

**2026 -- H 7541**

=====

LC004049

=====

**S T A T E   O F   R H O D E   I S L A N D**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2026**

---

**A N   A C T**

**RELATING TO HEALTH AND SAFETY -- DETERMINATION OF NEED FOR NEW  
HEALTHCARE EQUIPMENT AND NEW INSTITUTIONAL HEALTH SERVICES**

Introduced By: Representatives Boylan, Carson, McGaw, Potter, Cortvriend, Fogarty, Kislak, Donovan, Handy, and Speakman

Date Introduced: February 06, 2026

Referred To: House Health & Human Services

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 23-15-2 of the General Laws in Chapter 23-15 entitled  
2        "Determination of Need for New Healthcare Equipment and New Institutional Health Services" is  
3        hereby amended to read as follows:

4           **23-15-2. Definitions.**

5           As used in this chapter:

6           (1) "Affected person" means and includes the person whose proposal is being reviewed, or  
7        the applicant, healthcare facilities located within the state that provide institutional health services,  
8        the state medical society, the state osteopathic society, those voluntary nonprofit area-wide  
9        planning agencies that may be established in the state, the state budget office, the office of health  
10      insurance commissioner, any hospital or medical service corporation organized under the laws of  
11      the state, the statewide health coordinating council, contiguous health-systems agencies, and those  
12      members of the public who are to be served by the proposed, new institutional health services or  
13      new healthcare equipment.

14           (2) "Cost-impact analysis" means a written analysis of the effect that a proposal to offer or  
15        develop new institutional health services or new healthcare equipment, if approved, will have on  
16        healthcare costs and shall include any detail that may be prescribed by the state agency in rules and  
17        regulations.

18           (3) "Director" means the director of the Rhode Island state department of health.

(4)(i) "Healthcare facility" means any institutional health-service provider, facility or institution, place, building, agency, or portion of them, whether a partnership or corporation, whether public or private, whether organized for profit or not, used, operated, or engaged in providing healthcare services that are limited to hospitals, nursing facilities, home nursing-care provider, home-care provider, hospice provider, inpatient rehabilitation centers (including drug and/or alcohol abuse treatment centers), freestanding emergency-care facilities as defined in § 23-17-2, certain facilities providing surgical treatment to patients not requiring hospitalization (surgery centers, multi-practice, physician ambulatory-surgery centers and multi-practice, podiatry ambulatory-surgery centers), and facilities providing inpatient hospice care. Single-practice physician or podiatry ambulatory-surgery centers (as defined in ~~§ 23-17-2(17), (18), respectively~~ § 23-17-2) are exempt from the requirements of chapter 15 of this title; provided, however, that such exemption shall not apply if a single-practice physician or podiatry ambulatory-surgery center is established by a medical practice group (as defined in § 5-37-1) within two (2) years following the formation of such medical practice group, when such medical practice group is formed by the merger or consolidation of two (2) or more medical practice groups or the acquisition of one medical practice group by another medical practice group. Medical spas as defined in chapter 105 of this title are exempt from the requirements of this chapter. The term "healthcare facility" does not include Christian Science institutions (also known as Christian Science nursing facilities) listed and certified by the Commission for Accreditation of Christian Science Nursing Organizations/Facilities, Inc.

(ii) Any provider of hospice care who provides hospice care without charge shall be exempt from the provisions of this chapter.

23 (5) "Healthcare provider" means a person who is a direct provider of healthcare services  
24 (including but not limited to physicians, dentists, nurses, podiatrists, physician assistants, or nurse  
25 practitioners) in that the person's primary current activity is the provision of healthcare services for  
26 persons.

27 (6) "Health services" means organized program components for preventive, assessment,  
28 maintenance, diagnostic, treatment, and rehabilitative services provided in a healthcare facility.

29 (7) "Health services council" means the advisory body to the Rhode Island state department  
30 of health established in accordance with chapter 17 of this title, appointed and empowered as  
31 provided to serve as the advisory body to the state agency in its review functions under this chapter.

