

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2009**

**SESSION LAW 2009-145  
HOUSE BILL 436**

AN ACT TO EXEMPT FROM CERTIFICATE OF NEED REVIEW CERTAIN CAPITAL EXPENDITURES FOR NURSING HOMES, ADULT CARE HOMES, AND INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED THAT ENTAIL INNOVATIVE RENOVATIONS AND EXPANSIONS TO IMPROVE QUALITY OF LIFE.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 131E-184 is amended by adding the following new subsection to read:

"(e) The Department shall exempt from certificate of need review a capital expenditure that exceeds the two million dollar (\$2,000,000) threshold set forth in G.S. 131E-176(16)b. if all of the following conditions are met:

- (1) The proposed capital expenditure would:
  - a. Be used solely for the purpose of renovating, replacing on the same site, or expanding an existing:
    1. Nursing home facility,
    2. Adult care home facility, or
    3. Intermediate care facility for the mentally retarded; and
  - b. Not result in a change in bed capacity, as defined in G.S. 131E-176(5), or the addition of a health service facility or any other new institutional health service other than that allowed in G.S. 131E-176(16)b.
- (2) The entity proposing to incur the capital expenditure provides prior written notice to the Department, which notice includes documentation that demonstrates that the proposed capital expenditure would be used for only one of the following purposes:
  - a. Conversion of semiprivate resident rooms to private rooms.
  - b. Providing innovative, homelike residential dining spaces, such as cafes, kitchenettes, or private dining areas to accommodate residents and their families or visitors.
  - c. Renovating, replacing, or expanding residential living or common areas to improve the quality of life of residents."

**SECTION 2.** G.S. 131E-176(16)b. reads as rewritten:

"(16) "New institutional health services" means any of the following:

- ...
- ~~b.~~ Except as otherwise provided in G.S. 131E-184(e), the obligation by any person of a capital expenditure exceeding two million dollars (\$2,000,000) to develop or expand a health service or a health service facility, or which relates to the provision of a health service. The cost of any studies, surveys, designs, plans, working drawings, specifications, and other activities, including staff effort and consulting and other services, essential to the acquisition, improvement, expansion, or replacement of any plant or equipment with respect to which an expenditure is made shall be included in determining if the expenditure exceeds two million dollars (\$2,000,000).

...."



**SECTION 3.** This act is effective when it becomes law.  
In the General Assembly read three times and ratified this the 8<sup>th</sup> day of June, 2009.

s/ Walter H. Dalton  
President of the Senate

s/ Joe Hackney  
Speaker of the House of Representatives

s/ Beverly E. Perdue  
Governor

Approved 12:05 p.m. this 19<sup>th</sup> day of June, 2009