

circulated relate to HMO's, a good deal of the language relates to those changes, those federal changes. Another amendment exempts from CON coverage, alcoholism and drug abuse facilities which do not offer medical services. That would include halfway houses and quarter way houses. This amendment also reflects, is required by the federal regulations concerning HMO's. Another major change changes the definition for annual operating expenditure. The amount of \$250,000 adjusted by an amount equal to the percentage change in the Department of Commerce cost index from October 1, 1981 is adopted. This again reflects the changes in thresholds for figuring the certificate of need process which are authorized by the new federal legislation. Termination of an existing health service is added to the definition of substantial change in health service. So under this proposal, as required by federal regulations, a termination of an existing health service would trigger a certificate of need review. Another change requires that eleven, the eleven/twenty-two agreement which the State of Nebraska has with the Department of Health and Human Services be revised so that it is consistent with the capital expenditure thresholds which are a proposed under this version of certificate of need. The reason for that is the eleven/twenty two review process and the certificate of need process are now conducted jointly and the thresholds should be the same to trigger that review. The section also deals with coverage of doctor's offices, clinical equipment costing more than \$400,000 without any provision for indexing would be included in the certificate of need process. The current provision relating to doctor offices simply lists a whole, laundry lists a whole number of items which are to be included in the certificate of need process. This again reflects a change in the federal regulations. Another amendment deals with the proposal which has been, or a procedure which has been in place in the State of Kansas. Under this proposal when a registered architect or a licensed professional engineer certifies that a project will cost less than the capital expenditure minimum, such project will be deemed not to exceed the capital expenditure minimum unless the Department of Health determines the estimate is substantially in error. In that instance a certificate of need would be required. Basically what we are saying with this particular approach is that an applicant would submit plans to the Department of Health and the Department of Health would have a period of time to tell that individual whether or not they believe a certificate of need is necessary based upon that cost estimate. So it is designed to look at those cases where a project is close to the threshold and get an opinion