House Bill 186 (AS PASSED HOUSE AND SENATE)
By: Representatives Stephens of the 164th, Gilliard of the 162nd, Petrea of the 166th, Hitchens of the 161st, Stephens of the 165th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to revise provisions relating to certificate of need requirements; to revise and provide for new definitions relative to health planning and development; to prohibit certain actions relating to medical use rights; to revise provisions regarding when certificate of need is required; to repeal a provision relating to the establishment of set times in which certain application for capital projects may be accepted; to authorize destination cancer hospitals to be converted to general cancer hospitals; to revise and provide for additional exemptions to certificate of need requirements; to provide for requests and objections to letters of determination that an activity is exempt or excluded from certificate of need requirements; to provide for annual reports to be made publicly available; to provide for improvements in the state's health care system and coordination of state health related entities; to provide for legislative findings and declarations; to provide for definitions; to provide for the creation of the Office of Health Strategy and Coordination; to provide for a director of health strategy and coordination; to provide for advisory committees; to provide for reporting requirements by certain state boards, commissions, committees, councils, and offices to the Office of Health Strategy and Coordination; to provide for the Georgia Data Access Forum; to provide for its composition and purpose; to amend other provisions of the Official Code of Georgia Annotated, so as to provide for conforming changes; to provide for a short title; to revise provisions relating to the sale or lease of a hospital by a hospital authority; to provide for the investment of funds by certain hospital authorities; to amend Code Section 48-7-29.20 of the Official Code of Georgia Annotated, relating to tax credits for contributions to rural hospital organizations, so as to provide for transparency; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:
PART I

SECTION 1-1.

Title 31 of the Official Code of Georgia Annotated, relating to health, is amended by revising paragraphs (6), (8), (14), (17), (21), and (35) of and by adding new paragraphs to Code Section 31-6-2, relating to definitions relative to state health planning and development, as follows:

"(6) 'Certificate of need' means an official determination by the department, evidenced by certification issued pursuant to an application, that the action proposed in the application satisfies and complies with the criteria contained in this chapter and rules promulgated pursuant hereto."

"(8) 'Clinical health services' means diagnostic, treatment, or rehabilitative services provided in a health care facility, or parts of the physical plant where such services are located in a health care facility, and includes, but is not limited to, the following: radiology and diagnostic imaging, such as magnetic resonance imaging and positron emission tomography (PET); radiation therapy; biliary lithotripsy; surgery; intensive care; coronary care; pediatrics; gynecology; obstetrics; general medical care; medical/surgical care; inpatient nursing care, whether intermediate, skilled, or extended care; cardiac catheterization; open heart surgery; inpatient rehabilitation; and alcohol, drug abuse, and mental health services."

"(14) 'Develop,' with reference to a project, means: (A) Constructing, remodeling, installing, or proceeding with a project, or any part of a project, or a capital expenditure project, the cost estimate for which exceeds $2.5 million, or $10 million. (B) The expenditure or commitment of funds exceeding $1 million for orders, purchases, leases, or acquisitions through other comparable arrangements of major medical equipment, provided, however, that this shall not include build-out costs, as defined by the department, but shall include all functionally related equipment, software, and any warranty and services contract costs for the first five years. Notwithstanding subparagraphs (A) and (B) the provisions of this paragraph, the expenditure or commitment or incurring an obligation for the expenditure of funds to develop certificate of need applications, studies, reports, schematics, preliminary plans and specifications, or working drawings or to acquire, develop, or prepare sites shall not be considered to be the developing of a project."

"(16.1) 'General cancer hospital' means an institution which was an existing and approved destination cancer hospital as of January 1, 2019; has obtained final certificate of need approval for conversion from a destination cancer hospital to a general cancer hospital in accordance with Code Section 31-6-40.3; and offers inpatient and outpatient..."
diagnostic, therapeutic, treatment, and rehabilitative cancer care services or other services
to diagnose or treat co-morbid medical conditions or diseases of cancer patients so long
as such services do not result in the offering of any new or expanded clinical health
service that would require a certificate of need under this chapter unless a certificate of
need or letter of determination has been obtained for such new or expanded services."

"(17) 'Health care facility' means hospitals; destination cancer hospitals; other special
care units, including but not limited to podiatric facilities; skilled nursing facilities;
intermediate care facilities; personal care homes; ambulatory surgical centers or
obstetrical facilities; freestanding emergency departments or facilities not located on a
hospital's primary campus; health maintenance organizations; home health agencies; and
diagnostic, treatment, or rehabilitation centers, but only to the extent paragraph (3) or (7),
or both paragraphs (3) and (7), of subsection (a) of Code Section 31-6-40 are applicable
thereto."

"(21) 'Hospital' means an institution which is primarily engaged in providing to
inpatients, by or under the supervision of physicians, diagnostic services and therapeutic
services for medical diagnosis, treatment, and care of injured, disabled, or sick persons
or rehabilitation services for the rehabilitation of injured, disabled, or sick persons. Such
term includes public, private, psychiatric, rehabilitative, geriatric, osteopathic,
micro-hospitals, general cancer hospitals, and other specialty hospitals."

"(30.1) 'Primary campus' means the building at which the majority of a hospital's or a
remote location of a hospital's licensed and operational inpatient hospital beds are
located, and includes the health care facilities of such hospital within 1,000 yards of such
building. Any health care facility operated under a hospital's license prior to July 1, 2019,
but not on the hospital's primary campus shall remain part of such hospital but shall not
constitute such hospital's primary campus unless otherwise meeting the requirements of
this paragraph."

"(31.1) 'Remote location of a hospital' means a hospital facility or organization that is
either created by, or acquired by, a hospital that is the main provider for the purpose of
furnishing inpatient hospital services under the name, ownership, and financial and
administrative control of the main provider."

"(35) 'Specialty hospital' means a hospital that is primarily or exclusively engaged in the
care and treatment of one of the following: patients with a cardiac condition, patients with
an orthopedic condition, patients receiving a surgical procedure, or patients receiving any
other specialized category of services defined by the department. A 'specialty hospital'
does not include a destination cancer hospital or a general cancer hospital."
SECTION 1-2.
Said title is further amended in Article 1 of Chapter 6, relating to general provisions relative to state health planning and development, by adding a new Code section to read as follows:

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31-6-3. (a) As used in this Code section, the term 'medical use rights' means rights or interests in real property in which the owner of the property has agreed not to sell or lease such real property for identified medical uses or purposes.
(b) It shall be unlawful for any health care facility to purchase, renew, extend, lease, maintain, or hold medical use rights.
(c) This Code section shall not be construed to impair any contracts in existence as of the effective date of this Code section.
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SECTION 1-3.
Said title is further amended by revising Code 31-6-21, relating to the Department of Community Health generally, as follows:

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31-6-21. (a) The Department of Community Health, established under Chapter 2 of this title, is authorized to administer the certificate of need program established under this chapter and, within the appropriations made available to the department by the General Assembly of Georgia and consistently with the laws of the State of Georgia, a state health plan adopted by the board. The department shall provide, by rule, for procedures to administer its functions until otherwise provided by the board.
(b) The functions of the department shall be:
(1) To conduct the health planning activities of the state and to implement those parts of the state health plan which relate to the government of the state;
(2) To prepare and revise a draft state health plan with recommendations from technical advisory committees;
(3) To seek advice, at its discretion, from the Health Strategies Council technical advisory committees in the performance by the department of its functions pursuant to this chapter;
(4) To adopt, promulgate, and implement rules and regulations sufficient to administer the provisions of this chapter including the certificate of need program;
(5) To define, by rule, the form, content, schedules, and procedures for submission of applications for certificates of need, other determinations, and periodic reports;
(6) To establish time periods and procedures consistent with this chapter to hold hearings and to obtain the viewpoints of interested persons prior to issuance or denial of a certificate of need;
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(7) To provide, by rule, for such fees as may be necessary to cover the costs of hearing officers, preparing the record for appeals before such hearing officers and the Certificate of Need Appeal Panel of the decisions of the department, and other related administrative costs, which costs may include reasonable sharing between the department and the parties to appeal hearings;

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

(9) To provide, by rule, for a reasonable and equitable fee schedule for certificate of need applications; provided, however, that a certificate of need application filed by or on behalf of a hospital in a rural county shall be exempt from any such fee;

(10) To grant, deny, or revoke a certificate of need as applied for or as amended; and

(11) To perform powers and functions delegated by the Governor, which delegation may include the powers to carry out the duties and powers which have been delegated to the department under Section 1122 of the federal Social Security Act of 1935, as amended; and

(12) Study the amount of uncompensated indigent and charity care provided by each type of health care facility, recommend requirements for the levels of uncompensated indigent and charity care required to be performed by each health care facility type and develop standardized reporting requirements for the department to accurately track the amount of uncompensated indigent and charity care provided by each health care facility.

(c) The commissioner shall have the power to establish and abolish technical advisory committees as he or she deems necessary, in consultation with the board, to inform effective strategy development and execution.”

SECTION 1-4.