32 (8) "Institutional health services" means health services provided in or through healthcare  
33 facilities and includes the entities in or through that the services are provided.

34 (9) "New healthcare equipment" means any single piece of medical equipment (and any

1 components that constitute operational components of the piece of medical equipment) proposed  
2 to be utilized in conjunction with the provision of services to patients or the public, the capital costs  
3 of which would exceed two million two hundred fifty thousand dollars (\$2,250,000); provided,  
4 however, that the state agency shall exempt from review any application that proposes one-for-one  
5 equipment replacement as defined in regulation. Further, beginning July 1, 2012, and each July  
6 thereafter, the amount shall be adjusted by the percentage of increase in the consumer price index  
7 for all urban consumers (CPI-U) as published by the United States Department of Labor Statistics  
8 as of September 30 of the prior calendar year.

9 (10) "New institutional health services" means and includes:

10 (i) Construction, development, or other establishment of a new healthcare facility.  
11 (ii) Any expenditure, except acquisitions of an existing healthcare facility, that will not  
12 result in a change in the services or bed capacity of the healthcare facility by, or on behalf of, an  
13 existing healthcare facility in excess of five million two hundred fifty thousand dollars (\$5,250,000)  
14 which is a capital expenditure including expenditures for predevelopment activities; provided  
15 further, beginning July 1, 2012, and each July thereafter, the amount shall be adjusted by the  
16 percentage of increase in the consumer price index for all urban consumers (CPI-U) as published  
17 by the United States Department of Labor Statistics as of September 30 of the prior calendar year.  
18 (iii) Where a person makes an acquisition by, or on behalf of, a healthcare facility or health  
19 maintenance organization under lease or comparable arrangement or through donation, which  
20 would have required review if the acquisition had been by purchase, the acquisition shall be deemed  
21 a capital expenditure subject to review.

22 (iv) Any capital expenditure that results in the addition of a health service or that changes  
23 the bed capacity of a healthcare facility with respect to which the expenditure is made, except that  
24 the state agency may exempt from review, by rules and regulations promulgated for this chapter,  
25 any bed reclassifications made to licensed nursing facilities and annual increases in licensed bed  
26 capacities of nursing facilities that do not exceed the greater of ten (10) beds or ten percent (10%)  
27 of facility licensed bed capacity and for which the related capital expenditure does not exceed two  
28 million dollars (\$2,000,000).

29 (v) Any health service proposed to be offered to patients or the public by a healthcare  
30 facility that was not offered on a regular basis in or through the facility within the twelve-month  
31 (12) period prior to the time the service would be offered, and that increases operating expenses by  
32 more than one million five hundred thousand dollars (\$1,500,000), except that the state agency may  
33 exempt from review, by rules and regulations promulgated for this chapter, any health service  
34 involving reclassification of bed capacity made to licensed nursing facilities. Further, beginning

1      July 1, 2012, and each July thereafter, the amount shall be adjusted by the percentage of increase  
2      in the consumer price index for all urban consumers (CPI-U) as published by the United States  
3      Department of Labor Statistics as of September 30 of the prior calendar year.

4                (vi) Any new or expanded tertiary or specialty-care service, regardless of capital expense  
5      or operating expense, as defined by and listed in regulation, the list not to exceed a total of twelve  
6      (12) categories of services at any one time and shall include full-body magnetic resonance imaging  
7      and computerized axial tomography; provided, however, that the state agency shall exempt from  
8      review any application that proposes one-for-one equipment replacement as defined by and listed  
9      in regulation. Acquisition of full body magnetic resonance imaging and computerized axial  
10     tomography shall not require a certificate-of-need review and approval by the state agency if  
11     satisfactory evidence is provided to the state agency that it was acquired for under one million  
12     dollars (\$1,000,000) on or before January 1, 2010, and was in operation on or before July 1, 2010.

