



GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH

*Rhonda M. Medows, MD, Commissioner*

*Sonny Perdue, Governor*

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Atlanta, GA 30303-3159  
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WRITER'S DIRECT DIAL  
404-657-7198

June 20, 2008

Kathryn M. T. Platt  
President  
Platt HMC, Inc.  
881 Piedmont Avenue NE  
Atlanta, Georgia 30309

RE: Senate Bill 433 Clarification Regarding Personal Care Homes

Dear Ms. Platt:

The Georgia Department of Community Health, Division of Health Planning (the Department) is in receipt of your request, dated May 19, 2008, seeking clarification with respect to the personal care home (PCH) provisions contained in Senate Bill 433, and whether the change in definition of a PCH will affect reviewability of a project not seeking Medicaid Certification. You also inquire about the threshold expenditure for developing a PCH facility. 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.

The CON reform changes contained within SB 433 are effective on July 1, 2008. The definition of "personal care home" changed to provide that only a personal care home as previously defined and having at least 25 beds that is certified as a provider of medical assistance for Medicaid purposes pursuant to Article 7 of Chapter 4 of Title 49 will be a defined health care facility. O.C.G.A. § 31-6-2(30) and (17). {Note: all citations referenced are effective July 1, 2008}. This essentially means that as of July 1, 2008, the only personal care homes that will be subject to prior CON review and approval are those of 25 beds or more which are certified Medicaid providers.

The capital expenditure threshold will not be applicable to the development of a personal care home that does not fall within the definition contained in SB 433 on or after July 1, 2008. A capital expenditure above the defined dollar threshold will only be reviewable if made by or on behalf of a health care facility. O.C.G.A. § 31-6-40(a)(2). A personal care home that is not Medicaid certified will no longer be a defined health care facility on or after July 1, 2008. However, if for example, a hospital, a defined health care facility, decided to incur an expenditure to construct a personal care home, and the cost exceeded the capital threshold, the expenditure would be a reviewable capital expenditure for the hospital, but not the service of a personal care home itself, unless the proposed personal care home was to be a Medicaid certified provider.

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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, only Medicaid certified personal care homes with 25 beds or more will be subject to prior CON review and approval. The provisions of SB 433 do not apply to previously approved applications submitted prior to July 1, 2008, or to applications currently being reviewed that were submitted prior to July 1, 2008.

If you wish to receive official written confirmation that a proposed activity is not subject to prior CON review and approval at a date after July 1, 2008, you could 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. 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 black ink and is positioned above the printed name.

Clyde L. Reese, III  
General Counsel