Said title is further amended by revising subsections (a) and (c) of Code Section 31-6-40, relating to the requirement of a certificate of need for new institutional health services and exemption, as follows:
(a) On and after July 1, 2008, any new institutional health service shall be required to obtain a certificate of need pursuant to this chapter. New institutional health services include:

1. The construction, development, or other establishment of a new, expanded, or relocated health care facility, except as otherwise provided in Code Section 31-6-47;

2. Any expenditure by or on behalf of a health care facility in excess of $2.5 million which, under generally accepted accounting principles consistently applied, is a capital expenditure, except expenditures for acquisition of an existing health care facility not owned or operated by or on behalf of a political subdivision of this state, or any combination of such political subdivisions, or by or on behalf of a hospital authority, as defined in Article 4 of Chapter 7 of this title, or certificate of need owned by such facility in connection with its acquisition. The dollar amounts specified in this paragraph and in subparagraph (A) of paragraph (14) of Code Section 31-6-2 shall be adjusted annually by an amount calculated by multiplying such dollar amounts (as adjusted for the preceding year) by the annual percentage of change in the composite index of construction material prices, or its successor or appropriate replacement index, if any, published by the United States Department of Commerce for the preceding calendar year, commencing on July 1, 2009, and on each anniversary thereafter of publication of the index. The department shall immediately institute rule-making procedures to adopt such adjusted dollar amounts. In calculating the dollar amounts of a proposed project for purposes of this paragraph and subparagraph (A) of paragraph (14) of Code Section 31-6-2, the costs of all items subject to review by this chapter and items not subject to review by this chapter associated with and simultaneously developed or proposed with the project shall be counted, except for the expenditure or commitment of or incurring an obligation for the expenditure of funds to develop certificate of need applications, studies, reports, schematics, preliminary plans and specifications or working drawings, or to acquire sites;

3. The purchase or lease by or on behalf of a health care facility or a diagnostic, treatment, or rehabilitation center of diagnostic or therapeutic equipment, except as otherwise provided in Code Section 31-6-47 with a value in excess of $1 million; provided, however, that diagnostic or other imaging services that are not offered in a hospital or in the offices of an individual private physician or single group practice of physicians exclusively for use on patients of that physician or group practice shall be deemed to be a new institutional health service regardless of the cost of equipment; and provided, further, that this shall not include build out costs, as defined by the department, but shall include all functionally related equipment, software, and any warranty and services contract costs for the first five years. The acquisition of one or more items of
functionally related diagnostic or therapeutic equipment shall be considered as one
project. The dollar amount specified in this paragraph, in subparagraph (B) of paragraph
(14) of Code Section 31-6-2, and in paragraph (10) of subsection (a) of Code Section
31-6-47 shall be adjusted annually by an amount calculated by multiplying such dollar
amounts (as adjusted for the preceding year) by the annual percentage of change in the
consumer price index, or its successor or appropriate replacement index, if any, published
by the United States Department of Labor for the preceding calendar year, commencing
on July 1, 2010;

(4) Any increase in the bed capacity of a health care facility except as provided in Code
Section 31-6-47;

(5) Clinical health services which are offered in or through a health care facility, which
were not offered on a regular basis in or through such health care facility within the 12
month period prior to the time such services would be offered;

(6) Any conversion or upgrading of any general acute care hospital to a specialty hospital
or of a facility such that it is converted from a type of facility not covered by this chapter
to any of the types of health care facilities which are covered by this chapter; and

(7) Clinical health services which are offered in or through a diagnostic, treatment, or
rehabilitation center which were not offered on a regular basis in or through that center
within the 12 month period prior to the time such services would be offered, but only if
the clinical health services are any of the following:

(A) Radiation therapy;

(B) Biliary lithotripsy;

(C) Surgery in an operating room environment, including but not limited to ambulatory
surgery; and

(D) Cardiac catheterization; and

(8) The conversion of a destination cancer hospital to a general cancer hospital."

"(c)(1) Any person who had a valid exemption granted or approved by the former Health
Planning Agency or the department prior to July 1, 2008, shall not be required to obtain
a certificate of need in order to continue to offer those previously offered services.

(2) Any facility offering ambulatory surgery pursuant to the exclusion designated on
June 30, 2008, as division (14)(G)(iii) of Code Section 31-6-2; any diagnostic, treatment,
or rehabilitation center offering diagnostic imaging or other imaging services in operation
and exempt prior to July 1, 2008; or any facility operating pursuant to a letter of
nonreviewability and offering diagnostic imaging services prior to July 1, 2008, shall:

(A) Provide notice to the department of the name, ownership, location, single specialty,
and services provided in the exempt facility;

(B) Beginning on January 1, 2009, provide
(A) Provide annual reports in the same manner and in accordance with Code Section 31-6-70; and

(B)(i) Provide care to Medicaid beneficiaries and, if the facility provides medical care and treatment to children, to PeachCare for Kids beneficiaries and provide uncompensated indigent and charity care in an amount equal to or greater than 2 percent of its adjusted gross revenue; or

(ii) If the facility is not a participant in Medicaid or the PeachCare for Kids Program, provide uncompensated care for Medicaid beneficiaries and, if the facility provides medical care and treatment to children, for PeachCare for Kids beneficiaries, uncompensated indigent and charity care, or both in an amount equal to or greater than 4 percent of its adjusted gross revenue if it:

(I) Makes a capital expenditure associated with the construction, development, expansion, or other establishment of a clinical health service or the acquisition or replacement of diagnostic or therapeutic equipment with a value in excess of $800,000.00 over a two-year period;

(II) Builds a new operating room; or

(III) Chooses to relocate in accordance with Code Section 31-6-47.

Noncompliance with any condition of this paragraph shall result in a monetary penalty in the amount of the difference between the services which the center is required to provide and the amount actually provided and may be subject to revocation of its exemption status by the department for repeated failure to pay any fees or moneys due to the department or for repeated failure to produce data as required by Code Section 31-6-70 after notice to the exemption holder and a fair hearing pursuant to Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.' The dollar amount specified in this paragraph shall be adjusted annually by an amount calculated by multiplying such dollar amount (as adjusted for the preceding year) by the annual percentage of change in the consumer price index, or its successor or appropriate replacement index, if any, published by the United States Department of Labor for the preceding calendar year, commencing on July 1, 2009. In calculating the dollar amounts of a proposed project for the purposes of this paragraph, the costs of all items subject to review by this chapter and items not subject to review by this chapter associated with and simultaneously developed or proposed with the project shall be counted, except for the expenditure or commitment of or incurring an obligation for the expenditure of funds to develop certificate of need applications, studies, reports, schematics, preliminary plans and specifications or working drawings, or to acquire sites. Subparagraph (B)(i) of this paragraph shall not apply to facilities offering ophthalmic ambulatory surgery pursuant to the exclusion designated
on June 30, 2008, as division (14)(G)(iii) of Code Section 31-6-2 that are owned by
physicians in the practice of ophthalmology."

SECTION 1-5.
Said title is further amended in Code Section 31-6-40.1, relating to acquisition of health care
facilities, penalty for failure to notify the department, limitation on applications, agreement
to care for indigent patients, requirements for destination cancer hospitals, and notice and
hearing provisions for penalties authorized under this Code section by repealing subsection
(b.1), which relates to establishment of set times in which certain application for capital
projects may be accepted.

SECTION 1-6.
Said title is further amended by adding a new Code section to read as follows:

"31-6-40.3.
(a) On and after July 1, 2019, a destination cancer hospital may apply for a certificate of
need to convert to a general cancer hospital in accordance with this Code section. A
destination cancer hospital that elects to convert to a general cancer hospital shall notify
the department in a form and manner established by the department.
(b) The department shall establish a form and process for a destination cancer hospital to
submit a certificate of need application to convert to a general cancer hospital; provided,
however, that such a conversion shall not be subject to any of the considerations in Code
Section 31-6-42 or service specific rules and shall not be subject to opposition or appeal
by any other health care facilities. The department shall develop such form and guidance
required by this subsection within 30 days of the effective date of this Act. Upon its receipt
of a complete application for a destination cancer hospital to convert to a general cancer
hospital, the department shall issue such certificate of need within 60 days.
(c) Upon the conversion of a destination cancer hospital to a general cancer hospital:
(1) The general cancer hospital may continue to provide all institutional health care
services and other services it provided as of the date of such conversion, including but not
limited to inpatient beds, outpatient services, surgery, radiation therapy, imaging, and
positron emission tomography (PET) scanning, without any further approval from the
department;
(2) The destination cancer hospital shall be classified as a general cancer hospital under
this chapter and shall be subject to all requirements and conditions applicable to hospitals
under this article, including but not limited to, indigent and charity care and inventories
and methodologies to determine need for additional providers or services; and
(3) The hospital's inpatient beds, operating rooms, radiation therapy equipment, and imaging equipment existing on the date of conversion shall not be counted in the inventory by the department for purposes of determining need for additional providers or services, except that any inpatient beds, operating rooms, radiation therapy equipment, and imaging equipment added after the date of conversion shall be counted in accordance with the department's rules and regulations.

(d) In the event that a destination cancer hospital does not convert to a general cancer hospital, it shall remain subject to all requirements and conditions applicable to destination cancer hospitals under this article.”

SECTION 1-7.

Said title is further amended by adding a new Code section to read as follows:

“31-6-42.1.
No applicant for a new certificate of need, a modification to an existing certificate of need, or a conversion of a certificate of need that has any outstanding amounts owed to the state including fines, penalties, fees, or other payments for noncompliance with any requirements contained in Code Section 31-6-40.1, 31-6-45.2, 31-6-70, 31-7-280, or 31-8-179.2 shall be eligible to receive a new certificate of need or a modification to an existing certificate of need unless such applicant pays such outstanding amounts to the state. Any such fines, penalties, fees, or other payments for noncompliance shall be subject to the same notices and hearing for the levy of fines under Code Section 31-6-45.”

SECTION 1-8.

Said title is further amended in Code Section 31-6-43, relating to acceptance or rejection of application for certificate, by revising subsections (d) and (h) as follows:

“(d)(1) There shall be a time limit of 120 days for review of a project, beginning on the day the department declares the application complete for review or in the case of applications joined for comparative review, beginning on the day the department declares the final application complete. The department may adopt rules for determining when it is not practicable to complete a review in 120 days and may extend the review period upon written notice to the applicant but only for an extended period of not longer than an additional 30 days. The department shall adopt rules governing the submission of additional information by the applicant and for opposing an application.

