

**Certificate of Need Task Force
Minutes
July 18, 2016**

Members Present: Lieutenant Governor, Nancy Wyman (Chair); Commissioner Raul Pino (Department of Public Health); Commissioner Roderick Bremby (Department of Social Services); John Canham-Clyne (Unite Here Union); Tekisha Everette (Health Equity Solutions); Anne Foley (Office of Policy and Management); Gary Havican (Middlesex Hospital); Fred Hyde (Columbia Business School/ Consultant); Alan Kaye (Radiological Society of CT); Margaret Morelli (Leading Age); Robert Patricelli (Women's Health USA), Gary Price (Center for Aesthetic Surgery); Jennifer Smith (SEIU District 1199); Jeff Walter (CT Non-profit Alliance); Joseph Wankler (ConnectiCare); and David Whitehead (Hartford Health Care)

Members Absent: Keith Stover (CT Association of Health Plans)

Meeting called to order at 1:03 p.m. by Chair, Lt. Governor Nancy Wyman

- I. **Welcome and Introduction of Members:** Members introduced themselves.
- II. **Public Comment:** One individual provided [public comment](#).
 - Arvind Shaw, CEO of Generations Family Health Center serving Eastern Connecticut, encouraged members of the Task Force to consider the effects of regulation on population health especially as it relates to rural portions of the state. He noted the following about the state of Eastern Connecticut's health care system: (1) the disease burden and premature death rates for Windham county in comparison to other parts of Connecticut; (2) the lack of primary care providers and resultant increase in utilization of emergency room services; (3) lack of transportation options for many residents and the concurrent need for services off bus lines for those residents that are able to drive; and (4) patient safety and the unintended consequences of state budget cuts of Eastern Connecticut. He concluded by urging Task Force members to consider the need for policy that ensures health equity.
- III. **Approve May 16, 2016 Meeting Minutes.** Approval of the May 16, 2016 [minutes](#) was properly moved by Gary Havican and seconded by Anne Foley. Minutes were approved unanimously on a voice vote.
- IV. **Presentation of Member Survey Results and Research Findings:** Melissa Morton, Planning Analyst, Office of Policy and Management provided a [presentation](#) on the results of a survey of Task Force members conducted by OPM after the May meeting to develop a baseline for where task force members currently stand on the key principles of the CON program in order to facilitate group discussion. Key results presented include:
 - Members of the Task Force agree that Connecticut should have a CON program or other regulatory process in place to shape the state's health care system but are mixed as to the individual factors (access, quality, cost, planning need and competition) that should be the goal of such regulation.
 - Research findings for many functions of CON programs are mixed, with arguments being found both in support and opposition to having CON laws and their effectiveness in regulating specific areas of health care.
 - Task Force members will need to discuss the purpose of CON and what factors (access, quality, cost, planning, need and competition) Connecticut should regulate based on the state's health care system, market forces and available data.

Melissa Morton concluded the presentation by charging members with agreeing on answers to the following questions:

- Is a CON Program or other regulation needed to achieve all desired outcomes or can free market forces achieve some ends?
- What goals should regulation achieve?
- What factors does regulation need to focus on in order to achieve the established goals?

V. Presentation on Health Care Costs: Zack Cooper, Assistant Professor, Public Health Institute for Social and Policy Studies, Yale University gave a [presentation](#) on the effect of consolidation of hospitals and insurance companies on health care costs. Professor Cooper shared his views and recommendations Certificate of Need programs. Highlights of the discussion following the presentation include:

- Robert Patricelli encouraged Task Force members to look at the full range of regulatory options available and not limit ourselves to CON and shared his view that the state remove corporate practice in medicine laws.
- Professor Cooper noted that his preliminary research indicates hospitals that received a one-time influx of Medicare dollars used the money to hire new staff, acquire new equipment, and increase administrative salaries. Political contributions also went up.
- There was discussion around the ability of anti-trust laws to address areas of health care other than price, such as matters of health equity and the other limitations that come with relying on anti-trust to regulate the health care market.
- There was a question around specific examples of innovation that were prohibited from entering Connecticut due to current CON laws. Mag Morelli pointed out that innovation in the nursing facility market (such as implementing Green Houses) may be hindered by CON.

