Planning Areas for Health Care Facilities and Services in Connecticut

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OHCA Statutes related to State-wide Health Planning

Section 19a-634 requires OHCA to establish and maintain a state-wide health care facilities and services plan.

"Such plan may include, but not be limited to … an assessment of the availability of acute hospital care, hospital emergency care, specialty hospital care, outpatient surgical care, primary care and clinic care;"

Section 19a-637 requires OHCA "promote the provision of quality health care in a manner that ensures access for all state residents to cost-effective services so as to avoid duplication of health services and improve the availability and financial stability of health care services throughout the state."

In Addition,

Section 19a-638. Certificate of need. When required and not required. Request for office determination. Policies, procedures and regulations. (a) A certificate of need issued by the office shall be required for:

(1) The establishment of a new health care facility;

(3) The establishment of a free-standing emergency department;

(4) The termination by an acute care general hospital or children's hospital of inpatient and outpatient mental health and substance abuse services;

(5) The establishment of an outpatient surgical facility;

(6) The termination of an emergency department by an acute care general hospital;

(7) The establishment of inpatient and outpatient cardiac catheterization, interventional cardiology and cardiovascular surgery;

(8) The acquisition of CT scanners, MRI scanners, PET scanners or PET-CT scanners

(9) The acquisition of nonhospital-based linear accelerators;

(11) The acquisition of equipment utilizing technology that has not previously been utilized in the state; and

(12) An increase of two or more operating rooms within any three-year period by an outpatient surgical facility or by an acute care general hospital.

Why are Planning Areas Needed?

Planning for health care services requires geographic and demographic frames of reference. Identification of the population to be served will allow a project to be rationally planned, budgeted and its results assessed.

If a market to be served can be specified geographically and demographically there is a larger potential for success of the proposal.

Planning areas allow for the determination of capacity. Excess capacity can jeopardize the quality of care, introduce inefficiencies, increase costs to the population as well as the provider.

Planning areas also allow for health care providers to collaborate. When it is clear that only one provider of a service is required, then providers may join together to provide the service under a single proposal

How does Excess Capacity Affect Health Care Services and Facility ?

There is a direct positive relationship between volume and outcomes. The more cases or procedures performed by a hospital or physician, the better the quality of care. This is the reason many states establish minimum volume thresholds.
With Medicare, Medicaid and other public health payers, the cost of excess capacity falls mainly on the taxpayers. Excess capacity is also a disadvantage to the providers when negotiating rates with payers.

Excess capacity often promotes the unnecessary utilization of services, such as requesting expensive tests and procedures when resources are readily available and need to be paid for.

Excess capacity may cause health care providers to compete to maintain a viable market share rather than focusing on productive activities.

The public's safety net services are often threatened when providers close or shrink their less financially viable services in inner city area and conversely rural areas.