(2) No party may oppose an application for a certificate of need for a proposed project unless:
(A) Such party offers substantially similar services as proposed within a 35 mile radius of the proposed project or has a service area that overlaps the applicant's proposed service area; or

(B) Such party has submitted a competing application in the same batching cycle and is proposing to establish the same type of facility proposed or offers substantially similar services as proposed and has a service area that overlaps the applicant's proposed service area.

"(h) The department shall provide the applicant an opportunity to meet with the department to discuss the application and to provide an opportunity to submit additional information. Such additional information shall be submitted within the time limits adopted by the department. The department shall also provide an opportunity for any party that is opposed to permitted to oppose an application pursuant to paragraph (2) of subsection (d) of this Code section to meet with the department and to provide additional information to the department. In order for any such opposing party to have standing to appeal an adverse decision pursuant to Code Section 31-6-44, such party must attend and participate in an opposition meeting."

SECTION 1-9.

Said title is further amended in Code Section 31-6-44, relating to the Certificate of Need Appeal Panel, by revising subsections (a) and (d) as follows:

"(a) Effective July 1, 2008, there is created the Certificate of Need Appeal Panel, which shall be an agency separate and apart from the department and shall consist of a panel of independent hearing officers. The purpose of the appeal panel shall be to serve as a panel of independent hearing officers to review the department's initial decision to grant or deny a certificate of need application. The Health Planning Review Board which existed on June 30, 2008, shall cease to exist after that date and the Certificate of Need Appeal Panel shall be constituted effective July 1, 2008, pursuant to this Code section. The terms of all members of the Health Planning Review Board serving as such on June 30, 2008, shall automatically terminate on such date."

"(d) Any applicant for a project, any competing applicant in the same batching cycle, any competing health care facility party that is permitted to oppose an application pursuant to paragraph (2) of subsection (d) of Code Section 31-6-43 that has notified the department prior to its decision that such facility party is opposed to the application before the department, or any county or municipal government in whose boundaries the proposed project will be located who is aggrieved by a decision of the department shall have the right to an initial administrative appeal hearing before an appeal panel hearing officer or to intervene in such hearing. Such request for hearing or intervention shall be filed with the

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chairperson of the appeal panel within 30 days of the date of the decision made pursuant to Code Section 31-6-43. In the event an appeal is filed by a competing applicant, or any competing health care facility, or any county or municipal government party that is permitted to oppose an application pursuant to paragraph (2) of subsection (d) of Code Section 31-6-43, the appeal shall be accompanied by payment of such fee as is established by the appeal panel. In the event an appeal is requested, the chairperson of the appeal panel shall appoint a hearing officer for each such hearing within 30 days after the date the appeal is received. Within 14 days after the appointment of the hearing officer, such hearing officer shall confer with the parties and set the date or dates for the hearing, provided that no hearing shall be scheduled less than 60 days nor more than 120 days after the filing of the request for a hearing, unless the applicant consents or, in the case of competing applicants, all applicants consent to an extension of this time period to a specified date. Unless the applicant consents or, in the case of competing applicants, all applicants consent to an extension of said 120 day period, any hearing officer who regularly fails to commence a hearing within the required time period shall not be eligible for continued service as a hearing officer for the purposes of this Code section. The hearing officer shall have the authority to dispose of all motions made by any party before the issuance of the hearing officer's decision and shall make such rulings as may be required for the conduct of the hearing."

SECTION 1-10.

Said title is further amended by revising Code Section 31-6-47, relating to exemptions from certificate of need program requirements, as follows:

(a) Notwithstanding the other provisions of this chapter, this chapter shall not apply to:

(1) Infirmaries operated by educational institutions for the sole and exclusive benefit of students, faculty members, officers, or employees thereof;

(2) Infirmaries or facilities operated by businesses for the sole and exclusive benefit of officers or employees thereof, provided that such infirmaries or facilities make no provision for overnight stay by persons receiving their services;

(3) Institutions operated exclusively by the federal government or by any of its agencies;

(4) Offices of private physicians or dentists whether for individual or group practice, except as otherwise provided in paragraph (3) or (7) of subsection (a) of Code Section 31-6-40;

(5) Religious, nonmedical health care institutions as defined in 42 U.S.C. § 1395x(ss)(1), listed and certified by a national accrediting organization;
(6) Site acquisitions for health care facilities or preparation or development costs for such sites prior to the decision to file a certificate of need application;

(7) Expenditures related to adequate preparation and development of an application for a certificate of need;

(8) The commitment of funds conditioned upon the obtaining of a certificate of need;

(9) Expenditures for the restructuring or acquisition of existing health care facilities by stock or asset purchase, merger, consolidation, or other lawful means unless the facilities are owned or operated by or on behalf of:

(A) Political subdivision of this state;

(B) Combination of such political subdivisions; or

(C) Hospital authority, as defined in Article 4 of Chapter 7 of this title;

(9.1) Expenditures for the restructuring of or for the acquisition by stock or asset purchase, merger, consolidation, or other lawful means of an existing health care facility which is owned or operated by or on behalf of any entity described in subparagraph (A), (B), or (C) of paragraph (9) of this subsection only if such restructuring or acquisition is made by any entity described in subparagraph (A), (B), or (C) of paragraph (9) of this subsection;

(9.2) The purchase of a closing hospital or of a hospital that has been closed for no more than 12 months by a hospital in a contiguous county to repurpose the facility as a micro-hospital;

(10) Expenditures of less than $870,000.00 for any minor or major repair or replacement of equipment by a health care facility that is not owned by a group practice of physicians or a hospital and that provides diagnostic imaging services if such facility received a letter of nonreviewability from the department prior to July 1, 2008. This paragraph shall not apply to such facilities in rural counties;

(10.1) Except as provided in paragraph (10) of this subsection, expenditures for the minor or major repair of a health care facility or a facility that is exempt from the requirements of this chapter, parts thereof or services provided or equipment used therein; or the replacement of equipment, including but not limited to CT scanners, magnetic resonance imaging, positron emission tomography (PET), and positron emission tomography/computed tomography previously approved for a certificate of need;

(11) Capital expenditures otherwise covered by this chapter required solely to eliminate or prevent safety hazards as defined by federal, state, or local fire, building, environmental, occupational health, or life safety codes or regulations, to comply with licensing requirements of the department, or to comply with accreditation standards of a nationally recognized health care accreditation body;
(12) Cost overruns whose percentage of the cost of a project is equal to or less than the cumulative annual rate of increase in the composite construction index, published by the United States Bureau of the Census of the Department of Commerce, of the United States government, calculated from the date of approval of the project;

(13) Transfers from one health care facility to another such facility of major medical equipment previously approved under or exempted from certificate of need review, except where such transfer results in the institution of a new clinical health service for which a certificate of need is required in the facility acquiring such equipment, provided that such transfers are recorded at net book value of the medical equipment as recorded on the books of the transferring facility;

(14) New institutional health services provided by or on behalf of health maintenance organizations or related health care facilities in circumstances defined by the department pursuant to federal law;

(15) Increases in the bed capacity of a hospital up to ten beds or 10 percent of capacity, whichever is greater, in any consecutive two-year period, in a hospital that has maintained an overall occupancy rate greater than 75 percent for the previous 12 month period;

(16) Expenditures for nonclinical projects, including parking lots, parking decks, and other parking facilities; computer systems, software, and other information technology; medical office buildings; administrative office space; conference rooms; education facilities; lobbies; common spaces; clinical staff lounges and sleep areas; waiting rooms; bathrooms; cafeterias; hallways; engineering facilities; mechanical systems; roofs; grounds; signage; family meeting or lounge areas; other nonclinical physical plant renovations or upgrades that do not result in new or expanded clinical health services, and state mental health facilities;

(17) Continuing care retirement communities, provided that the skilled nursing component of the facility is for the exclusive use of residents of the continuing care retirement community and that a written exemption is obtained from the department; provided, however, that new sheltered nursing home beds may be used on a limited basis by persons who are not residents of the continuing care retirement community for a period up to five years after the date of issuance of the initial nursing home license, but such beds shall not be eligible for Medicaid reimbursement. For the first year, the continuing care retirement community sheltered nursing facility may utilize not more than 50 percent of its licensed beds for patients who are not residents of the continuing care retirement community. In the second year of operation, the continuing care retirement community shall allow not more than 40 percent of its licensed beds for new patients who are not residents of the continuing care retirement community. In the third
year of operation, the continuing care retirement community shall allow not more than 30 percent of its licensed beds for new patients who are not residents of the continuing care retirement community. In the fourth year of operation, the continuing care retirement community shall allow not more than 20 percent of its licensed beds for new patients who are not residents of the continuing care retirement community. In the fifth year of operation, the continuing care retirement community shall allow not more than 10 percent of its licensed beds for new patients who are not residents of the continuing care retirement community. At no time during the first five years shall the continuing care retirement community sheltered nursing facility occupy more than 50 percent of its licensed beds with patients who are not residents under contract with the continuing care retirement community. At the end of the five-year period, the continuing care retirement community sheltered nursing facility shall be utilized exclusively by residents of the continuing care retirement community, and at no time shall a resident of a continuing care retirement community be denied access to the sheltered nursing facility. At no time shall any existing patient be forced to leave the continuing care retirement community to comply with this paragraph. The department is authorized to promulgate rules and regulations regarding the use and definition of 'sheltered nursing facility' in a manner consistent with this Code section. Agreements to provide continuing care include agreements to provide care for any duration, including agreements that are terminable by either party;

(18) Any single specialty ambulatory surgical center that:

(A)(i) Has capital expenditures associated with the construction, development, or other establishment of the clinical health service which do not exceed $2.5 million; or

(ii) Is the only single specialty ambulatory surgical center in the county owned by the group practice and has two or fewer operating rooms; provided, however, that a center exempt pursuant to this division shall be required to obtain a certificate of need in order to add any additional operating rooms;

(B) Has a hospital affiliation agreement with a hospital within a reasonable distance from the facility or the medical staff at the center has admitting privileges or other acceptable documented arrangements with such hospital to ensure the necessary backup for the center for medical complications. The center shall have the capability to transfer a patient immediately to a hospital within a reasonable distance from the facility with adequate emergency room services. Hospitals shall not unreasonably deny a transfer agreement or affiliation agreement to the center;

(C)(i) Provides care to Medicaid beneficiaries and, if the facility provides medical care and treatment to children, to PeachCare for Kids beneficiaries and provides
uncompensated indigent and charity care in an amount equal to or greater than 2 percent of its adjusted gross revenue; or

(ii) If the center is not a participant in Medicaid or the PeachCare for Kids Program, provides uncompensated care to Medicaid beneficiaries and, if the facility provides medical care and treatment to children, to PeachCare for Kids beneficiaries, uncompensated indigent and charity care, or both in an amount equal to or greater than 4 percent of its adjusted gross revenue; provided, however, that single specialty ambulatory surgical centers owned by physicians in the practice of ophthalmology shall not be required to comply with this subparagraph; and

(D) Provides annual reports in the same manner and in accordance with Code Section 31-6-70.

