



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

Rhonda M. Medows, MD, Commissioner

Sonny Perdue, Governor

2 Peachtree Street, NW
Atlanta, GA 30303-3159
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WRITER'S DIRECT DIAL
404-657-7198

June 30, 2008

Daniel M. Beall
The Strategy House Healthcare Advisors
71 Vickery Street
Roswell, GA 30075

RE: Senate Bill 433 Clarification Regarding Relocation of Health Care Facilities

Dear Mr. Beall:

The Georgia Department of Community Health, Division of Health Planning (the Department) is in receipt of your request, dated May 28, 2008, seeking clarification with respect to the relocation of healthcare facilities provisions contained in Senate Bill 433. Your request was submitted in response to the Department's invitation to submit questions regarding the impact and applicability of Senate Bill (SB) 433, a Certificate of Need (CON) reform bill passed during the 2008 session of the Georgia General Assembly.

One of the new exemptions from prior CON review and approval in SB 433 is for the relocation of any skilled nursing facility or intermediate care facility 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. O.C.G.A. § 31-6-47(a)(24). {Note: all citations referenced are effective July 1, 2008}.

Please be advised that Section 3-1 of SB 433 provides that the CON changes in Part I of the bill shall become effective on July 1, 2008 and shall only apply to applications submitted on or after July 1, 2008. As a result, on and after July 1, 2008, the relocation of a health care facility, other than a skilled nursing facility or intermediate care facility, in a rural county, within the same county, that does not propose to offer any new or expanded clinical services at the new location will not be subject to prior CON review and approval.

In your letter on behalf of Meadows Regional Medical Center (MRMC), you outline a proposal to relocate and replace the existing hospital located in Vidalia, Toombs County, Georgia. The proposed replacement location would be approximately one mile from the current location. The proposed project does include the addition of two operating rooms in the surgical suite; the addition of seven emergency department examination beds; and the addition of nine same day surgery staging beds. Please be advised the Department

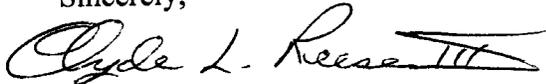
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would consider the expansion of these areas as the offering of expanded clinical services. As a result, the proposed replacement and relocation of the hospital would not qualify for the statutory exemption outlined above.

Please be advised that a party wishing to avail itself of this exemption on or after July 1, 2008, must submit a specific and factual determination request to the Department on the existing published Determination form, along with the proper filing fee. The Department will respond as appropriate, and the Department response shall be the written confirmation of exemption required in SB 433. This letter is not an official written confirmation of any activity to be undertaken on or after July 1, 2008 pursuant to SB 433.

I hope this letter is responsive to your request. If there are any further questions or concerns, please feel free to contact me at the Department.

Sincerely,

A handwritten signature in cursive script that reads "Clyde L. Reese, III". The signature is written in dark ink and is positioned above the typed name.

Clyde L. Reese, III
General Counsel