



**TESTIMONY OF
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CONNECTICUT HOSPITAL ASSOCIATION
BEFORE THE
PUBLIC HEALTH COMMITTEE
Monday, March 20, 2017**

**SB 795, An Act Establishing The Office Of Health Strategy And Improving The
Certificate Of Need Program**

Good Afternoon. My name is James D. Iacobellis, and I am the Senior Vice President, Government and Regulatory Affairs, Connecticut Hospital Association (CHA). I am here today to testify in opposition to **SB 795, An Act Establishing The Office Of Health Strategy And Improving The Certificate Of Need Program**.

Before commenting on the bill, it's important to point out that Connecticut hospitals provide high quality care for everyone, regardless of ability to pay. Connecticut hospitals are finding innovative solutions to integrate and coordinate care to better serve patients and communities, as well as achieve health equity. These dynamic, complex organizations are working to build a healthier Connecticut. That means building a healthy economy, community, and healthcare system. By investing in the future of Connecticut's healthcare and hospitals, rather than continuing to cut away at them, we will strengthen our economy, put communities to work, and deliver affordable care that Connecticut families deserve.

Section 1 of SB 795 establishes the Office of Health Strategy, which will align state healthcare planning functions and streamline accountability for the implementation of healthcare reform strategy. CHA supports the establishment of the Office of Health Strategy.

SB 795 also makes significant modifications to the Certificate of Need (CON) program overseen by the Office of Health Care Access (OHCA). CHA opposes Sections 2-14, inclusive, as written.

At the outset, it is important to emphasize that we appreciate the work of the Governor's CON Task Force and, most specifically, the work and collaborative atmosphere promoted by Lt. Governor Nancy Wyman throughout the Task Force's deliberations.

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 CON program, when fairly implemented, plays an important role in achieving these goals.

CON, when administered effectively, safeguards the public's need for access to high quality health services, prevents unnecessary duplication of services, and sets a level playing field for deployment of healthcare resources in a financially responsible way.

CHA supports a CON program that strives to achieve these goals, but cannot support regulatory burdens that will not improve quality or access to care.

CHA has the following overarching concerns with SB 795, as written:

- As drafted, SB 795 deletes the requirements that OHCA determine whether there is a clear “public need” for the facility or services being proposed by the applicant. This deletion creates a new focus on market regulation, and makes the statute unreasonably vague, creating confusion for applicants and also decoupling the CON laws from the most important core element for the review process: need.
- As proposed, the CON program does not treat all providers and entities, including insurance companies, equally. For example, a hospital would be required to obtain a CON if it intends to purchase a large medical group. No other provider or entity, including an investment firm or multi-state for-profit management company that intends to purchase or control a large physician practice, would have to meet similar requirements. In addition, the modifications to the CON program would eliminate the state's oversight on significant types of specialty hospitals.
- As proposed, the CON program increases regulation of hospitals. For example, SB 795 adds a significant new requirement that hospitals obtain a CON if they “reduce” a service – with a definition that makes it virtually impossible for a hospital to know when it needs to obtain a CON. The bill would make it overly burdensome to discontinue a service that is not needed or cannot be practically sustained. In addition, SB 795 creates definitions for the cost and market impact review that are so unclear that an applicant would never be able to comply reasonably.
- As proposed, SB 795 takes a step back in OHCA's ability to ensure the quality of care in certain circumstances. For example, SB 795 removes from CON the requirement that a CON be obtained for the establishment of cardiac services.

Hospitals are the cornerstone of their communities. They provide good jobs and are a literal lifeline to the people we serve. We need healthcare policies that are sustainable and improve the quality and access to care, not more regulation on top of excessive taxes that are just bad policy.

We need you to preserve healthcare in Connecticut, and stand ready to work with you. Thank you for your consideration of our position.