

National CON Perspectives:
a presentation to the Connecticut
Certificate of Need Task Force

May 16, 2016

**by Thomas R. Piper, CEO
MacQuest Consulting, LLC**

(www.macquest.com)





Nat'l CON Purpose: restrain health care facility costs and allow coordinated planning of new services and construction. -- *National Conference of State Legislatures (ncsl.org)*

CT CON Purpose: guide the establishment of health facilities and services which best serve public needs, ensure that high quality health services are provided, prevent unnecessary duplication of health care facilities and services and promote cost containment. -- *Connecticut CON website*

Does CON of achieve these health care goals:

- Lower costs?
- Higher quality?
- Improved access?

Effectiveness

Key Questions

Health Care Perspectives



A map of the United States with various states shaded in different shades of blue. A white text box with a red border is centered over the map, containing the title. Another white text box is positioned below the first one, containing the subtitle. The map shows the outlines of all 50 states, with some states like Alaska and Hawaii shown in their respective locations. The shading of the states varies, with some being a light blue and others a darker blue. The text box is centered over the eastern and central parts of the map.

How Other State CON Programs Operate

Update of Independent Assessment of the Connecticut Certificate of Need and Supporting Programs: **Appendix A**

2016 CON Matrix by State rated by Regulated Services, Review Thresholds and Relative Scope

(summarized from 2016 information collected by email directly from Certificate of Need directors -- see related map depicting relative regulation across the United States)

Rank (no. of svcs. x weight) <small>recent chgs in yellow</small>	Categories	Regulated Services																				Tally (no. of svcs.)	Reviewability Thresholds																
		Acute Care (hosp)	Air Ambulance	Amb Surg Ctrs	Burn Care	Cardiac Cath.	CT Scanners	Gamma Knives	Home Hlth	Hospice	ICF/MR	LTC Hospital	Lithotripsy	LTC (nursing home)	Med Office Bldg	Mobile Hi Tech	MRI Scanners	Neo-ntl Int Care	Obstetric Svcs	Open Heart Svcs	Organ Transplant		PET Scns (incl CT)	Psychiatric Svcs	Rad Therapy (linac)	Rehabilitation	Renal Dialysis	RCF/Asst Living	Subacute	Substance Abuse	Swing Beds	Ultra-sound	Other (items not otherwise covered)	Capital	Med Eqpt	New Svc	Weight		
30.0	Vermont																																		30	3,000,000 hosp 1,500,000 other	1,000,000	500,000	1.0
25.2	Dist. of Columbia																																		28	2,500,000	1,500,000 fac 250,000 phys	any amt	0.9
24.0	North Carolina																																		24	2,000,000	750,000	any amt	1.0
20.0	South Carolina																																		20	2,000,000	600,000	1,000,000	1.0
19.8	West Virginia**																																		22	5,000,000	5,000,000	any amt	0.9
18.9	Hawaii																																		27	4,000,000	1,000,000	any amt	0.7
17.1	Alaska																																		19	1,500,000	1,500,000	1,500,000 hlt fac any LTC	0.9
16.8	Maine																																		24	11,058,137	3,538,604	3,317,441	0.7
16.8	Rhode Island																																		21	5,720,877	2,451,805	1,634,536	0.8
15.3	Mississippi																																		17	2,000,000 5,000,000 non-clinical	1,500,000	any amt	0.9
15.3	Georgia																																		17	2,878,487	1,206,799	any amt	0.9
15.2	New York																																		19	6,000,000	6,000,000	any amt	0.8
14.4	Kentucky																																		18	3,023,673	3,023,673	n/a	0.8
14.4	Michigan																																		18	3,180,000	any amt	any clinical	0.8
14.4	Tennessee																																		18	any amt	any amt	any amt w/bed chg	0.8
14.0	New Jersey																																		14	1,000,000	1,000,000	any amt	1.0
13.2	Connecticut																																		12	any amt	any amt	n/a	1.1
13.0	New Hampshire*																																		13	3,083,974	400,000	any amt	1.0
12.6	Missouri																																		14	800,000 LTC 1,000,000 other	400,000 LTC 1,000,000	1,000,000	0.9
12.0	Alabama																																		20	5,709,099	2,854,550	any amt	0.6
11.9	Washington																																		17	varied by type of service	n/a	any amt	0.7
9.0	Virginia																																		18	18,608,519	any amt	any amt	0.5
9.0	Massachusetts																																		15	17,826,988	950,935	any amt	0.6
9.0	Iowa																																		9	1,500,000	1,500,000	500,000	1.0
7.5	Illinois																																		15	12,797,313	7,233,282 LTC 3,338,430 other	any amt	0.5
6.0	Arkansas																																		6	1,000,000 LTC	n/a	n/a	1.0
6.4	Maryland																																		16	11,900,000 hosp 5,900,000 other	n/a	any amt	0.4
5.4	Montana																																		6	1,500,000	n/a	150,000	0.9
5.0	Florida																																		10	n/a	n/a	n/a	0.5
4.0	Oklahoma																																		4	1,000,000	n/a	any beds	1.0
4.0	Delaware																																		8	5,800,000	5,800,000	n/a	0.5
2.0	Nevada																																		4	2,000,000	n/a	n/a	0.5
1.6	Oregon																																		4	any LTC/hosp	n/a	any LTC/hosp	0.4
0.5	Ohio																																		1	2,000,000	n/a	n/a	0.5
0.4	Nebraska																																		2	any LTC	n/a	n/a	0.2
0.4	Louisiana																																		4	n/a	n/a	any LTC/MR	0.1

*scheduled to sunset on 06/30/16

**06/10/16 exemption process for hospital renovation/replacement, ESRD, nursing homes, assisted living, ambulatory care facilities, CT scanners

Because this is a brief summary comparison, some information does not fully describe items reviewed or threshold distinctions. Weights are based on judgements about financial parameters. In no case does this matrix reflect program severity. Updated May 13, 2016, using the most recent information available.

refunded

sunset

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2016 CON Matrix by State rated by Regulated Services, Review Thresholds and Relative Scope

(summarized from 2016 information collected by email directly from Certificate of Need directors -- see related map depicting relative regulation across the United States)

Rank (no. of svcs. x weight) <small>recent chgs in yellow</small>	Categories	Acute Care (hosp)	Air Ambulance	Amb Surg Ctrs	Burn Care	Cardiac Cath.	CT Scanners	Gamma Knives	Home Hlth	Hospice	ICF/MR	LTC Hospital	Lithotripsy	LTC (nursing home)	Med Office Bldg	Mobile Hi Tech	MRI Scanners	Neo-ntl Int Care	Obstetric Svcs	Open Heart Svcs	Organ Transplant	PET Scnrns (incl CT)	Psychiatric Svcs	Rad Therapy (linac)	Rehabilitation	Renal Dialysis	RCF/Asst Living	Subacute	Substance Abuse	Swing Beds	Ultra-sound	Other (items not otherwise covered)	Tally (no. of svcs.)	Reviewability Thresholds					
																																		Capital	Med Eqpt	New Svc	Weight		
30.0	Vermont																																	30	3,000,000 hosp 1,500,000 other	1,000,000	500,000	1.0	
25.2	Dist. of Columbia																																	inpat only for subs abuse & MH svcs	28	2,500,000	1,800,000 fac 250,000 phys	any amt	0.9
24.0	North Carolina																																	Bone mrv, diag ctrs, ORs, Endo	24	2,000,000	750,000	any amt	1.0
20.0	South Carolina																																	inpatient hospice	20	2,000,000	600,000	1,000,000	1.0
19.8	West Virginia**																																	Diagnostic ctrs	22	5,000,000	5,000,000	any amt	0.9
18.9	Hawaii																																		27	4,000,000	1,000,000	any amt	0.7
17.1	Alaska																																	assd hg to LTC; res psych ltr mt fac	19	1,500,000	1,500,000	1,500,000 hlt fac any LTC	0.9
16.8	Maine																																	nursg hm cap exp \$ 529,000	24	11,058,137	3,538,604	3,317,441	0.7
16.8	Rhode Island																																	Bone Marrow Transplant Prog	21	5,720,877	2,451,805	1,634,536	0.8
15.3	Mississippi																																	2,000,000 5,000,000 non-clinical	17	1,500,000	1,500,000	any amt	0.9
15.3	Georgia																																	Stereotactic radiosurgery	17	2,878,487	1,206,799	any amt	0.9
15.2	New York																																		19	6,000,000	6,000,000	any amt	0.8
14.4	Kentucky																																		18	3,023,673	3,023,673	n/a	0.8
14.4	Michigan																																	Clinical projects	18	3,180,000	any amt	any clinical	0.8
14.4	Tennessee																																	Non-res meth, res hospice	18	any amt	any amt	any amt w/ bed chg	0.8
14.0	New Jersey																																		14	1,000,000	1,000,000	any amt	1.0
13.2	Connecticut																																		12	any amt	any amt	n/a	1.1
13.0	New Hampshire*																																	Robotic Surgery	13	3,083,974	400,000	any amt	1.0
12.6	Missouri																																	New hospital	14	800,000 LTC 1,000,000 other	400,000 LTC 1,000,000	1,000,000	0.9
12.0	Alabama																																	dementia assd hg & residg emerg depts	20	5,709,099	2,854,550	any amt	0.6
11.9	Washington																																	sale/purch/lease hospitals	17	varied by type of service	n/a	any amt	0.7
9.0	Virginia																																	Gen. surg. misc.	18	18,608,519	any amt	any amt	0.5
9.0	Massachusetts																																	ECMO	15	17,826,988	950,935	any amt	0.6
9.0	Iowa																																	btg ctrs, opt, hlt & community MH fac	9	1,500,000	1,500,000	500,000	1.0
7.5	Illinois																																	Post surg ctrs, btg ctrs, res rehab ctrs	15	12,797,313	7,233,282 LTC 3,338,430 other	any amt	0.5
6.0	Arkansas																																	chld & adolescnl res psych facilities	6	1,000,000 LTC	n/a	n/a	1.0
6.4	Maryland																																	Acute CCF swing beds crt acc hosp	6	11,900,000 hosp 5,900,000 other	n/a	any amt	0.4
5.4	Montana																																		6	1,500,000	n/a	150,000	0.9
5.0	Florida																																	Ped cardiac svcs only (not adult)	10	n/a	n/a	n/a	0.5
4.0	Oklahoma																																	psych, chemdep	4	1,000,000	n/a	any beds	1.0
4.0	Delaware																																	Freestndhg emerg & bldg centers	8	5,800,000	5,800,000	n/a	0.5
2.0	Nevada																																		4	2,000,000	n/a	n/a	0.5
1.6	Oregon																																	any LTC/hosp	4	n/a	n/a	any LTC/hosp	0.4
0.5	Ohio																																	quality stds for other services	1	2,000,000	n/a	n/a	0.5
0.4	Nebraska																																	moratorium	2	any LTC	n/a	n/a	0.2
0.4	Louisiana																																		4	n/a	n/a	any LTC/MR	0.1

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Regulated Service barely changed

*scheduled to sunset on 06/30/16 **06/10/16 exemption process for hospital renovation/replacement, ESRD, nursing homes, assisted living, ambulatory care facilities, CT scanners

Because this is a brief summary comparison, some information does not fully describe items reviewed or threshold distinctions. Weights are based on judgements about financial parameters. In no case does this matrix reflect program severity. Updated May 13, 2016, using the most recent information available.

