

Certificate of Need (CON) Task Force Draft Recommendations

1. Acquiring Equipment

Rationale: There is a lack of evidence that limiting acquisitions of health care equipment increases health care quality or controls costs. Further, CON review of this type of action may impede the competitive environment in the health care market by stifling innovation for new technologies, providing disincentives for the purchase of scanning equipment, and potentially decreasing access to these services.

Proposed Option 1a - Eliminate CON Review for Equipment Acquisitions:

- Eliminate the acquisition of scanners, new technology, and non-hospital based linear accelerators from CON review
- Explore proposing a recommendation to legislate restrictions on scanner self-referrals
- Require entities to notify OHCA regarding new acquisitions of scanners, new technology, and non-hospital based linear accelerators for monitoring and data purposes

Proposed Option 1b - Maintain CON Review for Acquiring Scanners Only:

- Eliminate the acquisition of new technology and non-hospital based linear accelerators from CON review
- Retain CON review for the acquisition of scanners, including existing exemptions:
 - Acquisition of cone-beam dental imaging equipment being used exclusively by a dentist;
 - Acquisition of scanners being used exclusively for scientific research not conducted on humans; and
 - Replacement of existing imaging equipment that already was approved through the CON review process
- Revise guidelines and principles to focus on protecting access to underserved areas, ensuring provision of services to Medicaid recipients, and not adversely affecting the health care market (see chart below)

Option 1b: Revised Guidelines and Principles – Acquiring Scanners Only

Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
1. Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health	Retain
2. The relationship of the proposed project to the state-wide health care facilities and services plan	Whether the proposed project is aligned with [The relationship of the proposed project to] the state-wide health care facilities and services plan, as defined in section 19a-634, including whether the proposed project will serve individuals in geographic areas that are underserved or have reduced access to specific types of health care services
3. Whether there is a clear public need for the health care facility or services proposed by the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
4. Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care	Eliminate <i>Combined #4, 5, and 12</i>

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Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
system in the state or that the proposal is financially feasible for the applicant	
5. Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons	Whether the applicant has satisfactorily demonstrated <u>[how] that</u> the proposal will <u>not adversely impact the health care market in the state and will</u> improve quality, accessibility and cost effectiveness of health care delivery in the region [, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons]
6. The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons	<u>Whether the applicant has satisfactorily demonstrated how the proposal will provide</u> [The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to,] access to services by Medicaid recipients and indigent persons.
7. Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
8. The utilization of existing health care facilities and health care services in the service area of the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
9. Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
10. Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers	Eliminate <i>Conflicts with #6, which now requires proposals to demonstrate they will serve Medicaid recipients</i>
11. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region	Retain
12. Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care	Eliminate <i>Not relevant to this category as consolidation is not occurring; combined #4, 5, and 12</i>

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2. Initiating Services or Increasing Capacity

Rationale: The health care market should drive the pace of additional beds or services provided by health care facilities. Preserving a competitive environment in the health care market, through the provision of services by multiple actors, will increase consumer choice and allow those providing the highest quality at the lowest cost to set the market standard. Recent changes in health service reimbursement that move away from pure “cost-based” systems to payments based on quality or diagnosis have diminished incentives for health care providers to expand regardless of demand. Lack of access to services is a major barrier to care for underserved populations, and limiting entrance into the market can further exacerbate this problem.

Proposed Recommendation: Maintain CON review ONLY for New Hospitals/Specialty Hospitals

- Eliminate establishment of new free-standing emergency departments; outpatient surgical facilities; central service facilities; mental health facilities; substance abuse treatment facilities; and cardiac services from CON review
- Eliminate increases in licensed bed capacity or increases of two or more operating rooms within any 3-year period from CON review
- Retain CON review for the establishment of new hospitals and specialty hospitals, including existing exemptions:
 - Hospitals owned or operated by the federal government
 - Hospitals operated by a religious group that exclusively relies upon spiritual means through prayer for healing
- Revise guidelines and principles to focus on protecting access to underserved areas, ensuring provision of services to Medicaid recipients, and not adversely affecting the health care market (see chart below)

Revised Guidelines and Principles – Establishment of New Hospitals and Specialty Hospitals

Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
1. Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health	Retain
2. The relationship of the proposed project to the state-wide health care facilities and services plan	Whether the proposed project is aligned with [The relationship of the proposed project to] the state-wide health care facilities and services plan, as defined in section 19a-634, including whether the proposed project will serve individuals in geographic areas that are underserved or have reduced access to specific types of health care services
3. Whether there is a clear public need for the health care facility or services proposed by the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
4. Whether the applicant has satisfactorily demonstrated how the proposal will impact the health care system in the state or that the proposal is financially feasible for the applicant	Eliminate <i>Combined #4, 5, and 12</i>
5. Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to,	Whether the applicant has satisfactorily demonstrated [how] that the proposal will not adversely impact the health care market in the state and will improve

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Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
provision of or any change in the access to services for Medicaid recipients and indigent persons	quality, accessibility and cost effectiveness of health care delivery in the region [, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons]
6. The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons	<u>Whether the applicant has satisfactorily demonstrated how the proposal will provide</u> [The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to,] access to services by Medicaid recipients and indigent persons.
7. Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
8. The utilization of existing health care facilities and health care services in the service area of the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
9. Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
10. Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers	Eliminate <i>Conflicts with #6, which now requires proposals to demonstrate they will serve Medicaid recipients</i>
11. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region	Retain
12. Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care	Eliminate <i>Not relevant as consolidation is not occurring, combined #4, 5, and 12</i>

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3. Terminating Services

Rationale: Limiting entrance and exit into the market can inhibit a competitive environment in the health care market, but, in order to promote health equity, we must ensure that the parts of the state that have underserved populations do not lose access to health care services.

Proposed Recommendation – Maintain CON Review only for the terminations of hospital services:

- Eliminate the termination of surgical services by an outpatient surgical facility from CON review
- Retain CON review of proposed terminations of hospital inpatient/outpatient services, mental health and substance abuse services, and emergency departments, including an exemption for those services in which DPH has asked the hospital to relinquish its license
- Create an expedited process for the proposed termination of services due to insufficient patient volume; develop a financial loss threshold that would make an application eligible for this expedition
- Maintain and clarify current law for notification to OHCA on the termination of services or closure of facilities, regardless of whether a CON was originally required
- Tighten and clarify the definition of a “termination” of a service and definitions of “inpatient and outpatient services”
- Revise guidelines and principles to focus on protecting access to underserved areas, including whether the termination will affect provision of Medicaid services and if patients have access to alternative locations to obtain the service (see chart below)

Revised Guidelines and Principles – Terminating Services

Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
1. Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health	Retain
2. The relationship of the proposed project to the state-wide health care facilities and services plan	<p>Whether the proposed project is aligned with [The relationship of the proposed project to] the state-wide health care facilities and services plan, as defined in section 19a-634, including whether the proposed project will terminate services in geographic areas that are underserved or have reduced access to specific types of health care services</p>
3. Whether there is a clear public need for the health care facility or services proposed by the applicant	<p>Eliminate</p> <p><i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i></p>
4. Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant	<p>Eliminate</p> <p><i>Not relevant to terminations</i></p>
5. Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to,	<p>Whether the applicant has satisfactorily demonstrated [how] that the proposal will not adversely impact [improve] quality, accessibility and cost effectiveness of health care delivery in the region [, including, but</p>

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Current Guidelines & Principles – CGS Sec 19a-639(a)	Proposed Revisions
provision of or any change in the access to services for Medicaid recipients and indigent persons	not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons]
6. The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons	<u>Whether the applicant has satisfactorily demonstrated how the proposal will not adversely impact</u> [The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to,] access to services by Medicaid recipients and indigent persons.
7. Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services	Whether the applicant has satisfactorily identified the population <u>that currently utilizes the service proposed for termination</u> [to be served by the proposed project] and satisfactorily demonstrated that the identified population <u>has access to alternative locations in which they may be able to obtain the services proposed for termination</u> [a need for the proposed services]
8. The utilization of existing health care facilities and health care services in the service area of the applicant	Retain
9. Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities	Eliminate <i>Not relevant to terminations</i>
10. Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers	Whether [an] <u>the applicant, [who has failed to provide or] if the proposed termination will result in</u> reduced access to services by Medicaid recipients or indigent persons <u>or is located in a geographic area that is underserved or has reduced access to specific types of health care services,</u> has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers
11. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region	Retain
12. Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care	Eliminate <i>Not relevant as consolidation is not occurring,</i>

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4. Transfers of Ownership: Healthcare Facilities (excluding hospitals)

Rationale: By fostering a competitive environment in the health care market, access to and quality of health care services can be improved and costs can be contained. The careful monitoring and regulation of mergers and acquisitions plays a key role in this process.