Noncompliance with any condition of this paragraph shall result in a monetary penalty in the amount of the difference between the services which the center is required to provide and the amount actually provided and may be subject to revocation of its exemption status by the department for repeated failure to pay any fines or moneys due to the department or for repeated failure to produce data as required by Code Section 31-6-70 after notice to the exemption holder and a fair hearing pursuant to Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.' The dollar amount specified in this paragraph shall be adjusted annually by an amount calculated by multiplying such dollar amount (as adjusted for the preceding year) by the annual percentage of change in the composite index of construction material prices, or its successor or appropriate replacement index, if any, published by the United States Department of Commerce for the preceding calendar year, commencing on July 1, 2009, and on each anniversary thereafter of publication of the index. The department shall immediately institute rule-making procedures to adopt such adjusted dollar amounts. In calculating the dollar amounts of a proposed project for purposes of this paragraph, the costs of all items subject to review by this chapter and items not subject to review by this chapter associated with and simultaneously developed or proposed with the project shall be counted, except for the expenditure or commitment of or incurring an obligation for the expenditure of funds to develop certificate of need applications, studies, reports, schematics, preliminary plans and specifications or working drawings, or to acquire sites;

(19) Any joint venture ambulatory surgical center that:

(A) Has capital expenditures associated with the construction, development, or other establishment of the clinical health service which do not exceed $5 million;

(B)(i) Provides care to Medicaid beneficiaries and, if the facility provides medical care and treatment to children, to PeachCare for Kids beneficiaries and provides
uncompensated indigent and charity care in an amount equal to or greater than 2
percent of its adjusted gross revenue; or
(ii) If the center is not a participant in Medicaid or the PeachCare for Kids Program,
provides uncompensated care to Medicaid beneficiaries and, if the facility provides
medical care and treatment to children, to PeachCare for Kids beneficiaries,
uncompensated indigent and charity care, or both in an amount equal to or greater
than 4 percent of its adjusted gross revenue; and
(C) Provides annual reports in the same manner and in accordance with Code Section
31-6-70.
Noncompliance with any condition of this paragraph shall result in a monetary penalty
in the amount of the difference between the services which the center is required to
provide and the amount actually provided and may be subject to revocation of its
exemption status by the department for repeated failure to pay any fines or moneys due
to the department or for repeated failure to produce data as required by Code Section
31-6-70 after notice to the exemption holder and a fair hearing pursuant to Chapter 13 of
Title 50, the 'Georgia Administrative Procedure Act.' The dollar amount specified in this
paragraph shall be adjusted annually by an amount calculated by multiplying such dollar
amount (as adjusted for the preceding year) by the annual percentage of change in the
composite index of construction material prices, or its successor or appropriate
replacement index, if any, published by the United States Department of Commerce for
the preceding calendar year, commencing on July 1, 2009, and on each anniversary
thereafter of publication of the index. The department shall immediately institute
rule-making procedures to adopt such adjusted dollar amounts. In calculating the dollar
amounts of a proposed project for purposes of this paragraph, the costs of all items
subject to review by this chapter and items not subject to review by this chapter
associated with and simultaneously developed or proposed with the project shall be
counted, except for the expenditure or commitment of or incurring an obligation for the
expenditure of funds to develop certificate of need applications, studies, reports,
schematics, preliminary plans and specifications or working drawings, or to acquire sites;
(20) Expansion of services by an imaging center based on a population needs
methodology taking into consideration whether the population residing in the area served
by the imaging center has a need for expanded services, as determined by the department
in accordance with its rules and regulations, if such imaging center:
(A) Was in existence and operational in this state on January 1, 2008;
(B) Is owned by a hospital or by a physician or a group of physicians comprising at
least 80 percent ownership who are currently board certified in radiology;
(C) Provides three or more diagnostic and other imaging services;
(D) Accepts all patients regardless of ability to pay; and

(E) Provides uncompensated indigent and charity care in an amount equal to or greater than the amount of such care provided by the geographically closest general acute care hospital; provided, however, that this paragraph shall not apply to an imaging center in a rural county;

(21) Diagnostic cardiac catheterization in a hospital setting on patients 15 years of age and older;

(22) Therapeutic cardiac catheterization in hospitals selected by the department prior to July 1, 2008, to participate in the Atlantic Cardiovascular Patient Outcomes Research Team (C-PORT) Study and therapeutic cardiac catheterization in hospitals that, as determined by the department on an annual basis, meet the criteria to participate in the C-PORT Study but have not been selected for participation; provided, however, that if the criteria requires a transfer agreement to another hospital, no hospital shall unreasonably deny a transfer agreement to another hospital;

(23) Infirmaries or facilities operated by, on behalf of, or under contract with the Department of Corrections or the Department of Juvenile Justice for the sole and exclusive purpose of providing health care services in a secure environment to prisoners within a penal institution, penitentiary, prison, detention center, or other secure correctional institution, including correctional institutions operated by private entities in this state which house inmates under the Department of Corrections or the Department of Juvenile Justice;

(24) The relocation of any skilled nursing facility, intermediate care facility, or micro-hospital within the same county, any other health care facility in a rural county within the same county, and any other health care facility in an urban county within a three-mile radius of the existing facility so long as the facility does not propose to offer any new or expanded clinical health services at the new location;

(25) Facilities which are devoted to the provision of treatment and rehabilitative care for periods continuing for 24 hours or longer for persons who have traumatic brain injury, as defined in Code Section 37-3-1; and

(26) Capital expenditures for a project otherwise requiring a certificate of need if those expenditures are for a project to remodel, renovate, replace, or any combination thereof, a medical-surgical hospital and:

(A) That hospital:

(i) Has a bed capacity of not more than 50 beds;

(ii) Is located in a county in which no other medical-surgical hospital is located;

(iii) Has at any time been designated as a disproportionate share hospital by the department; and
(iv) Has at least 45 percent of its patient revenues derived from medicare, Medicaid, or any combination thereof, for the immediately preceding three years; and

(B) That project:

(i) Does not result in any of the following:

(I) The offering of any new clinical health services;

(II) Any increase in bed capacity;

(III) Any redistribution of existing beds among existing clinical health services; or

(IV) Any increase in capacity of existing clinical health services;

(ii) Has at least 80 percent of its capital expenditures financed by the proceeds of a special purpose county sales and use tax imposed pursuant to Article 3 of Chapter 8 of Title 48; and

(iii) Is located within a three-mile radius of and within the same county as the hospital's existing facility;

(27) The renovation, remodeling, refurbishment, or upgrading of a health care facility, so long as the project does not result in any of the following:

(A) The offering of any new or expanded clinical health services;

(B) Any increase in inpatient bed capacity;

(C) Any redistribution of existing beds among existing clinical health services; or

(D) A capital expenditure exceeding the threshold contained in paragraph (2) of subsection (a) of Code Section 31-6-40;

(28) Other than for equipment used to provide positron emission tomography (PET) services, the acquisition of diagnostic, therapeutic, or other imaging equipment with a value of $3 million or less, by or on behalf of:

(A) A hospital; or

(B) An individual private physician or single group practice of physicians exclusively for use on patients of such private physician or single group practice of physicians and such private physician or member of such single group practice of physicians is physically present at the practice location where the diagnostic or other imaging equipment is located at least 75 percent of the time that the equipment is in use.

The amount specified in this paragraph shall not include build-out costs, as defined by the department, but shall include all functionally related equipment, software, and any warranty and services contract costs for the first five years. The acquisition of one or more items of functionally related diagnostic or therapeutic equipment shall be considered as one project. The dollar amount specified in this paragraph and in paragraph (10) of this subsection shall be adjusted annually by an amount calculated by multiplying such dollar amounts (as adjusted for the preceding year) by the annual percentage of change in the consumer price index, or its successor or appropriate
replacement index, if any, published by the United States Department of Labor for the
preceding calendar year, commencing on July 1, 2010; and
(29) A capital expenditure of $10 million or less by a hospital at such hospital's primary
campus for:
(A) The expansion or addition of the following clinical health services: operating
rooms, other than dedicated outpatient operating rooms; medical-surgical services;
gynecology; procedure rooms; intensive care; pharmaceutical services; pediatrics;
cardiac care or other general hospital services; provided, however, that such
expenditure does not include the expansion or addition of inpatient beds or the
conversion of one type of inpatient bed to another type of inpatient bed; or
(B) The movement of clinical health services from one location on the hospital's
primary campus to another location on such hospital's primary campus.
(b) By rule, the department shall establish a procedure for expediting or waiving reviews
of certain projects the nonreview of which it deems compatible with the purposes of this
chapter, in addition to expenditures exempted from review by this Code section."