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																																		Reviewability Thresholds						
		Capital	Med Eqpt	New Svc	Weight																																			
30.0	Vermont																																2	3,000,000 hosp 1,500,000 other	1,000,000	500,000	1.0			
25.2	Dist. of Columbia																																	28	2,500,000	1,500,000 fac	any amt	0.9		
24.0	North Carolina																																	24	2,000,000	750,000	any amt	1.0		
20.0	South Carolina																																	3	2,000,000	600,000	1,000,000	1.0		
19.8	West Virginia**																																	2	5,000,000	5,000,000	any amt	0.9		
18.9	Hawaii																																	7	4,000,000	1,000,000	any amt	0.7		
17.1	Alaska																																	1	1,500,000	1,500,000	1,500,000 hkh fac any LTC	0.9		
16.8	Maine																																	1	11,058,137	3,538,604	3,317,441	0.7		
16.8	Rhode Island																																	2	5,720,877	2,451,805	1,634,536	0.8		
15.3	Mississippi																																	17	2,000,000 non-surgical	1,500,000	any amt	0.9		
15.3	Georgia																																	17	2,878,487	1,206,799	any amt	0.9		
15.2	New York																																	19	6,000,000	6,000,000	any amt	0.8		
14.4	Kentucky																																		3	3,023,673	3,023,673	n/a	0.8	
14.4	Michigan																																	3	3,180,000	any amt	any clinical	0.8		
14.4	Tennessee																																	1	any amt	any amt	any amt w/ bed chg	0.8		
14.0	New Jersey																																	14	1,000,000	1,000,000	any amt	1.0		
13.2	Connecticut																																		1	any amt	any amt	n/a	1.1	
13.0	New Hampshire*																																	3	3,083,974	400,000	any amt	1.0		
12.6	Missouri																																		1	800,000 LTC 1,000,000 other	400,000 LTC 1,000,000	1,000,000	0.9	
12.0	Alabama																																		20	5,709,099	2,854,550	any amt	0.6	
11.9	Washington																																		3	varied by type of service	n/a	any amt	0.7	
9.0	Virginia																																		18	18,608,519	any amt	any amt	0.5	
9.0	Massachusetts																																		15	17,826,988	950,935	any amt	0.6	
9.0	Iowa																																		2	1,500,000	1,500,000	500,000	1.0	
7.5	Illinois																																		18	12,797,313	7,233,282 LTC 3,333,430 other	any amt	0.5	
6.0	Arkansas																																		2	1,000,000 LTC	n/a	n/a	1.0	
6.4	Maryland																																		6	11,900,000 hosp 5,900,000 other	n/a	any amt	0.4	
5.4	Montana																																		1	1,500,000	n/a	150,000	0.9	
5.0	Florida																																		10	n/a	n/a	n/a	0.5	
4.0	Oklahoma																																		1	1,000,000	n/a	any beds	1.0	
4.0	Delaware																																		1	5,800,000	5,800,000	n/a	0.5	
2.0	Nevada																																		4	2,000,000	n/a	n/a	0.5	
1.6	Oregon																																		4	any LTC/hosp	n/a	any LTC/hosp	0.4	
0.5	Ohio																																			2	2,000,000	n/a	n/a	0.5
0.4	Nebraska																																			1	any LTC	n/a	n/a	0.2
0.4	Louisiana																																			4	n/a	n/a	any LTC/MR	0.1

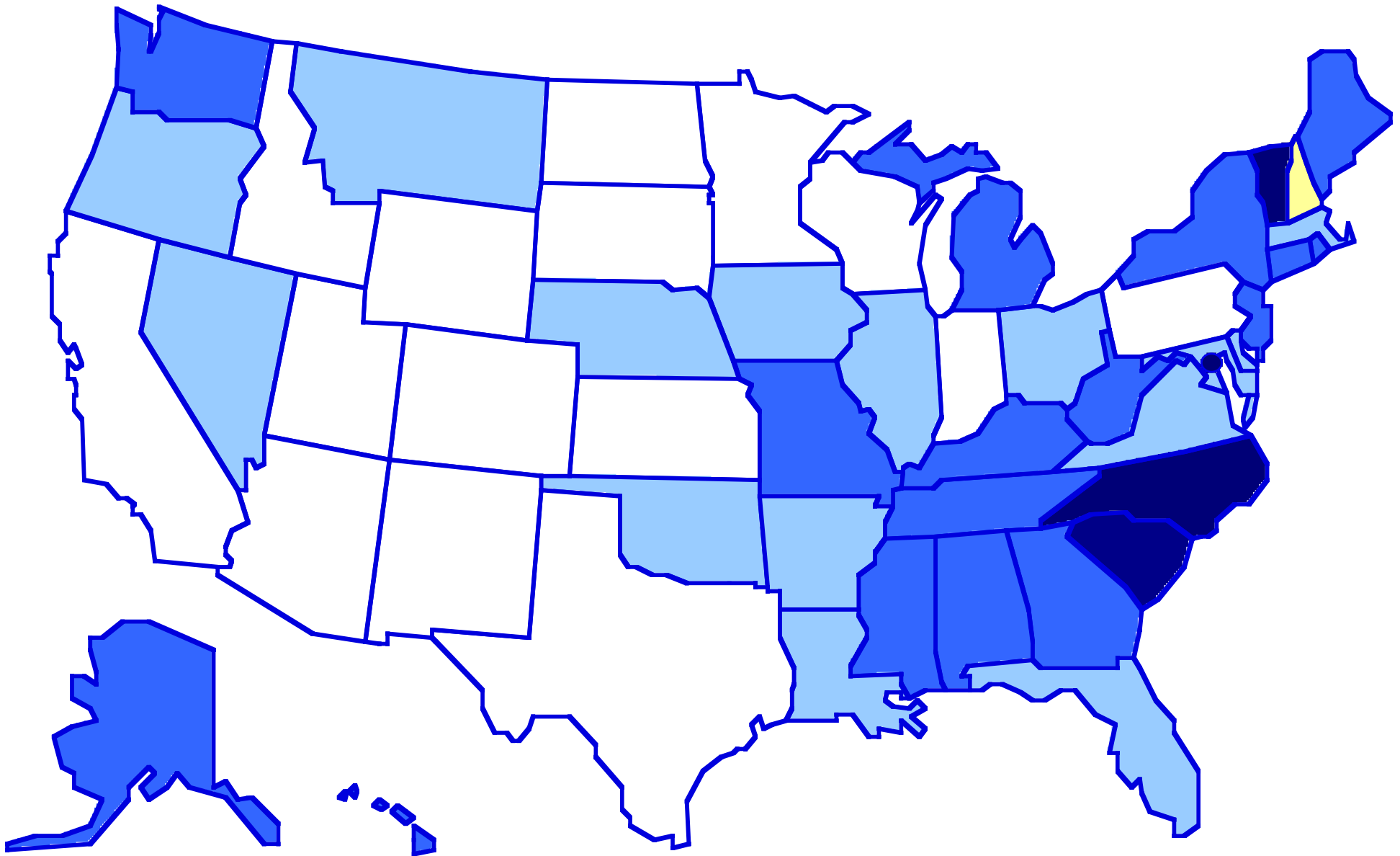
Significant changes Thresholds

*scheduled to sunset on 06/30/16

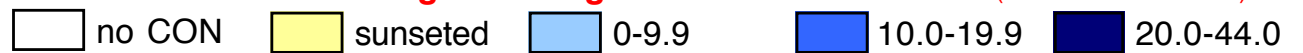
**06/10/16 exemption process for hospital renovation/replacement, ESRD, nursing homes, assisted living, ambulatory care facilities, CT scanners

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2016 Map of Certificate of Need Regulation by State Relative Scope and Review Thresholds (a geographic illustration of the CON matrix)