Proposed Recommendation – Apply CON Review to Hospital/Hospital System Acquisitions of Health Care Facilities and Large Group Practices:

- Eliminate CON review of transfer of ownership of central service facilities
- Modify CON review to apply only to hospital/hospital system acquisitions of health care facilities (freestanding emergency departments, outpatient surgical facilities, mental health facilities, or substance abuse treatment facilities)
- Modify CON review to apply only to hospital/hospital system acquisitions of large group practices
- Explore making these applications subject to a cost and market impact review, allowing OHCA to have the ability to propose conditions of approval, and requiring a post-transfer compliance reporter
- Revise guidelines and principles to focus on protecting access to underserved areas, ensuring provision of services to Medicaid recipients, and fostering the competitive health care market (see chart below)

Revised Guidelines and Principles – Hospital/Hospital System Acquisitions of Health Care Facilities

Current Guidelines & Principles – CGS Sec 19a-639(a) and (d)	Proposed Revisions
A1. Whether the applicant fairly considered alternative proposals or offers in light of the purpose of maintaining health care provider diversity and consumer choice in the health care market and access to affordable quality health care for the affected community	Newly applicable
A2. Whether the plan submitted demonstrates how health care services will be provided by the new hospital for the first three years following the transfer of ownership of the hospital, including any consolidation, reduction, elimination or expansion of existing services or introduction of new services.	Newly applicable
A3. OHCA MUST deny the application unless the affected community will be assured of continued access to high quality and affordable health care after accounting for any proposed change impacting staffing.	Newly applicable
A4. OHCA MAY deny an application that has gone through a cost and market impact review if (A) the affected community will not be assured of continued access to high quality and affordable health care after accounting for any consolidation in the hospital and health care market that may lessen health care provider diversity, consumer choice and access to care, and (B) any likely increases in the prices for health care services or total health care spending in the state may negatively impact the affordability of care.	Newly applicable
1. Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health	Retain

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Current Guidelines & Principles – CGS Sec 19a-639(a) and (d)	Proposed Revisions
2. The relationship of the proposed project to the state-wide health care facilities and services plan	<u>Whether the proposed project is aligned with [The relationship of the proposed project to] the state-wide health care facilities and services plan, as defined in section 19a-634, including whether the proposed project will serve individuals in geographic areas that are underserved or have reduced access to specific types of health care services</u>
3. Whether there is a clear public need for the health care facility or services proposed by the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
4. Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant	Eliminate <i>Combined #4, 5, and 12</i>
5. Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons	Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region <u>and that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care</u> [, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons]
6. The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons	<u>Whether the applicant has satisfactorily demonstrated how the proposal will provide</u> [The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to,] access to services by Medicaid recipients and indigent persons.
7. Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
8. The utilization of existing health care facilities and health care services in the service area of the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
9. Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
10. Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be	Eliminate <i>Conflicts with #6, which now requires proposals to demonstrate they will serve Medicaid recipients</i>

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Current Guidelines & Principles – CGS Sec 19a-639(a) and (d)	Proposed Revisions
demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers	
11. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region	Retain
12. Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care	Eliminate <i>Combined #4, 5, and 12</i>

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5. Transfer of Ownership – Hospitals

Rationale: By fostering a competitive environment in the health care market, access to and quality of health care services can be improved and costs can be contained. The careful monitoring and regulation of mergers and acquisitions plays a key role in this process.

Proposed Recommendation - Maintain and strengthen the current CON review for hospital mergers and acquisitions:

- Expand cost and market impact review to apply to all hospital mergers and acquisitions, instead of only conversions or certain high-revenue hospital systems
- Impose consequences for non-compliance with post-transfer conditions
- Revise guidelines and principles to focus on protecting access to underserved areas, ensuring provision of services to Medicaid recipients, and fostering the competitive health care market (see chart below)