13                (11) "Person" means any individual, trust or estate, partnership, corporation (including  
14     associations, joint stock companies, and insurance companies), state or political subdivision, or  
15     instrumentality of a state.

16                (12) "Predevelopment activities" means expenditures for architectural designs, plans,  
17     working drawings, and specifications, site acquisition, professional consultations, preliminary  
18     plans, studies, and surveys made in preparation for the offering of a new, institutional health  
19     service.

20                (13) "State agency" means the Rhode Island state department of health.

21                (14) "To develop" means to undertake those activities that, on their completion, will result  
22     in the offering of a new, institutional health service or new healthcare equipment or the incurring  
23     of a financial obligation, in relation to the offering of that service.

24                (15) "To offer" means to hold oneself out as capable of providing, or as having the means  
25     for the provision of, specified health services or healthcare equipment.

26                SECTION 2. Sections 23-17-2, 23-17-50 and 23-17-57 of the General Laws in Chapter 23-  
27     17 entitled "Licensing of Healthcare Facilities" are hereby amended to read as follows:

28                **23-17-2. Definitions.**

29                As used in this chapter:

30                (1) "Affiliate" means a legal entity that is in control of, is controlled by, or is in common  
31     control with another legal entity.

32                (2) "Alzheimer's dementia special-care unit or program" means a distinct living  
33     environment within a nursing facility that has been physically adapted to accommodate the  
34     particular needs and behaviors of those with dementia. The unit provides increased staffing;

1 therapeutic activities designed specifically for those with dementia; and trains its staff on an  
2 ongoing basis on the effective management of the physical and behavioral problems of those with  
3 dementia. The residents of the unit/program have had a standard, medical-diagnostic evaluation  
4 and have been determined to have a diagnosis of Alzheimer's dementia or another dementia.

5 (3) "Certified nurse-teacher" means those personnel certified by the department of  
6 elementary and secondary education and employed pursuant to the provisions of §§ 16-21-7 and  
7 16-21-8.

8 (4)(i) "Change in operator" means a transfer by the governing body or operator of a  
9 healthcare facility to any other person (excluding delegations of authority to the medical or  
10 administrative staff of the facility) of the governing body's authority to:

- 11 (A) Hire or fire the chief executive officer of the healthcare facility;
- 12 (B) Maintain and control the books and records of the healthcare facility;
- 13 (C) Dispose of assets and incur liabilities on behalf of the healthcare facility; or
- 14 (D) Adopt and enforce policies regarding operation of the healthcare facility.

15 (ii) This definition is not applicable to circumstances wherein the governing body of a  
16 healthcare facility retains the immediate authority and jurisdiction over the activities enumerated  
17 in subsections (4)(i)(A) — (4)(i)(D).

18 (5) "Change in owner" means:

19 (i) In the case of a healthcare facility that is a partnership, the removal, addition, or  
20 substitution of a partner that results in a new partner acquiring a controlling interest in the  
21 partnership;

22 (ii) In the case of a healthcare facility that is an unincorporated, solo proprietorship, the  
23 transfer of the title and property to another person;

24 (iii) In the case of a healthcare facility that is a corporation:

25 (A) A sale, lease exchange, or other disposition of all, or substantially all, of the property  
26 and assets of the corporation; or

27 (B) A merger of the corporation into another corporation; or

28 (C) The consolidation of two (2) or more corporations, resulting in the creation of a new  
29 corporation; or

30 (D) In the case of a healthcare facility that is a business corporation, any transfer of  
31 corporate stock that results in a new person acquiring a controlling interest in the corporation; or

32 (E) In the case of a healthcare facility that is a nonbusiness corporation, any change in  
33 membership that results in a new person acquiring a controlling vote in the corporation.

34 (6) "Clinician" means a physician licensed under chapter 37 of title 5; a nurse licensed

1 under chapter 34 of title 5; a psychologist licensed under chapter 44 of title 5; a social worker  
2 licensed under chapter 39.1 of title 5; a physical therapist licensed under chapter 40 of title 5; and  
3 a speech language pathologist or audiologist licensed under chapter 48 of title 5 or physician  
4 assistant licensed under the provisions of chapter 54 of title 5.

