



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
WEDNESDAY, FEBRUARY 24, 2016**

HB 5211, An Act Concerning Certificates Of Need

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony in opposition to **HB 5211, An Act Concerning Certificates Of Need**.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide core healthcare services to all of the people in Connecticut, 24 hours a day, regardless of ability to pay. Connecticut hospitals offer safe, accessible, equitable, affordable, patient-centered care that protects and improves peoples' lives.

HB 5211 significantly expands the Certificate of Need (CON) process by requiring hospitals to submit a CON when they reduce certain newly defined specialty services. In addition, the bill: adds consideration of any community needs assessments to the already rigorous factors that the Office of Health Care Access must consider when acting on any CON application; allows any one individual to require a public hearing on a CON application; and grants CON appeal rights to a group of three (or one person acting for five or more people), without regard to their interest in the matter or whether they were previously involved in the application at all.

Hospitals in Connecticut and across the country, like all providers, are working hard on a daily basis to meet one of the fundamental goals of the Affordable Care Act – to reduce the growth of healthcare costs while promoting high-value, coordinated, and effective healthcare. As hospitals and other providers are challenged to meet this goal, they are faced with decreasing Medicare and commercial reimbursements and, in Connecticut, significantly reduced Medicaid funding and increased hospital taxes. That challenge is a struggle and will continue to be as the transformation in healthcare continues.

HB 5211 attempts to change the CON process in ways that would require that healthcare planning be focused on issues and measures that are diametrically opposed to the very innovation models and efficiency demands now being placed on the healthcare delivery system by Medicare, Medicaid, and private payers. The significant expansion of the CON process sought in HB 5211 would make it substantially more difficult for hospitals to adopt and implement innovation models and meet efficiency demands.

Additionally, implementing these proposed changes would add immediate and substantial cost to OHCA, as well as significant hospital administrative process costs related to CON. Hospitals oppose actions that would add layers of cost to healthcare, while at the same time cause delays resulting from the new requirements. The state should seek to avoid this as well.

For example, one of the changes in HB 5211 focuses on a reduction in services based on a reduction in “direct staff hours” for “obstetric or maternity, pediatric, emergency or critical care services.” This is a problematic and dramatically different shift in the focus for OHCA and CON. Existing CON law focuses the interest of the state government on assuring patient access be provided at an affordable and sustainable level. HB 5211 focuses on a reduction in staff hours in a specific “unit,” a term that does not reflect access to care and that is fraught with complications.

Another change would give power to anyone to appeal any CON decision. That new concept is not aligned with the due process procedures within the Uniform Administrative Procedures Act.

The Affordable Care Act (ACA) provides for what can only be described as one of the most significant overhauls of the country’s healthcare system. Its goals – to expand health coverage, control healthcare costs, and improve the healthcare delivery system and the quality of care provided – necessitate fundamental, structural changes in how healthcare services are delivered at every level, including at hospitals here in Connecticut. It is not yet entirely clear what the structure will look like when all the changes are implemented fully, but one thing is clear – it will look drastically different than what we see today. At a time when the ACA and other changes across the continuum of care are transforming the way care is delivered and the manner in which hospitals and other providers are integrating and coordinating care, this substantial increased regulatory burden will have a decidedly chilling effect.

CHA has always been willing to work on changes to improve CON, or any aspect of the healthcare delivery system, and stands ready for those discussions still. Yet, HB 5211 as conceived would be a challenge and seems at odds with the goals of CON to assure patient access be provided at an affordable and sustainable level.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.