Planning Areas in Other States

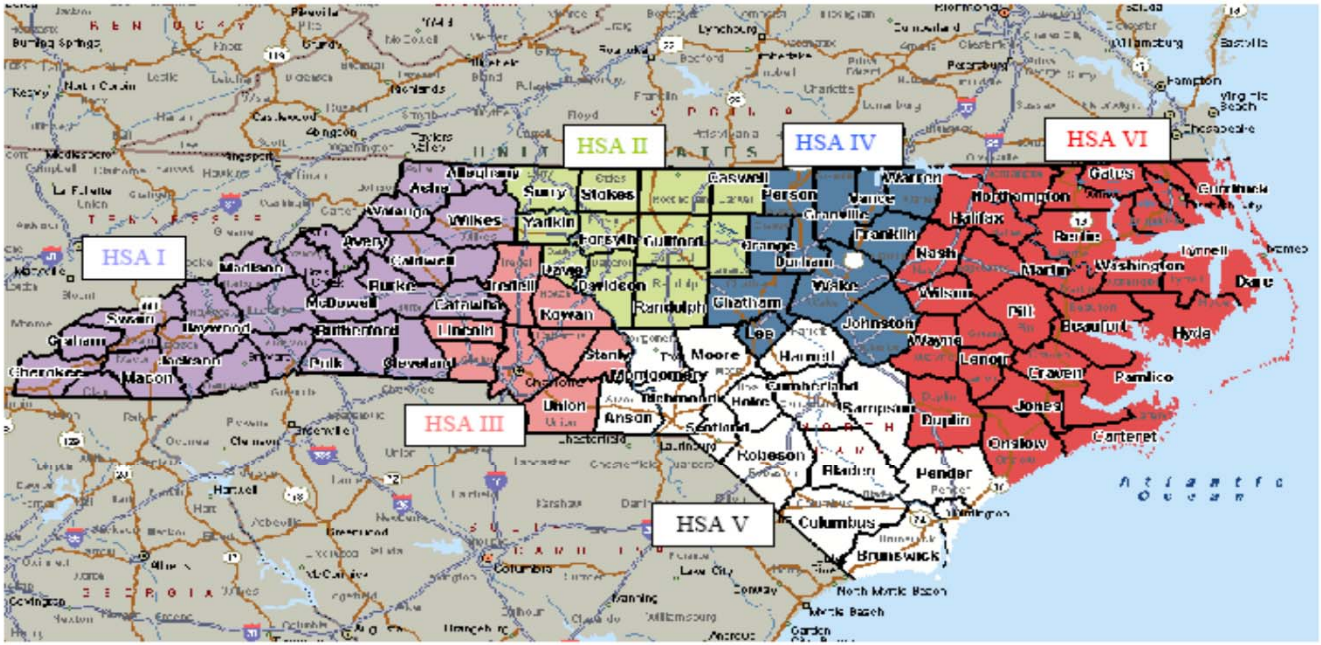
Most states outside of New England use county as the starting individual area to include in a planning area. However, in Connecticut we generally focus on towns, not counties. To complicate things further, towns may be composed of cities, boroughs, and villages.

Frequently in Connecticut, the ZIP code is used for a geographical boundary. Other states also use census tracts as established by the Census Bureau.

The following slides will show just a sample of the ways other states have established planning areas.

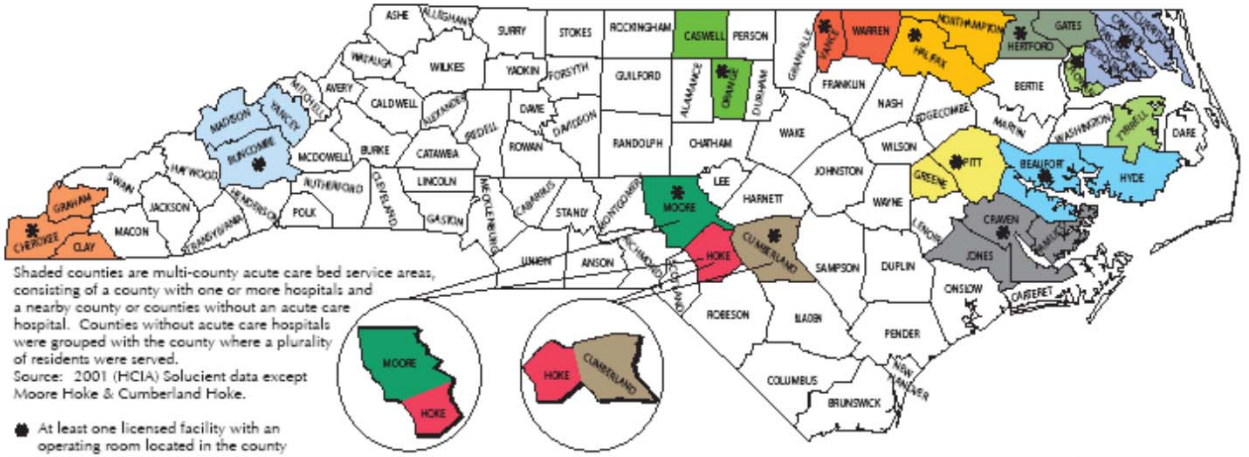
North Carolina Service Areas

Appendix A: North Carolina Health Service Areas



North Carolina's Acute Care Bed Service Areas

Figure 5.1: Acute Care Bed Service Areas



Shaded counties are multi-county acute care bed service areas, consisting of a county with one or more hospitals and a nearby county or counties without an acute care hospital. Counties without acute care hospitals were grouped with the county where a plurality of residents were served.
Source: 2001 (HCIA) Solucient data except Moore Hoke & Cumberland Hoke.

