



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
PUBLIC HEALTH COMMITTEE  
Wednesday, February 9, 2011**

**HB 5048, An Act Requiring Certificate Of Need Approval For  
The Termination Of Inpatient And Outpatient Services By A Hospital**

The Connecticut Hospital Association (CHA) appreciates the opportunity to submit testimony concerning **HB 5048, An Act Requiring Certificate Of Need Approval For The Termination Of Inpatient And Outpatient Services By A Hospital**. CHA opposes this bill.

Connecticut's Certificate of Need (CON) laws were first developed in the early 1970s, and grew into a patchwork of mismatched laws and rules over the following 40 years. In 2009, the Office of Health Care Access (OHCA) and the Department of Public Health (DPH) undertook a comprehensive review of Connecticut's CON system to determine which CON laws still made sense in light of advances in medicine and the business of medicine over the last several decades. On December 31, 2009, DPH published its findings in a report titled *Recommendations for Certificate of Need Reform*. The vast majority of the recommendations were adopted by the General Assembly through Public Act 10-179, after lengthy stakeholder meetings and a public hearing on the proposals.

Prior to Public Act 10-179, an institution or facility subject to CON was required to undergo an elaborate process each and every time it sought to terminate an existing service or function. This process was overly burdensome, and made little sense given the modern pace of healthcare advances coupled with the need to allow healthcare providers to budget and plan their business strategies in as nimble a fashion as reasonably possible. Public Act 10-179 preserved only a handful of essential patient care areas (emergency rooms, cardiac services, and mental health services) that would still need permission from OHCA to close. Non-hospital services were given a complete exemption by the reforms implemented under Public Act 10-179.

HB 5048 would impose significant burdens on hospitals by reinstating the requirement that hospitals first obtain OHCA approval before terminating any service – not just these essential services. Further, there is no such burden placed on non-hospital entities, which creates an unfair and un-level playing field that adversely affects hospitals and promotes the interest of other providers, including the interests of for-profit providers. If HB 5048 were to become law, hospitals (but no other providers) would be required to seek permission through an elaborate application, review, and hearing process, in order to seek termination of any service.

CON applications can take months to process and are very expensive for the applicant. Placing this burden on hospitals alone is extremely problematic and patently unfair.

This change will not return us to the conditions that existed prior to the CON reforms implemented by Public Act 10-179. Instead, HB 5048 will create a new – and ultimately unsustainable – system in which hospitals, and only hospitals, will be forced to incur high legal and consulting costs to prepare CON applications. HB 5048 would place hospitals at an extreme disadvantage to other providers that are not subject to the same administrative and legal processes, delays, and resulting lost business opportunities.

We urge you to reject HB 5048.

Thank you for your consideration of our position.

For additional information, contact CHA Government Relations at (203) 294-7310.