 retirement community sheltered facilities;"

49 **SECTION 3.**

50 Said chapter is further amended by adding a new subsection to Code Section 31-6-40,  
 51 relating to a certificate of need for new institutional health services, to read as follows:

52 "(f) A certificate of need issued to a co-located children's hospital shall authorize the beds  
 53 and all new institutional health services of such co-located children's hospital. As used in  
 54 this subsection, the term 'new institutional health service' shall have the same meaning  
 55 provided for in subsection (a) of this Code section. A certificate of need to establish a new,  
 56 replacement, or expanded co-located children's hospital shall be issued jointly to the  
 57 primary hospital or wholly owned subsidiary and the host hospital. If such a certificate of  
 58 need is granted, the host hospital's beds that will be transferred or leased to the co-located  
 59 children's hospital shall be removed from the official inventory of available short-stay beds  
 60 of the host hospital at the time the co-located children's hospital is licensed; provided,

61 however, that such beds will revert to the host hospital's official inventory of available  
62 short-stay beds at any point that the co-located children's hospital ceases operation or is no  
63 longer licensed. Because the primary children's hospital generally will provide a higher  
64 level of care than the co-located children's hospital, the Georgia Medicaid program shall  
65 cover emergency transports from the co-located children's hospital to the primary children's  
66 hospital."

67 **SECTION 4.**

68 All laws and parts of laws in conflict with this Act are repealed.