✱ At least one licensed facility with an operating room located in the county

Hospital	Multi-County Service Area	Color Code
Murphy Medical Center	Cherokee, Clay and Graham	
Mission Hospitals	Buncombe, Madison and Yancey	
First Health Moore Regional	Moore and Hoke	
Cape Fear Valley Medical Center	Cumberland and Hoke	
University of North Carolina Hospital	Orange and Caswell	
Maria Parham Hospital	Vance and Warren	
Our Community Hospital and Halifax Regional Medical Center	Halifax and Northampton	
Pitt County Memorial Hospital	Pitt and Greene	
Craven Regional Medical Center	Craven, Jones and Pamlico	
Pungo District Hospital Corporation and Beaufort County Hospital	Beaufort and Hyde	
Roanoke-Chowan Hospital	Hertford and Gates	
Chowan Hospital	Chowan and Tyrell	
Albemarle Hospital	Pasquotank, Camden, Currituck and Perquimans	

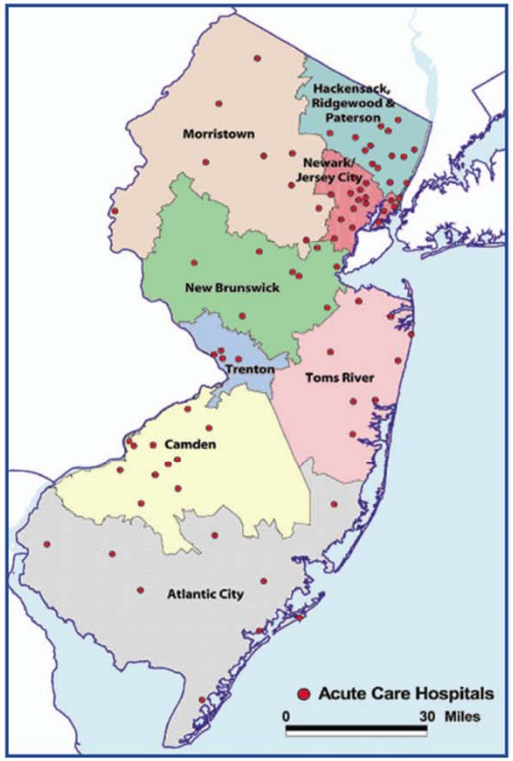
Additional Planning Areas in North Carolina

North Carolina has 100 counties. These counties are assigned to various planning areas depending on the facility or service. The following table lists the other planning areas and the number of areas assigned. The number of counties can range from one (1) to nine (9).

Planning Area	Number of Areas
Mental Health	40
Ambulatory Surgical Facilities	30
Magnetic Resonance Imaging	40
Radiation Oncology Treatment Centers	25