SECTION 1-11.
Said title is further amended by revising Code Section 31-6-47.1, relating to prior notice and
approval of activities, as follows:
"31-6-47.1. The department shall require prior notice from a new health care facility for approval of
any activity which is believed to be exempt pursuant to Code Section 31-6-47 or excluded
from the requirements of this chapter under other provisions of this chapter. The
department may require prior notice and approval of any activity which is believed to be
exempt pursuant to paragraphs (10), (15), (16), (17), (20), (21), (23), (25), and (26), (27),
(28), and (29) of subsection (a) of Code Section 31-6-47. The department shall be
authorized to establish timeframes, forms, and criteria relating to its certification to request
a letter of determination that an activity is properly exempt or excluded under this chapter
prior to its implementation. The department shall publish notice of all requests for
approval of any letters of determination regarding exempt activity and opposition to such
request. Persons opposing a request for approval of an exempt activity shall be entitled to
file an objection with the department and the department shall consider any filed objection
when determining whether an activity is exempt. After the department's decision, an
opposing party shall have the right to a fair hearing pursuant to Chapter 13 of Title 50, the
'Georgia Administrative Procedure Act,’ on an adverse decision of the department and
judicial review of a final decision in the same manner and under the same provisions as in
Code Section 31-6-44.1. If no objection to a request for determination is filed within 30
days of the department's receipt of such request for determination, the department shall have 60 days from the date of the department's receipt of such request to review the request and issue a letter of determination. The department may adopt rules for deciding when it is not practicable to provide a determination in 60 days and may extend the review period upon written notice to the requestor but only for an extended period of no longer than an additional 30 days.'

SECTION 1-12.

Said title is further amended in Code Section 31-6-70, relating to reports to the department by certain health care facilities and all ambulatory surgical centers and imaging centers, by revising subsections (a), (b), and (d) and paragraph (1) of subsection (e) and by adding new subsections to read as follows:

"(a) There shall be required from each health care facility in this state requiring a certificate of need and all ambulatory surgical centers and imaging centers, whether or not exempt from obtaining a certificate of need under this chapter, an annual report of certain health care information to be submitted to as determined by the department. The report shall be due on the last day of January date determined by the department and shall cover the 12 month period preceding each such calendar year."

"(b) The report required under subsection (a) of this Code section shall contain the following information:

(1) Total gross revenues;
(2) Bad debts;
(3) Amounts of free care extended, excluding bad debts;
(4) Contractual adjustments;
(5) Amounts of care provided under a Hill-Burton commitment;
(6) Amounts of charity care provided to indigent and nonindigent persons;
(7) Amounts of outside sources of funding from governmental entities, philanthropic groups, or any other source, including the proportion of any such funding dedicated to the care of indigent persons; and
(8) For cases involving indigent persons and nonindigent person receiving charity care:
(A) The number of persons treated;
(B) The number of inpatients and outpatients;
(C) Total patient days;
(D) The number of patients categorized by county of residence; and
(E) The indigent and nonindigent care costs incurred by the health care facility by county of residence;"
Transfers to a hospital or hospital emergency department, including both direct transfers and transfers by emergency medical services;

Number of rooms, beds, procedures, and patients, including, without limitation, demographic information and payer source;

Patient origin by county; and

Operational information such as procedure types, volumes, and charges.”

“(d) The department shall provide a form for the reports required by subsection (a) of this Code section and may provide in said form for further categorical divisions of the information listed in subsections (b) or (c.1) of this Code section.”

“(1) In the event the department does not receive information responsive to subparagraph (c)(2)(A) of Code Section 31-6-40 by December 30, 2008, or an annual report from a health care facility requiring a certificate of need or an ambulatory surgical center or imaging center, whether or not exempt from obtaining a certificate of need under this chapter, on or before the date such report was due or receives a timely but incomplete report, the department shall notify the health care facility or center regarding the deficiencies and shall be authorized to fine such health care facility or center an amount not to exceed $500.00 per day for every day up to 30 days and $1,000.00 per day for every day over 30 days for every day of such untimely or deficient report.”

“(g) The department shall make publicly available all annual reports submitted pursuant to this Code section on the department website. The department shall also provide a copy of such annual reports to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the House Committee on Health and Human Services and the Senate Health and Human Services Committee.

(h) All health care facilities, ambulatory surgical centers, and imaging centers required to submit an annual report pursuant to subsection (a) of this Code section shall make such annual reports publicly available on their websites.”

SECTION 1-13.

Said title is further amended by adding a new Code section to Article 1 of Chapter 7, relating to regulation of hospitals and related institutions, to read as follows:

“31-7-22.

(a) As used in this Code section, the term 'hospital' means a nonprofit hospital, a hospital owned or operated by a hospital authority, or a nonprofit corporation formed, created, or operated by or on behalf of a hospital authority.

(b) Beginning July 1, 2020, each hospital in this state shall post a link in a prominent location on the main page of its website to a copy of its most recent audited Internal Revenue Service Form 990, including Schedule H for hospitals and other applicable
attachments; provided, however, that for any hospital not required to file IRS Form 990, the department shall establish and provide a form that collects the same information as is contained in Internal Revenue Service Form 990, including Schedule H for hospitals, as applicable.

SECTION 1-14.

Said title is further amended by revising Code Section 31-8-9.1, relating to eligibility to receive tax credits and obligations of rural hospitals after receipt of funds, as follows:

31-8-9.1.

(a) As used in this Code section, the term:

(1) 'Critical access hospital' means a hospital that meets the requirements of the federal Centers for Medicare and Medicaid Services to be designated as a critical access hospital and that is recognized by the department as a critical access hospital for purposes of Medicaid.

(2) 'Rural county' means a county having a population of less than 50,000 according to the United States decennial census of 2010 or any future such census; provided, however, that for counties which contain a military base or installation, the military personnel and their dependents living in such county shall be excluded from the total population of such county for purposes of this definition.

(3) 'Rural hospital organization' means an acute care hospital licensed by the department pursuant to Article 1 of Chapter 7 of this title that:

(A) Provides inpatient hospital services at a facility located in a rural county or is a critical access hospital;

(B) Participates in both Medicaid and medicare and accepts both Medicaid and medicare patients;

(C) Provides health care services to indigent patients;

(D) Has at least 10 percent of its annual net revenue categorized as indigent care, charity care, or bad debt;

(E) Annually files IRS Form 990, Return of Organization Exempt From Income Tax, with the department, or for any hospital not required to file IRS Form 990, the department will provide a form that collects the same information to be submitted to the department on an annual basis;

(F) Is operated by a county or municipal authority pursuant to Article 4 of Chapter 7 of this title or is designated as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code; and

(G) Is current with all audits and reports required by law.
(b)(1) By December 1 of each year, the department shall approve a list of rural hospital organizations eligible to receive contributions from the tax credit provided pursuant to Code Section 48-7-29.20 and transmit such list to the Department of Revenue.

(2) Before any rural hospital organization is included on the list as eligible to receive contributions from the tax credit provided pursuant to Code Section 48-7-29.20, it shall submit to the department a five-year plan detailing the financial viability and stability of the rural hospital organization. The criteria to be included in the five-year plan shall be established by the department.

(3) The department shall create an operations manual for identifying rural hospital organizations and ranking such rural hospital organizations in order of financial need. Such manual shall include:

(A) All deadlines for submitting required information to the department;

(B) The criteria to be included in the five-year plan submitted pursuant to paragraph (2) of this subsection; and

(C) The formula applied to rank the rural hospital organizations in order of financial need.

(c)(1) A rural hospital organization that receives donations pursuant to Code Section 48-7-29.20 shall:

(A) Utilize such donations for the provision of health care related services for residents of a rural county or for residents of the area served by a critical access hospital; and

(B) Report on a form provided by the department:

(i) All contributions received from individual and corporate donors pursuant to Code Section 48-7-29.20 detailing the manner in which the contributions received were expended by the rural hospital organization; and

(ii) Any payments made to a third party to solicit, administer, or manage the donations received by the rural hospital organization pursuant to this Code section or Code Section 48-7-29.20. In no event shall payments made to a third party to solicit, administer, or manage the donations received pursuant to this Code section exceed 3 percent of the total amount of the donations.

(2) The department shall annually prepare a report compiling the information received pursuant to paragraph (1) of this subsection for the chairpersons of the House Committee on Ways and Means and the Senate Health and Human Services Committee.

(d) The department shall post the following information in a prominent location on its website:

(1) The list of rural hospital organizations eligible to receive contributions established pursuant to paragraph (1) of subsection (b) of this Code section:
(2) The operations manual created pursuant to paragraph (3) of subsection (b) of this Code section;

(3) The annual report prepared pursuant to paragraph (2) of subsection (c) of this Code section;

(4) The total amount received by each third party that participated in soliciting, administering, or managing donations; and

(5) A link to the Department of Revenue's website containing the information included in subsection (d) of Code Section 48-7-29.20."

SECTION 1-15.

Code Section 48-7-29.20 of the Official Code of Georgia Annotated, relating to tax credits for contributions to rural hospital organizations, is amended as follows:

(a) As used in this Code section, the term:

(1) 'Qualified rural hospital organization expense' means the contribution of funds by an individual or corporate taxpayer to a rural hospital organization for the direct benefit of such organization during the tax year for which a credit under this Code section is claimed.

(2) 'Rural hospital organization' means an organization that is approved by the Department of Community Health pursuant to Code Section 31-8-9.1.

