

**39TH SENATORIAL DISTRICT  
KIM WARD**

SENATE BOX 203039  
THE STATE CAPITOL  
HARRISBURG, PA 17120-3039  
(717) 787-6063  
FAX: (717) 772-0580

766 E. PITTSBURGH STREET  
SUITE 101  
GREENSBURG, PA 15601  
(BEHIND DAVIS SHOPPING CENTER)  
(724) 600-7002  
FAX: (724) 600-7008

901 JEFFERSON STREET  
LATROBE, PA 15650  
(724) 537-7650  
FAX: (724) 537-7696



*Senate of Pennsylvania*

May 2, 2012

**COMMITTEES**

AGING & YOUTH, CHAIR  
BANKING & INSURANCE, VICE CHAIR  
CONSUMER PROTECTION & PROFESSIONAL  
LICENSURE

PUBLIC HEALTH & WELFARE  
VETERANS AFFAIRS & EMERGENCY  
PREPAREDNESS

SENATE MAJORITY POLICY COMMITTEE

EMAIL: [kward@pasen.gov](mailto:kward@pasen.gov)  
WEBSITE: [www.senatorward.com](http://www.senatorward.com)

TOLL FREE: (877) 787-0039

TO: All Senators  
FROM: Senator Kim Ward  
SUBJECT: Co-Sponsorship of Legislation – Certificate of Need – **Memo #39**

I plan to introduce legislation to require a certificate of need (CON) for any new clinically related health services to be offered by a hospital plan corporation or a professional health service corporation.

The Department of Health (department) will develop qualitative and quantitative standards and criteria for the review and approval of CON. CON is defined as a notice of approval issued by the department. In addition to the approval process, the department will develop an exceptions process.

The CON is required for clinically related health services for a hospital plan corporation or a professional health service corporation who offers, develops, constructs, renovates, expands or otherwise established or undertakes to establish within the state a clinically related health service if one of the following factors apply:

Proposal requires a capital expenditure in excess of:

- (1) \$500,000 for a new high-cost technology or high-cost replacement technology in any health care facility;
- (2) \$1,000,000 for equipment or other facility improvements, whether in a free-standing facility of office within a hospital; or
- (3) \$2,000,000 for any other hospital-based improvement.

The department shall charge a fee of \$1000 for each letter of intent for a CON application filed. For each applicant, the department shall charge a fee of not less than \$500 up to \$1,000 of proposed capital expenditure and the total shall not be more than \$50,000. No CON shall be required for buildings or services being rendered prior to the effective date of this act. CONs shall expire two years from the date of issue. The department will monitor the quality of the facility or services one year after the application was approved.

If you would like to co-sponsor this legislation, please contact Tiffany Price in my office at 717-787-6063 or by email at [tprice@pasen.gov](mailto:tprice@pasen.gov).

KLW/vjw