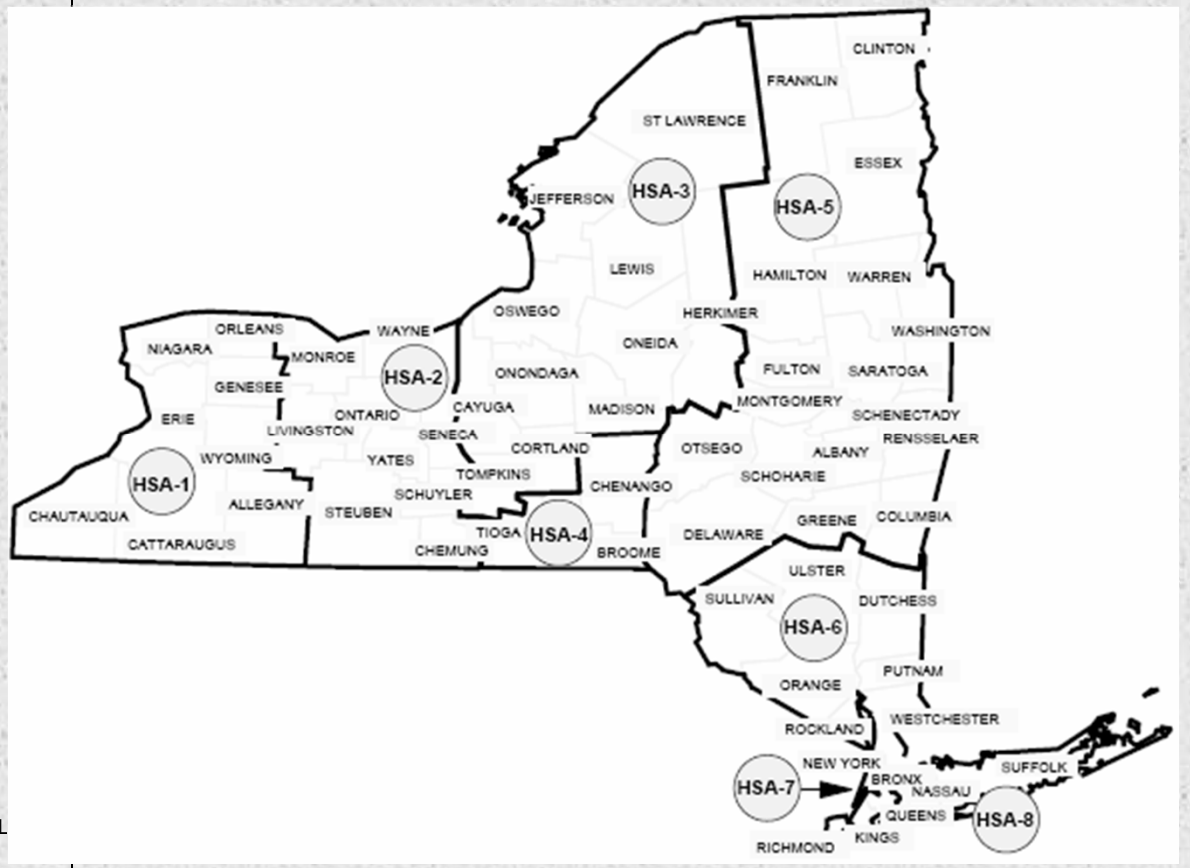
New Jersey Acute Care Hospitals By Market Areas

Figure 3.3:
New Jersey Hospital Market Areas



New York State's Health Service Areas and Counties

1 WESTERN NY	5 NORTHEASTERN NY
ALLEGANY	ALBANY
CATTARAUGUS	CLINTON
CHAUTAUQUA	COLUMBIA
ERIE	DELAWARE
GENESEE	ESSEX
NIAGARA	FRANKLIN
ORLEANS	FULTON
WYOMING	GREENE
	MONTGOMERY
2 FINGER LAKES	OTSEGO
CHEMUNG	RENSSELAER
LIVINGSTON	SARATOGA
MONROE	SCHENECTADY
ONTARIO	SCHOHARIE
SCHUYLER	WARREN
SENECA	WASHINGTON
STEUBEN	
WAYNE	6 MID-HUDSON
YATES	DUTCHESS
	ORANGE
3 CENTRAL NY	PUTNAM
CAYUGA	ROCKLAND
CORTLAND	SULLIVAN
HERKIMER	ULSTER
JEFFERSON	WESTCHESTER
LEWIS	
MADISON	7 NEW YORK CITY
ONEIDA	BRONX
ONONDAGA	KINGS
OSWEGO	NEW YORK
ST LAWRENCE	QUEENS
TOMPKINS	RICHMOND
4 NY-PENN	8 NASSAU-SUFFOL
BROOME	NASSAU
CHENANGO	SUFFOLK
TIOGA	

