

**SUMMARY OF AMENDMENTS TO CON REGULATIONS\***

**June 25, 2010**

<b>Regulation</b>	<b>Current</b>	<b>New</b>
<b>New Medical Technology and Health Services Demonstration Projects – 10 NYCRR §705.7</b>	<ul style="list-style-type: none"> <li>• Applications subject to full review consistent with 710.</li> <li>• Commissioner to approve limited number of applications.</li> </ul>	<ul style="list-style-type: none"> <li>• Applications subject to full review consistent with 710.</li> <li>• Commissioner to approve limited number of applications.</li> <li>• Notwithstanding 600.9(c), demonstration projects &gt;\$100M may be approved with innovative financing, if:               <ul style="list-style-type: none"> <li>○ Other financing is not sufficient or affordable;</li> <li>○ New technology has potential to improve treatment for life-threatening conditions; and</li> <li>○ Project will provide access to the medical technology for underserved, Medicaid beneficiaries and uninsured.</li> </ul> </li> </ul>
<b>New Medical Technology and Health Services Demonstration Projects – 10 NYCRR §705.8</b>	<ul style="list-style-type: none"> <li>• Demonstration projects limited to a term of 2 years</li> </ul>	<ul style="list-style-type: none"> <li>• Demonstration projects limited to a term to be determined by the commissioner based on nature of project.</li> </ul>
<b>Need Methodology for Acquisition of MRIs – 10 NYCRR §709.12</b>	<ul style="list-style-type: none"> <li>• Need methodology applies to all Article 28 facilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Need methodology applies to facilities other than general hospitals.</li> </ul>
<b>Need Methodology for Acquisition of Lithotripters – Section 10 NYCRR §709.15</b>	<ul style="list-style-type: none"> <li>• Sets forth need methodology for lithotripters</li> </ul>	<ul style="list-style-type: none"> <li>• Repeals need methodology.</li> </ul>
<b>Approval of Medical Facility Construction - Full Review – 10 NYCRR §710.1(c)(2)</b>	<u>Project cost threshold</u> >\$10 million	<u>Project cost threshold</u> >\$15 million; except for non-clinical projects and HIT
<b>Approval of Medical Facility Construction - Administrative Review – 10 NYCRR §710.1(c)(3)</b>	<u>Project cost threshold</u> Cost >\$3 million; and Cost ≤ \$10 million  <u>Sliding threshold:</u> Cost ≤10% of operating costs; not to exceed \$25 million. Not available to publicly-funded hospitals.  <u>Equipment</u> Initial acquisition of an MRI, CT, or lithotripter	<u>Project cost threshold</u> Cost >\$6 million; and Cost ≤ \$15 million Non-clinical/HIT cost > \$15M  <u>Sliding threshold:</u> Cost ≤ 10% of operating costs; not to exceed \$25 million or \$50 million for general hospitals. Expanded to publicly-funded hospitals.  <u>Equipment</u> Initial acquisition of an MRI or CT by facilities other than general hospitals.

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<b>Approval of Medical Facility Construction-Limited Architectural Review – 10 NYCRR §710.1(c)(5)</b>	<p><u>Project cost threshold</u> ≤ \$3 million</p> <p><u>Non-clinical/HIT projects</u> ≤\$10 million</p>	<p><u>Application process</u> Consolidates limited architectural review and level 1/prior review into single limited review category.</p> <p><u>Project cost threshold</u> ≤\$6 million</p> <p><u>Non-clinical projects</u> ≤\$15 million</p> <p><u>Equipment</u> Acquisition of an MRI or CT scanner by a general hospital</p>
<b>Approval of Medical Facility Construction-Level I or Prior Review – 10 NYCRR 710.1(c)(6)</b>	<p><u>Project cost threshold</u> ≤ \$3 million</p>	<p><u>Application process</u> Consolidates limited architectural review and level 1/prior review into single limited review category.</p> <p><u>Project cost threshold</u> ≤ \$6 million</p> <p><u>Health IT projects</u> ≤\$15 million</p>
<b>No Application Required –10 NYCRR §710.1(c)(4)</b>	<p><u>Project cost threshold</u> ≤ \$3 million; and deemed repair or maintenance.</p>	<p><u>Project cost threshold</u> ≤ \$6 million; and deemed repair or maintenance.</p> <p><u>Equipment</u> Lithotripters</p>
<b>Amendments to CONs (requiring Council review) – 10 NYCRR §710.5</b>	<ul style="list-style-type: none"> <li>• Change in financing, unless not more expensive for payors;</li> <li>• Inc. in basic costs &gt;10% or \$10M, unless due to inflation beyond applicant’s control;</li> <li>• Reduction in construction w/o reduction in cost;</li> <li>• Other substantive changes.</li> </ul>	<ul style="list-style-type: none"> <li>• Change in financing, unless not more expensive for payors or increase is less than 10% or \$15M;</li> <li>• Inc. in basic costs &gt;10% or \$15M, unless due to inflation beyond applicant’s control;</li> <li>• Reduction in construction w/o reduction in cost, subject to consideration of fixed costs;</li> <li>• Other substantive changes.</li> </ul>

\* This chart reflects *only* proposed changes in the existing regulations. It does not include all of the categories of projects that are subject to review under each level of review.