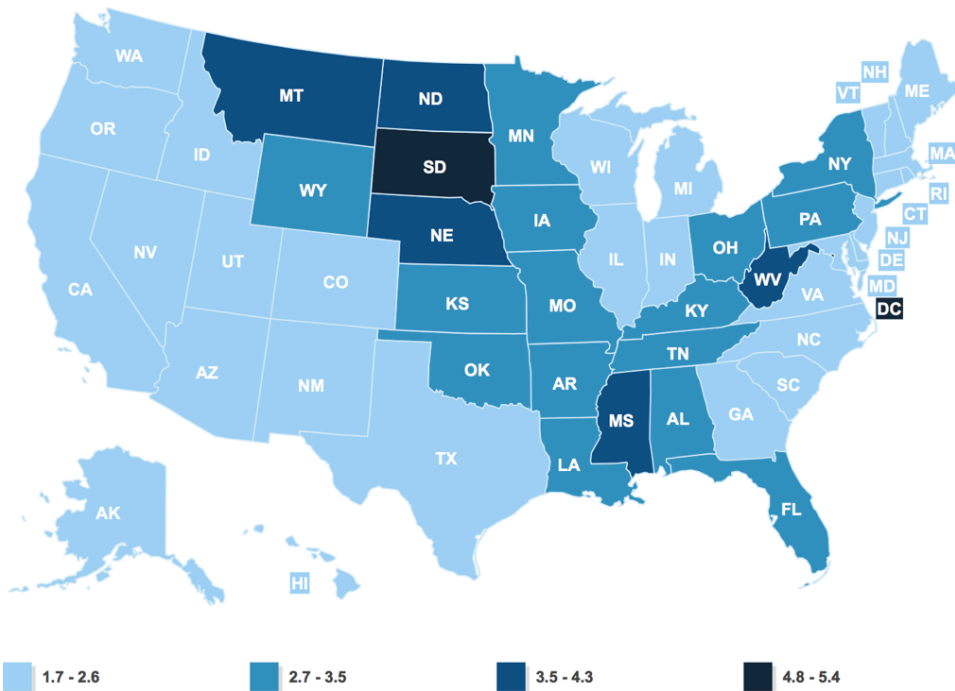
Weighted Range of Services Reviewed (see left side of matrix)



revised May 12, 2016

Provider Perspectives

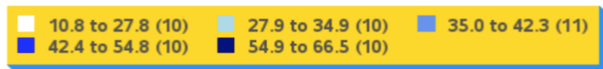
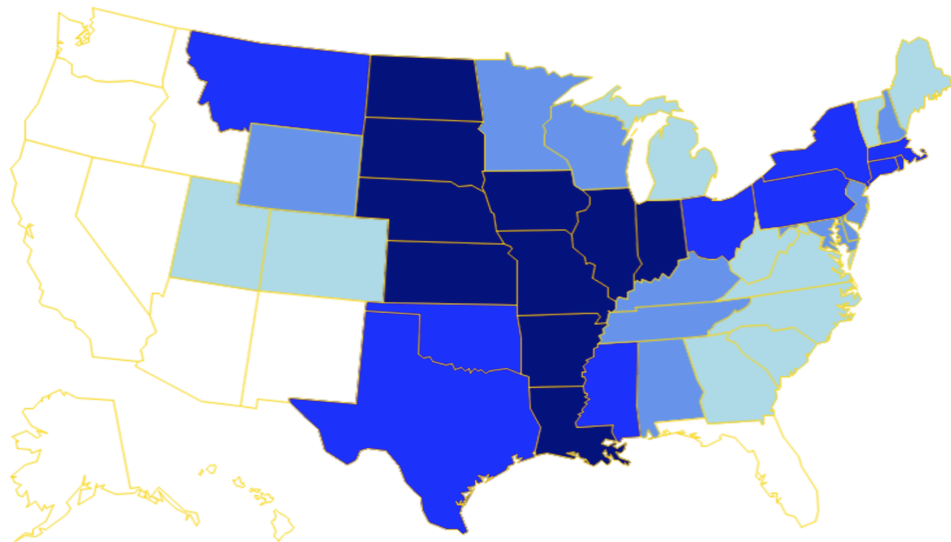
2015 - Hospitals



State	Number Hospitals	Staffed Beds	Beds/1000 Population	Total Discharges	Patient Days	Gross Patient Revenue (\$000)
OR - Oregon	38	6,137	1.7	302,589	1,306,560	\$20,430,863
WA - Washington	63	10,175	1.7	544,821	2,316,336	\$49,427,801
NM - New Mexico	37	4,178	1.8	171,339	764,102	\$13,453,218
CA - California	348	75,487	1.8	3,067,107	14,064,826	\$346,545,080
UT - Utah	36	4,689	1.8	203,410	811,972	\$13,828,541
VT - Vermont	7	821	1.9	35,790	171,032	\$3,739,572
AZ - Arizona	76	13,753	2.0	638,346	2,656,980	\$52,355,341
ID - Idaho	17	2,377	2.0	106,456	428,755	\$7,971,180
NV - Nevada	27	5,185	2.0	246,583	1,234,440	\$28,422,416
CO - Colorado	53	8,266	2.0	381,004	1,674,052	\$44,746,835
HI - Hawaii	14	2,457	2.0	92,782	531,183	\$6,139,508
MD - Maryland	52	11,048	2.0	592,553	2,930,178	\$17,577,853
NH - New Hampshire	14	2,171	2.1	96,378	464,186	\$9,344,636
RI - Rhode Island	12	2,553	2.1	107,701	508,618	\$8,483,889
AK - Alaska	12	1,209	2.2	44,008	219,052	\$3,747,795
DE - Delaware	8	2,020	2.2	95,199	448,464	\$5,575,851
NC - North Carolina	108	22,529	2.2	956,836	4,559,229	\$74,254,223
VA - Virginia	95	19,127	2.2	695,622	3,415,647	\$60,002,371
WI - Wisconsin	76	11,467	2.2	490,699	2,166,481	\$41,884,267
CT - Connecticut	34	9,238	2.2	376,412	1,809,454	\$32,411,257
NJ - New Jersey	73	20,731	2.3	928,338	4,477,971	\$103,462,316
TX - Texas	376	58,749	2.3	2,467,578	11,849,634	\$231,771,001
MA - Massachusetts	80	15,462	2.4	721,547	3,479,444	\$52,358,819
GA - Georgia	116	22,269	2.4	884,615	4,349,899	\$74,006,179
IL - Illinois	141	30,647	2.5	1,288,621	5,801,839	\$116,645,222
ME - Maine	21	2,949	2.5	115,945	539,899	\$8,559,188
MI - Michigan	106	23,658	2.5	1,072,877	4,861,660	\$73,499,769
SC - South Carolina	64	11,862	2.5	466,919	2,301,664	\$44,180,589
IN - Indiana	98	16,148	2.6	652,150	3,024,168	\$57,579,322
FL - Florida	215	54,371	2.7	2,429,709	11,458,258	\$227,654,328
MN - Minnesota	56	10,497	2.7	464,508	2,062,523	\$34,236,045
NY - New York	198	57,414	2.8	2,133,844	11,698,410	\$173,253,607
OH - Ohio	147	28,256	2.9	1,241,748	5,574,641	\$113,860,315
OK - Oklahoma	100	10,981	2.9	395,964	1,835,099	\$33,444,835
PA - Pennsylvania	180	36,481	3.0	1,504,283	6,994,007	\$163,987,693
AL - Alabama	92	16,173	3.1	564,726	2,759,711	\$46,188,488
AR - Arkansas	49	7,740	3.1	311,740	1,374,296	\$20,465,828
IA - Iowa	40	6,431	3.1	268,623	1,172,709	\$19,057,107
MO - Missouri	85	16,945	3.1	681,250	3,143,424	\$56,491,712
TN - Tennessee	111	19,977	3.1	775,952	3,720,074	\$64,685,826
WY - Wyoming	14	1,182	3.1	34,200	126,329	\$2,504,735
KY - Kentucky	75	13,734	3.2	527,680	2,567,342	\$42,423,265
LA - Louisiana	108	15,625	3.2	504,615	2,430,688	\$41,806,946
NE - Nebraska	30	4,256	3.5	168,113	762,683	\$11,915,659
KS - Kansas	59	6,584	3.5	260,152	1,142,516	\$23,214,651
MT - Montana	16	2,197	3.6	73,247	326,585	\$5,605,550
WV - West Virginia	35	6,162	3.7	211,020	1,038,893	\$13,154,673
MS - Mississippi	69	10,666	4.2	329,040	1,567,877	\$26,371,266
ND - North Dakota	10	2,080	4.3	69,501	343,681	\$6,406,935
SD - South Dakota	26	2,758	4.8	90,483	395,219	\$8,321,401
DC - Washington D.C.	8	2,707	5.4	105,851	608,906	\$9,825,721
UNITED STATES	3,985	759,553	2.5	31,396,838	148,642,122	\$2,752,835,706

Source: Statistics for non-federal, short-term, acute care hospitals from American Hospital Directory (ahd.com & kff.org)

