Connecticut’s Certificate of Need Program

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Office of Health Care Access
Mission Statement

• To ensure that the citizens of CT have access to a quality health care delivery system
• Advise policy makers of health care issues
• Inform the public and industry of statewide and national trends
• Design and direct health care system development
• Implement and oversee health care reform
OHCA’s Major Functions

- Administration of CON program
- Health care data collection, analysis and reporting
- Hospital financial review and reporting
- Statewide Facilities and Services Plan
- Health Care Reform

CON Authorization Required Prior to 10/1/10

For Health Care Facilities:

- Transfer of ownership or control
- Additional function or service
- Termination of a service
- Reduction in total bed capacity
- Capital Expenditure and Major Medical equipment exceeding $3 million

For any person or provider:

- Acquisition of equipment: CT, PET, PET/CT, MRI, linear accelerator, new technology to the state
Historical CON Volumes

- 46 Imaging applications from FYs 2008-2010: 12 in FY 2010
- 22 Termination of service applications from FYs 2008-2010: 9 in FY 2010
- 10 Transfer of ownership applications from FYs 2008-2010: 3 in FY 2010
- 9 Ambulatory Surgery Center applications from FYs 2008-2010: 2 in FY 2010

CON Process Prior to 10/1/10

- Letter of Intent filed: OHCA notified and submitted payment to newspaper in area
- CON application filing period 60-120 days: Filing fee calculation based on total capital expenditure; flat $400 fee for imaging
- Completeness review period: 10 business days for OHCA; no timing requirement for facility
- If required or requested, hearing scheduled on average within 30 days of completed application
- Decision rendered within 90 days of completed application
CON Exempt Registered Facilities prior to 10/1/2010:

• Clinical labs
• Outpatient dialysis centers
• Home health agencies
• Nursing & rest homes
• DCF-funded or licensed programs
• DMHAS-funded programs
• Community health centers
• School-based health centers
• Certain outpatient rehabilitation agencies

CON Waivers Prior to 10/1/2010

• Electronic medical records systems
• Parking lots/garages and land
• Renovations within clinical areas (no new services)
• Non-medical equipment (i.e., chillers, HVAC)
• Replacement of specific imaging equipment or linear accelerators when below $3M and already has CON authorization or a CON determination
• Certain relocations of hospital services within primary service area
• Establishment of a medical foundation
Purpose of CON Reform Law Effective 10/1/2010

- Align health care resources with the needs of the community
- Align with Federal Health Care Reform in supporting the development of a patient-centered integrated delivery system
- Simplify CON procedural requirements
- Focus CON oversight to preserve access to “safety net” services and potential areas of over-utilization
- Improve CON criteria to address the financial stability of the health care delivery system and improve quality of patient care

New CON Process

- No Letter of Intent phase
- Application fee is a flat cost of $500
- Applicant shall publish notice of CON 20 days prior to submission of application
- OHCA publishes notice of application on website and CT Law Journal
- OHCA has 30 days to review application and request additional information
- Applicant has 60 days to submit requested information or application is withdrawn
- OHCA notifies Applicant of application being complete and posts on website
- Decisions continue to be made within 90 days
- Public Hearings continue to exist (3 or more individuals ... must be requested within 30 days of application completion)
- CON valid for two years ... reasonable extension/good-faith effort
- Remove “exemption” and “waiver” processes
- Remove registry process and create inventory of facilities, services and equipment
Major CON Reform

No CON for the following:

• New or additional services (only establishment of health care facility)
• Termination of services (except for ED and behavioral health)
• Any Capital Expenditures (Facility Projects)

CON is now required for:

• Establish new health care facility;
• Transfer of ownership of a health care facility;
• Establish an outpatient surgical facility;
• Increase in licensed bed capacity;
• Increase of two or more ORs within any 3 year period
• Establish Freestanding Emergency Dept. or terminate an Emergency Dept.;
• Terminate hospital inpatient or outpatient behavioral health services;
• Establish inpatient or outpatient cardiac services;
• Acquisition of imaging equipment;
• Acquisition of equipment utilizing technology that has not previously been utilized in the state; and
• Acquisition of non-hospital based linear accelerators.
Projected CON volume

- Total annual CON applications with reform is estimated at 25-30
- 50% reduction in CON applications filed
- Majority of applications projected to be imaging, transfers of ownership or affiliations, and new health care facilities (i.e. hospitals, joint ventures, freestanding EDs, outpatient surgical facilities, central service facility, mental health and/or substance abuse facility)

