

OFFICE OF FISCAL ANALYSIS

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sSB-9

AN ACT PROMOTING HOSPITAL FINANCIAL STABILITY. AMENDMENT

LCO No.: 5981

File Copy No.: 381

Senate Calendar No.: 243

OFA Fiscal Note

See Fiscal Note Details

The amendment strikes the language and fiscal impact in the underlying bill and results in the fiscal impact described below.

Section 1 results in a potential revenue gain to the General Fund by expanding the Office of Health Strategy's (OHS') Health Systems Planning Unit's (HSPU's) Certificate of Need (CON) requirements. The revenue gain is dependent on the number of applications received and the cost of the transfer associated with the application¹.

Sections 2 and 3 modify the CON program for health care entities beginning in FY 25, increasing annual HSPU expenditures of approximately \$440,000 in salary and fringe benefits beginning in FY 25 for two full-time positions and two consultants with external medical expertise. The staff will be needed to conduct CON application reviews on an annual basis. Costs related to HSPU are recovered via an assessment collected from the various state hospitals; this assessment results in a revenue gain to the General Fund that will offset the increased cost to OHS.

Additionally, **Section 3** requires OHS to develop and implement an

¹ The application fee is determined by the cost of the project, based on a scale described in subsection (a) of Sec. 3 of the amendment.

expedited CON review process. HSPU will incur a one-time cost of \$100,000 in FY 25 to hire a consultant to assist the department in meeting the deadline for this project.

Section 4 makes changes regarding CON approval requirements and does not result in a fiscal impact.

Section 5 makes changes to HSPU's state-wide health care facility utilization study and state-wide health care facilities and services plan, which do not result in a fiscal impact.

Section 6 requires the executive director of OHS to contact certain hospitals to determine potential need for state assistance, which will result in a fiscal impact to the extent that state assistance is given.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.