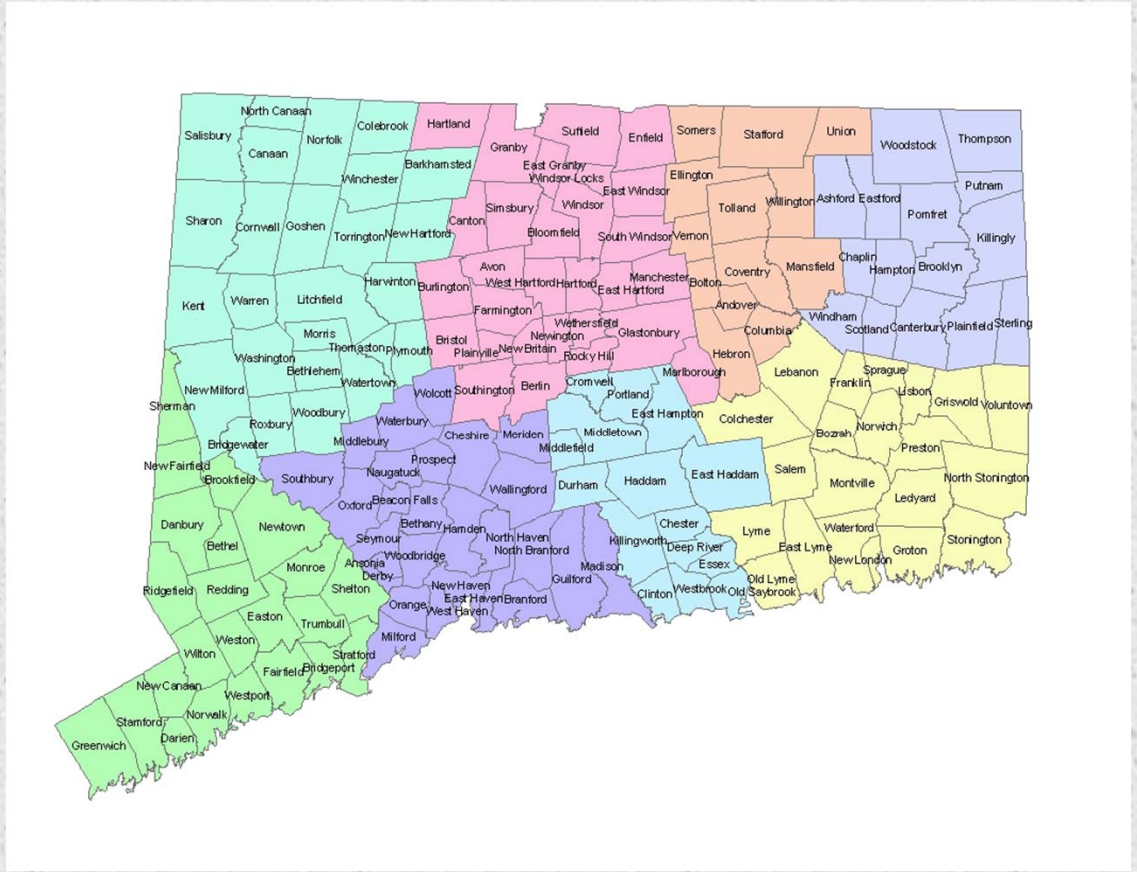


How Maryland Defines Its Service Areas

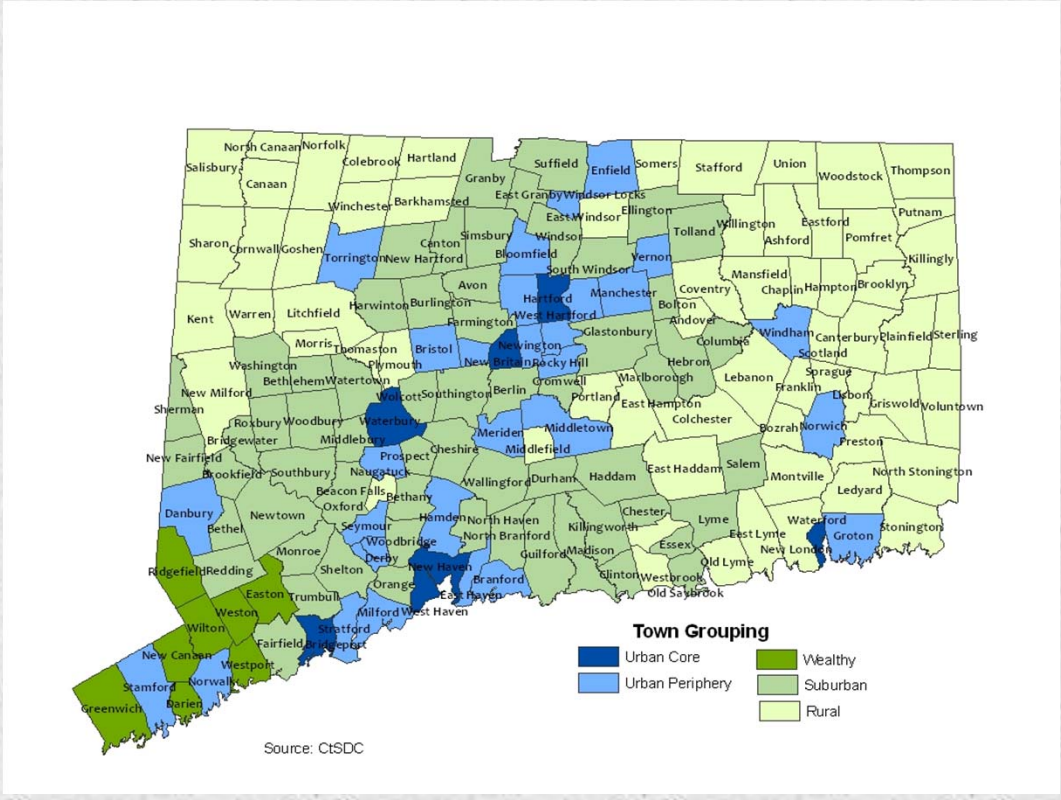
- "Service Area" means the contiguous area comprised of the postal zip code areas from which the first 85% of a hospital's discharges patients originated during the most recent 12 month period.

- "Primary Service Area" means"
  i. The Maryland post ZIP code areas from which the first 60% of a hospital's patient discharges originate during the most recent 12 month period, where the discharges from each ZIP code are ordered from largest to smallest number of discharges
  ii. Point ZIP codes physically within any of the ZIP codes designated in (i) and
  iii. Maryland ZIP codes physical contiguous to any of the ZIP codes designated in (i) that provided 50% or more of their discharges to the hospital in the 2 month period.

