

# CON Revised Recommendations

Office of Policy and Management

November 21, 2016

# Presentation Overview

- Proposed Definition List
- Brief Reference to DPH Licensure Process
- Revised Recommendations
  - Actions Subject to CON
  - Application Criteria

# Quality Monitoring

## Office of Health Care Access (OHCA)

- Utilizes CON review at the time of application to ensure that established clinical guidelines and quality standards have been considered for the proposed project

## Facilities Licensing and Investigations Section (FLIS)

- Conduct licensure inspections and renewals to assess compliance with state statute and regulations
- Act as an agent of CMS in conducting certification inspections

# Quality Compliance

## Office of Health Care Access (OHCA)

- May add conditions to decisions, including post-transfer compliance monitoring
- Limited ability to assess penalties and no ability to terminate a CON

## Facilities Licensing and Investigations Section (FLIS)

- Issue of state violations, require plans of corrections
- Substantial failure to comply, may take action:
  - Revoke or suspend license
  - Censure licensee
  - Issue letter of reprimand
  - Place licensee on probationary status
  - Require regular reporting
  - Issue order to compel compliance

# FLIS Licensure

- Occurs at market entry
- Inspection activities include
  - Review of patient clinical records and interviews with patients/residents/client/individuals and family members or responsible parties to ensure quality care is being provided
  - Review of facility systems, physical plant, and staffing to ensure patients' health, safety, and welfare is not being jeopardized

# Revised Recommendations

# Acquiring Equipment

## Status Quo

CON review of:

- Scanners
- New Technology
- Non-hospital based Linear Accelerators

## Alternative 1

- Eliminate CON review for all equipment acquisitions
- Propose legislative remedy to restrict scanner self-referrals

## Alternative 2

- Maintain CON review for the acquisitions of scanners ONLY

# Acquiring Equipment – Application Criteria

1. Whether the proposed project is aligned with 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
2. Whether the applicant has satisfactorily demonstrated that the proposal will **not adversely impact the health care market** in the state and will improve quality, accessibility and cost effectiveness of health care delivery in the region
3. The applicant's **past and proposed provision of health care services to relevant patient populations and payer mix**, including whether the applicant has satisfactorily demonstrated how the proposal will provide access to services by Medicaid recipients and indigent persons
4. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the **patient choice of provider** in the geographic region



# Initiating Services/Increasing Capacity

## Status Quo

CON review of:

- New Hospitals
- New Specialty Hospitals
- New Freestanding EDs
- New Outpatient Surgical Facilities
- New Mental Health Facilities
- New Substance Abuse Treatment Facilities
- New Cardiac Services
  
- New Central Service Facilities
- Increased Licensed Bed Capacity
- 2 or More Operating Rooms in a 3-year Period

## Majority Option

Maintain CON Review of:

- New Hospitals
- New Specialty Hospitals
- New Freestanding EDs

## Alternative 1

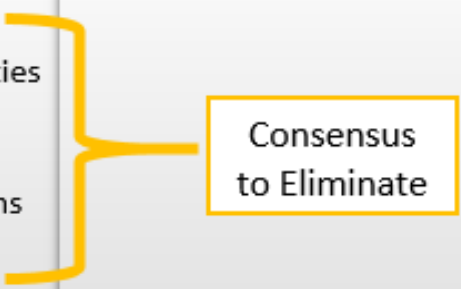
Maintain CON review of:

- New Hospitals
- New Specialty Hospitals
- New Freestanding EDs
- New Outpatient Surgical Facilities
- New Cardiac Services

## Alternative 2

Maintain CON review of:

- New Hospitals
- New Specialty Hospitals
- New Freestanding EDs
- New Outpatient Surgical Facilities
- New Mental Health Facilities
- New Substance Abuse Treatment Facilities
- New Cardiac Services



Consensus to Eliminate

# Initiating Services/Increasing Capacity— Application Criteria

1. Whether the proposed project is aligned with 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
2. Whether the applicant has satisfactorily demonstrated that the proposal will not adversely impact the health care market in the state and will improve quality, accessibility and cost effectiveness of health care delivery in the region
3. The applicant's **past and proposed provision of health care services to relevant patient populations and payer mix**, including whether the applicant has satisfactorily demonstrated how the proposal will provide access to services by Medicaid recipients and **indigent persons**
4. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the **patient choice of provider** in the geographic region

# Terminating Services

## Status Quo

CON review of terminating:

- Hospital EDs
- Hospital Inpatient/Outpatient Services
- Hospital Mental Health/Substance Abuse Services
- Surgical Services at an Outpatient Surgical Facility

## Majority Option

Maintain CON review of terminating:

- Hospital EDs
- Hospital Inpatient/Outpatient Services
- Hospital Mental Health/Substance Abuse Services

# Reduction of Services

- **Termination:** the operational discontinuance or elimination by a health care facility, excluding affiliates, of a health care service with the exception of the merger, transfer or relocation of health care services where there has not been a substantial change in the payor mix or the population served. A temporary suspension of health care services lasting six months or less shall not be considered a termination.
- **Relocation:** the movement of a health care facility from its current location to a new location when the payer mix and population served are not substantially changed.
- **Reduction:** any modification to a health care service by a hospital that, independently or in conjunction with other modifications or changes, results in a fifty-percent or greater decrease in the availability of the health care service or reduces the service area covered by a hospital

# Terminating Services— Application Criteria (1)

1. Whether the proposed project is aligned with 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
2. Whether the applicant has satisfactorily demonstrated that the proposal will not adversely impact quality, accessibility and cost effectiveness of health care delivery in the region
3. The applicant's **past and proposed provision of health care services to relevant patient populations and payer mix**, including whether the applicant has satisfactorily demonstrated how the proposal will provide access to services by Medicaid recipients and **indigent persons**
4. Whether the applicant has satisfactorily identified the population that **currently utilizes** the service proposed for termination and satisfactorily demonstrated that the identified population has access to alternative locations in which they may be able to obtain the services proposed for termination

# Terminating Services— Application Criteria (2)

5. The utilization of existing health care facilities and health care services in the service area of the applicant
6. Whether the applicant, if the proposed termination will result in reduced access to services by Medicaid recipients or indigent persons or is located in a geographic area that is underserved or has reduced access to specific types of health care services, 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
7. Whether the applicant has satisfactorily demonstrated that the proposal will not negatively impact the **patient choice of provider** in the geographic region

# Transfers of Ownerships

## Status Quo

- CON review of transfers of ownerships of all health care facilities
- Expanded CON review (cost and market impact review, mandatory public hearings, stronger application criteria, post-transfer compliance monitoring) of certain hospital transfers of ownership

## Majority Option

- Apply CON review to hospital acquisition of health care facilities only
- Apply hospital acquisition of health care facilities cost and market impact review, mandatory public hearings, stronger application criteria, post-transfer compliance monitoring
- Expand hospital transfer of ownership provisions to apply to all hospital mergers and acquisitions (not just those involving for-profit entities and larger hospital systems)
- Impose consequences for non-compliance with post-transfer conditions

## Conversions

### Consensus

Maintain current requirement for non-profit hospitals converting to for-profit entities and maintain the AG's role in protecting charitable assets.

## Actions Subject to DSS CON

### Majority Option

- Maintain CON review for all actions other than the establishment of new CCFs
- Conduct periodic review of NH moratorium
- Allow nursing homes to relocate/build new facilities without adding beds