2012 - Nursing Homes



Certified Nursing Home Beds per 1000 Persons Aged 65+

Table 1.1.e. Number of Nursing Homes by Bed Size Category: United States, 2012

	Bed Size Category - Number (Percent)				All Facilities
	<50	50-99	100-199	>199	
Nation	2,035 (13.0)	5,739 (36.7)	6,911 (44.2)	958 (6.1)	15,643
Alabama	6 (2.6)	85 (37.3)	123 (53.9)	14 (6.1)	228
Alaska	11 (68.8)	4 (25.0)	1 (6.3)	0 (0.0)	16
Arizona	14 (9.6)	41 (28.1)	80 (54.8)	11 (7.5)	146
Arkansas	6 (2.6)	89 (38.4)	135 (58.2)	2 (0.9)	232
California	203 (16.5)	650 (52.8)	325 (26.4)	53 (4.3)	1,231
Colorado	31 (14.5)	85 (39.7)	91 (42.5)	7 (3.3)	214
Connecticut	16 (6.9)	71 (30.7)	127 (55.0)	17 (7.4)	231
Delaware	7 (15.6)	11 (24.4)	26 (57.8)	1 (2.2)	45
District of Columbia	3 (15.8)	5 (26.3)	7 (36.8)	4 (21.1)	19
Florida	37 (5.4)	129 (18.9)	479 (70.2)	37 (5.4)	682
Georgia	21 (5.9)	114 (31.9)	197 (55.2)	25 (7.0)	357
Hawaii	17 (35.4)	14 (29.2)	14 (29.2)	3 (6.3)	48
Idaho	24 (31.2)	26 (33.8)	27 (35.1)	0 (0.0)	77
Illinois	85 (11.0)	262 (34.0)	305 (39.6)	118 (15.3)	770
Indiana	69 (13.4)	213 (41.4)	222 (43.2)	10 (1.9)	514
Iowa	120 (27.0)	257 (57.9)	64 (14.4)	3 (0.7)	444
Kansas	116 (34.1)	171 (50.3)	50 (14.7)	3 (0.9)	340
Kentucky	40 (14.1)	123 (43.3)	115 (40.5)	6 (2.1)	284
Louisiana	17 (6.1)	45 (16.1)	203 (72.5)	15 (5.4)	280
Maine	40 (37.4)	51 (47.7)	14 (13.1)	2 (1.9)	107
Maryland	29 (12.6)	49 (21.3)	132 (57.4)	20 (8.7)	230
Massachusetts	46 (10.9)	106 (25.1)	254 (60.2)	16 (3.8)	422
Michigan	43 (10.1)	132 (31.1)	225 (52.9)	25 (5.9)	425
Minnesota	91 (24.0)	195 (51.5)	83 (21.9)	10 (2.6)	379
Mississippi	16 (7.8)	99 (48.5)	88 (43.1)	1 (0.5)	204
Missouri	36 (7.0)	229 (44.7)	231 (45.1)	16 (3.1)	512
Montana	25 (30.1)	32 (38.6)	25 (30.1)	1 (1.2)	83
Nebraska	72 (32.9)	102 (46.6)	41 (18.7)	4 (1.8)	219
Nevada	12 (23.5)	9 (17.6)	24 (47.1)	6 (11.8)	51
New Hampshire	8 (10.5)	33 (43.4)	30 (39.5)	5 (6.6)	76
New Jersey	31 (8.5)	55 (15.1)	216 (59.3)	62 (17.0)	364
New Mexico	9 (12.5)	29 (40.3)	32 (44.4)	2 (2.8)	72
New York	46 (7.3)	99 (15.7)	244 (38.6)	243 (38.4)	632
North Carolina	35 (8.4)	147 (35.4)	219 (52.8)	14 (3.4)	415
North Dakota	29 (34.9)	33 (39.8)	18 (21.7)	3 (3.6)	83
Ohio	97 (10.2)	449 (47.2)	382 (40.2)	23 (2.4)	951
Oklahoma	26 (8.4)	146 (46.9)	136 (43.7)	3 (1.0)	311
Oregon	21 (15.3)	64 (46.7)	51 (37.2)	1 (0.7)	137
Pennsylvania	88 (12.4)	176 (24.9)	369 (52.1)	75 (10.6)	708
Rhode Island	11 (13.1)	32 (38.1)	36 (42.9)	5 (6.0)	84
South Carolina	41 (21.7)	58 (30.7)	84 (44.4)	6 (3.2)	189
South Dakota	44 (40.0)	57 (51.8)	9 (8.2)	0 (0.0)	110
Tennessee	31 (9.6)	93 (28.9)	181 (56.2)	17 (5.3)	322
Texas	82 (6.9)	374 (31.2)	706 (59.0)	35 (2.9)	1,197
Utah	29 (29.3)	29 (29.3)	39 (39.4)	2 (2.0)	99
Vermont	11 (28.9)	12 (31.6)	15 (39.5)	0 (0.0)	38
Virginia	30 (10.6)	89 (31.3)	149 (52.5)	16 (5.6)	284
Washington	32 (14.1)	95 (41.9)	95 (41.9)	5 (2.2)	227
West Virginia	16 (12.8)	60 (48.0)	48 (38.4)	1 (0.8)	125
Wisconsin	54 (13.8)	195 (50.0)	131 (33.6)	10 (2.6)	390
Wyoming	11 (28.2)	15 (38.5)	13 (33.3)	0 (0.0)	39

Source: CASPER



Other State CON Effectiveness

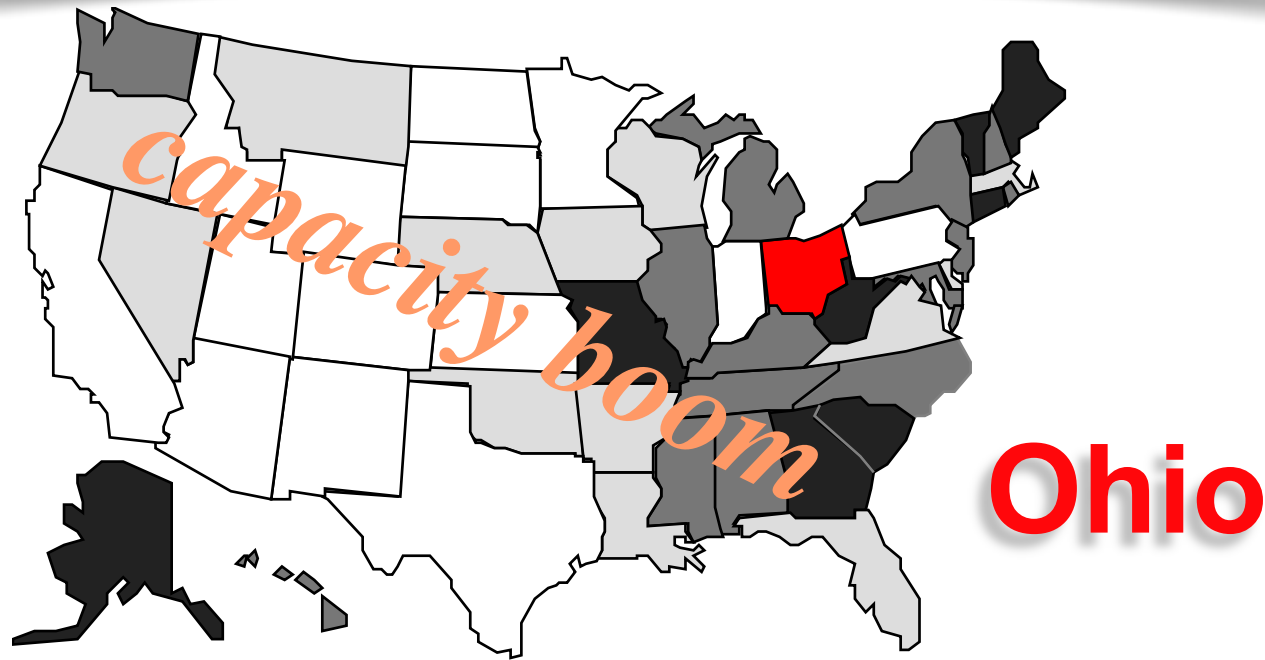
Effectiveness: the degree to which something is successful in producing a desired result.

Certificate of Need programs are aimed at **restraining health care facility costs** and **allowing coordinated planning** of new services and construction.

Laws authorizing such programs are one mechanism by which state governments seek to **reduce overall health and medical costs.**

-- *National Conference of State Legislatures (ncsl.org)*

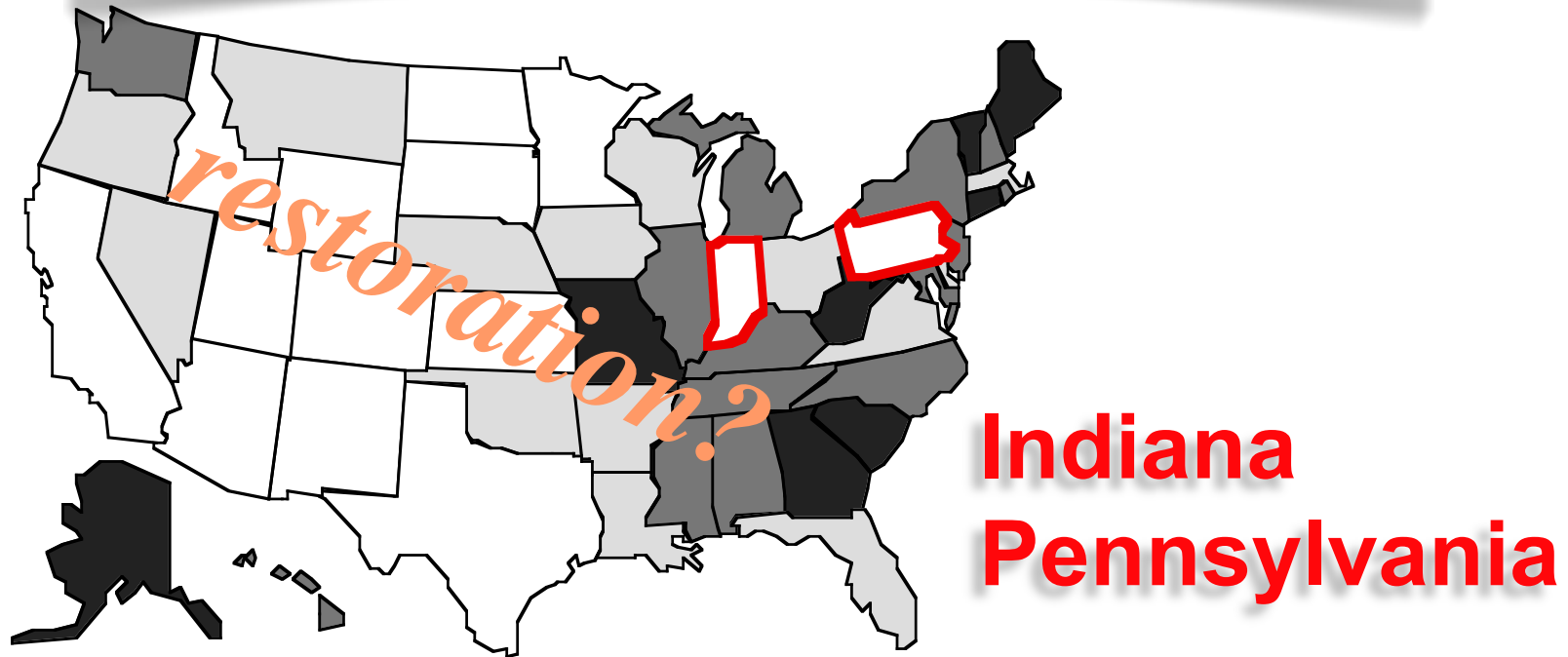
What if CON is deregulated?



Impact of Deregulation (first 4 years):

- 19 new hospitals (15 were LTCHs)
- 137% increase in outpatient dialysis stations
- 280% increase in radiation therapy
- 548% increase in freestanding MRIs
- 600% increase in ambulatory surgery centers

What if CON is eliminated?