Towns and Counties of Connecticut



Towns of Connecticut Grouped by Socioeconomic Characteristics



Planning Areas in Connecticut

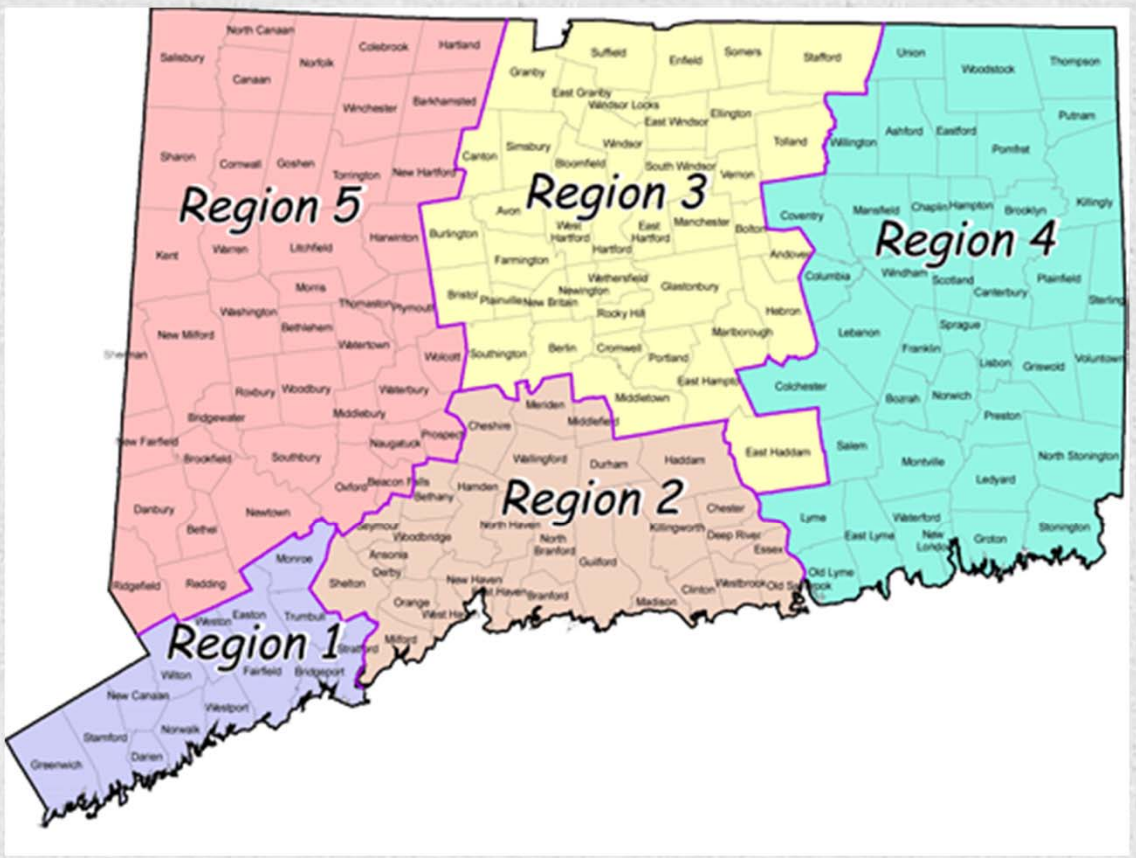
OHCA (Department of Public Health Office of Health Care Access):

- Certificate of Need applications (CON) are evaluated on a case-by-case basis.
