



**TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
PUBLIC HEALTH COMMITTEE
Monday, March 18, 2024**

SB 440, An Act Concerning Certificates Of Need

**HB 5316, An Act Concerning The Office of Health Strategy's Recommendations
Regarding The Certificate Of Need Program**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony in support of **SB 440, An Act Concerning Certificates of Need** and in opposition to **HB 5316, An Act Concerning The Office of Health Strategy's Recommendations Regarding The Certificate Of Need Program**.

Certificate of Need (CON) should be a tool to support world-class healthcare and economic competitiveness in Connecticut. Delays and excessive administrative burdens and bureaucracy in the current CON process create barriers to healthcare access and affordability and hamper economic growth. By working in partnership with state officials and policymakers, we can improve the system, adopt best practices, put patients first, and achieve shared goals to improve access to high-quality healthcare and grow the state's economy.

SB 440 takes significant steps toward improving the current CON process. SB 440 improves access to care for patients by streamlining the process, adopting efficient timelines, and providing for automatically approving a CON if deadlines are not met. SB 440 establishes an important new part of the process by creating an expedited review of applications. An expedited process would be a welcome addition to the CON process.

In addition, SB 440 excludes from CON until June 30, 2030 certain services and programs. CHA applauds the Committee for recognizing that certain services and programs are in need of immediate resources that should be established and put into service as quickly as possible. CHA looks forward to continued conversations with the Committee on the services and programs included in this section because the need for immediate access to services is broader than outlined in the bill.

SB 440 also tackles the issue of private equity and appropriately ensures all entities providing services or conducting activities governed by the CON process are held to the same standards.

Finally, SB 440 transfers responsibilities related to the Cost and Market Impact Review (CMIR) from the Office of Health Strategy (OHS) to the Office of the Attorney General. CHA supports this transfer to the Office of the Attorney General, an office with the necessary expertise to conduct the CMIR. In fact, OHS must already refer their analysis to the Attorney General after completion. CMIR is more appropriately overseen by the Office of the Attorney General.

With respect to HB 5316, CHA opposes this bill because it would dramatically increase the scope of CON, putting more pressure and more weight on an already overburdened and malfunctioning regulatory process. HB 5316, among other things, requires CON approval for additional types of physician groups, reaching a level of granularity that would mandate CON approval for personal service agreements between an entity and a physician. This appears to mandate a CON approval, which takes months, often years, for any services contract with a physician. This would include, for example, requiring state approval for a contract with a highly specialized plastic surgeon, or requiring an emergency room physician to be approved by the state in advance, or simply requiring CON approval of a contract with a physician and their group to provide education and quality improvement programs. The changes to the CON process proposed in HB 5316 are unsustainable, fail to recognize the needs of healthcare providers, and impose unnecessary over-regulation.

In addition, HB 5316 includes a section that was also included in SB 9 as part of an OHS proposal that would allow the acquisition of physician practices by entities other than hospitals, including private equity entities, without going through the CON process. CHA opposes creating that type of skewed playing field because it injects a bias in favor of private equity and for-profit entities into the CON system.

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