Reinstate CON:

- Indiana repeated efforts
- Pennsylvania strong efforts
(experiment in quality control through licensure not effective)

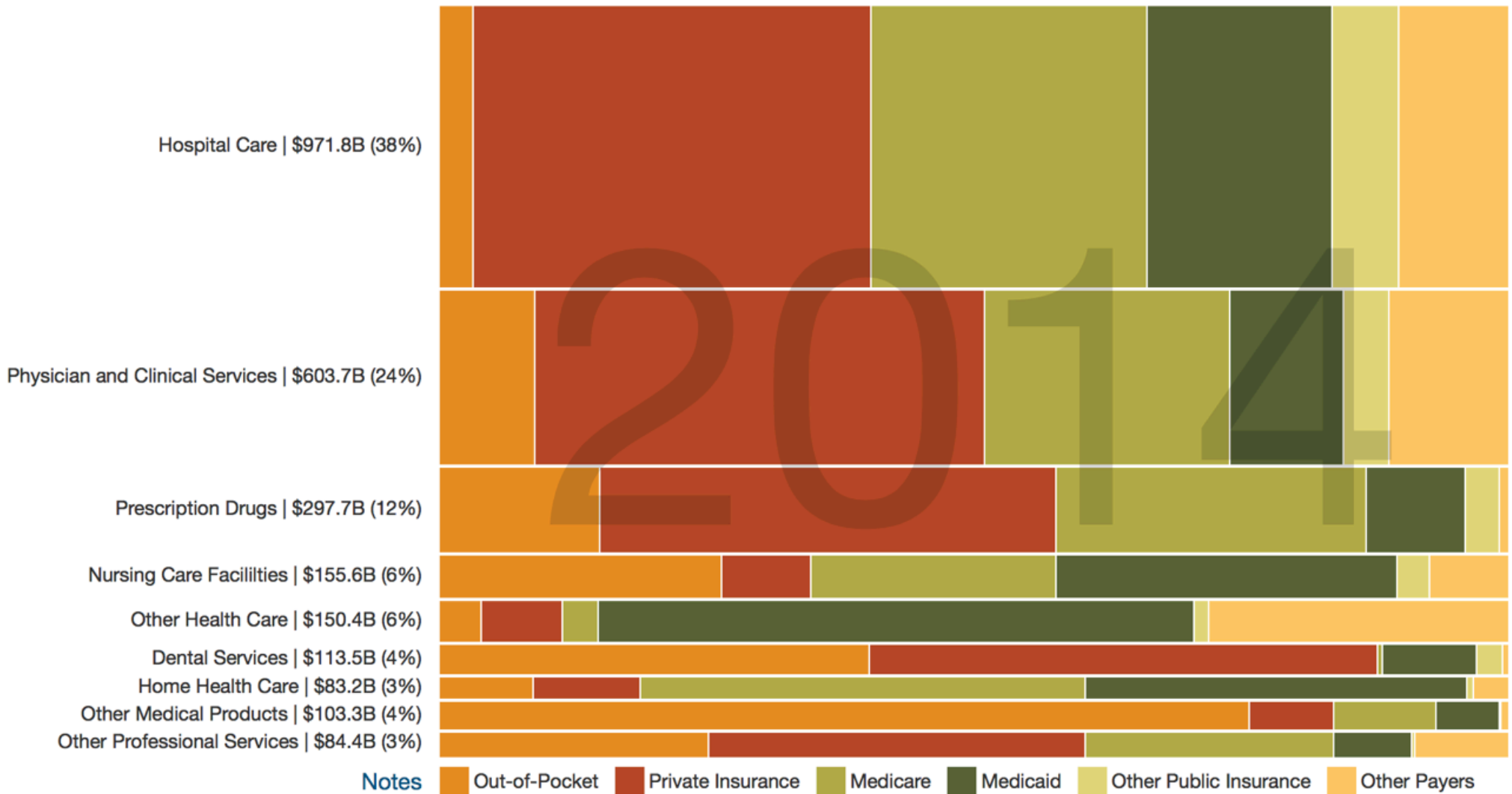


Two Virginia radiologists, backed by the Institute for Justice, a public interest law firm that focuses on individual liberty and limited government, sued state officials over the state's CON law in 2012.

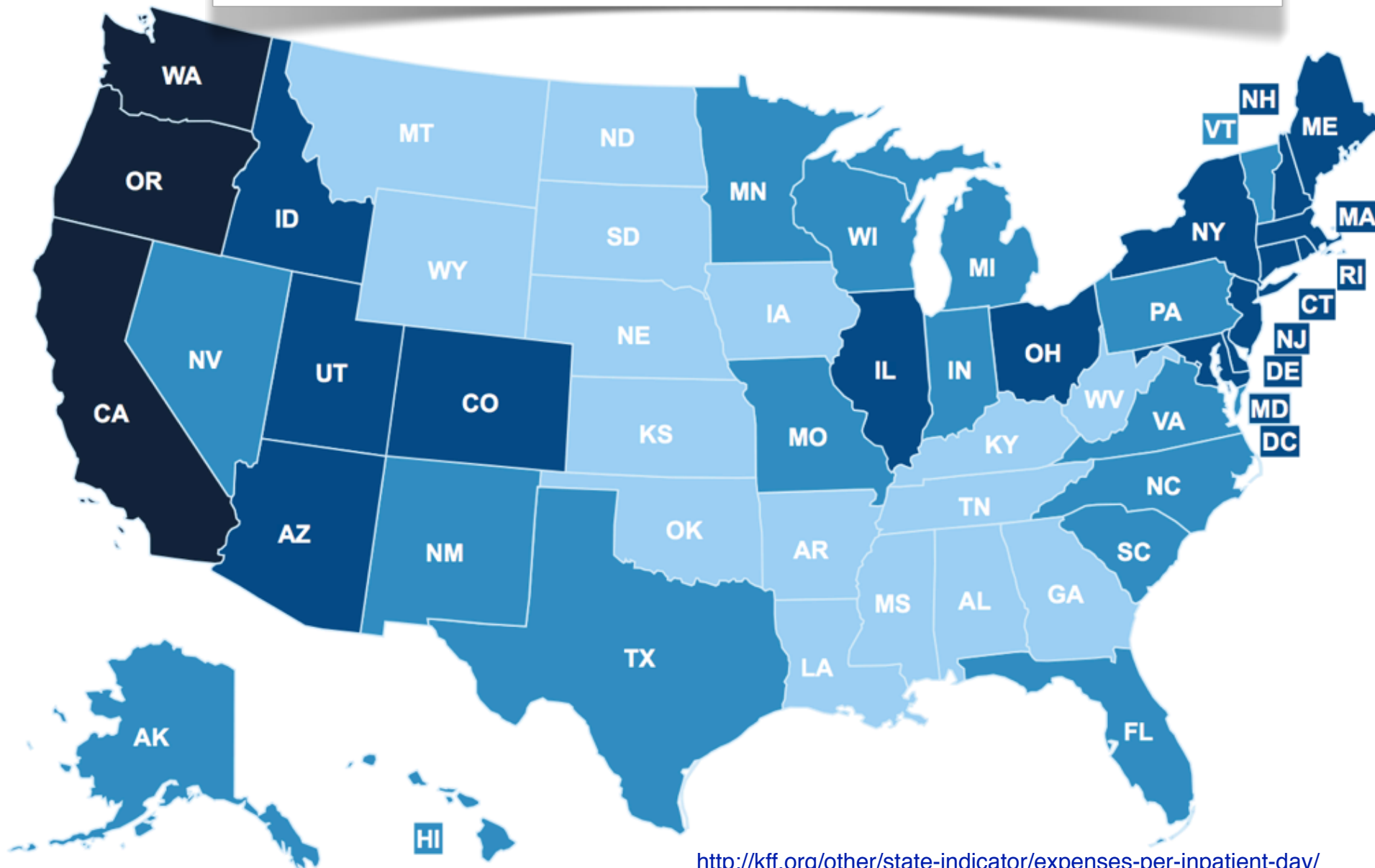
In January 2016, the 4th U.S. Circuit Court of Appeals ruled against the doctors.

US Health Care Spending: Who Pays?

