



## 1995 ASSEMBLY BILL 165

February 28, 1995 - Introduced by Representatives R. YOUNG, URBAN, ROBSON, BOCK, ZIEGELBAUER, BOYLE, PLOMBON, NOTESTEIN, BALDWIN and SPRINGER, cosponsored by Senator DECKER. Referred to Committee on Health.

1     **AN ACT** *to amend* 150.613 (1); and *to create* 150.01 (17m) and 150.61 (6) of the  
2             statutes; **relating to:** requiring capital expenditure review of certain hospital  
3             operating leases.

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### *Analysis by the Legislative Reference Bureau*

Under current law, persons must hold a public hearing and obtain approval from the cost containment commission, under a process that is known as "capital expenditure review", before doing certain things that expand health care services or involve expenditures that are above a specified level. Specifically, the cost containment commission must first approve obligating a capital expenditure of more than \$1,000,000 for a hospital; implementing new hospital services of more than \$500,000 in a 12-month period; obligating an expenditure of more than \$500,000 for clinical medical equipment; purchasing or otherwise acquiring a hospital; or constructing or operating an ambulatory surgery center or a home health agency. In addition, persons are prohibited from subdividing projects to avoid these requirements.

This bill prohibits persons who have not obtained cost containment commission approval under the capital expenditure review process from obligating, for a hospital, for an initial operating lease that has a present value of \$1,000,000 or more. The bill also prohibits persons from obligating without this approval for an initial or renewed operating lease that subdivides a project. The bill first applies to operating leases that are entered into or renewed on the date that the bill becomes law.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

