



**TESTIMONY OF THE
CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE
PUBLIC HEALTH COMMITTEE
Monday, March 5, 2018**

**HB 5215, An Act Concerning The Department Of Public Health's
Recommendations Regarding Revisions To The Office Of Health
Care Access Statutes**

CHA appreciates the opportunity to testify in opposition to **HB 5215, An Act Concerning The Department Of Public Health's Recommendations Regarding Revisions To The Office Of Health Care Access Statutes**. CHA opposes the bill, as written.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of their ability to pay. Connecticut hospitals are dynamic, complex organizations that are continually working to find innovative ways to better serve patients and communities and build a healthier Connecticut. By investing in the future of Connecticut's hospitals, we will strengthen our healthcare system and our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

As the healthcare system undergoes significant transformation, hospitals continue to be focused on the health and well-being of every Connecticut citizen. The goals of this transformation are improved access to care, improved quality and safety, and reduced cost. The Certificate of Need "CON" program, when fairly implemented, plays an important role in achieving these goals. CHA supports a CON program that strives to achieve these goals.

CHA has the following overarching concerns with HB 5215. As written, the bill would:

- Modify DPH's penalty authority by allowing DPH to impose a civil penalty of up to \$1000 a day for:
 - Failure to file a CON when it is required
 - Failure to file data or information requested by the Office of Health Care Access (OHCA)
 - Failure to comply with a CON condition
- Lower the threshold for enforcing penalties from "willfully fails" to "fails"
- Severely limit who may be an independent consultant for post-transfer activities
- Require three separate and costly escrow accounts to be established for an application for a transfer of ownership

- Require that upon the filing of an application for a transfer of ownership, the purchaser shall establish an escrow account (post compliance) to pay for the independent consultant. The escrow account shall be funded with \$200,000.
- In cases in which a cost market analysis is required, upon the filing of an application for a transfer of ownership, the purchaser shall establish an escrow account to pay for the independent consultant. The escrow account shall be funded with \$200,000.
- Require that upon the filing, the purchaser shall establish an escrow account to pay for the independent consultant to assist the Department of Public Health on completeness questions. The escrow account shall be funded with \$150,000.
- Eliminate the need for OHCA to adopt regulations prior to collecting data, opening the possibility that hospitals would be required to submit data without instruction and be subject to a significant penalty
- Expand the actions a post-transfer compliance reporter may take in cases of breaches of conditions placed on a CON to include:
 - Instituting an action to enjoin the purchaser from engaging in conduct in violation of the CON
 - Imposing a civil penalty in accordance with Section 19a-653 of the Connecticut General Statutes
 - Requiring a partial or full refund or repayment to the affected payer in an amount in excess of the conditioned limits, for a breach of a condition specifying cost or price limits

CHA does not support these changes as written and urges this Committee to instead make the following changes to the CON program:

- Expressly provide that the transfer of management control of a physician group require a CON
- Establish an expedited process in the CON program:
 - For the termination of a service with low volume or lack of providers
 - For the relocation of a hospital-owned entity

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