5 (7) "Director" means the director of the Rhode Island state department of health.

6 (8) "Freestanding emergency-care facility" means an establishment, place, or facility that  
7 may be a public or private organization, structurally distinct and separate from a hospital; staffed,  
8 equipped, and operated to provide prompt, emergency medical care. For the purposes of this  
9 chapter, "emergency medical care" means services provided for a medical condition or behavioral-  
10 health condition that is manifested by symptoms of sufficient severity that, in the absence of  
11 immediate medical attention, could result in harm to the person or others; serious impairment to  
12 bodily functions; serious dysfunction of any bodily organ or part; or development or continuance  
13 of severe pain.

14 (9) "Healthcare facility" means any institutional health-service provider, facility, or  
15 institution, place, building, agency, or portion thereof, whether a partnership or corporation,  
16 whether public or private, whether organized for profit or not, used, operated, or engaged in  
17 providing healthcare services, including, but not limited to: hospitals; nursing facilities; home  
18 nursing-care provider (which shall include skilled nursing services and may also include activities  
19 allowed as a home-care provider or as a nursing service agency); home-care provider (which may  
20 include services such as personal care or homemaker services); rehabilitation centers; kidney  
21 disease treatment centers; health maintenance organizations; freestanding emergency-care facilities  
22 as defined in this section, and facilities providing surgical treatment to patients not requiring  
23 hospitalization (surgi-centers); hospice care; and physician ambulatory-surgery centers and  
24 podiatry ambulatory-surgery centers providing surgical treatment. The term "healthcare facility"  
25 also includes organized ambulatory-care facilities that are not part of a hospital but that are  
26 organized and operated to provide healthcare services to outpatients, such as: central-services  
27 facilities serving more than one healthcare facility or healthcare provider; treatment centers;  
28 diagnostic centers; outpatient clinics; medical spas as defined in chapter 105 of this title; infirmaries  
29 and health centers; school-based health centers, and neighborhood health centers. The term  
30 "healthcare facility" also includes a mobile health-screening vehicle as defined in this section. The  
31 term "healthcare facility" shall not apply to organized, ambulatory-care facilities owned and  
32 operated by professional service corporations as defined in chapter 5.1 of title 7, as amended (the  
33 "professional service corporation law"), or to a practitioner's (physician, dentist, or other healthcare  
34 provider) office or group of practitioners' offices (whether owned and/or operated by a hospital or

1 an affiliate of a hospital or an individual practitioner, alone or as a member of a partnership,  
2 professional service corporation, organization, or association); provided, however, notwithstanding  
3 any other provision herein or in the general laws, any hospital or any affiliate of a hospital that  
4 owns and/or operates a practitioner's office shall ensure that such practitioner's office complies  
5 with licensing or accreditation requirements that may be applicable to the practitioner's office.  
6 Individual categories of healthcare facilities shall be defined in rules and regulations promulgated  
7 by the licensing agency with the advice of the health services council. Rules and regulations  
8 concerning hospice care shall be promulgated with regard to the "Standards of a Hospice Program  
9 of Care," promulgated by the National Hospice Organization. Any provider of hospice care who  
10 provides hospice care without charge shall be exempt from the licensing provisions of this chapter  
11 but shall meet the "Standards of a Hospice Program of Care." Facilities licensed by the department  
12 of behavioral healthcare, developmental disabilities and hospitals and the department of human  
13 services, and clinical laboratories licensed in accordance with chapter 16.2 of this title, as well as  
14 Christian Science institutions (also known as Christian Science Nursing Facilities) listed and  
15 certified by the Commission for Accreditation of Christian Science Nursing  
16 Organizations/Facilities, Inc. shall not be considered healthcare facilities for purposes of this  
17 chapter.

