



February 23, 2023

To: Administrators of Licensed Hospitals

From: Gwen C. Thompson, Director of Healthcare Quality

Subject: Certificate of Need and Licensure Implications for Hospital-Based Crisis Stabilization Units

The S.C. Department of Health and Human Services (SC DHHS) has grant opportunities for hospitals including the establishment or expansion of hospital-based behavioral health crisis stabilization services. As described by SC DHHS, crisis stabilization (or EmPATH) units are specialized hospital-based emergency departments and observational units dedicated to behavioral health that ease overcrowding in general emergency departments, initiate needed urgent psychiatric treatment, and reduce unnecessary hospital inpatient admissions.

Beds, bays, or spaces within these crisis stabilization units are not for inpatient admissions to the hospital. Therefore, such beds, bays, or spaces are not chargeable to the number of licensed beds on a hospital's license. Additionally, the establishment of a crisis stabilization unit, which is an extension of a hospital's emergency department and which does not otherwise house inpatient admissions, does not, by itself, require a certificate of need (CON).<sup>i</sup> A hospital's holding of a patient in such unit up to 72 hours does not render the hospital in violation of state CON or licensure laws. While beds, bays or spaces within these units are not considered licensed beds, these units must be designed, constructed, and operated in accordance with the applicable licensure provisions.

If you have questions regarding DHEC's regulation of these specialized units within hospitals, please do not hesitate to contact our CON and Licensure programs at:

Trenessa K. Jones, Director, Bureau of Planning & Construction, DHEC  
803-545-3652 or [jonestk@dhec.sc.gov](mailto:jonestk@dhec.sc.gov)

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<sup>i</sup> Please note, for example, that a CON is required before undertaking an expenditure by or on behalf of a hospital in excess of two million dollars, which, under generally acceptable accounting principles consistently applied, is considered a capital expenditure except those expenditures exempted in Regulation 61-15 Section 104. See S.C. Code Ann. § 44-7-160(3); 3 S.C. Code Ann. Regs. 61-15 § 102.1.c.