Total 2014 Spending: \$2,563.600B



2014 Hospital Inpatient Annual Cost per Bed



<http://kff.org/other/state-indicator/expenses-per-inpatient-day/>

Data Source: The Henry J. Kaiser Family Foundation

Light Blue: \$1,294 - \$1,782

Medium Blue: \$1,878 - \$2,282

Dark Blue: \$2,321 - \$2,748

Black: \$3,146 - \$3,344

Average Annual Costs

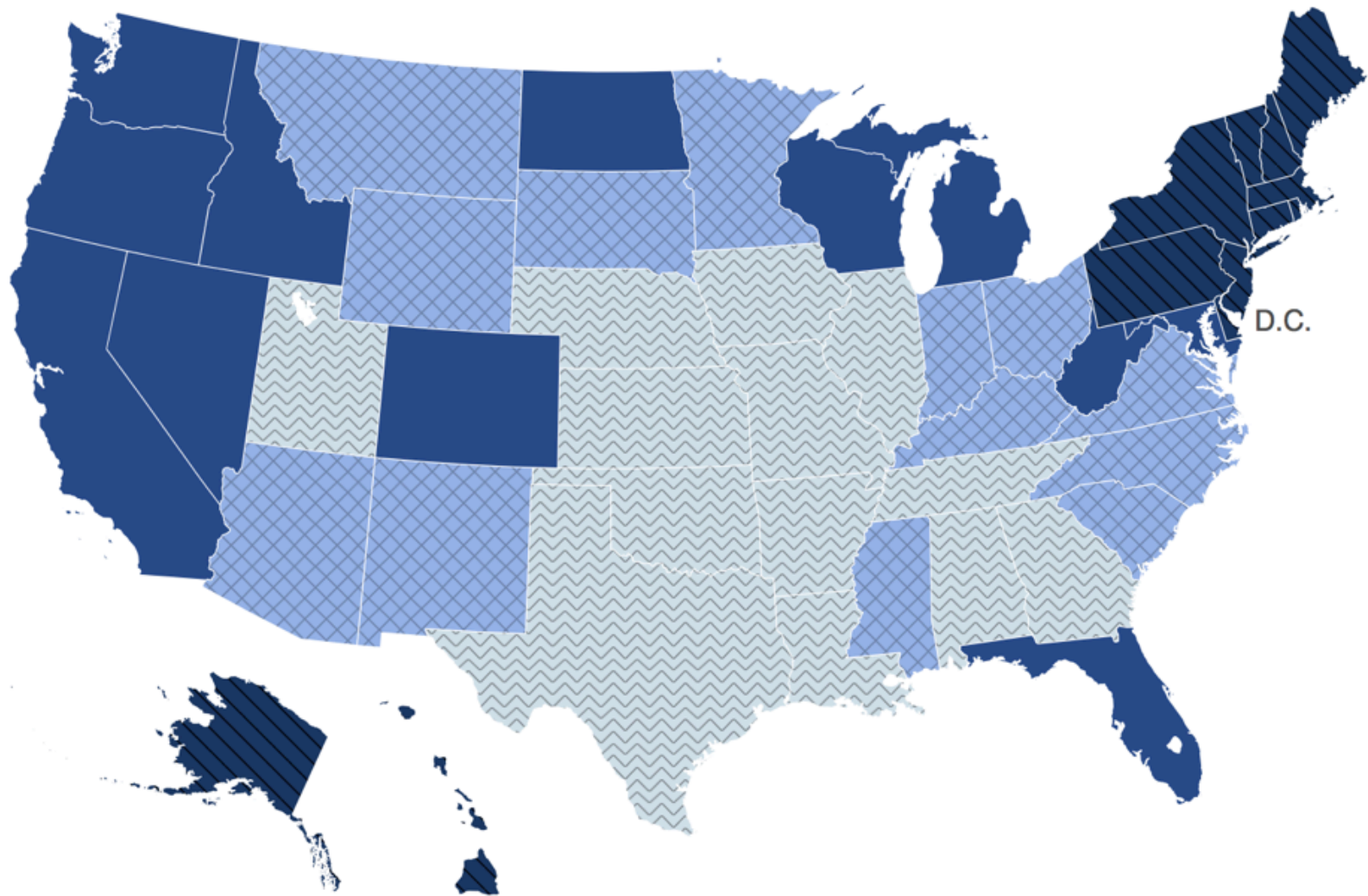
 \$47,538 - \$67,890 annually

 \$67,890 - \$74,460 annually

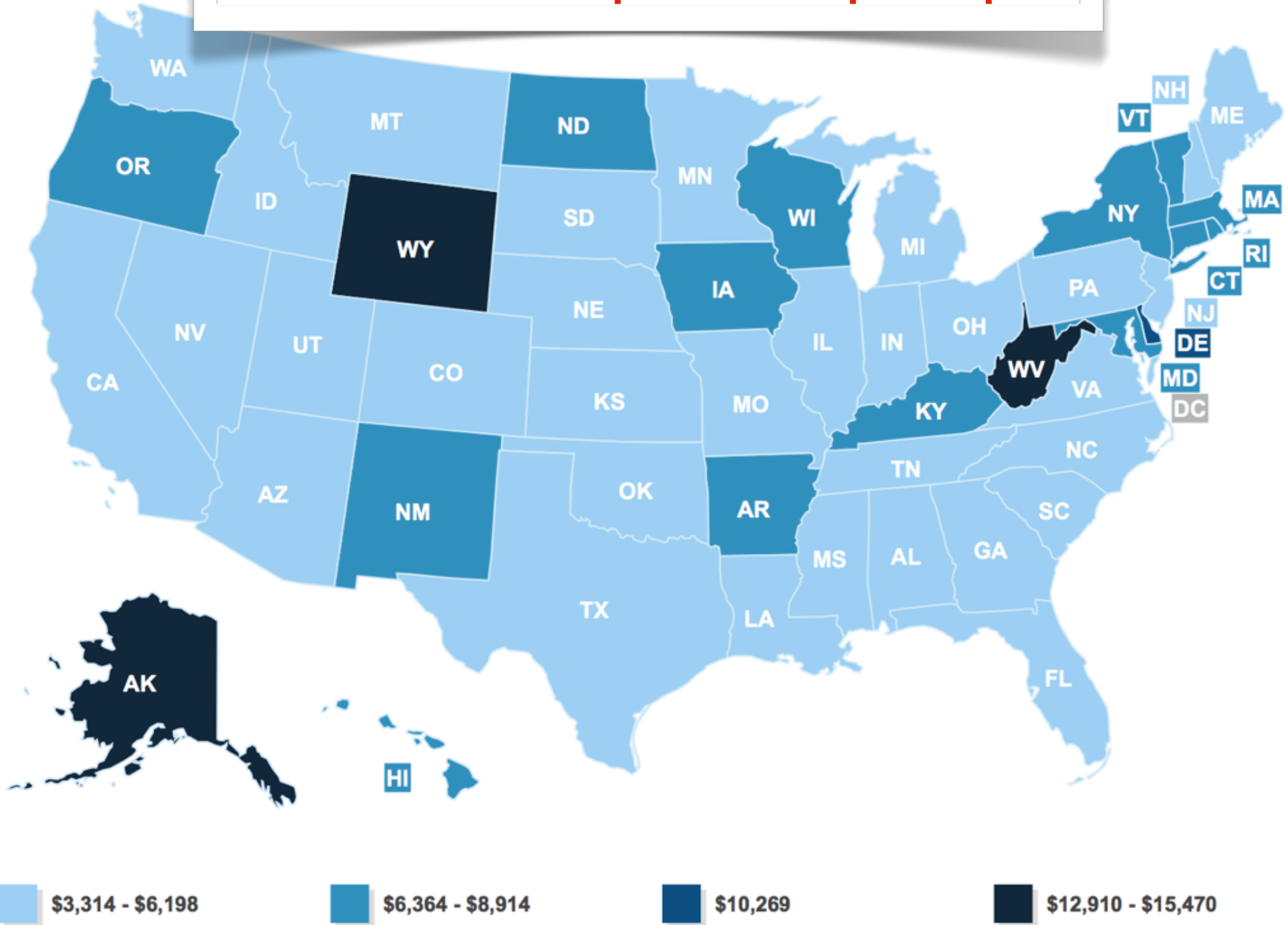
 \$74,460 - \$91,250 annually

 \$91,250 - \$270,845 annually

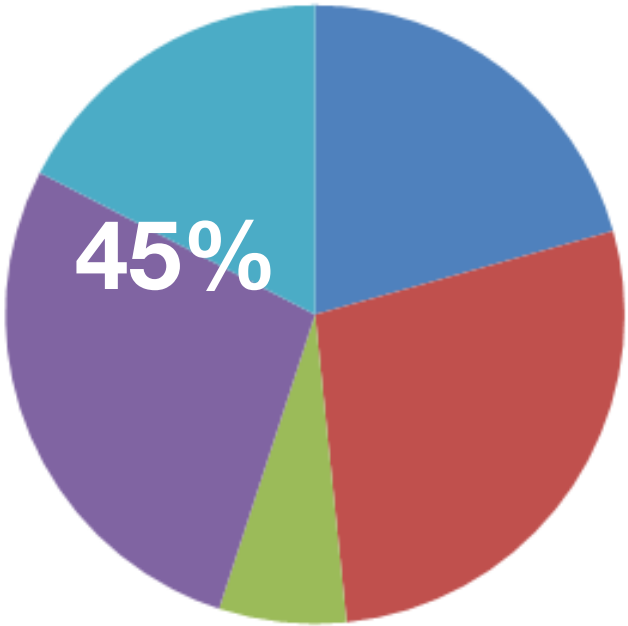
2013 Nursing Home Annual Cost per Bed



2014 Total State Expenditures per Capita

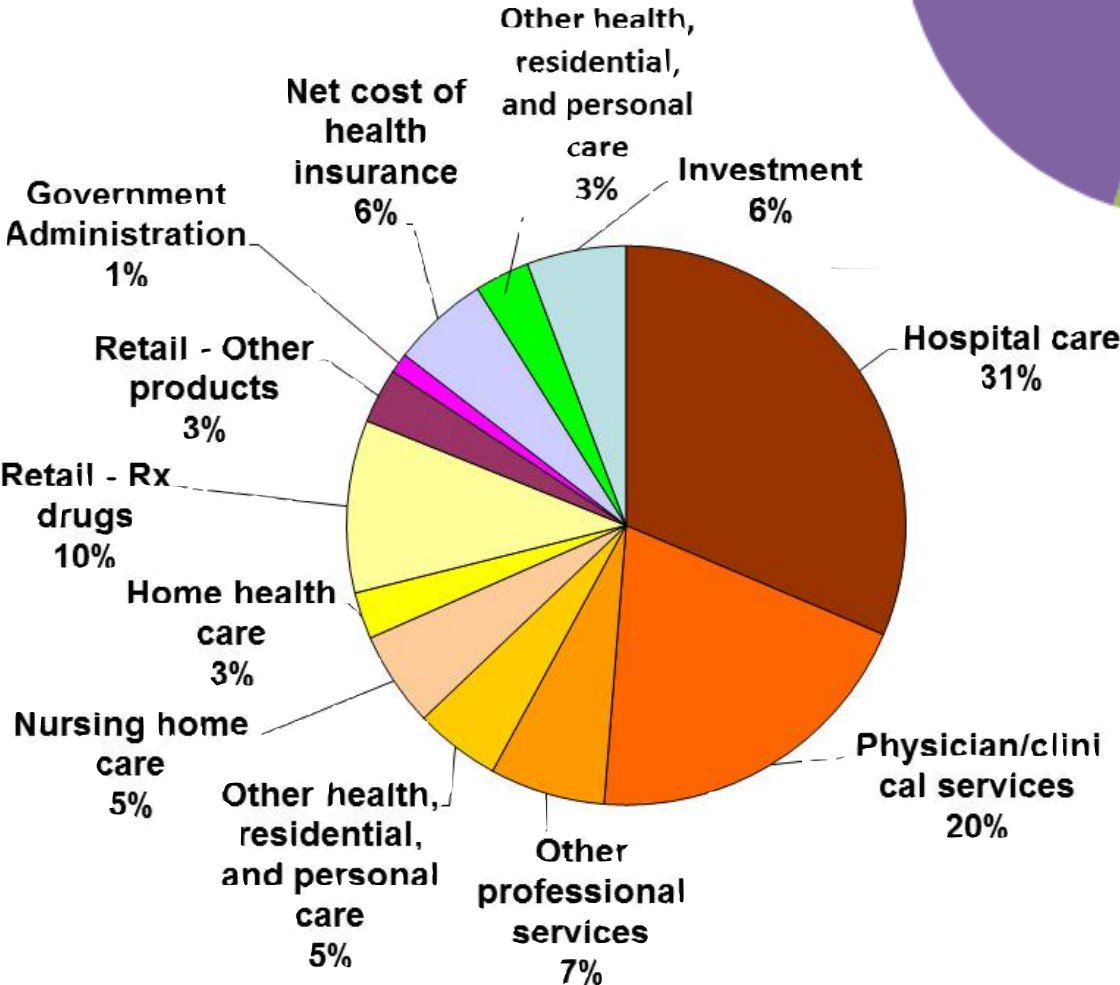


The \$2.7 Trillion Healthcare Pie



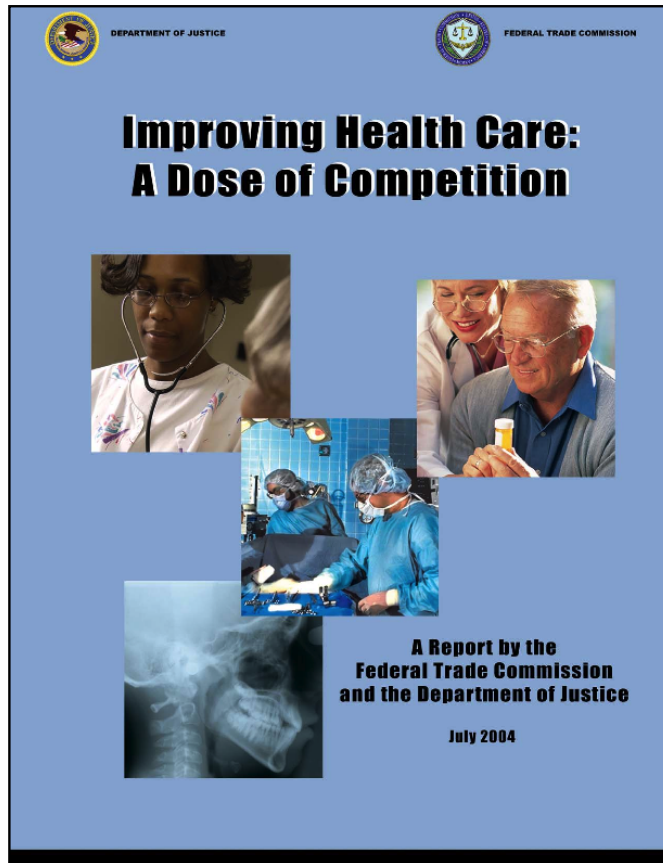
- Private Business, 20.6%
- Household, 27.7%
- Other Private Rev., 6.6%
- Federal Gov., 27.6%
- State & Local Gov., 17.4%

Source of data: CMS.gov



July 2004 FTC/DOJ Report & AHPA Critique

Improving Health Care: A Dose of Competition




The Federal Trade Commission
&
Certificate of Need Regulation

An AHPA Critique

January 2005

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 American Health Planning Association
... putting it all together

In 2016, legislative bills seeking to modify, add exemptions or repeal CON programs were filed in Florida, Georgia, Michigan, New Hampshire, New York, North Carolina, South Carolina, Tennessee and Virginia.