(b) An individual taxpayer shall be allowed a credit against the tax imposed by this chapter for qualified rural hospital organization expenses as follows:

(1) In the case of a single individual or a head of household, the actual amount expended;

(2) In the case of a married couple filing a joint return, the actual amount expended; or

(3) In the case of an individual who is a member of a limited liability company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, the amount expended; provided, however, that tax credits pursuant to this paragraph shall be allowed only for the portion of the income on which such tax was actually paid by such individual.

(b.1) From January 1 to June 30 each taxable year, an individual taxpayer shall be limited in its qualified rural hospital organization expenses allowable for credit under this Code section, and the commissioner shall not approve qualified rural hospital organization expenses incurred from January 1 to June 30 each taxable year, which exceed the following limits:

(1) In the case of a single individual or a head of household, $5,000.00;

(2) In the case of a married couple filing a joint return, $10,000.00; or
(3) In the case of an individual who is a member of a limited liability company duly formed under state law, a shareholder of a Subchapter 'S' corporation, or a partner in a partnership, $10,000.00.

(c) A corporation or other entity shall be allowed a credit against the tax imposed by this chapter for qualified rural hospital organization expenses in an amount not to exceed the actual amount expended or 75 percent of the corporation's income tax liability, whichever is less.

(d) In no event shall the total amount of the tax credit under this Code section for a taxable year exceed the taxpayer's income tax liability. Any unused tax credit shall be allowed the taxpayer against the succeeding five years' tax liability. No such credit shall be allowed the taxpayer against prior years' tax liability.

(e)(1) In no event shall the aggregate amount of tax credits allowed under this Code section exceed $60 million per taxable year.

(2)(A) No more than $4 million of the aggregate limit established by paragraph (1) of this subsection shall be contributed to any individual rural hospital organization in any taxable year. From January 1 to June 30 each taxable year, the commissioner shall only preapprove contributions submitted by individual taxpayers in an amount not to exceed $2 million, and from corporate donors in an amount not to exceed $2 million. From July 1 to December 31 each taxable year, subject to the aggregate limit in paragraph (1) of this subsection and the individual rural hospital organization limit in this paragraph, the commissioner shall approve contributions submitted by individual taxpayers and corporations or other entities.

(B) In the event an individual or corporate donor desires to make a contribution to an individual rural hospital organization that has received the maximum amount of contributions for that taxable year, the Department of Community Health shall provide the individual or corporate donor with a list, ranked in order of financial need, as determined by the Department of Community Health, of rural hospital organizations still eligible to receive contributions for the taxable year.

(C) Any third party that participates in soliciting, advertising, or managing donations shall provide the complete list of rural hospital organizations eligible to receive the tax credit provided pursuant to this Code section including their ranking in order of financial need as determined by the Department of Community Health pursuant to Code Section 31-8-9.1, to any potential donor regardless of whether a third party has a contractual relationship or agreement with such rural hospital organization.

(3) For purposes of paragraphs (1) and (2) of this subsection, a rural hospital organization shall notify a potential donor of the requirements of this Code section. Before making a contribution to a rural hospital organization, the taxpayer shall
electronically notify the department, in a manner specified by the department, of the total amount of contribution that the taxpayer intends to make to the rural hospital organization. The commissioner shall preapprove or deny the requested amount within 30 days after receiving the request from the taxpayer and shall provide written notice to the taxpayer and rural hospital organization of such preapproval or denial which shall not require any signed release or notarized approval by the taxpayer. In order to receive a tax credit under this Code section, the taxpayer shall make the contribution to the rural hospital organization within 180 days after receiving notice from the department that the requested amount was preapproved. If the taxpayer does not comply with this paragraph, the commissioner shall not include this preapproved contribution amount when calculating the limits prescribed in paragraphs (1) and (2) of this subsection.

(4)(A) Preapproval of contributions by the commissioner shall be based solely on the availability of tax credits subject to the aggregate total limit established under paragraph (1) of this subsection and the individual rural hospital organization limit established under paragraph (2) of this subsection.

(B) Any taxpayer preapproved by the department pursuant to this subsection (e) of this Code section shall retain their approval in the event the credit percentage in subsection (b) of this Code section is modified for the year in which the taxpayer was preapproved.

(C) Upon the rural hospital organization's confirmation of receipt of donations that have been preapproved by the department, any taxpayer preapproved by the department pursuant to subsection (c) of this Code section shall receive the full benefit of the income tax credit established by this Code section even though the rural hospital organization to which the taxpayer made a donation does not properly comply with the reports or filings required by this Code section.

(5) Notwithstanding any laws to the contrary, the department shall not take any adverse action against donors to rural hospital organizations if the commissioner preapproved a donation for a tax credit prior to the date the rural hospital organization is removed from the Department of Community Health list pursuant to Code Section 31-8-9.1, and all such donations shall remain as preapproved tax credits subject only to the donor's compliance with paragraph (3) of this subsection.

(f) In order for the taxpayer to claim the tax credit under this Code section, a letter of confirmation of donation issued by the rural hospital organization to which the contribution was made shall be attached to the taxpayer's tax return. However, in the event the taxpayer files an electronic return, such confirmation shall only be required to be electronically attached to the return if the Internal Revenue Service allows such attachments when the return is transmitted to the department. In the event the taxpayer files an electronic return and such confirmation is not attached because the Internal Revenue Service does not, at the
time of such electronic filing, allow electronic attachments to the Georgia return, such
confirmation shall be maintained by the taxpayer and made available upon request by the
commissioner. The letter of confirmation of donation shall contain the taxpayer's name,
address, tax identification number, the amount of the contribution, the date of the
contribution, and the amount of the credit.

(g) No credit shall be allowed under this Code section with respect to any amount
deducted from taxable net income by the taxpayer as a charitable contribution to a bona
fide charitable organization qualified under Section 501(c)(3) of the Internal Revenue
Code.

(h) The commissioner shall be authorized to promulgate any rules and regulations
necessary to implement and administer the provisions of this Code section.

(i) The department shall post the following information in a prominent location on its
website:

(1) All pertinent timelines relating to the tax credit, including, but not limited to:

(A) Beginning date when contributions can be submitted for preapproval by donors for
the January 1 to June 30 period;

(B) Ending date when contributions can be submitted for preapproval by donors for the
January 1 to June 30 period;

(C) Beginning date when contributions can be submitted for preapproval by donors for
the July 1 to December 31 period;

(D) Ending date when contributions can be submitted for preapproval by donors for the
July 1 to December 31 period; and

(E) Date by which preapproved contributions are required to be sent to the rural
hospital organization;

(2) The list and ranking order of rural hospital organizations eligible to receive
contributions established pursuant to paragraph (1) of subsection (b) of Code Section
31-8-9.1;

(3) A monthly progress report including:

(A) Total preapproved contributions to date by rural hospital organization;

(B) Total contributions received to date by rural hospital organization;

(C) Total aggregate amount of preapproved contributions made to date; and

(D) Aggregate amount of tax credits available; and

(4) A list of all preapproved contributions that were made to an unspecified or
undesignated rural hospital organization and the rural hospital organizations that received
such contributions.

(j) The Department of Audits and Accounts shall annually conduct an audit of the tax
credit program established under this Code section, including the amount and recipient
rural hospital organization of all contributions made, all tax credits received by individual
and corporate donors, and all amounts received by third parties that solicited, administered,
or managed donations pertaining to this Code section and Code Section 31-8-9.1.

(k) This Code section shall stand automatically repealed on December 31, 2024.

PART II
SECTION 2-1.

This part shall be known and may be cited as "The Health Act."

SECTION 2-2.

Title 31 of the Official Code of Georgia Annotated, relating to health, is amended by adding
a new chapter to read as follows:

"CHAPTER 53
ARTICLE 1

The General Assembly finds that Georgia faces population and community health
challenges. The current health infrastructure must be adapted to adequately integrate state
and private resources in a manner that will serve to maximize the state's goals, including
improved access to care, effective health management strategies, and cost control
measures. All components of the state's health care system must be more strategic and
better coordinated. The General Assembly, therefore, declares it to be the public policy of
the state to unite the major stakeholders of the state's health care system under a strategic
vision for Georgia. The public policy shall be realized through an agency focused on
strategic health care management and coordination.

As used in this chapter, the term:

(1) 'Director' means the director of health strategy and coordination established pursuant
to Code Section 31-53-4.
(2) 'Office' means the Office of Health Strategy and Coordination established pursuant
to Code Section 31-53-3.
(a) There is established within the office of the Governor the Office of Health Strategy and Coordination. The objective of the office shall be to strengthen and support the health care infrastructure of the state through interconnecting health functions and sharing resources across multiple state agencies and overcoming barriers to the coordination of health functions. To this end, all affected state agencies shall cooperate with the office in its efforts to meet such objective. This shall not be construed to authorize the office to perform any function currently performed by an affected state agency.

(b) The office shall have the following powers and duties:

1. Bring together experts from academic institutions and industries as well as state elected and appointed leaders to provide a forum to share information, coordinate the major functions of the state's health care system, and develop innovative approaches for lowering costs while improving access to quality care;

2. Serve as a forum for identifying Georgia's specific health issues of greatest concern and promote cooperation from both public and private agencies to test new and innovative ideas;

3. Evaluate the effectiveness of previously enacted and ongoing health programs and determine how best to achieve the goals of promoting innovation, competition, cost reduction, and access to care, and improving Georgia's health care system, attracting new providers, and expanding access to services by existing providers;

4. Facilitate collaboration and coordination between state agencies, including but not limited to the Department of Public Health, the Department of Community Health, the Department of Behavioral Health and Developmental Disabilities, the Department of Human Services, the Department of Economic Development, the Department of Transportation, and the Department of Education;

5. Evaluate prescription costs and make recommendations to public employee insurance programs, departments, and governmental entities for prescription formulary design and cost reduction strategies;

6. Maximize the effectiveness of existing resources, expertise, and opportunities for improvement;

7. Review existing State Health Benefit Plan contracts, Medicaid care management organization contracts, and other contracts entered into by the state for health related services, evaluate proposed revisions to the State Health Benefit Plan, and make recommendations to the Department of Community Health prior to renewing or entering into new contracts;

8. Coordinate state health care functions and programs and identify opportunities to maximize federal funds for health care programs;
(9) Oversee collaborative health efforts to ensure efficient use of funds secured at the federal, state, regional, and local levels;
(10) Evaluate community proposals that identify local needs and formulate local or regional solutions that address state, local, or regional health care gaps;
(11) Monitor established agency pilot programs for effectiveness;
(12) Identify nationally recognized effective evidence based strategies;
(13) Propose cost reduction measures;
(14) Provide a platform for data distribution compiled by the boards, commissions, committees, councils, and offices listed in Code Section 31-53-7; and
(15) Assess the health metrics of the state and recommend models for improvement which may include healthy behavior and social determinant models.