VI. Health Care Cabinet, Cost Containment Study Update: Vicki Veltri, Chief Health Policy Advisor, Office of the Lieutenant Governor, provided a brief update on the Cost Containment study being conducted by the Health Care Cabinet with the assistance of consultant Bailit Health. Highlights of the presentation include:

- At the July Health Care Cabinet meeting, Bailit presented a [straw model](#) to be used to spark conversation among cabinet members to help facilitate final recommendations. Vicki Veltri invited CON Task Force members to provide feedback on the straw model and direct any questions regarding the work of the Cabinet to her directly. Lieutenant Governor Wyman agreed to add CON Task Force members to the Health Care Cabinet distribution list.

VII. OHCA Presentation on CON Process and the Hospital Landscape in Other States: Hilary Style, Project Manager and Jessica Schaeffer-Helmecki, Planning Analyst, Office of Health Care Access provided a [presentation](#) on the key features of CON programs in 8 states selected based on the (1) robustness of their CON program; (2) unique program features; (3) availability of information; and/or (4) comparability to Connecticut. Key findings of the research include:

- Each of the eight states has a CON review program that is triggered by varying actions. Equipment, capital expenditures over a set threshold, nursing homes, hospital transfers of ownership, and establishing or expanding a hospital services are most commonly reviewed actions. Terminations and reductions in services are more rarely reviewed.
- Most states interviewed house their CON program within the state Health Department and engaged in proactive health facility planning.
- The majority of interviewed states use “batching” or a grouped review for at least some types of applications.
- *Discussion:* (1) Fred Hyde stressed the need for robust data sharing in order to make decisions regarding the state’s health care system. OHCA staff suggested researching the Massachusetts

model as they have strong data sharing protocols and clarified that the agency receives a great deal of information from the hospitals and the Connecticut Hospital Association, including CHIME data. OHCA does not receive any data related to cost; (2) John Canham-Clyne asked how the data Connecticut collects compares to the type and level of data collected by states determined to have “robust” data sets. OHCA agreed to do this comparison and report back to the Task Force; (3) a few Task Force members commented on the need for OHCA to have additional CON staff and resources to better vet applications and conduct research; and (4) OHCA staff clarified that rate setting occurs in same department as CON in Maryland but operates separately from CON.

- VIII. Discussion Regarding Purpose and Goals of CON.** The Task Force engaged in a discussion to determine whether Connecticut should have a CON program or other regulatory oversight and, if so, to determine the purpose and goals of such regulation. Highlights of the discussion include:
- There was consensus that Connecticut should retain a CON program.
 - Members discussed the ways in which a CON program can support state health planning efforts and ensure competition, as well as the potential role of CON in addressing community unmet needs and quality. While state health planning was not seen as a major function of the CON program, CON programs were discussed as a vehicle in which to implement an overall state health plan.
 - Members proposed that a CON program may not be the best regulatory vehicle to address cost containment or ensure quality improvement. It was asserted that other regulatory vehicles, or the promotion of a competitive market, may be more effective in achieving these goals.
 - Many members voiced that relying on anti-trust laws alone is not the most effective way to regulate health care, especially in areas outside of cost containment, such as access.
 - Members discussed the importance of considering the services subject to CON and actions that trigger CON while envisioning the purpose and goals of a CON program. Members requested information on the current CON statutes and processes, as well as other regulatory processes that exist to regulate access, cost, and quality, in order to determine whether CON programs would be effective in improving those areas.
- IX. Next Steps:** Anne Foley provided an overview of the goals for next month’s meeting, which includes a group discussion to evaluate whether services subject to CON or actions that trigger CON are aligned with determined purposes and goals.
- X. Adjournment:** Commissioner Roderick Bremby motioned to adjourn, which was seconded by John Canham-Clyne. The meeting adjourned at 4:13 PM.