

and would be used to provide inpatient care on more than an emergency basis. This amendment which is included in the package of amendments under number one, this amendment would correct this oversight creating a greater review of physicians' offices and hospitals in the acquisition of clinical equipment. Without this change the bill will not meet federal standards regarding acquisition of major medical equipment. That would be under number 5 of the handout that I have got. Another element of the amendment would be this amendment would also eliminate questionable language regarding the use of only appropriate and significant criteria. This violates federal standards. The Legislature has already determined what is appropriate and significant criteria by law. Leaving this provision in LB 378 would only create a constitutional problem. And what we are talking about here is when the Health Department turns down an application, they would have to follow under your amendments, appropriate and significant criteria would have to be used and other criteria could be thrown out in the court and what we are saying is that that is already cared for or taken care of in the law and there is no need to further tighten what could be applicable criteria, and so we take out the appropriate and significant criteria provision. That is under number 12 in the handout. The next part of the amendment would be, this amendment would also correct another violation of federal regulations by requiring that the financial impact on all providers in the health care area be considered. Federal regulations currently require consideration of financial impact of all providers in the health service area for all construction projects. This amendment promotes competition by looking at the regional economic impact. That is number 9 on the handout. What we are talking about here is under your amendment, Senator Cullan, when you would have an application for a construction project, or what have you, they would look at what that would mean in terms of cost for that hospital but they would not look at what would be the impact on other hospitals, say in Lincoln the Bryan Hospital project they would look under your amendments at what would happen to the Bryan health care costs but they wouldn't look at Lincoln General and St. E's, and that is important too because perhaps a project at one hospital will increase costs at another hospital by taking away patients or by duplicating equipment. So what we did on that part was to try and emphasize the need to look broader at the financial impacts. And then finally the amendment would also remove exemption for projects certified by an architect or engineer to be under the capital expenditure minimum and this provision also violates federal standards and provides a loophole in the CON process, and what this says is that you