31-53-4.
(a) There is created the position of director of health strategy and coordination who shall be the chief administrative officer of the office. The Governor shall appoint the director who shall serve at the pleasure of the Governor.
(b) The director shall have such education, experience, and other qualifications as determined by the Governor.
(c) The director shall consult with the Governor on determining state priorities and adoption of a state strategy.
(d) The director may contract with other agencies, public and private, or persons as he or she deems necessary for carrying out the duties and responsibilities of the office.
(e) The director may employ such other professional, technical, and clerical personnel as deemed necessary to carry out the purposes of this chapter.

31-53-5.
(a) The director shall have the power to establish and abolish advisory committees as he or she deems necessary to inform effective strategy development and execution.
(b) Membership on an advisory committee shall not constitute public office, and no member shall be disqualified from holding public office by reason of his or her membership.
(c) An advisory committee shall elect a chairperson from among its membership.
(d) Members of an advisory committee shall serve without compensation, although each member of an advisory committee shall be reimbursed for actual expenses incurred in the performance of his or her duties from funds available to the office. Such reimbursement shall be limited to all travel and other expenses necessarily incurred through service on the advisory committee, in compliance with the state's travel rules and regulations; provided,
however, that in no case shall a member of an advisory committee be reimbursed for expenses incurred in the member's capacity as the representative of another state agency.

e. Policy proposals and strategies under consideration that arise from the efforts of an advisory committee must be presented to all members of the advisory committee with an opportunity to comment.

(f) An advisory committee shall:

(1) Meet at such times and places as it shall determine necessary or convenient to perform its duties. An advisory committee shall also meet on the call of the director or the Governor;

(2) Maintain minutes of its meetings;

(3) Identify and report to the director any federal laws or regulations that may enable the state to receive and disburse federal funds for health care programs;

(4) Advise the director if it needs additional members or resources to conduct its defined duties; and

(5) Provide a final report with supporting documentation to the director.

31-53-6.

(a) The office shall compile reports received from the following boards, commissions, committees, councils, and offices pursuant to each such entity's respective statutory reporting requirements:

(1) The Maternal Mortality Review Committee;

(2) The Office of Women's Health;

(3) The Commission on Men's Health;

(4) The Renal Dialysis Advisory Council;

(5) The Kidney Disease Advisory Committee;

(6) The Hemophilia Advisory Board;

(7) The Georgia Council on Lupus Education and Awareness;

(8) The Georgia Palliative Care and Quality of Life Advisory Council;

(9) The Georgia Trauma Care Network Commission;

(10) The Behavioral Health Coordinating Council;

(11) The Department of Public Health on behalf of the Georgia Coverdell Acute Stroke Registry;

(12) The Office of Cardiac Care; and

(13) The Brain and Spinal Injury Trust Fund Commission.

(b) The office shall maintain a website that permits public dissemination of data compiled by the boards, commissions, committees, councils, and offices listed in subsection (a) of this Code section.
31-53-20.
(a) The General Assembly finds that:
   (1) Cost of care, diagnostic metrics, care gaps, and best practices are best analyzed with
       large-scale data;
   (2) The current data infrastructure must be adapted to adequately integrate state and
       private resources in a manner that will serve the divergent needs of the state;
   (3) All components of state data collection and dissemination infrastructure must be
       more strategic and better coordinated to serve policy makers and health care providers;
       and
   (4) A more robust data base will also serve as a platform to provide resources to the
       public for healthy living and cost transparency.
(b) The General Assembly, therefore, declares it to be the public policy of this state to
    unite the major stakeholders of the state's health care system under a common data
    platform. The public policy of the state will be served by restructuring data silos to inform
    policy makers, health care providers, and consumers.

31-53-21.
(a) The office shall convene a Georgia Data Access Forum composed of health care
    stakeholders and experts, including representatives from:
    (1) The Georgia Health Information Network;
    (2) Hospital associations;
    (3) Physician associations;
    (4) Pharmacy associations;
    (5) Dental associations;
    (6) The Department of Community Health;
    (7) The Department of Public Health;
    (8) The Department of Behavioral Health and Developmental Disabilities;
    (9) The Insurance Commissioner's Office;
    (10) Insurance carriers; and
    (11) Self-insured employers.
(b) Membership on the Georgia Data Access Forum shall not constitute public office, and
    no member shall be disqualified from holding public office by reason of his or her
    membership.
(c) Members shall serve without compensation, although each member shall be reimbursed
    for actual expenses incurred in the performance of his or her duties from funds available
to the office. Such reimbursement shall be limited to all travel and other expenses
necessarily incurred through service on the forum, in compliance with this state's travel
rules and regulations; provided, however, that in no case shall a member be reimbursed for
expenses incurred in the member's capacity as the representative of another state agency.

31-53-22.

The purpose of the Georgia Data Access Forum shall be to make recommendations to the
office on:

(1) Conducting a baseline analysis of the current data base infrastructure;
(2) Identifying common goals for the state and stakeholders;
(3) Prioritizing desired data base functions;
(4) Securing proposals for data base platforms;
(5) Analyzing existing systems and technology that can be leveraged into a streamlined
system;
(6) Analyzing system security and available data that can be leveraged into a streamlined
system;
(7) Estimating and evaluating costs to various stakeholders;
(8) Establishing a timeline for implementation;
(9) Determining whether a tiered approach is necessary for implementation;
(10) Establishing a timeline for a tiered roll out;
(11) Establishing a short-term and long-term approach to funding the data base;
(12) Identifying appropriate funding sources other than the general fund;
(13) Recommending legislation necessary for data security;
(14) Recommending legislation necessary for stakeholder cooperation or protection;
(15) Recommending legislation necessary to capture data;
(16) Determining the appropriate agency or entity to manage the ongoing operation of
the data base;
(17) Describing the relative benefits to the various stakeholders;
(18) Identifying population health tools; and
(19) Determining the cost, feasibility, and timeframe to implement a consumer health
cost tool.

31-53-23.

(a) Third-party vendors may be contacted for expertise at the director's discretion to assist
the Georgia Data Access Forum in formulating its recommendations pursuant to Code
Section 31-53-22.

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(b) Third-party vendors may be consulted and permitted to offer proposals and make presentations to the office and the Georgia Data Access Forum.

SECTION 2-3.

Said title is further amended in Code Section 31-1-13, relating to the Hemophilia Advisory Board, by revising subsection (g) as follows:

“(g) The Hemophilia Advisory Board shall, no later than January 1, 2012 October 1, 2019, and annually thereafter, submit to the Governor and the General Assembly a report of its findings and recommendations. Annually thereafter, the commissioner of public health, in consultation with the commissioner of community health, shall report to the Governor and the General Assembly on the status of implementing the recommendations as proposed by the Hemophilia Advisory Board. The reports shall be made public and shall be subject to public review and comment.”

SECTION 2-4.

Said title is further amended in Code Section 31-2-16, relating to the Rural Health System Innovation Center creation, purposes and duties, and reporting, by revising paragraph (11) of subsection (b) and subsection (e) as follows:

“(11) Participate in other state-wide health initiatives or programs affecting the entire state and nonrural areas of Georgia. The center shall cooperate with other health related state entities, including, but not limited to, the department, the Department of Public Health, the Department of Human Services, and the Department of Behavioral Health and Developmental Disabilities, and the Office of Health Strategy and Coordination and all other health related state boards, commissions, committees, councils, offices, and other entities on state-wide health initiatives or programs; and”

“(e) On or before October 1 of each year, the center shall file a report to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the House Committee on Health and Human Services, the Senate Health and Human Services Committee, the House Committee on Appropriations, and the Senate Appropriations Committee, and the Office of Health Strategy and Coordination. The report shall include a summary of the activities of the center during the calendar year, including; but not limited to; the total number of hospital executives, hospital board members, and hospital authority members who received training from the center; the status of rural health care in the state; and recommendations, if any, for legislation as may be necessary to improve the programs and services offered by the center.”
SECTION 2-5.

Said title is further amended in Code Section 31-2A-5, relating to the Office of Women's Health, by revising subsection (b) and adding a new subsection to read as follows:

"(b) The Office of Women's Health shall serve in an advisory capacity to the Governor, the General Assembly, the board, the department, and all other state agencies in matters relating to women's health Office of Health Strategy and Coordination. In particular, the office shall:

1. Raise awareness of women's nonreproductive health issues;
2. Inform and engage in prevention and education activities relating to women's nonreproductive health issues;
3. Serve as a clearing-house for women's health information for purposes of planning and coordination;
4. Issue reports of the office's activities and findings; and
5. Develop and distribute a state comprehensive plan to address women's health issues."

"(d) The Office of Women's Health, no later than October 1, 2019, and annually thereafter, shall submit to the Office of Health Strategy and Coordination a report of its findings and recommendations."

SECTION 2-6.