- Applicant provided a list of towns, zip codes, or other areas as their proposed service area for the proposal.

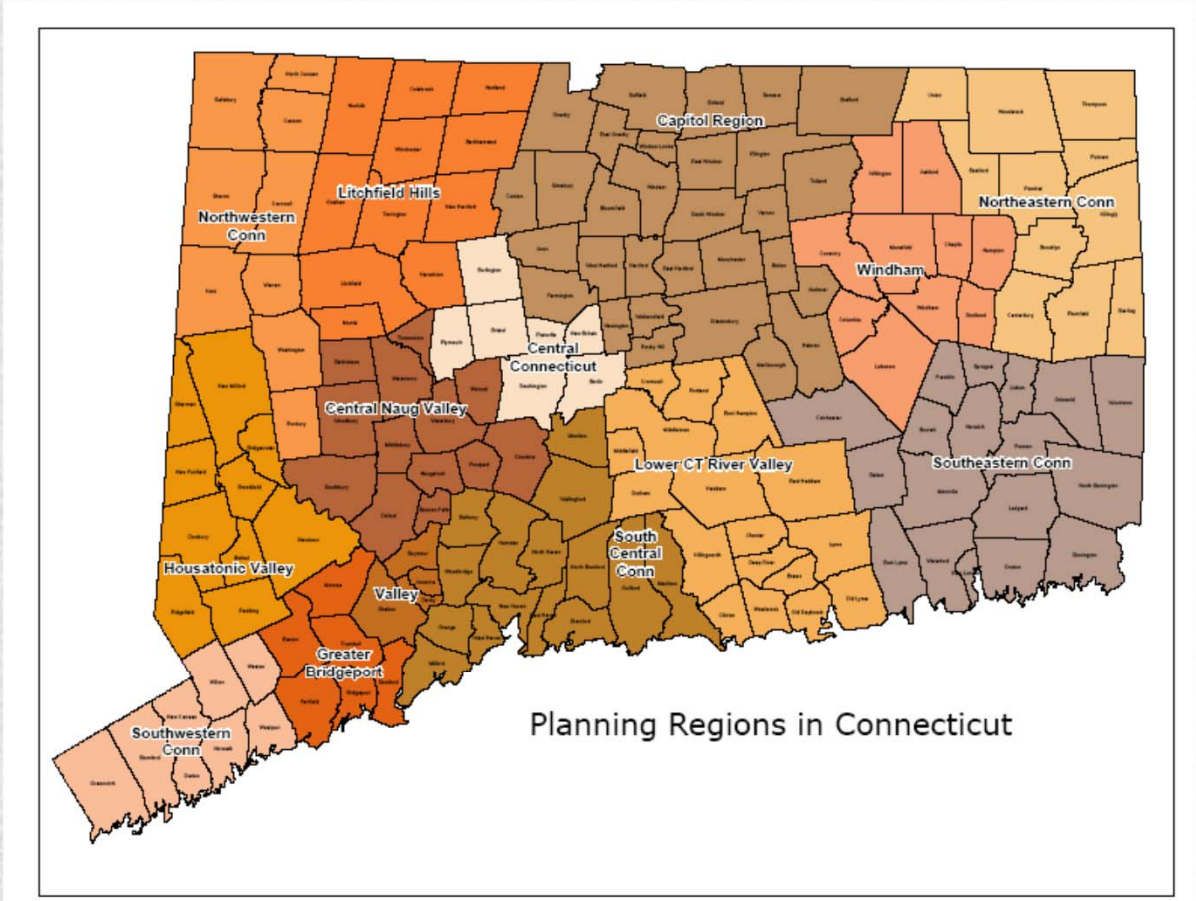
DEMHS (Department of Emergency Management and Homeland Security), soon to become Department of Emergency Services and Public Protection):

