



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
PUBLIC HEALTH COMMITTEE  
Friday, February 17, 2017**

**HB 5382, An Act Requiring A Review Of The Certificate Of Need Process**

**SB 248, An Act Requiring A Certificate Of Need For The Reduction Of  
Services At A Hospital**

**HB 6035, An Act Concerning The Requirements For Certificates Of Need**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 5382, An Act Requiring A Review Of The Certificate Of Need Process; SB 248, An Act Requiring A Certificate Of Need For The Reduction Of Services At A Hospital;** and **HB 6035, An Act Concerning The Requirements For Certificates Of Need.**

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of ability to pay. Connecticut hospitals are finding innovative solutions to integrate and coordinate care to better serve patients and communities, as well as achieve health equity. These dynamic, complex organizations are working to build a healthier Connecticut. That means building a healthy economy, community, and healthcare system. By investing in the future of Connecticut's healthcare and hospitals, rather than continuing to cut away at them, we will strengthen our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

HB 5382, SB 248, and HB 6035 all make changes to the Certificate of Need (CON) process. When we analyze bills impacting the CON program we specifically look to ensure that any changes treat all providers or entities equally and that all providers treat underserved populations, Medicaid recipients, and indigent persons.

Governor Malloy created a Certificate of Need Taskforce to analyze the CON process. The Taskforce met for months, had many spirited discussions, and presented a report and recommendations. The Governor selected some of those recommendations and included them in SB 795, *An Act Establishing The Office Of Health Strategy And Improving The Certificate Of Need Program.*

We ask that HB 5382, SB 248, and HB 6035 be considered along with SB 795.

HB 5382 requires a review of the CON process for the purchase of hospital machinery and equipment. That requirement was removed from law in 2010 when the Office of Health Care Access (OHCA) and the legislature determined that it was not a useful means of improving healthcare access. SB 248 and HB 6035 require a CON for the reduction of services at a hospital.

SB 248 and HB 6035 significantly expand the CON process by requiring hospitals to submit a CON when they reduce services or certain newly defined specialty services. In addition, HB 6035 adds consideration of any community health needs assessments to the already rigorous factors that OHCA 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 6035 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 6035 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.

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