Revised Guidelines and Principles – Hospital Transfers of Ownership

Current Guidelines & Principles – CGS Sec 19a-639(a) and (d)	Proposed Revisions
A1. Whether the applicant fairly considered alternative proposals or offers in light of the purpose of maintaining health care provider diversity and consumer choice in the health care market and access to affordable quality health care for the affected community	Retain
A2. Whether the plan submitted demonstrates how health care services will be provided by the new hospital for the first three years following the transfer of ownership of the hospital, including any consolidation, reduction, elimination or expansion of existing services or introduction of new services.	Retain
A3. OHCA MUST deny the application unless the affected community will be assured of continued access to high quality and affordable health care after accounting for any proposed change impacting hospital staffing.	Retain
A4. OHCA MAY deny an application that has gone through a cost and market impact review if (A) the affected community will not be assured of continued access to high quality and affordable health care after accounting for any consolidation in the hospital and health care market that may lessen health care provider diversity, consumer choice and access to care, and (B) any likely increases in the prices for health care services or total health care spending in the state may negatively impact the affordability of care.	Retain
1. Whether the proposed project is consistent with any applicable policies and standards adopted in regulations by the Department of Public Health	Retain
2. The relationship of the proposed project to the state-wide health care facilities and services plan	<p>Whether the proposed project is aligned with [The relationship of the proposed project to] the state-wide health care facilities and services plan, as defined in section 19a-634, including whether the proposed project will serve individuals in geographic areas that are underserved or have reduced access to specific types of health care services</p>
3. Whether there is a clear public need for the health care facility or services proposed by the applicant	<p style="color: red;">Eliminate</p> <p style="color: red;"><i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or</i></p>

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	<i>access to health care services, or holds down health care costs</i>
4. Whether the applicant has satisfactorily demonstrated how the proposal will impact the financial strength of the health care system in the state or that the proposal is financially feasible for the applicant	Eliminate <i>Repetitive</i>
5. Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons	Whether the applicant has satisfactorily demonstrated how the proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region <u>and that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care</u> [, including, but not limited to, provision of or any change in the access to services for Medicaid recipients and indigent persons]
6. The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons	<u>Whether the applicant has satisfactorily demonstrated how the proposal will provide</u> [The applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to,] access to services by Medicaid recipients and indigent persons.
7. Whether the applicant has satisfactorily identified the population to be served by the proposed project and satisfactorily demonstrated that the identified population has a need for the proposed services	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
8. The utilization of existing health care facilities and health care services in the service area of the applicant	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
9. Whether the applicant has satisfactorily demonstrated that the proposed project shall not result in an unnecessary duplication of existing or approved health care services or facilities	Eliminate <i>There is a lack of evidence that CON programs that focus on the duplication or demonstration of need as a primary goal improves quality or access to health care services, or holds down health care costs</i>
10. Whether an applicant, who has failed to provide or reduced access to services by Medicaid recipients or indigent persons, has demonstrated good cause for doing so, which shall not be demonstrated solely on the basis of differences in reimbursement rates between Medicaid and other health care payers	Eliminate <i>Conflicts with #6</i>
11. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the diversity of health care providers and patient choice in the geographic region	Retain
12. Whether the applicant has satisfactorily demonstrated that any consolidation resulting from the proposal will not adversely affect health care costs or accessibility to care	Eliminate <i>Combined with #5</i>

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6. Transfers of Ownership: Conversions

Rationale: By fostering a competitive environment in the health care market, access to and quality of health care services can be improved and costs can be contained. The careful monitoring and regulation of mergers and acquisitions plays a key role in this process.

Proposed Recommendation: No changes

7. Actions Subject to DSS CON Review

Rationale: The role of DSS in the CON review of actions completed by nursing homes, residential care homes, and ICF-IDDs is highly focused on our statewide policy to increase treatment in community-based settings rather than institutional settings. Our imposition of a moratorium on nursing home beds except for very specific circumstances, and shift from institutional care settings, promotes higher quality care, lower costs, and better access to services.

The entities subject to DSS CON review also serve a much higher proportion of Medicaid clients, which the state has a vested interest in controlling the costs of, since their rates are often based on the capital expenditures they incur, as well as the services they provide. As a result, we carefully monitor these entities.

The same market forces do not often apply for DSS CON review entities, as most prices are fixed and reimbursed by the state.

Proposed Recommendation:

- Conduct a periodic review of the nursing home moratorium to ensure no changes are needed and is still serving its goal
- Explore allowing nursing homes to relocate or build new facilities without adding beds (do not require that they must maintain the same “footprint”
- Remove continuing care facilities from DSS CON review
- No changes necessary to review criteria