





Review of state statutes via Quorum.

## Findings and Analysis

### *Rural Exemptions*

Four states in the CSG South region currently have some form of CON exemption for rural healthcare.

- **Alabama** provides partial exemptions and fee reductions for rural hospitals. Rural hospitals are required to submit 25 percent of the standard filing fee.<sup>ii</sup> Additionally, a bill from this session, Senate Bill 0082 (2026), aims to remove CON requirements for new or expanded healthcare services in rural areas.
- **Georgia** passed a bill in 2024 (House Bill 1339) that eases restrictions on rural hospitals. One of the provisions in this bill amends tax credit limits for contributions to rural hospital organizations, increasing the aggregate cap to \$100 million per year. Additionally, the bill lowered capital expenditure thresholds and extended the maximum distance for relocation without a CON review.
- **Kentucky** statutes exempt rural health clinics from CON requirements and Rural Emergency Hospitals (hospitals that have converted to emergency-only facilities) do not have to undergo full CON review when converting.<sup>iii</sup>
- **Tennessee** exempts CON requirements in counties without an actively licensed acute care hospital, except for the following: rehabilitation facility, a home care organization, hospice, non-residential substitution based treatment center for opiate addiction, nursing homes, and organ transplantation.<sup>iv</sup>

There are also examples of rural exemptions from outside of the CSG South region. For example, Oregon's statutes provide that rural hospitals are exempt from CON review.<sup>v</sup> Oregon defines rural hospitals as:

- (A) A type A hospital, which is a small and remote hospital that has 50 or fewer beds and is more than 30 miles from another acute inpatient care facility;
- (B) A type B hospital, which is a small and rural hospital that has 50 or fewer beds and is 30 miles or less from another acute inpatient care facility;
- (C) A type C hospital, which is considered to be a rural hospital and has more than 50 beds, but is not a referral center; or
- (D) A rural critical access hospital.<sup>vi</sup>

Similarly, Washington enacted legislation in 2020 (Senate Bill 6359) that removed rural health clinics from CON review. Rural health clinics are defined as "CMS-certified, non-urbanized, and often underserved, community-based facilities providing primary care."<sup>vii</sup>

### *Appeals Process*

One of the tenets of the CON process is that a decision may be appealed, either by the applicant or by an opponent. Most decisions are not overturned; however, the process can significantly delay establishing or expanding services and is often quite costly for all parties.



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In addition to the aforementioned reforms in Georgia’s House Bill 1339 (2024), the legislation also altered the appeals process by prohibiting appealing a hearing officer's decision. Similarly, Tennessee passed a law in 2024 (House Bill 2269) that prohibits third parties from appealing a decision but still allows the applicant to appeal if the appeal is filed within 15 days of the decision.

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<sup>i</sup> “50-State Scan of State Certificate-of-Need Programs.” n.d. NASHP. <https://nashp.org/state-tracker/50-state-scan-of-state-certificate-of-need-programs/>.

<sup>ii</sup> AL Code § 22-21-265 (2024)

<sup>iii</sup> KRS 216B.202

<sup>iv</sup> “Tennessee Certificate of Need Exemption Requests.” 2025. Tn.gov. 2025. <https://www.tn.gov/hfc/certificate-of-need-information/con-exemptions.html>.

<sup>v</sup> ORS 442.315

<sup>vi</sup> ORS 442.470

<sup>vii</sup> Rural Health Information Hub. 2021. “Rural Health Clinics (RHCs) Introduction - Rural Health Information Hub.” [www.ruralhealthinfo.org](http://www.ruralhealthinfo.org). April 22, 2021. <https://www.ruralhealthinfo.org/topics/rural-health-clinics>.