



Senate

General Assembly

File No. 421

February Session, 2004

Substitute Senate Bill No. 563

Senate, April 1, 2004

The Committee on Public Health reported through SEN. MURPHY of the 16th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE CERTIFICATE OF NEED PROCESS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 19a-630a of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective October 1, 2004*):

3 As used in sections 19a-638 to [19a-639a] 19a-639e, inclusive, as
4 amended, "affiliate" means any health-care-related person [who] that
5 directly or indirectly through one or more intermediaries, controls or is
6 controlled by or is under common control with, another health-care-
7 related person. [In addition to other means of being controlled] For
8 purposes of this section, a person is deemed controlled by another
9 person if the other person, or one of that other person's affiliates,
10 officers or management employees, acting in such capacity, acts as a
11 general partner of a general or limited partnership or manager of a
12 limited liability company. [in question. For purposes of this section,
13 "health-care-related person" means an entity that is licensed by a state
14 agency to provide direct patient care services for the prevention,

15 diagnosis or treatment of human health conditions.]

16 Sec. 2. Section 19a-641 of the general statutes is repealed and the
17 following is substituted in lieu thereof (*Effective October 1, 2004*):

18 Any health care facility or institution and any state health care
19 facility or institution aggrieved by any final decision of said office
20 under the provisions of sections 19a-630 to 19a-640, inclusive, as
21 amended, or section 19a-648 or 19a-650, regardless of whether the final
22 decision was made in a contested case, may appeal therefrom in
23 accordance with the provisions of section 4-183, except venue shall be
24 in the judicial district in which it is located. Such appeal shall have
25 precedence in respect to order of trial over all other cases except writs
26 of habeas corpus, actions brought by or on behalf of the state,
27 including informations on the relation of private individuals, and
28 appeals from awards or decisions of workers' compensation
29 commissioners.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>

PH Joint Favorable Subst.

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

Changes contained within Section 1 of the bill will result in no fiscal impact for the Office of Health Care Access (OHCA).

Any workload increase to the Office of the Attorney General or OHCA in response to provisions in Section 2 can be accommodated within each agency's anticipated budgetary resources since few OHCA decisions resulting in a denial of a request or application are rendered presently involving cases for which no public hearing was held.

OLR Bill Analysis

sSB 563

AN ACT CONCERNING THE CERTIFICATE OF NEED PROCESS**SUMMARY:**

This bill allows any health care facility or institution, including state facilities or institutions, aggrieved by any final decision of the Office of Health Care Access (OHCA) to appeal to Superior Court even if no public hearing was held.

The bill also broadens the definition of “affiliate” for OHCA certificate of need (CON) purposes by eliminating a related definition of “health-care related person.” Current law defines “affiliate” as any health care-related person who, directly or indirectly through at least one intermediary, controls, is controlled by, or is under common control with, another health care-related person. It defines “health care-related person” as an entity licensed by the state to provide direct patient care services for the prevention, diagnosis, or treatment of human health conditions. The bill eliminates the latter definition but not reference to it.

By law, a health care facility or institution must get a CON from OHCA whenever it intends to (1) change the governing powers of the board of a parent company or an affiliate or (2) change or transfer the powers or control of a governing or controlling body of an affiliate.

EFFECTIVE DATE: October 1, 2004

BACKGROUND***Certificate of Need (CON)***

CON is a regulatory process, administered by OHCA, for reviewing certain proposed capital expenditures by health care facilities, acquisition of major medical equipment, institution of new services or functions, termination of services, transfer of ownership, and decreases in bed capacity. Generally, a CON is a formal OHCA statement that a

health care facility, medical equipment purchase, or service change is needed.

COMMITTEE ACTION

Public Health Committee

Joint Favorable Substitute

Yea 22 Nay 0