July 2004 FTC/DOJ Report

Specific Certificate of Need Message

Report encourages movement to a “consumer driven” health care system that relies on market forces to determine costs (prices), access, and quality; it clearly cautions against:

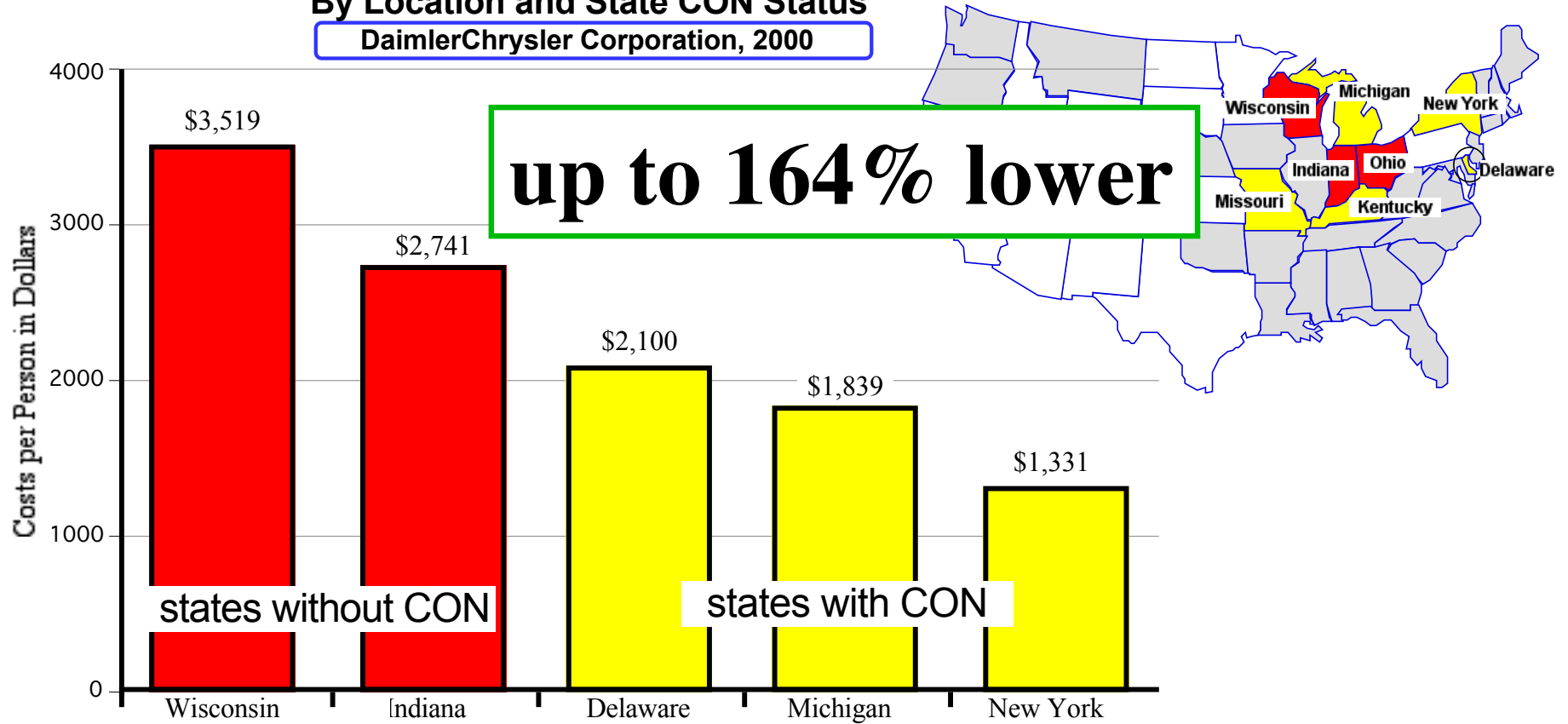
- CON regulation and health planning;
- Over-reliance on health insurance;
- The system-distorting effects of Medicare and other “administered pricing” schemes;
- Economic cross-subsidies within the system;
- Government-imposed service mandates;
- Attempting to control prescription drug prices;
- Permitting collective bargains by physicians; and
- Any other action or process that might limit competition or the full application of market forces.

“States with Certificate of Need programs should reconsider whether these programs best serve their citizens’ health care needs.”

“Healthy competition equals healthy consumers. Consumers want high-quality, affordable, accessible health care, and the challenge of providing it requires new strategies,” said FTC Chairman Timothy J. Muris

Big-Three Automakers Health Care Costs non-CON vs. CON states

Adjusted Health Care Cost Per Person
By Location and State CON Status
DaimlerChrysler Corporation, 2000



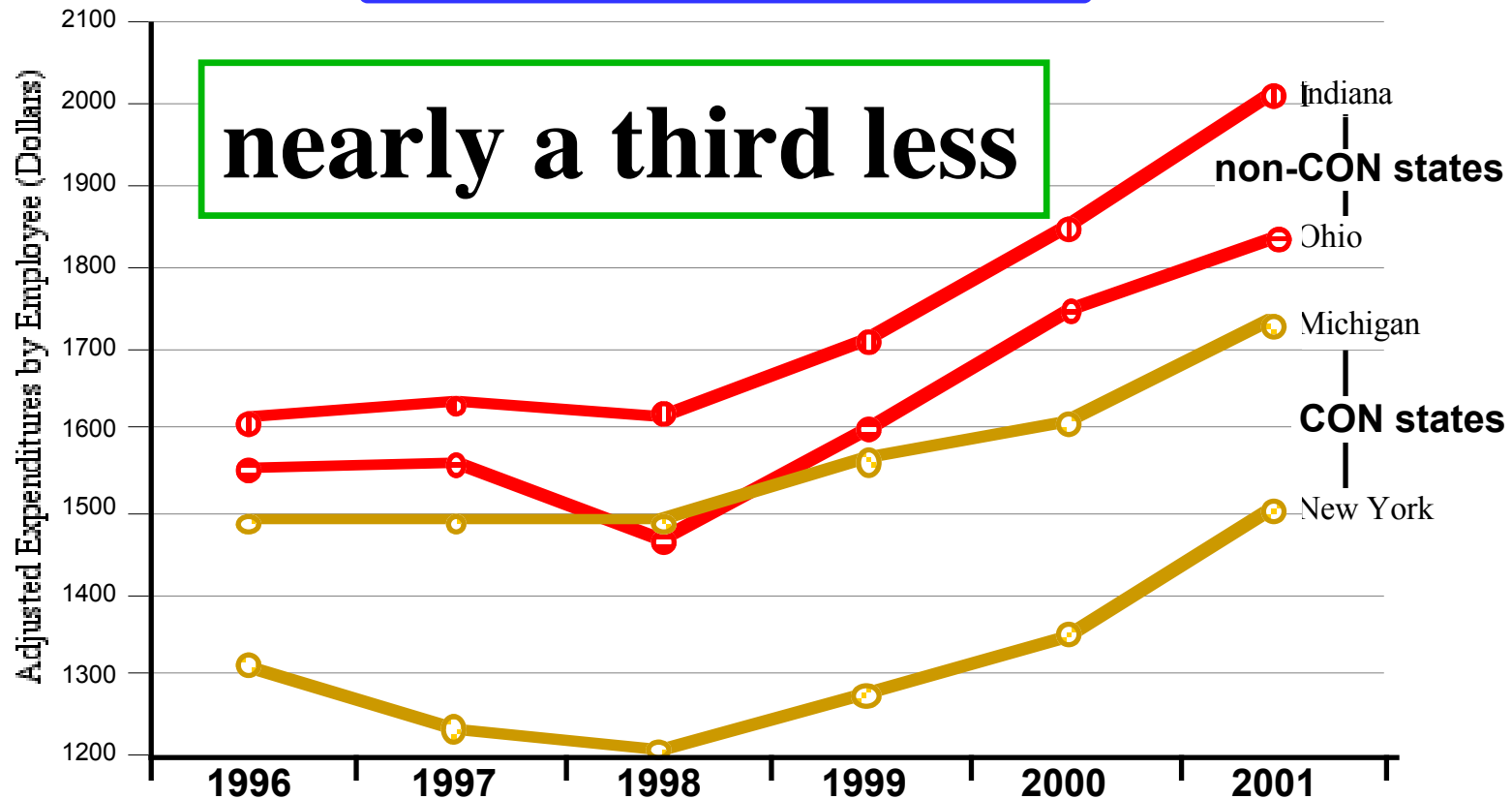
CON states have lower health care costs than non-CON states