18 (10) "Homemaker," or however else called, means a trained, nonprofessional worker who  
19 performs related housekeeping services in the home for the sick, disabled, dependent, or infirm,  
20 and as further defined by regulation; the director shall establish criteria for training.

21 (11) "Hospital" means a person or governmental entity licensed in accordance with this  
22 chapter to establish, maintain, and operate a hospital.

23 (12) "Licensing agency" means the Rhode Island state department of health.

24 (13) "Major hospital" means a large, comprehensive acute care facility, offering extensive  
25 specialized services, advanced technology, emergency capabilities, and significant research and  
26 teaching roles.

27 ~~(13)~~(14) "Medical services" means any professional services and supplies rendered by, or  
28 under the direction of, persons duly licensed under the laws of this state to practice medicine,  
29 surgery, or podiatry that may be specified by any medical service plan. Medical service shall not  
30 be construed to include hospital services.

31 (14)(15) "Mobile health-screening vehicle" means a mobile vehicle, van, or trailer that  
32 delivers primary and preventive healthcare screening services, and:

33 (i) Does not maintain active contracts or arrangements with any health insurer subject to  
34 regulation under chapter 20 or 42 of title 27;

4                    **(15)(16)** “Non-English speaker” means a person who cannot speak or understand, or has  
5                    difficulty in speaking or understanding, the English language, because he/she uses only, or  
6                    primarily, a spoken language other than English, and/or a person who uses a sign language and  
7                    requires the use of a sign-language interpreter to facilitate communication.

8                   ~~(16)~~(17) “Person” means any individual, trust or estate, partnership, corporation (including  
9                   associations, joint stock companies, and insurance companies), state, or political subdivision or  
10                  instrumentality of a state.

30                   (48)(19) "Podiatry ambulatory-surgery center" means an office or portion of an office that  
31                   is utilized for the purpose of furnishing surgical services to the owner and/or operator's own  
32                   patients on an ambulatory basis, and shall include both single-practice, podiatry ambulatory-  
33                   surgery centers and multi-practice podiatry ambulatory-surgery centers. A "single-practice podiatry  
34                   ambulatory-surgery center" is a podiatry ambulatory center owned and/or operated by a podiatrist-

1 controlled professional service corporation (as defined in chapter 5.1 of title 7 (the “professional  
2 service corporation law”)), or a podiatrist-controlled limited liability company (as defined in  
3 chapter 16 of title 7 (the “limited liability company act”)) in which no podiatrist is an officer,  
4 shareholder, director, or employee of any other corporation engaged in the practice of the same  
5 profession, or a private podiatrist’s office (whether owned and/or operated by an individual  
6 practitioner, alone or as a member of a partnership, professional service corporation, limited  
7 liability company, organization, or association). A “multi-practice, podiatry ambulatory-surgery  
8 center” is a podiatry ambulatory-surgery center owned and/or operated by a podiatrist-controlled  
9 professional service corporation (as defined in the professional service corporation law) or a  
10 podiatrist-controlled, limited liability company (as defined in the limited liability company act) in  
11 which a podiatrist is also an officer, shareholder, director, or employee of another corporation  
12 engaged in the practice of the same profession, or a group of podiatrists’ offices (whether owned  
13 and/or operated by an individual practitioner, alone or as a member of a partnership, professional  
14 service corporation, limited liability company, organization, or association).

15                   ~~(19)~~(20) “Qualified interpreter” means a person who, through experience and/or training,  
16 is able to translate a particular foreign language into English, with the exception of sign-language  
17 interpreters who must be licensed in accordance with chapter 71 of title 5.

18                   ~~(20)~~(21) “Qualified sign-language interpreter” means one who has been licensed in  
19 accordance with the provisions of chapter 71 of title 5.

20                   ~~(21)~~(22) “School-based health center” means a facility located in an elementary or  
21 secondary school licensed as a school-based health center that delivers primary and/or preventive  
22 healthcare services to individuals to include, but not be limited to, students on site.

