

H. B. No. 371

As Passed by the House

_____ moved to amend as follows:

In line 5 of the title, after "tissue" insert "and to make temporary 1
changes regarding certificates of need" 2

After line 441, insert: 3

"**Section 4.** Notwithstanding division (A) of section 4
3702.523 and divisions (A) and (B) of section 3702.524 of the 5
Revised Code, or any other conflicting provision in sections 6
3702.51 to 3702.62 of the Revised Code, all of the following 7
apply in the case of a certificate of need granted during the 8
period beginning March 9, 2020, and ending June 18, 2021: 9

(A) The Director of Health shall grant the holder of a 10
certificate of need a twenty-four-month extension to obligate 11
capital expenditures and commence construction for a proposed 12
project. The extension shall be effective during the twenty- 13
four-month period immediately following the expiration date of 14
the twenty-four-month period that otherwise would apply, as 15
described in division (A) of section 3702.524 of the Revised 16
Code. The Director shall notify the holder of the certificate of 17
need of the date on which the twenty-four-month extension 18



expires. 19

(B) (1) Subject to division (B) (2) of this section, the 20
transfer of a certificate of need, or the transfer of the 21
controlling interest in an entity that holds a certificate of 22
need, prior to completion of the reviewable activity for which 23
the certificate of need was granted, does not void the 24
certificate of need. 25

(2) In the event of a transfer as described in division 26
(B) (1) of this section, upon receipt of written notice from the 27
transferee that provides sufficient evidence to enable the 28
Director to determine that recognizing the new owner and 29
operator will not cause any of the circumstances specified in 30
division (B) of section 3702.59 of the Revised Code to occur, 31
the Director shall recognize the transfer of ownership of the 32
entity granted the certificate of need to the new owner. 33

Section 5. (A) Subject to division (B) of this section, 34
notwithstanding division (C) (8) of section 3702.52 of the 35
Revised Code and any rules adopted by the Director of Health to 36
the contrary, for a period of twenty-four months after the 37
effective date of this section, the Director of Health shall not 38
impose a civil monetary penalty against any person holding a 39
certificate of need for obligating under the certificate a 40
capital expenditure in an amount between one hundred ten and one 41
hundred fifty per cent of the approved project cost. 42

(B) This section applies to any certificate of need that 43
was granted on or before the effective date of this section and 44
for which the Director of Health is still monitoring the 45
activities of the person granted the certificate." 46

The motion was _____ agreed to.

SYNOPSIS

Temporary certificate of need changes

Sections 4 and 5

For a certificate of need (CON) granted during the period
of the COVID-19 state of emergency:

--Requires the Director of Health to grant a CON holder a
24-month extension to obligate capital expenditures and commence
construction for a proposed project;

--Provides that the transfer of a CON, or transfer of the
controlling interest in an entity that holds a CON, prior to
completion of the reviewable activity for which the CON was
granted, does not void the CON, so long as recognizing the
transfer would not result in a violation of existing law that
prohibits a CON application from being approved in various
circumstances.

For a CON granted on or before the effective date of the
bill, prohibits the Director of Health from imposing a civil
penalty against a CON holder for obligating a capital
expenditure in an amount between 110% and 150% of the approved
project cost (current administrative rules permit a monetary
penalty for obligating more than 110% of the approved project
cost).