Big-Three Automakers Health Care Costs

non-CON vs. CON states

Adjusted Health Care Expenditures Per Employee
By State and CON Regulation Status

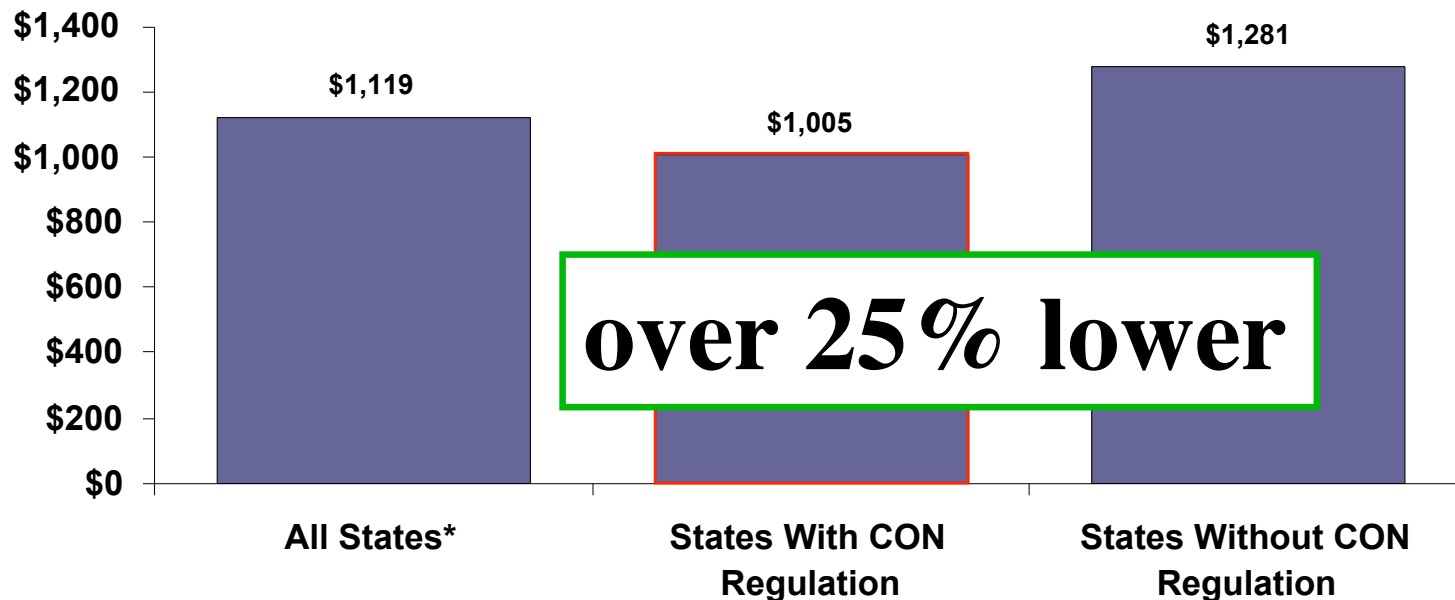
General Motors Corporation, 1996-2001



CON states have lower health care costs than non-CON states

Freestanding Ambulatory Surgery Center Charges non-CON vs. CON states

Ambulatory Surgery Centers
By State CON Regulation Status
Average Charge, 1999



CON states have lower freestanding ASC charges than non-CON states

**2014 Independent Assessment of the
Connecticut Department of Public Health, Office of Health Care Access
Certificate of Need and Supporting Programs
5 of 64 Recommendations (part 1)**

- In order to better measure the public quantitative need for CON reviewed facilities, equipment and services, the CON standards and guidelines in the Statewide Health Care Facilities and Services Plan should be expanded to include **population-based predictive formulas, unmet needs and surpluses** (*see Missouri CON standards for simplicity, the New York and Michigan CON standards for well-researched details, and the North Carolina State Medical Facilities Plan for statistical methodologies and conclusions*).
- In order to facilitate the updating of CON rules, add a new part to the executive summary of the Statewide Health Care Facilities and Services Plan which **highlights the recommended standards** for each facility and service category reviewed by the CON program.
- In order to better link potential CON conditions with the Statewide Health Care Facilities and Services and State Health Improvement Plans, establish a new chapter showing facilities and services **opportunities to meet unmet need or gaps in services**.

**2014 Independent Assessment of the
Connecticut Department of Public Health, Office of Health Care Access
Certificate of Need and Supporting Programs
5 of 64 Recommendations (part 2)**

- In order to provide opportunities for health care economic development in areas of unmet need, OHCA should update the CON regulated portions of the Statewide Health Care Facilities and Services Plan to include methodologies to **define specific needs** for facilities, equipment and services by type, volume and location.
- In order to stimulate community benefits, **selected conditions** should be placed on approved CON applications related to charity care, unreimbursed costs for means-tested government programs, subsidized health services, community health improvement services and benefits operations, research, healthcare professional education, community health needs assessments, and contributions to community groups *(see examples in New York, Michigan, Maryland and North Carolina)*.



Providers

Politicians

Education

Business

Civic Orgs

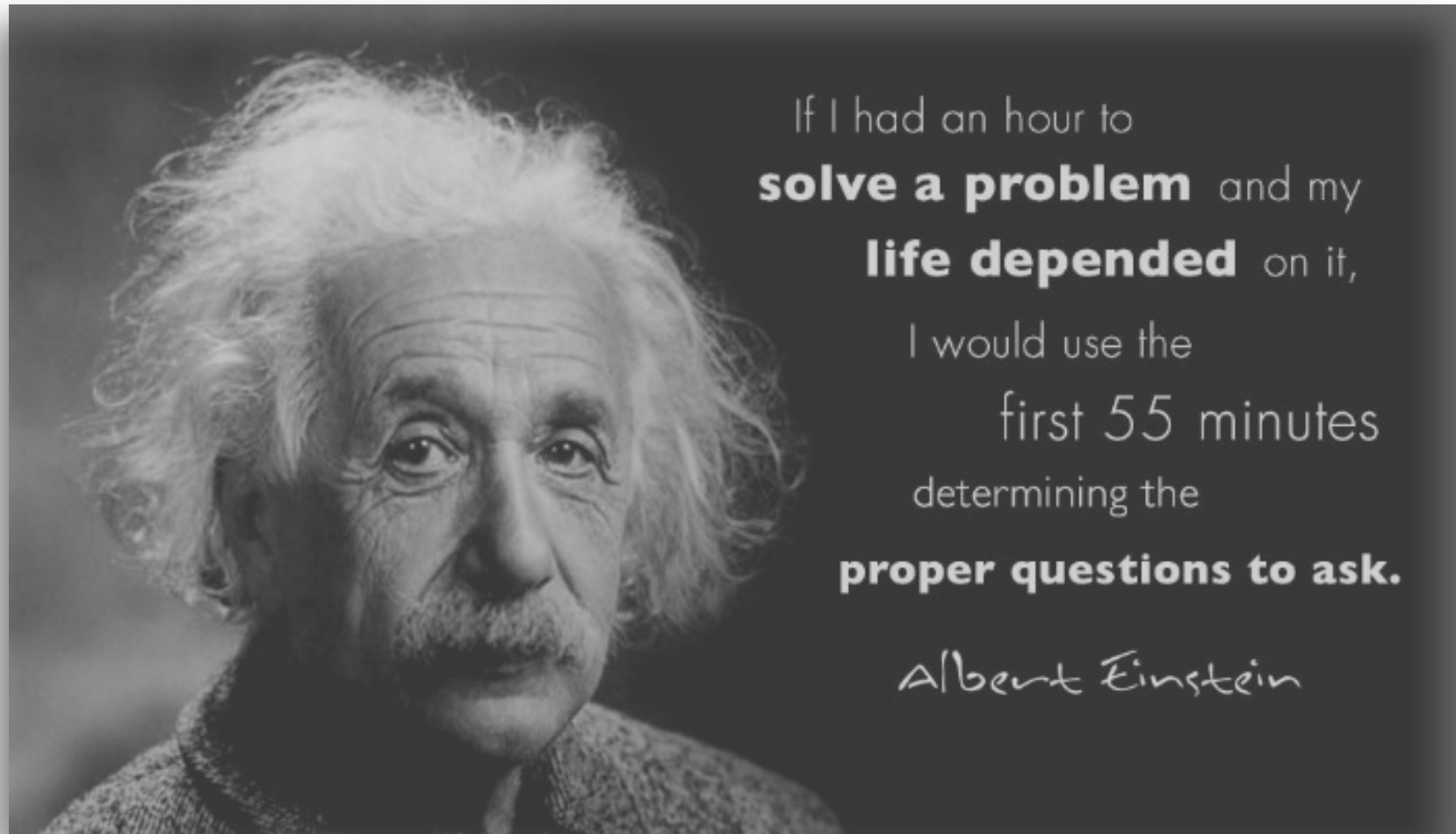
Government

Payers

Consumers

BALANCE

Thank you . . . questions?



If I had an hour to
solve a problem and my
life depended on it,

I would use the
first 55 minutes
determining the
proper questions to ask.

Albert Einstein