23                   **23-17-50. Physician ambulatory-surgery center — Accreditation, survey, complaint**  
24                   **investigation, and exemptions.**

25                   (a) Accreditation from a national organization acceptable to the director may be required,  
26 at the discretion of the director, in lieu of an annual survey by the department.

27                   (b) The provisions of subsection (a) shall not limit in any way the prerogatives of the  
28 director to inspect any physician ambulatory-surgery center at any reasonable time, whether for  
29 purpose of general survey or for complaint investigation. The director has access to all records of  
30 the licensed physician ambulatory-surgery center including medical records.

31                   (c) Single practice physician ambulatory-surgery centers as defined in ~~§ 23-17-2(17)~~ § 23-  
32 17-2 are exempt from the requirements of chapter 15 of this title.

33                   (d) Single practice physician ambulatory-surgery centers as defined in ~~§ 23-17-2(17)~~ § 23-  
34 17-2 are exempt from the provisions of §§ 23-17-14.3 and 23-17-14.4 with respect to initial

1 licensure under this chapter.

2        **23-17-57. Podiatry ambulatory-surgery center — Accreditation, survey, complaint**  
3        **investigation, and exemptions.**

4            (a) Accreditation from a national organization acceptable to the director may be required,  
5 at the discretion of the director, in lieu of an annual survey by the department.

6            (b) The provisions of subsection (a) shall not limit in any way the prerogatives of the  
7 director to inspect any podiatry ambulatory-surgery center at any reasonable time, whether for  
8 purpose of general survey or for complaint investigation. The director has access to all records of  
9 the licensed podiatry ambulatory-surgery center including medical records.

10            (c) Single practice podiatry ambulatory-surgery centers as defined in § ~~23-17-2(18)~~ § 23-  
11 17-2 are exempt from the requirements of chapter 15 of this title.

12            (d) Single practice podiatry ambulatory-surgery centers as defined in ~~§ 23-17-2(18)~~ § 23-  
13 17-2 are exempt from the provisions of §§ 23-17-14.3 and 23-17-14.4 with respect to initial  
14 licensure under this chapter.

15        SECTION 3. Chapter 23-17 of the General Laws entitled "Licensing of Healthcare  
16 Facilities" is hereby amended by adding thereto the following section:

17        **23-17-9.1. Mandatory conversion of major hospitals to renewable energy.**

18            (a) On and after January 1, 2028 all new construction of a major hospital as defined in § 23-  
19 17-2; all renovations and replacements of a value in excess of fifty percent (50%) of a major  
20 hospital; and any extension or increase in floor area, number of stories or height of a major hospital  
21 within the state, shall not install or use any heating systems that utilizes fossil fuel, natural or  
22 propane gas, air or water heating systems, except as provided in subsection (b) of this section.

23            (b) Notwithstanding the provisions of subsection (a) of this section, systems for emergency  
24 back-up power at major hospitals within the state, shall be exempt; provided however, those  
25 buildings shall seek to minimize emissions and maximize health and safety for non-back-up  
26 systems.

27            (c) During any inspection of a major hospital by an inspector, building official, or other  
28 local official responsible for code enforcement, the inspector or official may inspect for compliance  
29 with this section.

30            (d) The building codes standards committee shall adopt and promulgate all rules and  
31 regulations required to implement the purposes of this section.

1 SECTION 4. This act shall take effect upon passage.

=====

LC004049

=====

EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO HEALTH AND SAFETY -- DETERMINATION OF NEED FOR NEW  
HEALTHCARE EQUIPMENT AND NEW INSTITUTIONAL HEALTH SERVICES

\*\*\*

- 1        This act would require all major hospitals within the state constructed or substantially
- 2        renovated or expanded on or after January 1, 2028 to use renewable energy sources for power. The
- 3        building code standards committee would promulgate rules and regulations to implement the
- 4        requirements.
- 5        This act would take effect upon passage.

=====  
LC004049  
=====