CON is not required for:
New exemptions/exclusions

- Replacement of imaging equipment (must have a CON or DTR on file)
- Hospice
- Transplant services
- Free clinics
- Non-Profit facility or provider that has a contract with, or is certified or licensed to provide a service for, a state agency
- Acquisition of cone-beam dental imaging equipment
- Termination of hospital inpatient/outpatient services
- Termination of some/all services provided by surgical facility
- Termination of services which DPH requested license to be relinquished
- Relocation of facilities if demonstrated that population and payer mix will not substantially change
- Termination of service notification
CON is not required for:
Continued exclusions

- HCF owned and operated by federal government
- Establishment of private physician office
- HCF operated by religious group
- Residential care homes, nursing homes and rest homes
- ALSAs
- Home health agencies
- Outpatient rehabilitation facilities
- Outpatient chronic dialysis services
- School-based health centers, community health centers, for-profit outpatient clinics, and FQHCs
- DCF licensed or funded programs (not PRTFs)
- HCF operated by nonprofit educational institution exclusively for students, faculty and staff
- Outpatient clinic operated exclusively by a municipality/board of education
- Residential facility for the mentally retarded

New CON Criteria

- Demonstrate a clear public need for the facility/service;
- Consistent with the Statewide Facilities & Services Plan;
- Demonstrate how it will impact the financial strength of the health care system in the state;
- Demonstrate improvement to quality, accessibility and cost effectiveness of health care delivery in the region;
- Past and proposed provision of services to relevant patient populations and payer mix;
- Identify population to be served by project and its need for proposed services;
- Utilization of existing health care facilities and services in service area; and
- Demonstrate that it will not result in unnecessary duplication.
Cardiac Review Criteria

- Access to existing cardiac services in area
- Existing provider capacity in the area
- Availability of physician coverage
- Agreements with tertiary care facilities for back-up coverage and/or expertise
- Historical and projected service volume
- ACC/AHA recommended guidelines for catheterization, angioplasty, and open-heart

Imaging Review Criteria
New Scanner

- Where patients are currently receiving their imaging services
- Existing providers in the area
- Capacity of the existing scanners in the area
- Impact of the proposed scanner on existing providers
- Historical and projected facility/practice volume
- Projected three year scanner utilization with reasonable assumptions
- If available, market share analysis (population based, scan/1000)
Imaging Review Criteria

Additional Scanner

- 3 year historical annual utilization (for hospitals by I/P, O/P and ED)
- Capacity of the existing scanner
- Hours of operation of the existing scanner
- Existing providers in the area
- Impact of the additional scanner on the existing providers
- Projected three year utilization with reasonable assumptions

Proposed Imaging Standards

- 7,000 annual CTs per hospital scanner
- 6,000 annual fixed hospital MRIs per hospital scanner
- 3,000 annual CTs and MRIs per scanner for mobile/physician units
- 1,200 annual PET/CTs per scanner
- Existing providers’ scanners at 85% capacity
- Accreditation within 12 month period
- On-site/Full-time board-certified physician supervision
- ACR Practice Guideline for Diagnostic Reference Levels in Medical X-Ray Imaging
- Other considerations: research, underserved, geography
State Imaging Utilization per Population

• 306 CT scans per 1,000 population
• 82 MRI scans per 1,000 population
• 8 PET scans per 1,000 population

Note: State level total Medicare utilization of a modality = State Medicare Part B fee-for-service utilization * (#Medicare enrollees in state/#Medicare Part B FFS enrollees)

Source: US Census, CMS website, Medicare Physician Supplier Procedure Summary database 2007

CON and Planning

• Reactive and Competitive vs. Proactive and Collaborative
• Provides guidance and context to decisions
• Development of standards, guidelines and methodologies
• Establishment of an inventory of facilities, services and equipment in CT
• Analyzing disease incidence and prevalence and service capacity and regionalization
• Identifying unmet needs of populations and gaps in access to services
• Projecting future demand for specific services
CON and Health Care Reform

- Volume-driven vs. Value-driven
- Allows providers to more rapidly respond to payment reform pilots and unmet need in the system
  - expansion of services and technology to enhance system development
  - increased collaboration and alliances amongst providers
- Provides opportunity to improve system performance and health status
- Allows for care coordination
- Ability to monitor access to services

OHCA’s website

www.ct.gov/ohca