

THA STRONGLY OPPOSES ADDITIONAL CHANGES TO CERTIFICATE OF NEED LAWS

SB1369 by Sen. Watson (R-Hixson) | HB819 by Rep. Garrett (R-Goodlettsville)
SB853 by Sen. Taylor (R-Memphis) | HB970 by Rep. Hawk (R-Greeneville)

Again, this year, there is an effort to eliminate certificate of need (CON) requirements in Tennessee. The Tennessee Hospital Association (THA) strongly opposes any further attempts to eliminate CON requirements for acute care hospitals. THA worked with lawmakers on major reforms in 2024, which resulted in an agreed-upon path forward. Additional attempts to eliminate CON requirements undermine the progress made last year and threaten to harm patient care and access.

2024 CON REFORMS:

- Eliminating CON requirements in counties without a licensed acute care hospital
- Creating mileage exemptions for freestanding emergency departments (FSEDs)
- Creating new licensing processes for certain services and facility types
- Phasing reforms over five years, with impact reports to the legislature, to ensure patient safety and quality care

WHY MORE CHANGES THREATEN HEALTHCARE IN TENNESSEE:

- **Cherry-picking services:** Hurts hospital finances and limits full-service care
- **Less access for vulnerable patients:** Threatens care for those most in need
- **Quality concerns:** There has been no opportunity to evaluate and learn from the changes required by the 2024 law



Eliminating CON requirements would put Tennessee's hospitals at risk and threaten access to care for Tennesseans. We must prevent any additional changes to CON requirements and allow the 2024 reforms to fully take effect and be evaluated.

2024 CERTIFICATE OF NEED REFORM: INSIGHTS ON PUBLIC CHAPTER 985

- Requires a study and annual reports of the impact of CON; annual reports due December 31, 2026; December 31, 2028; and December 31, 2030.
- Allows CON application filing fee to be applied to a second application for the same project if the initial application is voided because of a defective letter of intent.
- Restates existing appeal provisions, except appeals can be initiated only by an unsuccessful applicant. Opposing parties will no longer have the right to appeal.
- Continues the requirement under current law that the losing party in an appeal is liable for costs, including the other side's attorney's fees.
- July 1, 2024: Procedurals and reporting changes noted above, along with rulemaking authority for the non-hospital ASTCs licensed after December 1, 2027, relative to charity/TennCare requirements.
- July 1, 2025: Removes CON requirements for most services and facilities in counties without a licensed acute care hospital and for satellite EDs that are within 10 miles of the host and more than 10 miles from another hospital or satellite ED.
- December 1, 2025: Moves CON requirements to licensure for burn units, NICU, MRI, and PET.
- December 1, 2027: Moves ASTCs, LTACHs, and linear accelerator services from CON requirements to licensure.
- December 1, 2029: Moves open heart surgery from CON requirements to licensure.



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