- Establish tits own regions to be used in the preparation of local emergency plans.
- DEMHS has teams located in five offices around the state to assist in preparation of local emergency plans and are the primary interface with the local officials (Emergency Managers and Chief Elected Officials) of each of the 169 towns in Connecticut.

DEMHS Regions:



OPM Regional Planning Organization's Regions



OPM's Regional Planning Organizations are used to provide general financial support to the organizations in the performance of their statutory responsibilities and associated elective work activities.

Planning Areas in Connecticut (continued)

DMHAS (Department of Mental Health and Addiction Services) divides the state into five separate regions loosely based on Connecticut's original 8 counties:

DDS (Department of Development Services) has three regions, North, South and West. The North regions has 57 towns within Greater Hartford, Tolland, and Windham counties. The South region has 55 towns from the counties of New Haven, Middlesex and New London. The West has the remaining 57 towns located in Fairfield, Litchfield and New Haven counties.

Possible Exceptions to a Designated Planning Area

Additional factors that may be considered when evaluating a Certificate of Need application concerning a designated planning area or an Applicant's proposed service area:

- Population with considerations of the percentages by sex, ages, and race/ethnicity
- Changes in the State Facility Inventory
- Unusual Utilization of services in the planning area (low, high, intermittent)
- Location of facility near border of another state or even another planning area
- Consolidations and Mergers, especially those that include two or more designated planning areas
- Provider Networks
- Urban vs. Rural
- Areas designated as Medically Underserved Areas or Health Professional Shortage Areas

Moving Forward:

Issues in need of further discussion:

- Basic Starting Point (counties, towns, existing agency area)
- Do Secondary Service Areas need to be considered?
- Target utilization rates by service
- Exceptions

DPH-OHCA staff are looking forward to working collaboratively with the advisory body to determine the most effective and appropriate model or models to use to determined planning area for Connecticut's health care system.

Sources

- Health Services Planning and CON Regulation in Mississippi, October 2006
- A Plan to Stabilize and Strengthen New York's Health Care System – A Final Report of the Commission on Health Care Facilities in the 21st Century, December 2006
- Maryland State Statues and Regulations, COMAR 10.24.10
- Rules of the Tennessee Health Facilities Commission
- Supply and Utilization of New Jersey Acute Care Hospitals, Final Report 2008
- South Carolina Health Plan, 2008-2009