Said title is further amended in Code Section 31-2A-16, relating to the Maternal Mortality Review Committee, by revising subsection (g) as follows:

"(g) Reports of aggregated nonindividually identifiable data shall be compiled on a routine basis for distribution in an effort to further study the causes and problems associated with maternal deaths. Reports shall be distributed to the General Assembly, health care providers and facilities, key government agencies, and others necessary to reduce the maternal death rate. A detailed annual report shall be submitted no later than October 1 to the Office of Health Strategy and Coordination."

SECTION 2-7.

Said title is further amended in Code Section 31-7-192, relating to the Georgia Palliative Care and Quality of Life Advisory Council, by revising subsection (f) as follows:

"(f) The council, no later than June 30, 2017 October 1, 2019, and annually thereafter, shall submit to the Governor and the General Assembly Office of Health Strategy and Coordination a report of its findings and recommendations."
SECTION 2-8.

Said title is further amended by repealing Article 9 of Chapter 8, relating to the Federal and State Funded Health Care Financing Programs Overview Committee, and designating said article as reserved.

SECTION 2-9.

Said title is further amended in Code Section 31-11-103, relating to the Georgia Trauma Trust Fund, by revising subsection (b) as follows:

"(b) The Georgia Trauma Care Network Commission shall report annually to the House Committee on Health and Human Services and the Senate Health and Human Services Committee no later than October 1 to the Office of Health Strategy and Coordination. Such report shall provide an update on state-wide trauma system development and the impact of fund distribution on trauma patient care and outcomes."

SECTION 2-10.

Said title is further amended in Code Section 31-11-116, relating to annual reports relative to stroke centers, by revising subsection (b) as follows:

"(b) The department shall collect the information reported pursuant to subsection (a) of this Code section and shall post such information in the form of a report card annually on the department's website and present such report to the Governor, the President of the Senate, and the Speaker of the House of Representatives Office of Health Strategy and Coordination. The results of this report card may be used by the department to conduct training with the identified facilities regarding best practices in the treatment of stroke."

SECTION 2-11.

Said title is further amended in Code Section 31-11-135, relating to grants to hospitals and reporting relative to the Office of Cardiac Care, by revising subsection (d) as follows:

“(d) The office shall annually prepare and submit to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the chairpersons of the House Committee on Health and Human Services and the Senate Health and Human Services Committee for distribution to its committee members Office of Health Strategy and Coordination a report indicating the total number of hospitals that have applied for grants pursuant to this Code section, the number of applicants that have been determined by the office to be eligible for such grants, the total number of grants to be awarded, the name and address of each grantee, and the amount of the award to each grantee."
SECTION 2-12.

Said title is further amended in Code Section 31-16-3, relating to the functions of the Kidney Disease Advisory Committee, membership, terms of office, vacancies, and compensation and reimbursement of expenses, by adding a new subsection to read as follows:

“(f) The KDAC shall prepare and submit a complete and detailed report no later than October 1, 2019, and annually thereafter, to the Office of Health Strategy and Coordination concerning the impact of the program established pursuant to Code Section 31-16-2 on the treatment of chronic renal disease and the cost of such treatment.”

SECTION 2-13.

Said title is further amended in Code Section 31-18-4, relating to duties of the Brain and Spinal Injury Trust Fund Commission, by revising subsection (b) as follows:

“(b) The Brain and Spinal Injury Trust Fund Commission shall maintain records of reports and notifications made under this chapter. The Brain and Spinal Injury Trust Fund Commission shall produce an annual report relating to information and data collected pursuant to this chapter and shall make such report available upon request. Such report shall be submitted annually no later than October 1 to the Office of Health Strategy and Coordination.”

SECTION 2-14.

Said title is further amended in Code Section 31-43-12, relating to duties and responsibilities of the Commission on Men's Health, by revising paragraph (6) as follows:

“(6) Submit a report of its findings and recommendations under this chapter to the Governor, the President of the Senate, and the Speaker of the House of Representatives not Office of Health Strategy and Coordination no later than October 1 of each year.”

SECTION 2-15.

Said title is further amended in Code Section 31-44-3, relating to adoption of rules, council established, and terms of councilmembers of the Renal Dialysis Advisory Council, by adding a new subsection to read as follows:

“(d) The council shall submit an annual report no later than October 1 of its recommendations and evaluation of its implementation to the Office of Health Strategy and Coordination.”

SECTION 2-16.

Said title is further amended by revising Code Section 31-49-5, relating to the annual report of the Georgia Council on Lupus Education and Awareness, as follows:

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The council shall prepare annually a complete and detailed report to be submitted to the Governor, the chairperson of the House Committee on Health and Human Services, and the chairperson of the Senate Health and Human Services Committee no later than October 1 to the Office of Health Strategy and Coordination detailing the activities of the council and may include any recommendations for legislative action it deems appropriate.

SECTION 2-17.

Code Section 37-2-4 of the Official Code of Georgia Annotated, relating to the Behavioral Health Coordinating Council, membership, meetings, and obligations, is amended by revising paragraph (1) of subsection (h) as follows:

"(h)(1) The council shall submit annual reports no later than October 1 of its recommendations and evaluation of their implementation to the Governor and the General Assembly Office of Health Strategy and Coordination."

PART III

SECTION 3-1.

Article 4 of Chapter 7 of Title 31 of the Official Code of Georgia Annotated, relating to county and municipal hospital authorities, is amended by revising Code Section 31-7-75.1, relating to proceeds of sale of hospital held in trust to fund indigent hospital care, as follows:

"31-7-75.1.

(a) The proceeds from any sale or lease of a hospital owned by a hospital authority or political subdivision of this state, which proceeds shall not include funds required to pay off the bonded indebtedness of the sold hospital or any expense of the authority or political subdivision attributable to the sale or lease, shall be held by the authority or political subdivision in an irrevocable trust fund. Such proceeds in that fund may be invested in the same way that public moneys may be invested generally pursuant to general law and as permitted under Code Section 31-7-83, but money in that trust fund shall be used exclusively for funding the provision of hospital health care for the indigent residents of the political subdivision which owned the hospital or by which the authority was activated or for which the authority was created. If the funds available for a political subdivision in that irrevocable trust fund are less than $100,000.00, the principal amount may be used to fund the provision of indigent hospital health care; otherwise, only the income from that fund may be used for that care. Such funding or reimbursement for indigent care shall not exceed the diagnosis related group rate for that hospital in each individual case.
(b) In the event a hospital authority which sold or leased a hospital was activated by or
created for more than one political subdivision or in the event a hospital having as owner
more than one political subdivision is sold or leased by those political subdivisions, each
such constituent political subdivision's portion of the irrevocable trust fund for indigent
hospital health care shall be determined by multiplying the amount of that fund by a figure
having a numerator which is the population of that political subdivision and a denominator
which is the combined population of all the political subdivisions which owned the hospital
or by which or for which the authority was activated or created.

(c) For purposes of hospital health care for the indigent under this Code section, the
standard of indigency shall be that determined under Code Section 31-8-43, relating to
standards of indigency for emergency care of pregnant women, based upon 125 percent of
the federal poverty level.

(d) This Code section shall not apply to the following actions:

(1) A reorganization or restructuring;

(2) Any sale of a hospital, or the proceeds from that sale, made prior to April 2, 1986;

(3) Any sale or lease of a hospital when the purchaser or lessee pledges, by written
contract entered into concurrently with such purchase or lease, to provide an amount of
hospital health care equal to that which would have otherwise been available pursuant to
subsections (a), (b), and (c) of this Code section for the indigent residents of the political
subdivisions which owned the hospital, by which the hospital authority was activated, or
for which the authority was created. However, the exception to this Code section
provided by this paragraph shall only apply to:

(A) Hospital authorities that operate a licensed hospital pursuant to a lease from the
county which created the appropriate authority; and

(B) Hospitals that have a bed capacity of more than 150 beds; and

(C) Hospitals located in a county in which no other medical-surgical licensed hospital
is located; and

(D) Hospitals located in a county having a population of less than 45,000 according to
the United States decennial census of 1990; and

(E) Hospitals operated by a hospital authority that entered into a lease-purchase
agreement between such hospital and a private corporation prior to July 1, 1997.

SECTION 3-2.

Said article is further amended by revising Code Section 31-7-83, relating to investment of
surplus moneys and moneys received through issuance of revenue certificates, as follows:
"31-7-83.

(a) Pending use for the purpose for which received, each hospital authority created by and
under this article is authorized and empowered to invest all moneys or any part thereof
received through the issuance and sale of revenue certificates of the authority in any
securities which are legal investments or which are provided for in the trust indenture
securing such certificates or other legal investments; provided, however, that such
investments will shall be used at all times while held, or upon sale, for the purposes for
which the money was originally received and no other. Contributions or gifts received by
any authority shall be invested as provided by the terms of the contribution or gift or in the
absence thereof as determined by the authority.

(b) In addition to the authorized investments in subsection (a) of this Code section and in
Code Section 36-83-4, hospital authorities that have ceased to own or operate medical
facilities for a minimum of seven years, have paid off all bonded indebtedness and
outstanding short-term or long-term debt obligations, and hold more than $20 million in
funds for charitable health care purposes may invest a maximum of 30 percent of their
funds in the following:

(1) Shares of mutual funds registered with the Securities and Exchange Commission of
the United States under the Investment Company Act of 1940, as amended; and

(2) Commingled funds and collective investment funds maintained by state chartered
banks or trust companies or regulated by the Office of the Comptroller of the Currency
of the United States Department of the Treasury, including common and group trusts,
and, to the extent the funds are invested in such collective investment funds, the funds
shall adopt the terms of the instruments establishing any group trust in accordance with
applicable United States Internal Revenue Service Revenue Rulings."

 PART IV

 SECTION 4-1.

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